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PRICE MOVEMENTS, JULY, 1940 (PRELIMINARY)

Commodity price movements were narrow during July as indicated by upper and lower limits of 82.2 and 81.6 for the Dominion Bureau of Statistics' weekly general wholesale price index. The range would have been still narrower had it not been for the seasonal peak and a subsequent reaction in potato prices. Among the relatively small number of commodities to show price increases were imported coal, dyeing and tanning materials, gasoline, butter, hogs and wheat. Declines occurred for oats, steers, packer hides, cheese, raw cotton, raw silk, and tin. The final weekly index of 82.1 for July was 0.6 per cent above the opening level.

The Dominion Bureau of Statistics index of retail commodity prices, rents and costs of services advanced from 86.0 in June to 86.7 in July. Foods and fuel were mainly responsible for the increase, which placed the index 4.4 per cent above the level of August, 1939. A lengthy list of food advances including beef, veal, eggs, canned tomatoes, and potatoes caused the food index to move up from 78.0 to 79.8 in spite of declines in butter, cheese, and lard. The fuel index advanced sharply from 86.9 to 88.9, as quotations for coal and coke were increased. A fractional change from 95.6 to 95.8 in the Miscellaneous group was due mainly to higher prices for gasoline.

Security markets recorded general advances during July with increases occurring for both stocks and bonds. The major portion of gains subsequently noted, occurred in the latter half of the month. The Investors' index of 95 common stock prices mounted 7.9 p.c. in July to close at 75.6. Mining stocks were also firmer, the Bureau's price index of 25 mining issues advancing 15.0 p.c., led by sharp recovery in base metal stocks. A Dominion of Canada long term bond price index moved up 0.5 p.c. to 114.9.

Canadian Foreign Exchange Control Board rates for sterling and United States funds remained unchanged at \$4.43 - \$4.47 and \$1.10 and \$1.11 respectively during July. At New York sterling free market rates fluctuated between a low of \$3.66½ on July 11th and a peak of \$3.91 on the 19th, while a closing rate of \$3.83¾ indicated a net increase of 3¾¢. Canadian funds advanced 5 1/8¢ to 88¼¢ in the same interval. Since July 18th trading in free sterling rates has been limited. This followed new regulations from London permitting only official sterling rates in payment for British exports. Argentine free peso rates at Montreal were somewhat firmer in July, quotations advancing from 23.87¢ at the end of June to 24.20¢ on July 31st.

SUMMARY OF PRICE INDEXES  
 (1926 = 100 for all index series)

	July 1939	June 1940	July, 1940				
			4th	11th	Week Ended-		Aug. 1
					18th	25th	
<b>WHOLESALE /</b>							
General - 567 Price Series .....	72.6	81.6	82.2	81.7	82.0	82.0	82.1
Industrial Materials .....	64.9	77.9	77.6	77.4	77.7	77.8	77.3
Canadian Farm Products .....	62.6	64.3	65.8	65.0	64.2	63.5	62.3
<b>RETAIL PRICES, RENTS AND SERVICES</b> .....	83.1	86.0	-----		86.7	-----	
(1st of month)							
<b>SECURITY PRICES</b>							
Investors' Price Index (95 common stocks)	97.3	71.9	70.2	70.6	72.0	73.1	75.0
68 Industrials .....	159.2	111.3	109.3	110.8	112.8	114.7	118.1
19 Utilities .....	42.7	35.8	35.1	34.5	35.6	35.9	36.7
Mining Stock Price Index (25 stocks).....	155.8	90.9	86.7	86.8	90.4	95.1	101.1
22 Golds.....	117.7	67.9	65.7	65.7	67.9	71.3	74.6
3 Base Metals .....	314.7	186.6	173.6	175.3	183.2	193.6	211.7
Dominion of Canada Long-Term Bonds .....							
Price Index .....	119.2	114.4	114.3	114.4	114.6	114.7	114.9
Yield Index .....	66.8	73.0	73.1	73.0	72.7	72.6	72.4
<b>FOREIGN EXCHANGE QUOTATIONS</b> -noon rates at							
(Bank of Canada) Montreal							
Sterling x .....	4.6885	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500
U.S. dollars x .....	1.0015	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050
Indian rupee .....	34.96	33.59	33.59	33.59	33.59	33.59	33.59
Argentine peso-free market.....	23.20	24.38	23.59	23.57	23.94	24.65	24.23

\*Week ends Friday instead of Thursday. x Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since Sept. 18, 1939.

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