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PRICE MOVEMENTS, MAY, 1942 (PRELIMINARY)

WHOLESALE: Moderate increases for a limited number of items, including pulp, oats, steers and hogs were sufficient to advance the weekly industrial materials composite index on the base 1926=100 from 93.6 for the final week of April to 94.1 for the week of May 29. Section indexes reflected the advance also, the food group moving up 2.4 points to 88.7 during the month while the stable group closed 0.3 points higher at 113.6. The manufacturing series at 80.9 was unchanged. Canadian farm product prices continued to move higher reflecting advances for both field and animal products. Closing the month at a peak of 81.0 the weekly composite series indicated an increase of 1.3 points over the final April figure. Animal products registered an increase of 2.7 to 106.8, due to sharply higher prices for livestock and a small advance for eggs. During the same period the field products series rose 0.5 points to 65.7, reflecting gains for grains and potatoes which more than offset a decline in hay prices.

COST OF LIVING: (Wartime increase 15.2 per cent - from 100.8 to 116.1) The Dominion Bureau of Statistics cost-of-living index advanced from 115.9 on April 1 to 116.1 on May 1, 1942. This index has risen 15.2 per cent between August 1939 and May 1942. The May increase was due mainly to foods, although fractional gains were recorded for clothing and rent. Between April and May the food index moved up from 123.4 to 124.3, because of increases in meats, vegetables and fruits; egg prices declined moderately. In May the rent index advanced from 111.2 to 111.3, and clothing increased from 119.8 to 119.9. Home-furnishings declined from 118.1 to 118.0 because of small reductions among floor coverings and cleaning supplies. The two remaining groups remained unchanged in May as follows: fuel 112.9 and miscellaneous items 107.1.

SECURITIES: Resistance to the persistent downward trend in stock prices developed in May, and the Investor's index for 95 common shares gained 1.8 points to 62.5 between April 30 and May 28. Accounting for most of this increase was appreciable strength for machinery and equipment shares coupled with gains for oil issues, beverages, building materials and industrial mines. The industrial section index gained 2.2 points to 58.5 in May, while the utility section series moved up 1.2 to 66.9, largely due to higher quotations in the power and traction sub-group. Bank shares were fractionally lower, easing 0.3 to 87.2. Quotations in the mining section also shared in the current market upturn, a composite index for 25 representative issues moving up to a peak of 53.9 for the week of May 21, while the close at 52.5 indicated a net increase of 2.7 points. Both golds and base metal shares showed increases, the former gaining 3.2 to 40.9 and the latter 1.7 to 75.5 between April 30 and May 28. Dominion of Canada long-term bond yields were somewhat easier in May, an index based upon a 15-year 3 p.c. theoretical issue declining 0.3 points to 99.3 during the week of May 21 where it held for the remainder of the month.

SUMMARY OF PRICE INDEXES
 (1926=100 for Wholesale Prices)

(1935-39=100 for Cost of Living and Security Prices)

	May 1941	Apr. 1942	May, 1942			
			7th	14th	21st	28th
WHOLESALE						
Industrial Materials	86.5	93.5	93.5	93.8	94.0	94.1
Canadian Farm Products	69.6	79.5	79.8	80.0	80.5	81.0
COST OF LIVING (1st of month)	109.4	115.9			116.1	
Investors' Price Index (95 common stocks)	63.9	61.1	61.1	61.8	62.6	62.5
53 Industrials	60.7	56.6	56.7	57.7	58.6	58.5
19 Utilities	65.2	66.3	65.9	66.1	66.8	66.9
Mining Stock Price Index (25 stocks)	71.2	49.3	49.5	51.0	53.9	52.5
22 Golds	66.1	37.5	37.3	38.7	41.6	40.9
3 Base Metals	81.2	72.8	73.8	75.5	78.3	75.5
Dominion of Canada Long-Term Bonds -						
Yield Index	101.1	99.6	99.6	99.6	99.3	99.3
FOREIGN EXCHANGE QUOTATIONS - noon rates at Montreal						
U.S. dollars (x)	1.105	1.105	1.105	1.105	1.105	1.105
Sterling (x)	4.450	4.450	4.450	4.450	4.450	4.450

Week ends Friday instead of Thursday. (x) Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since September 16, 1939.

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