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PRICE MOVEMENTS, JANUARY, 1946 (PRELIMINARY)

**WHOLESALE:** Canadian farm product prices in January continued firm as indicated by a gain of 0.1 to 106.5 in the composite index for this group, between December 28 and January 25. Field products rose 0.4 to 95.4 due to higher quotations for potatoes, rye and onions. In the animal products group continued seasonal weakness in eggs outweighed strength in livestock and poultry to lower the index 0.2 to 125.2.

Paralleling the movement in farm prices the composite index for 30 industrial material prices rose 0.2 to 99.2 between the weeks of December 28 and January 25. Higher foods were principally responsible for the gain, an index for this series advancing 1.1 points to 102.7 due to strength in steer and hog quotations. In the remaining two sub-groups raw cotton supported a rise of 0.1 to 85.3 in the manufacturing materials series, while an advance of the same amount for the stable series index to 115.2, was due to a seasonal increase in freight rates for steel sheets.

**COST OF LIVING:** (Increase since August 1939, 18.9 p.c.--from 100.8 to 119.9). The Dominion Bureau of Statistics cost-of-living index declined fractionally from 120.1 on December 1, 1945, to 119.9 on January 2, 1946. The food index fell from 134.3 to 132.8, with a sharp decline in egg prices outweighing lesser increases for butter and fresh vegetables. Other groups remained unchanged with the exception of clothing which edged upward from 122.5 to 122.6, and miscellaneous items which rose from 109.6 to 110.9. Results of an annual survey of health maintenance costs showed costs in this group to be generally higher. A similar review of life insurance rates recorded small increases in certain types of policies. Other group indexes held unchanged as follows: rents 112.3, fuel and light 107.1, homefurnishings and services 119.5.

**SECURITIES:** Stock market prices were exceptionally strong in January 1946, the Investors' weekly index of 100 common shares advancing 10.0 p.c. to 124.6 between December 27 and January 31. The index for 74 industrials rose 10.1 p.c. to 116.9 while 18 utilities were up 8.6 p.c. to 148.6. All sub-groups were higher, paced by a gain of 18.4 p.c. to 361.9 for beverages and followed by transportation shares 13.7 p.c. higher at 255.1, banks 12.6 p.c. at 126.1, foods and allied products 12.5 p.c. at 132.0, industrial mines 11.0 p.c. at 108.6, machinery and equipment 9.6 p.c. at 171.1, power and traction 8.8 p.c. at 125.3 and building materials 8.3 p.c. at 152.8. In the mining stock section the composite weekly index for 25 representative issues stiffened 8.2 p.c. to 118.2. The index for 3 base metals rose 13.6 p.c. to 129.0 as the month closed, while the series for 22 golds moved up 5.7 p.c. to 111.4. Dominion of Canada long-term bond prices continued to register strength as indicated by the yield of a theoretical 15-year 3 p.c. issue which declined from 2.83 on December 26 to 2.73 on January 30.

SUMMARY OF PRICE INDEXES  
 (1926=100 for Wholesale Prices)  
 (1935-39=100 for Cost of Living and Security Prices)

	Jan. 1945	Dec. 1945	January, 1946				
			Week ended -				
			3rd	10th	17th	24th	31st
<b>WHOLESALE</b> /							
Industrial Materials .....	100.2	98.9	99.1	99.0	99.1	99.2	-
Canadian Farm Products .....	104.4	106.3	106.4	106.0	106.1	106.5	-
<b>COST OF LIVING</b> (1st of month).....	118.6	120.1	-----119.9-----				
Foods .....	130.2	134.3	-----132.8-----				
<b>INVESTORS' PRICE INDEX</b> (100 com.stocks)	89.4	112.5	115.0	121.5	124.1	123.9	124.6
74 Industrials .....	83.6	105.8	107.4	113.8	116.8	116.4	116.9
18 Utilities .....	107.7	135.9	140.3	148.5	148.3	149.0	148.6
<b>MINING STOCK PRICE INDEX</b> (25 stocks)..	85.6	108.2	109.1	113.4	113.4	114.4	118.2
22 Golds .....	80.5	104.0	104.5	105.3	105.6	106.4	111.4
3 Base Metals .....	93.9	113.8	115.6	126.9	126.2	127.8	129.0
<b>DOMINION OF CANADA LONG TERM BONDS</b>							
Yield Index .....	96.7	92.2	91.8	90.9	89.2	89.6	88.6

/ Week ends Friday instead of Thursday.

