

DEPARTMENT OF TRADE AND COMMERCE
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SECURITY PRICES AND FOREIGN EXCHANGE, OCTOBER 22-OCTOBER 28.
(1926 = 100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Industrial and utility common stock averages displayed an easier tendency at the opening of the week ended October 28. On Monday (October 25) prices were moderately firmer, and most sub-groups showed gains which were partially erased the following day. Stocks rallied again subsequent to the announcement that margin requirements on stock purchases would be lowered on November 1, and prices advanced generally in sympathy with New York. Although daily price levels for most groups were lower at the close than those of the preceding week, the weekly averages recorded appreciable gains. Trading volume was down sharply from last week's high for the current year. Among industrial issues to show net losses were industrial mines, oils, pulp and paper and building materials while foods, textiles, machinery and equipment, milling and beverages registered minor advances. Utilities moved higher although changes were mostly fractional. The Investors' daily price index for industrial, utility and bank common stocks receded 0.5 points for the week ended October 28, dropping to 107.9. Industrials were down 1.5 to 173.8 while utilities rose 0.2 to 53.1 and banks 0.3 to 80.3

MINING STOCK PRICES

Mining stocks concluded the week ended October 28, with appreciable gains to the credit of both gold and base metal groups. Consequently the price index of twenty-four mines advanced from 115.8 for the week of October 21 to 123.7 for the week under review. Stocks at first displayed an unsettled appearance and base metal leaders were inclined to move lower. On Monday the 25th, a rally occurred, co-incidental with sharp recovery on New York market, although mining issues exhibited less strength than industrials. Golds continued to advance on Tuesday with gains slightly exceeding losses, but reaction appeared in base metals. In the next two days, stocks showed general improvement, stimulated by a good demand in the golds and the news of a change in margin requirements announced in United States. The daily index of mining stock prices rose from 123.2 on October 21 to 127.1 on the 28th, with the gold section rising 5.0 to 109.6 while base metals dropped 0.5 to 198.3.

LONG-TERM BOND PRICES AND YIELDS

The Dominion Bureau of Statistics index number of Dominion of Canada long-term bond prices, on the base 1926 = 100, declined from 114.5 for the week ending October 21 to 114.2 for the week ending October 28. This was 2.4 points below the corresponding week of last year, and 1.8 points above the low of this year for the week ending March 25. Prices held comparatively steady during the week at a little above the previous week's close but the volume of business transacted remained small. Provincials were very quiet with no price changes of importance occurring. British Consols rallied mounting from 74 1/8 to 74 5/8, recovering a large part of the preceding week's loss, but the Dow-Jones average of 40 high-grade United States bonds dropped from 95.29 to 94.32. The index for Dominion of Canada long-term bond yields rose from 59.7 to 59.9 over the same period, and the average yield of the issues used in this index changed from 3.34 to 3.36.

FOREIGN EXCHANGE

Considerable attention was attracted during the past week by a shipment of over \$6,000,000 in gold from Japan to the United States. This coincided with recovery in yen rates and sterling also advanced. It was believed that much of this gold was being used to buy sterling for the settlement of European accounts. Sharp losses in the French franc on October 26 were mostly recovered in the next few days. Montreal rates on New York funds reached par temporarily also on October 26, and then dropped back again to a slight discount.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	OCTOBER						Weekly Average Oct.22-28	Preceding Weekly Average Oct.15-21	Corresponding Weekly Average Last Month	Weekly Average A Year Ago
	22	23	25	26	27	28				
INVESTORS' PRICE INDEX, 96 COMMON STOCKS	107.4	104.4	107.3	105.8	106.6	107.9	106.7	102.2	113.7	128.8
68 INDUSTRIALS	173.5	167.6	173.3	170.5	171.7	173.8	171.9	164.2	183.7	214.3
Machinery and Equipment (8)	105.9	102.3	108.5	107.2	106.9	109.1	106.9	98.5	113.9	128.9
Pulp and Paper (6)	23.6	22.9	22.9	22.6	22.6	22.6	23.0	20.9	26.1	24.9
Milling (4)	73.2	72.4	72.3	77.4	78.6	78.6	73.6	66.4	86.6	103.7
Oils (4)	197.2	191.7	195.4	194.0	195.0	196.6	195.2	186.6	199.8	238.6
Textiles and Clothing (10)	68.5	68.4	67.4	69.1	68.7	69.3	68.5	66.1	70.4	74.5
Food and Allied Products (13)	152.7	153.2	152.7	154.3	154.7	156.2	153.7	149.6	161.9	174.1
Beverages (7)	106.6	103.7	107.6	108.1	108.0	109.0	107.4	102.1	114.2	132.1
Building Materials (14)	137.3	132.6	133.8	134.9	133.6	135.8	134.6	127.5	144.5	164.8
Industrial Mines (2)	397.5	379.3	401.5	386.0	391.6	398.3	393.4	379.4	438.3	514.5
19 UTILITIES	52.3	51.5	52.3	51.7	52.3	53.1	52.2	49.9	56.0	59.7
Transportation (2)	21.3	20.3	21.3	20.3	21.1	21.3	20.9	20.1	23.5	33.1
Telephone & Telegraph (2)	121.7	122.3	122.3	123.1	122.3	122.3	122.2	121.6	124.6	114.8
Power and Traction (15)	71.7	70.7	71.6	71.1	71.7	73.4	71.7	67.6	77.1	78.2
9 BANKS	81.0	80.8	80.7	80.9	81.0	80.3	80.8	80.5	82.5	81.8
MINING STOCK PRICE INDEX, 24 STOCKS	122.6	119.2	122.2	121.6	126.3	127.1	123.7	115.8	125.1	158.7
Gold Stocks (21)	104.8	102.6	103.8	104.6	109.7	109.6	106.5	99.7	104.2	125.7
Base Metals (3)	195.4	187.2	197.6	191.2	194.4	198.8	194.5	183.5	209.9	295.2
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	114.2	114.3	114.3	114.2	114.2	114.2	114.2	114.5	114.7	116.6
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	69.8	69.9	69.9	69.9	70.0	70.0	69.9	69.7	69.2	67.2
FOREIGN EXCHANGE QUOTATIONS ^x - NOON RATES AT MONTREAL										
Sterling	4.9515	4.9513	4.9513	4.9508	4.9525	4.9544	4.9520	4.9545	4.9490	4.8885
U.S. dollars	.9998	.9998	.9998	1.0000	.9998	.9997	.9998	.9996	1.0000	.9999
French franc	.0338	.0339	.0337	.0334	.0334	.0336	.0336	.0338	.0342	.0465
Belgian belga	.1686	.1687	.1687	.1686	.1688	.1687	.1687	.1685	.1684	.1684
Netherlands florin	.5528	.5529	.5529	.5529	.5529	.5527	.5529	.5527	.5527	.5398
Japanese yen	.2881	.2885	.2882	.2883	.2884	.2885	.2883	.2884	.2884	.2857
Australian pound	3.9612	3.9610	3.9610	3.9606	3.9620	3.9635	3.9616	3.9634	3.9591	3.9107
Argentine peso - free rate	.2955	-	.2965	.2965	.2965	.2959	.2962	.2983	.2975	.2767

x Bank of Canada.

EXCHANGE QUOTATIONS AT MONTREAL, 1936-1937

NOTE: The noon rates in Canadian Funds upon which these averages are based have been supplied by the Bank of Canada.

Former Gold Parities	New York Funds	London Sterling	France Franc	Belgian Belga	Italy Lira	Switzerland Franc	Holland Guilder	Norway Kroner	Sweden Kroner	Denmark Kroner	
	4.8666	.0392	.1001	.0526	.1930	.4020	.2680	.2680	.2680	.2680	
<u>1936</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
December .....	.9993	4.9030	.0466	.1688	.0526	.2297	.5451	.2463	.2528	.2189	
<u>1937</u>											
January	1.0003	4.9092	.0467	.1687	.0526	.2294	.5477	.2467	.2531	.2192	
February	1.0002	4.8953	.0466	.1687	.0526	.2284	.5470	.2460	.2524	.2185	
March .....	.9995	4.8824	.0460	.1684	.0526	.2278	.5467	.2453	.2517	.2180	
April .....	.9987	4.9095	.0449	.1683	.0525	.2279	.5468	.2467	.2530	.2191	
May .....	.9984	4.9313	.0447	.1684	.0525	.2283	.5484	.2470	.2542	.2201	
June	1.0005	4.9380	.0444	.1688	.0526	.2289	.5500	.2481	.2546	.2204	
July	1.0013	4.9736	.0381	.1686	.0527	.2295	.5516	.2497	.2564	.2220	
August	1.0001	4.9826	.0375	.1683	.0526	.2297	.5516	.2503	.2569	.2224	
September	1.0000	4.9532	.0352	.1684	.0526	.2297	.5515	.2489	.2553	.2211	
October .....	.9997	4.9535	.0335	.1685	.0525	.2301	.5527	.2489	.2554	.2211	
Former Gold Parities	Spain Peseta	Czecho-Slovakia Koruna	Argentine Peso (Paper)	Australia (Pound)	Brazil Milreis	Germany Reichsmark	India Rupee	China (Shanghai) Dollar	Japan Yen	Union of S. Africa (Pound)	New Zealand (Pound)
	.1930	.0296	.4244	4.8666	.1196	.2382	.3650		.4985	4.8666	4.8666
			Unofficial		Unofficial						
<u>1936</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
December	-	.0352	.2975	3.8820	.0594	.4019	.3706	.2954	.2849	4.8964	3.9528
<u>1937</u>											
January	-	.0350	.3024	3.9273	.0609	.4024	.3711	.2970	.2855	4.9031	3.9591
February	-	.0349	.3003	3.9162	.0611	.4023	.3699	.2964	.2854	4.8892	3.9485
March	-	.0349	.2998	3.9060	.0610	.4019	.3687	.2967	.2848	4.8763	3.9375
April	-	.0349	.3028	3.9276	.0625	.4015	.3708	.2969	.2860	4.9033	3.9592
May	-	.0348	.3029	3.9451	.0640	.4011	.3722	.2978	.2874	4.9251	3.9768
June	-	.0348	.3049	3.9504	.0656	.4009	.3726	.2969	.2877	4.9252	3.9822
July	-	.0349	.3016	3.9789	.0665	.4025	.3755	.2957	.2892	4.9674	4.0106
August .....	.0637	.0349	.3016	3.9861	.0655	.4022	.3761	.2967	.2903	4.9771	4.0183
September0647	.0349	.2989	3.9629	.0639	.4013	.3739	.2969	.2887	4.9470	3.9950
October0627	.0350	.2978	3.9628	.0585	.4015	.3740	.2948	.2884	4.9473	3.9947

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