

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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SECURITY PRICES AND FOREIGN EXCHANGE, MARCH 18-MARCH 24.
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Another sharp break in Canadian common stock prices accompanied by the heaviest trading since October 20, 1937, occurred on March 18, continuing the marked decline of the preceding week. The general price index for 96 stocks dropped 2.6 points to 97.4 which was fractionally less than the lowest level of 1937 recorded on November 24. Stocks rallied strongly on the following two days and wiped out approximately half of recent declines. However this rally did not hold. Prices moved downward again on March 22 and 23, but firmed considerably before the close. Weekly indexes for industrial and utilities declined, although minor net gains were shown for six sub-groups. Losses indicated by daily indexes ranged from 3.9 points to 0.7 and were shown for oils, textiles and milling in the industrial section and for telephone and telegraph and transportation issues in the utility group. The Investors' price index for industrial, utility and bank common stocks receded slightly from 100.0 on March 17 to 99.7 on March 24. Industrials fell 0.6 to 165.0 and utilities 0.1 to 43.0 while banks remained unchanged at 80.6.

MINING STOCK PRICES

Canadian mining stocks price averages broke sharply on March 18, reflecting a renewal of European political tension. The daily gold index for that day was 101.6, a new low for the current year, and base metals at 217.3 was a little more than a point over the minimum. A brisk advance occurred on the next two days, as the situation in Europe eased, and approximately half of earlier losses were retrieved. After two days of moderate declines on March 22 and 23, when the list responded to New York's trend, stocks showed some improvement and closed slightly higher. Volume was restricted in the latter part of the week. The daily index of twenty-four mining issues recorded a net gain of 4.2 points mounting to 131.9 for the week of March 24 with the gold section gaining 5.1 to 108.9 and the base metals 0.3 to 226.6. The Bureau's weekly average behaved somewhat differently, the general index dropping from 134.0 for the week of March 17 to 129.3 for the following week with the golds receding from 109.4 to 106.1 and the base metals from 235.7 to 224.8.

LONG-TERM BOND PRICES AND YIELDS

Dominion of Canada long-term bond prices touched their lowest levels since last November on March 18 and 19, and then rebounded sharply as international tension lessened. The Dominion Bureau of Statistics price index for this group of bonds rose from 114.9 on the dates mentioned to 117.1 on Wednesday, the 23rd, and held at 116.9 on the following day. However, the weekly average of 116.1 compared with one of 117.1 for the preceding week. A corresponding index of yields averaged 65.7 as compared with 64.2 for these respective periods. Declines of several points were common among western provincial issues, but eastern maturities were generally firm. British Consols staged a pronounced rally between March 16 and 24, advancing $3\frac{1}{2}$ points to 74. This was still four points below closing February levels. The Dow-Jones average of United States select high grade bonds dropped from 87.18 to 85.92 for the week ended March 24.

FOREIGN EXCHANGE

(Quotations mentioned are Montreal noon rates unless otherwise specified.)

The premium on New York funds reached a peak of $\frac{5}{8}$ of one per cent. on March 18, as European capital moved in heavy volume to the United States. With the abatement of this movement rates fell back slightly below \$1.005, still much above any levels since April 1936. European currencies were somewhat steadier, with sterling rates centring around \$4.985, and French franc quotations averaging narrowly about 3.07 cents. Official rates on the German mark rallied from 40.27 cents to 40.37 cents on the 21st, and then dropped back gradually to their former level. Austrian schillings have been pegged at the rate of 1.50 schillings to the mark. Mexican pesos dropped from 27.84 cents to 22.53 cents during the week, following the expropriation of oil properties which precipitated an outward movement of capital from Mexico.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1938 MARCH						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average
	18	19	21	22	23	24	Mar. 18-24	Mar. 11-17	Last Month	A Year Ago
INVESTORS' PRICE INDEX, 96 COMMON STOCKS	97.4	101.4	102.1	101.1	99.2	99.7	99.4	102.7	108.8	143.2
68 INDUSTRIALS	162.0	168.6	169.7	167.9	164.3	165.0	164.9	170.7	181.4	235.4
Machinery and Equipment (8)	93.8	98.9	101.8	101.2	98.3	98.9	97.7	102.1	111.1	167.8
Pulp and Paper (7)	13.5	15.1	15.7	15.3	14.3	14.8	14.2	15.3	18.4	40.1
Milling (3)	72.9	72.9	72.3	75.9	72.9	72.8	73.6	79.3	87.2	127.5
Oils (4)	179.6	187.1	187.7	186.7	181.9	180.5	182.6	191.3	199.3	237.4
Textiles and Clothing (10)	58.5	58.8	58.5	58.7	58.7	58.0	58.5	60.8	64.5	80.6
Food and Allied Products (12)	145.3	149.6	152.8	150.6	151.4	151.1	148.8	153.2	159.4	186.7
Beverages (7)	95.3	100.4	105.8	103.6	102.1	103.0	99.7	104.9	117.2	140.0
Building Materials (15)	111.2	115.5	120.6	119.2	116.6	117.6	115.1	121.2	133.1	208.9
Industrial Mines (2)	395.3	412.3	411.4	404.7	396.0	402.7	400.9	407.3	438.3	597.2
19 UTILITIES	41.0	43.4	43.7	43.3	42.4	43.0	42.5	44.0	47.0	68.3
Transportation (2)	13.5	15.3	15.0	15.0	13.8	14.3	14.3	15.1	17.6	36.9
Telephone & Telegraph (2)	121.5	122.0	122.0	121.5	120.4	120.5	121.1	122.1	124.2	123.0
Power and Traction (15)	54.6	58.1	59.0	58.3	57.7	58.4	57.1	59.4	63.4	91.8
9 BANKS	79.5	79.9	80.3	80.1	80.6	80.6	80.0	80.8	81.3	94.9
MINING STOCK PRICE INDEX, 24 STOCKS	124.2	132.3	133.6	131.6	130.4	131.9	129.3	134.0	148.5	170.0
Gold Stocks (21)	101.6	108.5	109.5	108.8	108.0	108.9	106.1	109.4	123.3	132.3
Base Metals (3)	217.3	230.2	232.5	225.4	222.5	226.6	224.8	235.7	252.4	325.6
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	114.9	114.9	116.0	116.7	117.1	116.9	116.1	117.1	116.8	112.4
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	67.4	67.4	65.3	65.2	64.2	64.7	65.7	64.2	65.0	73.7
FOREIGN EXCHANGE QUOTATIONS* - NOON RATES AT MONTREAL										
Sterling	4.9850	4.9929	4.9871	4.9911	4.9844	4.9847	4.9875	4.9915	5.0172	4.8797
U.S. dollars	1.0063	1.0056	1.0056	1.0050	1.0044	1.0047	1.0053	1.0015	.9997	.9989
French franc	.0309	.0310	.0306	.0307	.0307	.0307	.0308	.0311	.0327	.0459
Belgian belga	.1692	.1692	.1691	.1691	.1690	.1690	.1691	.1687	.1699	.1682
Netherlands florin	.5551	.5554	.5558	-	.5555	.5555	.5555	.5559	.5596	.5465
Japanese yen	.2875	.2903	.2891	.2901	.2903	.2902	.2896	.2880	.2902	.2847
Australian pound	3.9800	3.9943	3.9898	3.9923	3.9875	3.9877	3.9887	3.9930	4.0137	3.9037
Argentine peso - free rate	.2598	-	.2600	.2583	.2561	.2562	.2581	.2578	.2705	.2997

x Bank of Canada.

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MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND PRICES, 1930-1938.
 (From data issued by A. E. Ames and Co. Ltd.)

(1926=100)

	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	99.0	103.1	94.1	103.3	104.6	115.9	113.6	117.7	116.1
February	99.3	103.1	94.9	103.4	105.4	114.2	115.0	115.3	116.6
March	99.9	103.7	96.4	102.1	107.9	115.0	115.5	112.9	-
April	100.5	104.5	96.2	102.9	109.4	114.5	115.7	112.7	-
May	100.9	104.0	96.3	103.8	110.3	115.2	115.9	113.8	-
June	101.0	105.0	94.6	104.9	110.4	114.2	117.0	114.9	-
July	101.2	105.3	97.0	104.8	111.1	114.5	118.0	115.1	-
August	102.1	105.3	101.0	105.6	112.3	114.8	119.1	115.5	-
September	103.0	102.1	101.8	105.7	112.6	110.9	119.1	115.3	-
October	103.2	98.1	103.8	105.0	111.1	110.2	117.1	114.5	-
November	103.2	97.4	102.6	104.2	112.2	112.5	117.6	114.8	-
December	103.1	95.5	101.2	103.6	115.2	112.5	118.2	115.6	-

MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND YIELDS, 1930-1938.
 (From data issued by A. E. Ames and Co. Ltd.)

(1926=100)

	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	102.1	93.9	112.7	96.3	93.2	70.9	72.4	64.6	66.3
February	101.4	93.6	112.2	96.0	91.0	73.2	70.8	68.4	65.4
March	101.1	91.9	109.1	97.7	86.1	71.4	69.9	72.7	-
April	99.3	90.0	109.8	96.6	83.8	72.2	69.5	73.2	-
May	98.4	89.3	109.3	95.0	81.8	71.4	68.8	71.0	-
June	98.2	88.3	111.7	93.3	82.1	73.4	66.9	69.3	-
July	98.0	88.3	107.5	93.5	80.1	72.1	65.1	69.0	-
August	95.9	88.3	100.5	92.2	77.8	71.6	63.2	68.1	-
September	93.9	95.5	98.7	92.4	77.2	79.8	63.1	68.3	-
October	93.6	105.2	96.2	93.5	79.3	78.9	66.2	69.7	-
November	93.6	107.7	98.5	94.3	77.2	74.5	65.1	68.8	-
December	93.9	111.7	99.4	95.1	71.3	75.5	64.1	67.4	-

MONTHLY INDEX NUMBERS OF PROVINCE OF ONTARIO REPRESENTATIVE BOND ISSUES, 1930-1938.
 (From data issued by Wood, Gundy & Co. Ltd.)

(1926=100)

	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	102.3	95.0	119.8	99.2	97.3	76.2	85.5	70.4	69.7
February	102.3	95.0	115.9	98.7	96.0	78.3	80.6	74.3	69.3
March	101.3	95.0	110.6	100.0	90.2	79.5	77.3	78.5	-
April	101.3	95.0	111.3	101.3	87.7	80.8	78.5	77.9	-
May	101.3	91.9	113.2	98.1	84.8	78.5	76.6	74.5	-
June	100.8	91.9	114.4	97.1	85.4	80.4	73.3	72.9	-
July	100.2	92.9	110.8	96.7	83.1	80.2	72.0	73.1	-
August	96.0	91.9	103.3	95.0	82.3	79.7	71.2	72.2	-
September	92.9	97.1	101.9	95.8	82.0	88.3	69.9	71.8	-
October	93.9	103.3	98.1	94.6	82.9	85.4	72.2	73.1	-
November	93.9	105.4	102.3	97.3	81.0	80.8	71.8	72.7	-
December	93.9	108.6	102.7	98.5	76.2	82.7	69.7	71.2	-

WEEKLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BONDS, 1938*

Date	Prices	Yields
January 6	116.2	66.1
13	116.1	66.3
20	116.1	66.3
27	116.1	66.2
February 3	116.1	66.4
10	116.3	66.0
17	116.7	65.1
24	116.8	65.0
March 3	117.0	64.7
10	117.3	64.0
17	117.1	64.2
24	116.1	65.7

*Based upon an average of daily figures for the week ending on dates specified.

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