

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

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Dominion Statistician:	R.H. Coats, LL.D., F.R.S.C., F.S.S.(Hon.)
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Prices Statistician:	H.F. Greenway, M.A.

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SECURITY PRICES AND FOREIGN EXCHANGE, MAY 13-MAY 19.
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Following a steady opening, Canadian common stocks moved irregularly higher from May 12 to 18. On the final day, however, a fairly general recession occurred and narrow advances of the past two weeks were erased. All sections of the index, with the exception of milling, oils and communication issues, registered net losses for the week. The decline was led by industrial mines, building materials and transportation, while losses in the remaining sub-groups were fractional. The Investors' price index for industrial, utility and bank common stocks was 99.9 on May 19 as compared with 100.5 on May 12. Industrials were down 0.6 to 164.2, utilities 0.8 to 44.2 and banks 0.3 to 80.9.

MINING STOCK PRICES

Dullness evidenced in the first three days of trading was succeeded by a revival of interest in the latter part of the week ending May 19. This favourable reaction, due mainly to the golds was associated with heavier sales volume. The general price index of twenty-four mining issues advanced from 140.7 for the week of May 12 to 141.3 for the following week. Price movements in golds were confined to narrow limits from May 12 to May 16, when the index for this section moved from 112.7 to 113.4. Subsequently, good demand for gold issues at London was reported, and strength was displayed especially by the better established gold stocks. The daily price series was 116.0 on May 18, but slipped to 115.8 on the final day. Base metals did not continue the appreciable rise of last week. The base metal index fluctuated between 249.6 on May 14 and 252.9 on the 18th, closing at 250.1 for a net loss of 1.3 points. The weekly average for the golds rose from 114.1 for the week of May 12 to 114.7 for the week of May 19, and base metals from 250.2 to 251.5.

LONG-TERM BOND PRICES AND YIELDS

The Dominion Bureau of Statistics index number of Dominion of Canada long-term bond prices rose from 118.2 for the week ending May 12 to 118.4 for the week ending May 19. In the early part of the week quotations were somewhat unsettled and the Bureau's daily index advanced from 118.4 on the 13th to 118.6 on the 14th before falling to 118.2 on the 16th. A firmer tone then developed and the index closed at 118.5. The volume of trading was light throughout. The new issue of \$140,000,000 offered by the Dominion Government on the 18th was quickly over-subscribed. Provincials were generally steady with some weakness in Manitobas and Saskatchewan. British Consols at London mounted from 74 5/16 to 74 1/2, while the Dow-Jones average of United States bonds fell from 88.37 to 87.46. The index of Dominion of Canada long-term bond yields declined from 61.7 for the week ending May 12 to 61.3 for the week ending May 19, and the average yield for the week was 2.98 as compared with 3.00 for the previous week.

FOREIGN EXCHANGE

(Quotations mentioned are Montreal noon rates unless otherwise specified)

Premiums on New York funds advanced further to 7/8 of one per cent in the third week of May, which was appreciably above the peak reached during the March political crisis in Europe. It was the highest premium since December 1935. Sterling rates remained between \$5.00 and \$5.01, except on May 18, when both sterling and French francs advanced briefly. The franc has held between 2.820 cents and 2.815 cents since the recent devaluation. Formation of a new Belgian Cabinet was accompanied by moderate improvement in the belga which gained 4 points to 16.98 cents in the week under review. Shanghai dollars dropped sharply from 24.72 cents to 22.99 cents during this period, while Hong-Kong dollars remained firm around 31 cents.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1938						Weekly Average May 13-19	Preceding Weekly Average May 6-12	Corresponding Weekly Average Last Month	Weekly Average A Year Ago
	13	14	16	17	18	19				
INVESTORS' PRICE INDEX, 96 COMMON STOCKS	100.5	100.9	100.8	100.9	101.5	99.9	100.8	100.9	100.9	131.5
68 INDUSTRIALS	164.9	165.5	165.4	165.9	167.0	164.2	165.6	165.6	166.2	215.5
Machinery and Equipment (8)	108.4	109.3	108.3	108.1	109.5	108.2	108.6	109.3	105.5	147.8
Pulp and Paper (7)	16.4	16.4	16.3	16.2	16.4	16.0	16.2	16.3	16.3	37.0
Milling (3)	83.5	83.6	85.9	89.2	89.4	88.3	87.2	82.3	81.5	107.1
Oils (4)	175.9	177.2	179.4	180.1	181.2	177.3	178.6	175.5	178.7	229.2
Textiles and Clothing (10)	54.7	54.7	54.6	54.6	54.6	54.5	54.7	56.4	55.5	77.1
Food and Allied Products (12)	155.0	153.9	154.5	153.7	153.4	153.6	153.9	154.3	153.4	177.7
Beverages (7)	108.6	108.7	107.1	109.2	109.1	108.0	108.3	108.3	108.2	127.5
Building Materials (15)	122.9	124.5	124.5	124.2	124.2	123.1	124.1	123.7	122.8	184.4
Industrial Mines (2)	402.8	403.4	398.3	398.7	402.9	396.0	400.3	407.4	406.6	524.9
19 UTILITIES	44.9	45.2	45.0	44.9	45.3	44.2	44.8	45.1	44.7	62.4
Transportation (2)	15.4	15.3	15.4	15.1	15.1	14.4	15.0	15.6	16.2	32.2
Telephone & Telegraph (2)	122.1	122.8	123.2	123.3	125.8	123.2	124.3	121.9	119.1	121.1
Power and Traction (15)	61.4	61.8	61.4	61.4	61.8	60.6	61.4	61.7	60.8	83.5
9 BANKS	81.2	81.1	81.0	80.8	80.7	80.9	80.9	81.1	80.9	92.8
MINING STOCK PRICE INDEX, 24 STOCKS	140.0	140.4	140.3	141.2	142.7	142.0	141.3	140.7	136.8	139.9
Gold Stocks (21)	113.0	113.9	113.4	114.7	116.0	115.8	114.7	114.1	111.8	109.4
Base Metals (3)	251.2	249.6	251.7	250.7	252.9	250.1	251.5	250.2	240.3	267.2
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	118.4	118.6	118.2	118.4	118.4	118.5	118.4	118.2	117.5	113.8
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	61.3	61.0	61.5	61.5	61.5	61.2	61.3	61.7	63.7	71.3
FOREIGN EXCHANGE QUOTATIONS ^x - NOON RATES AT MONTREAL										
Sterling	5.0075	5.0073	5.0047	5.0057	5.0137	5.0099	5.0081	5.0087	5.0174	4.9348
U.S. dollars	1.0069	1.0075	1.0081	1.0081	1.0088	1.0091	1.0081	1.0061	1.0046	.9986
French franc	.0282	.0282	.0281	.0281	.0282	.0282	.0282	.0282	.0317	.0447
Belgian belga	.1694	.1694	.1696	.1697	.1698	.1698	.1696	.1694	.1695	.1682
Netherlands florin	.5576	.5578	.5576	.5577	.5584	.5580	.5579	.5577	.5594	.5487
Japanese yen	.2917	.2922	.2916	.2916	.2919	.2918	.2918	.2920	.2925	.2875
Australian pound	4.0063	4.0060	4.0038	4.0046	4.0110	4.0079	4.0066	4.0043	4.0137	3.9479
Argentine peso - free rate	.2638	-	.2626	.2631	.2635	.2634	.2633	.2627	.2616	.3028

x Bank of Canada.

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)

	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>
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	116.8
April	100.5	104.5	96.2	102.9	109.4	114.5	115.7	112.7	117.3
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)

	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>
January	102.1	93.9	112.7	96.3	93.2	70.9	72.4	64.6	66.3
February	101.4	95.6	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	64.7
April	99.3	90.0	109.8	96.6	83.8	72.2	69.5	73.2	63.7
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)

	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>
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	68.5
April	101.3	95.0	111.3	101.3	87.7	80.8	78.5	77.9	67.2
May	101.3	95.9	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	110.6	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*

<u>Date</u>	<u>Prices</u>	<u>Yields</u>
March 3	117.0	64.7
10	117.3	64.0
17	117.1	64.2
24	116.1	65.7
31	116.6	65.0
April 7	116.8	64.9
14	117.0	64.5
21	117.5	63.7
28	117.9	62.2
May 5	118.0	62.1
12	118.2	61.7
19	118.4	61.3

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

