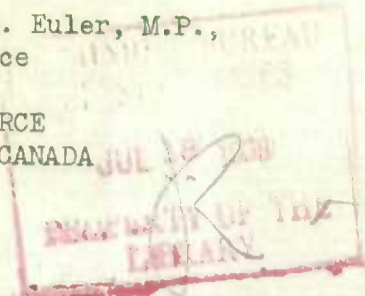


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DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS - CANADA  
INTERNAL TRADE BRANCH

(Issued July 16, 1938)



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SECURITY PRICES AND FOREIGN EXCHANGE, JULY 8-JULY 14  
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Following the substantial rally of Canadian common stocks in the past three weeks, a reaction set in during the week ended July 14. Daily averages for industrial, utility and bank common stocks moved consistently lower with the exception of Tuesday (July 12) when practically all sections of the index recorded gains. The recession in prices was accompanied by a considerable decline in volume of trading. In the industrial section five sub-groups registered net declines while four were higher. Industrial mines dropped 15.3 points while losses in the remaining sub-groups were of a minor nature. Foods and textiles were among industrials to show appreciable net advances. Movements in utilities were generally narrow and all sub-groups moved downward. The Investors' price index for 96 common stocks fell from 107.0 on July 7 to 105.4 on July 14. Industrials were down 2.3 to 172.4, utilities 1.0 to 47.9 and banks 0.4 to 85.0.

MINING STOCK PRICES

Gold stocks continued firm, with the price index for this group recording a net gain of 1.5 points during the week ended July 14. Trading was mostly in the junior and medium-priced issues. The gold series moved irregularly between limits of 116.9 on July 7 and 118.4 on the 14th. The almost uninterrupted advance of base metals initiated in the final days of May was halted by a moderate reaction on July 8 and 9, when the base metal index declined from 279.3 to 271.8. However, an upturn in the latter part of the week carried the index back to 277.2 on July 14. The Bureau's weekly average for twenty-four mining issues mounted from 148.5 for the week ending July 7 to 148.8 for the following week. The gold section rose from 116.9 to 118.1 while base metals declined from 279.2 to 274.8.

LONG-TERM BOND PRICES AND YIELDS

High-grade bond prices moved slightly lower on domestic bond markets during the week ending July 14 and this was reflected in the Dominion Bureau of Statistics index of Dominion of Canada long-term bonds which at 118.0 was 0.2 points below that for the week ending July 7. The Bureau's daily index stood at 118.2 on the 7th but declined to 118.1 on the 9th. It fell another 0.2 points on the 13th, and closed the week at 117.8. Among provincials, Saskatchewans were a trifle weaker while Albertas continued to advance. Price changes in other issues were small and mixed. Closing quotations for British Consols at London were 76 9/16 on the 7th and 75 5/8 on the 14th, while the Dow-Jones average of high-grade United States bonds stood at 88.67 and 88.69 on the same dates. The index for Dominion of Canada long-term bond yields advanced from 61.7 for the week ending July 7 to 62.0 for the week ending July 14, and the average weekly yield of the issues used in this index increased from 3.00 to 3.01.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Acceleration in the decline of sterling rates produced considerable comment during the second week of July. It was associated in financial circles with a growing United Kingdom import trade balance, the covering of short positions created at the time of recent devaluation rumours, and a flow of capital to United States security markets. At \$4.9636 on July 14, sterling was down more than a cent for the week, and approximately 7 cents below the mid-June peak. Sterling rates have not been so low since early last November. Recession in the French franc to 2.78 cents revived discussion of the unstable position of government finances. Premiums on United States dollars fluctuated narrowly between 3/4 and 11/16 of one per cent.



SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1938 <u>JULY</u>						Weekly Average July 8-14	Preceding Weekly Average July 1-7	Corresponding Weekly Average Last Month	Weekly Average A Year Ago
	8	9	11	12	13	14				
INVESTORS' PRICE INDEX, 96 COMMON STOCKS	106.0	106.0	105.2	106.4	106.3	105.4	106.0	106.8	95.1	131.9
68 INDUSTRIALS	172.9	173.1	171.9	173.8	173.9	172.4	173.2	174.4	154.2	216.1
Machinery and Equipment (8)	122.6	123.6	120.7	121.2	124.0	124.3	123.3	122.7	104.7	148.4
Pulp and Paper (7)	22.6	22.7	22.1	22.8	23.0	22.2	22.7	23.4	14.2	40.4
Milling (3)	88.6	88.6	88.6	88.6	88.3	88.3	88.4	88.9	82.5	103.4
Oils (4)	177.0	177.6	177.8	178.8	180.4	177.8	178.4	177.4	163.3	221.6
Textiles and Clothing (10)	57.7	57.9	58.1	58.8	61.2	61.2	58.9	59.0	53.0	79.6
Food and Allied Products (12)	167.1	167.8	166.5	168.2	169.7	169.6	168.2	164.5	153.4	181.9
Beverages (7)	113.9	114.7	115.7	115.9	116.4	115.8	115.8	114.4	106.7	135.9
Building Materials (15)	139.2	139.6	138.2	138.4	139.7	139.2	139.1	141.2	119.3	190.1
Industrial Mines (2)	427.5	426.4	420.3	428.4	422.4	419.3	424.1	435.7	369.7	539.0
19 UTILITIES	48.4	48.3	47.7	48.5	48.3	47.9	48.2	48.9	43.7	63.1
Transportation (2)	17.9	17.9	17.1	17.9	17.9	17.7	17.7	18.7	14.1	29.8
Telephone & Telegraph (2)	123.9	122.9	123.9	123.8	123.4	122.6	123.7	123.8	124.1	127.6
Power and Traction (15)	66.3	66.2	65.4	66.5	66.1	65.5	66.0	66.7	59.4	86.3
9 BANKS	85.7	85.4	85.4	85.2	85.2	85.0	85.4	85.0	80.3	90.6
MINING STOCK PRICE INDEX, 24 STOCKS	149.2	147.9	148.3	147.9	149.7	149.3	148.8	148.5	146.9	142.7
Gold Stocks (21)	118.1	117.9	118.1	117.6	118.6	118.4	118.1	116.9	121.0	110.1
Base Metals (3)	277.7	271.8	273.1	273.0	278.1	277.2	274.8	279.2	253.7	278.7
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	118.2	118.1	118.1	118.1	117.9	117.8	118.0	118.2	118.0	115.0
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	61.7	61.8	61.9	61.9	62.2	62.5	62.0	61.7	62.1	69.2
FOREIGN EXCHANGE QUOTATIONS <sup>x</sup> - NOON RATES AT MONTREAL										
Sterling	4.9734	4.9738	4.9653	4.9627	4.9673	4.9636	4.9677	4.9867	5.0246	4.9738
U.S. dollars	1.0069	1.0069	1.0075	1.0075	1.0072	1.0069	1.0072	1.0079	1.0115	1.0019
French franc	.0279	.0279	.0278	.0278	.0278	.0278	.0278	.0280	.0281	.0389
Belgian belga	.1704	.1704	.1704	.1704	.1704	.1704	.1704	.1708	.1718	.1687
Netherlands florin	.5554	.5554	.5543	.5540	.5544	.5539	.5546	.5566	.5607	.5514
Japanese yen	.2897	.2900	.2893	.2892	.2894	.2892	.2895	.2905	.2928	.2891
Australian pound	3.9787	3.9790	3.9722	3.9702	3.9734	3.9708	3.9741	3.9834	4.0197	3.9791
Argentine peso - free rate	.2613	-	.2614	.2608	.2614	.2618	.2613	.2620	.2639	.3014

<sup>x</sup> 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)

	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	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	118.2
June .....	101.0	105.0	94.6	104.9	110.4	114.2	117.0	114.9	118.1
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	95.3	93.2	70.9	72.4	64.6	66.3
February .....	101.4	93.6	112.2	95.0	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	68.3	71.0	61.7
June .....	98.2	88.3	111.7	93.3	82.1	73.4	66.9	69.3	61.8
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	68.5
April .....	101.3	95.0	111.3	101.3	87.7	80.8	78.5	77.9	67.2
May .....	101.3	91.9	113.2	98.1	84.8	78.5	76.6	74.5	65.3
June .....	100.8	91.9	114.4	97.1	85.4	80.4	73.3	72.9	65.3
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\*

Date	Prices	Yields
May 5	118.0	62.1
12	118.2	61.7
19	118.4	61.3
26	118.2	61.7
June 2	118.0	61.9
9	118.1	61.8
16	118.0	62.1
23	118.3	61.6
30	118.2	61.6
July 7	118.2	61.7
14	118.0	62.0

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



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