

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

(Issued September 17, 1938)

DOMINION BUREAU  
OF STATISTICS

SEP 19 1938

PROPRIETARY

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Price \$1.50 per year

Single copies 10¢

SECURITY PRICES AND FOREIGN EXCHANGE, SEPTEMBER 9-SEPTEMBER 15.  
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

A drastic decline, involving all sections of Canadian Investors' price index coincided with reports of increasing uneasiness in the Central European situation. The recession gained momentum on Tuesday and Wednesday (September 13 and 14) and was accompanied by heavy liquidation. The general index fell from 104.0 on September 8 to 95.6 on September 14. As confidence returned to the London market, Canadian stock prices moved upward on September 15 to 98.5, recovering half the losses of the preceding two days. Industrials fell back to levels of mid-June. Industrial mines dipped 16.4 to 403.5, machinery and equipment 13.8 to 119.3, oils 12.9 to 163.1, building materials 11.7 to 120.4 and beverages 9.8 to 110.2. Losses in the other sub-groups ranged from 1.9 to 4.9. Weakness in the Utilities was quite marked and the index receded to 41.4 on September 14, being upon a par with that of early April. The Investors' price index of common stocks declined from 104.2 to 98.0 between the weeks of September 8 and 15. Industrials fell 9.9 to 160.8, utilities 2.2 to 42.7 and banks 1.2 to 84.8.

MINING STOCK PRICES

With tension over the European political situation considered nearing a breaking point during the past week, shares on Canadian mining markets were subjected to the heaviest barrage of selling since mid-March of this year. The Bureau's composite index of 24 mining stocks was off 11.1 points to 143.9 for the week ended September 15 as compared with the previous week. Daily indexes fluctuated widely between 152.3 on September 9, and 138.1 on September 14, but recovered slightly to close the week at 143.5. On a percentage basis the gold group index, with a loss of 8.1 per cent, broke more sharply than did the base metals which was down only 5.1 per cent under the previous weekly figures. The senior issues in both groups, in contrast to their relatively former steadiness followed in the path of the medium priced shares, and showed wide recessions for the week. For the week ended September 15, the gold and base metal sub-group indexes were 113.3 and 271.0 respectively.

LONG-TERM BOND PRICES AND YIELDS

Security markets broke sharply under the impact of more disturbing news from Europe and the Dominion Bureau of Statistics index of Dominion of Canada long-term bond prices fell from 117.4 for the week ending September 8 to 116.7 for the week ending September 15. The Bureau's daily index, which stood at 117.4 on the 8th, declined to 117.2 on the 10th and again to 116.9 on the 13th. A further decline to 116.2 on the 14th was followed by a drop to 115.5 on the 15th which made a total decrease of 1.9 points for the week. Provincials were weaker also with Alberta and Saskatchewan issues showing the greatest reductions. British Consols at London closed 3/4 lower at 73 after dipping to 70 on the 14th, while the Dow-Jones average of high-grade United States bonds fell from 88.23 to 86.95. The index of Dominion of Canada long-term bond yields rose from 63.2 for the week ending September 8 to 64.0 for the week ending September 15, and the average weekly yield of the issues used in this index advanced from 3.07 to 3.11.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

The British pound was quoted at \$4.8321 on September 9 or 3/5¢ below the previous week's close and under increased pressure moved still lower to \$4.8275 on the following day. This loss was almost fully recovered on the 12th as equalization funds became more active but the decline was immediately resumed and by September 14 quotations had reached \$4.8253, the lowest level since late March 1935. Again equalization funds intervened and sterling moved up to close the week at \$4.8346. Other European currencies, with the exception of the belga, moved pretty much in line with sterling. The French franc held close to 2.71¢ on every day except Tuesday when it receded to 2.70¢. The Netherlands florin opened at 54.17¢, reached a low for the week of 54.10¢ on the 14th, and by the 15th was back to the opening level. The belga moved against the general trend, rising steadily from 16.88¢ on the opening day to 17.00¢ on the 14th and closing easier at 16.96¢. Premiums on United States dollars mounted from 1/4 of 1 p.c. to 11/16 of 1 p.c. between the 9th and 14th, then dropped 2/16 to close at 9/16 of 1 p.c. on the 15th.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1938 SEPTEMBER						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average A Year Ago
	9	10	12	13	14	15	Sept. 9-15	Sept. 2-8	Last Month	Ago
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	102.5	102.0	102.3	97.9	95.6	98.5	98.0	104.2	104.5	119.8
68 INDUSTRIALS	168.6	167.8	168.6	160.3	156.6	161.4	160.8	171.5	171.3	195.4
Machinery and Equipment (8)	130.6	128.1	126.8	120.5	112.8	119.3	119.2	132.2	127.5	123.3
Pulp and Paper (7)	19.1	18.6	18.8	16.2	15.8	17.1	16.7	20.0	20.9	29.9
Milling (3)	80.8	80.8	82.0	80.1	76.8	78.7	78.6	83.6	88.6	89.3
Oils (4)	173.5	173.5	173.5	166.7	159.6	163.1	165.3	175.6	176.0	203.8
Textiles and Clothing (10)	58.3	58.1	58.2	58.1	54.6	53.8	55.4	58.5	59.1	74.8
Food and Allied Products (12)	164.9	164.0	164.9	163.8	163.3	164.0	164.0	166.9	168.2	166.2
Beverages (7)	120.6	118.0	116.5	108.9	104.2	110.2	109.8	120.5	119.8	118.9
Building Materials (15)	129.3	128.7	127.0	120.2	115.5	120.4	119.5	133.0	137.5	158.8
Industrial Mines (2)	411.2	409.0	414.8	387.3	387.8	403.5	395.5	420.4	416.9	489.3
19 UTILITIES	45.0	44.5	44.3	42.7	41.4	43.3	42.7	45.7	46.9	57.2
Transportation (2)	15.1	14.8	15.1	13.8	12.8	15.0	13.8	15.9	16.3	24.8
Telephone & Telegraph (2)	125.5	125.5	125.2	123.2	121.7	121.7	123.2	124.6	125.2	126.8
Power and Traction (15)	61.1	60.2	59.7	57.8	56.2	58.1	57.7	62.0	64.2	78.1
8 BANKS	85.3	85.3	85.2	85.5	84.5	84.3	84.8	85.7	85.3	86.7
MINING STOCK PRICE INDEX, 24 STOCKS	152.3	149.7	150.4	144.7	138.1	143.5	143.9	155.0	155.3	126.3
Gold Stocks (21)	121.0	118.7	118.7	114.0	108.2	113.0	113.3	123.3	123.8	101.1
Base Metals (3)	281.6	277.7	281.5	271.6	261.8	270.0	271.0	285.6	285.2	229.6
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	117.4	117.2	117.2	116.9	116.2	115.5	116.7	117.4	117.6	115.5
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	63.2	63.5	63.6	63.6	64.5	65.8	64.0	63.2	62.7	68.1
FOREIGN EXCHANGE QUOTATIONS <sup>x</sup> - NOON RATES AT MONTREAL										
Sterling	4.8321	4.8275	4.8319	4.8264	4.8253	4.8346	4.8296	4.8455	4.8956	4.9493
U.S. dollars	1.0025	1.0031	1.0050	1.0050	1.0069	1.0056	1.0047	1.0024	1.0042	1.0007
French franc	.0271	.0271	.0271	.0270	.0271	.0271	.0271	.0272	.0274	.0350
Belgian belge	.1688	.1688	.1692	.1694	.1700	.1696	.1693	.1691	.1689	.1684
Netherlands florin	.5417	.5413	.5418	.5411	.5410	.5417	.5414	.5430	.5478	.5502
Japanese yen	.2829	.2821	.2817	.2812	.2813	.2817	.2818	.2824	.2853	.2884
Australian pound	3.8656	3.8620	3.8655	3.8611	3.8603	3.8677	3.8637	3.8765	3.9165	3.9594
Argentine peso - free rate	.2536	-	.2538	.2538	.2542	.2539	.2539	.2544	.2573	.2990

x Bank of Canada.

EXCHANGE QUOTATIONS AT MONTREAL, 1937-1938

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	Belgium Belga	Italy Lira	Switzerland Franc	Netherlands Florin	Norway Krone	Sweden Krona	Denmark Krone	
		4.8666	.0392	.1001	.0526	.1930	.4020	.2680	.2680	.2680	
<u>1937</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
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	.0526	.2301	.5527	.2489	.2554	.2211	
November .....	.9992	4.9908	.0339	.1699	.0526	.2313	.5541	.2507	.2573	.2228	
December .....	1.0004	4.9985	.0340	.1699	.0526	.2313	.5562	.2511	.2576	.2231	
<u>1938</u>											
January .....	1.0001	5.0003	.0334	.1693	.0526	.2313	.5572	.2512	.2577	.2232	
February .....	.9997	5.0165	.0329	.1697	.0526	.2322	.5594	.2520	.2585	.2239	
March .....	1.0028	4.9984	.0313	.1693	.0528	.2311	.5570	.2511	.2575	.2231	
April .....	1.0054	5.0061	.0312	.1694	.0529	.2310	.5585	.2516	.2580	.2235	
May .....	1.0082	5.0081	.0284	.1698	.0530	.2303	.5581	.2516	.2582	.2236	
June .....	1.0107	5.0116	.0281	.1714	.0532	.2314	.5594	.2518	.2584	.2237	
July .....	1.0054	4.9562	.0278	.1701	.0529	.2301	.5533	.2490	.2554	.2212	
August .....	1.0034	4.8970	.0274	.1692	.0528	.2296	.5478	.2460	.2524	.2186	
Former Gold Parities	Spain Pseta 1930	Czecho-Slovakia Koruna	x Argentine Peso (Paper) Unofficial	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	.4985	4.8666	4.8666
<u>1937</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
August .....	.0637	.0349	.3016	3.9861	x .0655	.4022	.3761	.2967	.2903	4.9771	4.0183
September.....	.0647	.0349	.2989	3.9629	x .0639	.4013	.3739	.2969	.2887	4.9470	3.9950
October .....	.0627	.0350	.2978	3.9628	x .0585	.4015	.3740	.2948	.2884	4.9473	3.9947
November.....	.0627	.0351	.2950	3.9926	x .0572	.4033	.3767	.2943	.2907	4.9845	4.0248
December .....	.0619	.0351	.2930	3.9988	x .0544	.4032	.3769	.2948	.2910	4.9922	4.0310
<u>1938</u>											
January .....	.0614	.0351	.2918	4.0002		.4029	.3775	.2950	.2906	4.9941	4.0325
February .....	.0609	.0351	.2661	4.0128	.0583	.4041	.3788	.2961	.2903	5.0103	4.0459
March .....	.0583	.0351	.2559	3.9984	.0589	.4035	.3774	.2834	.2896	4.9923	4.0312
April .....	.0579	.0350	.2557	4.0049	.0590	.4041	.3762	.2712	.2916	5.0004	4.0363
May .....	.0590	.0351	.2630	4.0058	.0590	.4049	.3736	.2410	.2918	5.0018	4.0389
June .....	.0582	.0351	.2632	4.0093	.0592	.4070	.3713	.2910	.2920	5.0053	4.0416
July .....	.0569	.0348	.2610	3.9638	.0588	.4040	.3695	.1834	.2887	4.9500	3.9969
August .....	.0577	.0345	.2586	3.9176	.0586	.4023	.3652	.1670	.2854	4.8909	3.9691

x Free Market Rate.

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