

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

(Issued January 14, 1939)

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Price \$1.50 per year  
Single copies 10¢

SECURITY PRICES AND FOREIGN EXCHANGE, JANUARY 6 - JANUARY 12  
(1926 = 100)

Industrial and Utility Common Stock Prices

Common stock prices in most groups drifted downward during the week ended January 12. The general daily price index for 95 Canadian common stocks was maintained on January 6, but on the following two days this index moved fractionally lower. A slight upward reaction occurred on Tuesday (Jan. 10) influenced mainly by foods, milling and industrial mines. This rally did not hold and subsequently the Investors' index again moved lower to close at 105.6. The comparable figure for last week was 107.4. In the industrial section net declines ranged from 18.1 points for industrial mines to 0.6 for pulp and paper. Foods and milling recorded net advances of 1.9 and 0.1 points respectively. In the utility group, power issues and telephone and telegraph stocks registered minor gains while transportation showed a recession. During the week, industrials dropped 4.0 to 176.8, and utilities 0.4 to 43.4. Banks advanced from 84.5 to 85.9, the highest level attained in the past month. Trading interest continued at a low ebb.

MINING STOCK PRICES

Strength shown at the beginning of the week, particularly in golds, was more than sufficient to overbalance the weakness of the latter half and for the third consecutive week the price averages of Canadian mining stocks registered gains. The price index of twenty-five mining issues rose from 161.9 for the week ending January 5 to 162.7 for the week of January 12. Interest continued in the gold section, founded mainly on developments in London and the index mounted from 123.9 on January 5 to 125.8 on the 7th, the highest level reached since February 5, 1938. This advance was accompanied by heavy trading, with action mostly centered in the secondary and junior issues. In the following three days, gold stocks were depressed by profit-taking and the index declined to 122.9 on January 11, but firmness in the senior issues on the final day brought the index up to 123.0. Movements in the base metals were narrow and prices for these stocks were not responsive to metal prices in world markets. The index for this group mounted from 322.4 on January 5 to 322.9 on the 7th and closed the week at 320.1.

LONG-TERM BOND PRICES AND YIELDS

Dominion of Canada long-term bond prices were lower in the week ending January 12 and the Dominion Bureau of Statistics' index declined to 117.7 from 117.9 for the week ending January 5. The Bureau's daily index was unchanged at 117.7 until the 10th, when it rose to 117.8, and then remained at that level for the balance of the week. Price changes in the provincial section were mixed, and for the most part small, but Manitoba 4-1/2's of '56 closed 3 points lower at 80 (bid). A Canadian National Railway issue of \$50,000,000, \$40,600,000 of which will be used for the payment of temporary loans made by the Government and for the refunding of maturities falling due in the near future, was offered to the public on Wednesday and was given a good reception. British Consols rose from 70 to 70-5/8, while the Dow-Jones average of selected United States bonds was reduced from 90.97 to 90.46. The index for Dominion of Canada long-term bond yields advanced from 61.4 for the week ending January 5 to 61.7 for the week ending January 12, and the average yield of the issues used in this index rose from 2.98 to 3.00.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

The continued downward drift of the pound despite the imposition of minor limiting restrictions, led during the past week to extraordinary measures. On January 6, the Bank of England transferred gold amounting to £350,000,000 (at current gold levels) to the Exchange Equalization fund. Following this action the pound immediately gained almost 2 cents to \$4.6943. Heavy covering by short sellers contributed to further recovery which moved the rate to around \$4.71-1/2. It reacted from this point to \$4.7091 on January 12. Independent currencies remained unusually stable, while the premium on the United States dollar closed 3/32 lower at 27/32 of one per cent. According to a newly enacted currency law, Colombia became the first Latin American country to link its currency to gold again. The Colombian peso will be linked to United States funds at the rate of 1.75 pesos to the dollar.



# SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1939 January						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average
	6	7	9	10	11	12	Jan.6-12	Dec.30-Jan.5	Last Month	A Year Ago
INVESTORS' PRICE INDEX, 95 COMMON STOCKS....	107.4	107.3	106.7	107.1	105.9	105.6	106.6	108.0	106.8	108.4
68 INDUSTRIALS.....	180.8	180.4	179.5	180.0	177.8	176.8	178.9	181.9	179.5	178.5
Machinery and Equipment (8) .....	138.7	138.7	138.5	137.3	136.1	135.7	137.1	140.4	134.5	110.4
Pulp and Paper (7).....	19.1	19.4	19.4	19.0	18.8	18.5	18.9	19.4	19.5	19.7
Milling (3).....	80.1	81.5	81.5	82.9	81.5	81.5	80.5	80.1	81.4	86.6
Oils (4).....	177.5	177.8	177.6	177.6	176.2	175.3	177.0	177.6	176.6	195.7
Textiles and Clothing (10).....	55.0	54.9	54.5	54.5	54.7	54.4	54.8	56.0	56.6	63.7
Food and Allied Products (12).....	174.6	172.9	172.7	175.4	175.3	174.9	174.6	174.0	169.1	154.8
Beverages (7) .....	133.4	133.0	133.0	132.6	131.5	131.1	132.2	135.3	136.2	118.1
Building Materials (15).....	142.8	142.4	141.7	141.5	140.8	139.4	141.0	144.2	139.6	140.3
Industrial Mines (2).....	464.4	462.0	456.6	459.3	449.9	446.6	454.8	469.4	460.5	429.2
19 UTILITIES.....	43.5	43.6	43.3	43.8	43.1	43.4	43.5	43.9	44.1	48.3
Transportation (2).....	14.6	14.8	14.1	14.1	13.6	13.6	14.1	15.3	13.8	19.8
Telephone & Telegraph (2).....	127.3	126.6	127.3	127.3	127.3	127.2	127.2	127.1	127.7	125.8
Power and Traction (15).....	58.1	58.2	58.1	59.1	58.1	58.7	58.5	58.3	60.0	64.0
8 BANKS.....	85.0	85.1	85.1	85.2	85.1	85.9	85.4	83.9	83.8	84.3
MINING STOCK PRICE INDEX, 25 STOCKS.....	163.2	164.1	162.9	162.9	161.4	161.3	162.7	161.9	158.5	144.3
Gold Stocks (22).....	124.9	125.8	124.9	124.4	122.9	123.0	124.4	123.8	121.5	119.9
Base Metals (3).....	321.7	322.9	320.5	322.2	321.0	320.1	321.0	319.7	312.7	247.2
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	117.7	117.7	117.7	117.8	117.8	117.8	117.7	117.9	117.9	116.1
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	61.7	61.7	61.7	61.6	61.7	61.7	61.7	61.4	61.5	66.3
FOREIGN EXCHANGE QUOTATIONS* - NOON RATES AT MONTREAL										
Sterling.....	4.6943	4.7182	4.7129	4.7159	4.7122	4.7091	4.7104	4.6807	4.7133	5.0009
U.S. dollars .....	1.0091	1.0084	1.0088	1.0091	1.0088	1.0084	1.0088	1.0093	1.0094	1.0002
French franc.....	.0265	.0266	.0266	.0266	.0266	.0266	.0266	.0265	.0265	.0338
Belgian belga.....	.1702	.1703	.1703	.1704	.1704	.1702	.1703	.1701	.1700	.1697
Netherlands florin.....	.5487	.5488	.5487	.5488	.5485	.5483	.5486	.5487	.5485	.5570
Japanese yen.....	.2734	.2749	.2746	.2748	.2746	.2744	.2745	.2728	.2748	.2908
Australian pound.....	3.7554	3.7746	3.7703	3.7727	3.7637	3.7673	3.7683	3.7446	3.7706	4.0007
Argentine peso - free rate .....	.2326	-	.2320	.2311	.2310	.2309	.2315	.2303	.2288	.2925

\* Bank of Canada.

INDEX NUMBERS OF TWENTY-FIVE MINING STOCKS  
(1926=100)

Number of Stocks 1939	:	Gold x 22	:	Base Metals 3	:	Total Index 25
*1929 - High		89.7		318.0		127.9
Low		52.7		157.3		72.6
*1932 - High		63.1		82.3		64.8
Low		48.5		42.5		46.8
*1933 - High		111.9		144.1		116.7
Low		64.9		68.2		65.1
*1934 - High		140.1		167.6		143.3
Low		103.1		125.0		107.3
*1935 - High		131.2		211.7		136.7
Low		104.7		128.6		114.9
*1936 - High		136.2		322.1		170.3
Low		118.3		205.5		135.4
*1937 - High		141.3		356.5		180.0
Low		99.7		183.1		115.8
*1938 - High		125.5		322.5		160.9
Low		105.1		206.8		125.1
1937 June		105.9		255.0		134.7
July		109.2		278.9		141.8
August		112.5		287.4		146.2
September		103.5		324.5		127.6
October		104.5		192.4		121.6
November		113.8		192.4		129.4
December		115.5		213.1		134.3
1938 January		121.0		241.7		144.1
February		124.3		246.9		147.7
March		111.4		225.3		134.9
April		110.5		229.5		133.9
May		114.1		243.0		139.5
June		119.2		259.5		145.8
July		119.8		282.1		151.1
August		123.8		289.2		156.0
September		113.6		269.8		144.0
October		121.3		308.2		157.4
November		121.1		319.3		159.6
December		121.6		313.0		159.0
<u>Weekly Index Numbers</u>						
Week ending Dec. 1st		120.9		318.9		159.3
" " " 8th		120.8		313.5		158.2
" " " 15th		121.5		312.7		158.5
" " " 22nd		121.3		310.9		158.2
" " " 29th		122.2		315.9		160.0
1939 Week ending Jan. 5th		123.8		319.7		161.9
" " Jan. 12th		124.4		321.0		162.7

x Lamaque Gold Mines added to the mining stock list.

\* Weekly figures.





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