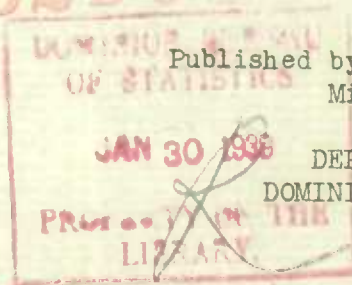


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SECURITY PRICES AND FOREIGN EXCHANGE, JANUARY 20-JANUARY 26
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

During the week ended January 26, Canadian common stock prices suffered the most severe setback since September, 1938. This break, involving all sections of the Canadian Investors' price index, was accompanied by heavy liquidation and coincided with declining security prices in New York and the principal European markets. Prices moved consistently lower except for a slight reaction among industrials on Tuesday (Jan. 24) while drastic recessions occurred on January 23 and 26. All divisions of the industrial group displayed net losses, led by industrial mines and followed by machinery and equipment, beverages, building materials and oils. Movements in utilities were comparatively narrow with declines ranging from 3.4 for power and traction to 0.2 for communication issues. The Investors' daily price index for industrial, utility and bank common stocks dropped from 105.7 on January 19 to 97.0 on January 26. Industrials were down 16.9 to 160.3, utilities 2.4 to 40.9 and banks 1.7 to 84.2.

MINING STOCK PRICES

Canadian mining stock markets suffered the widest setback since last September, reflecting disconcerting news from Europe and weakness on outside markets. The general price index of twenty-five mining issues dropped from 160.9 for the week ending January 19 to 153.7 for the week of January 26. This substantial decline was accompanied by heavy liquidation. Subsequent to a firm opening the gold stocks index fell 3.2 points to 119.9 on January 23. Then after a brief pause the index for this group receded further to 114.8 on January 26. The relative steadiness of base metals in the preceding two weeks was also disturbed. Losses in this section were severe, as indicated by the base metal index which dropped from 320.3 to 283.1 between January 19 and 26. Averages for the week ended January 26 were 118.9 for golds and 296.4 for base metals as compared with 122.5 and 319.9 respectively for the preceding week.

LONG-TERM BOND PRICES AND YIELDS

The unease engendered during the past few days by the trend of events in Europe found reflection on domestic security markets, and sharply falling prices carried the Dominion Bureau of Statistics' weekly index of Dominion of Canada long-term bond prices from 117.7 for the week ending January 19 to 117.5 for the week ending January 26. The Bureau's daily index dropped from 117.8 on the 19th to 117.0 on the 26th, which compared with a 1938 low of 112.6 on the 28th of September, immediately preceding the Munich Conference. During the first part of the week, quotations held fairly steady, but on the 24th the index fell 0.3 to 117.4, and further declines of 0.2 occurred on each of the succeeding days. In the provincial section, trading was light and prices comparatively stable. A New Brunswick issue for \$4 1/2 million, paying 3 1/4 p.c. and due August 1, 1949, was publicly offered on the 26th. British Consols weakened, closing 1 1/8 lower at 68 3/4, while the Dow-Jones average of high-grade United States bonds fell from 91.02 to 89.28. The weekly index of Dominion of Canada long-term bond yields rose from 61.7 for the week ending January 19 to 62.2 for the week ending January 26, and the average yield of the issues used in this index advanced from 3.00 to 3.02.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Foreign currencies, with the exception of the German reichsmark and Netherlands florin, displayed outward stability which was in definite contrast to the growing unsettlement in Europe. Sterling was reported to be under considerable pressure though rates remained relatively steady on active support by the Equalization fund. The closing quotation for the pound was \$4.7108 on January 26 compared with a low for the week of \$4.7052 on the 24th. Sharp breaks in the Netherlands florin brought rates down 33 points to 54.32 cents at the close of the week, while the German reichsmark receded 12 points to 40.18 cents during the same interval. Belgian belgas and Swiss francs were moderately firmer, closing at 17.03 cents and 22.75 cents respectively. There was an advance of 5/32 in the United States dollar at Montreal, the closing premium being 25/32 of one per cent, compared with 5/8 on January 19.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1939 JANUARY						Weekly Average Jan. 20-26	Preceding Weekly Average Jan. 13-19	Corresponding Weekly Average Last Month	Weekly Average A Year Ago
	20	21	23	24	25	26				
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	105.2	104.2	100.8	100.9	99.7	97.0	100.1	105.4	107.5	107.8
68 INDUSTRIALS	176.2	174.3	167.6	168.1	165.4	160.3	166.1	176.5	181.2	177.7
Machinery and Equipment (8)	137.3	133.9	128.8	126.9	126.2	118.4	125.2	136.3	136.8	110.0
Pulp and Paper (7)	18.2	17.6	16.3	16.5	15.7	14.4	15.9	18.3	19.4	18.6
Milling (3)	81.5	82.1	78.8	78.6	76.4	75.1	78.0	82.5	75.3	88.8
Oils (4)	175.7	174.0	170.1	170.9	170.4	167.2	170.5	175.8	177.4	196.4
Textiles and Clothing (10)	53.2	53.1	52.8	52.8	52.5	51.1	51.9	53.3	55.8	66.0
Food and Allied Products (12)	174.9	173.9	172.8	172.8	171.3	170.4	171.9	174.8	170.9	159.8
Beverages (7)	132.8	131.4	126.2	124.8	123.3	116.4	122.9	132.6	134.6	114.4
Building Materials (15)	139.6	137.4	130.1	128.3	127.7	122.0	128.0	138.1	142.4	136.7
Industrial Mines (2)	441.3	436.7	410.1	413.0	400.2	383.8	403.4	442.7	469.3	421.1
19 UTILITIES	43.1	42.6	42.0	41.8	41.9	40.9	41.9	43.4	43.5	48.0
Transportation (2)	13.3	13.1	12.6	12.6	12.3	11.8	12.5	13.7	14.4	18.5
Telephone & Telegraph (2)	127.6	127.6	128.3	128.0	127.5	127.1	127.8	127.3	127.0	125.8
Power & Traction (15)	58.3	57.5	56.6	56.1	56.6	54.9	56.5	58.6	58.5	64.4
8 BANKS	85.9	85.7	85.1	84.8	84.5	84.2	84.9	85.8	83.9	84.5
MINING STOCK PRICE INDEX, 25 STOCKS	161.3	159.5	154.9	154.0	153.4	147.6	153.7	160.9	160.0	144.7
Gold Stocks (22)	123.1	123.1	119.9	119.5	118.6	114.8	118.9	122.5	122.2	121.6
Base Metals (3)	319.7	310.3	299.8	297.1	297.4	283.1	296.4	319.9	315.9	236.9
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	117.9	117.8	117.7	117.4	117.2	117.0	117.5	117.7	117.5	116.1
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	61.4	61.6	61.8	62.4	62.6	63.1	62.2	61.7	62.1	66.2
FOREIGN EXCHANGE QUOTATIONS* - NOON RATES AT MONTREAL										
Sterling	4.7141	4.7061	4.7071	4.7052	4.7070	4.7108	4.7084	4.7134	4.7119	4.9984
U.S. dollars	1.0072	1.0072	1.0066	1.0066	1.0069	1.0078	1.0071	1.0079	1.0102	1.0000
French franc	.0266	.0266	.0266	.0266	.0266	.0266	.0266	.0266	.0266	.0329
Belgian belge	.1702	.1702	.1701	.1701	.1702	.1703	.1702	.1704	.1702	.1689
Netherlands florin	.5468	.5465	.5444	.5433	.5435	.5432	.5446	.5475	.5491	.5572
Japanese yen	.2748	.2746	.2742	.2742	.2743	.2744	.2744	.2747	.2746	.2903
Australian pound	3.7713	3.7649	3.7657	3.7641	3.7656	3.7686	3.7667	3.7707	3.7695	3.9987
Argentine peso - free rate	.2311	-	.2310	.2310	.2311	.2323	.2313	.2305	.2311	.2928

x Bank of Canada.

INVESTORS' INDEX NUMBERS

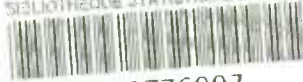
(1926=100)

Note: The Investors' Index measures the trend of values for the Investor who buys a fixed list of stocks and holds them over a long period.

Number of Securities 1 9 3 9	INDUSTRIALS										UTILITIES					Grand Total
	Total	Machin- ery and Equipment	Pulp and Paper	Mill- ing	Oils	Tex- tiles and Clothing	Food and Allied Products	Bever- ages	Build- ing Mater- ials	Indus- trial Mines	Total	Trans- porta- tion	Tele- phone Tele- graph	Power and Trac- tion	Banks	
	68	8	7	3	4	10	12	7	15	2	19	2	2	15	8	
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
x 1929 - High	317.6	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	591.3	166.0	164.1	129.6	197.6	131.7	198.3
Low	199.3	184.7	70.9	196.6	251.4	77.5	135.1	84.1	179.1	256.2	126.7	119.0	107.7	134.8	116.7	134.6
x 1934 - High	133.4	126.5	13.9	79.0	184.1	79.1	136.8	165.8	104.1	242.2	59.8	44.5	98.8	71.8	75.2	83.1
Low	111.8	78.2	7.8	64.3	141.6	60.6	117.0	80.5	79.5	187.0	45.4	28.1	85.0	56.3	64.4	69.5
x 1935 - High	180.5	130.7	17.3	78.6	231.8	76.6	149.5	165.4	118.0	377.9	52.4	33.4	109.4	67.6	79.8	98.8
Low	123.7	109.1	10.3	54.0	173.1	60.1	123.5	97.1	102.6	193.3	43.5	23.3	92.9	53.2	75.3	75.7
x 1936 - High	226.1	142.7	31.9	115.4	254.5	76.5	182.9	152.6	192.2	557.3	64.7	37.6	121.7	84.5	89.5	135.5
Low	180.2	102.0	16.5	79.5	216.5	65.6	145.2	122.8	123.6	371.2	50.6	28.1	108.8	63.2	74.5	109.4
x 1937 - High	245.4	170.2	50.2	128.3	249.7	81.8	191.9	144.2	216.2	631.8	74.5	42.5	129.0	99.9	97.3	149.6
Low	159.7	98.5	16.9	66.4	184.1	64.0	149.6	102.1	124.0	336.2	47.7	18.9	120.0	63.8	78.3	99.0
x 1938 - High	187.3	145.0	23.4	90.5	202.1	66.0	171.3	145.2	145.8	485.7	48.9	19.8	127.7	66.7	86.2	111.9
Low	151.3	93.3	13.2	69.7	160.7	52.1	147.3	95.6	109.1	354.8	40.8	13.3	115.3	55.1	79.5	92.5
1939																
January	177.0	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	422.6	48.4	19.2	125.6	64.4	84.3	107.7
February	177.7	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	425.0	46.8	17.6	123.1	63.1	81.8	107.1
March	164.0	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	387.3	43.1	14.5	120.1	58.2	80.5	99.2
April	160.5	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	386.6	43.7	15.4	117.0	59.7	80.4	97.9
May	163.5	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	389.2	44.5	14.8	122.8	61.0	80.9	99.7
June	163.5	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	395.2	45.1	15.7	123.8	61.2	81.0	100.0
July	175.1	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	433.0	48.6	18.3	123.7	66.4	84.9	106.9
August	172.8	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	421.1	47.1	16.7	125.3	64.3	85.0	105.2
September	162.2	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	401.0	42.7	14.1	121.1	57.8	83.4	98.6
October	182.7	139.8	22.8	85.8	182.1	58.5	170.1	133.3	139.5	467.9	46.9	16.5	125.8	64.0	86.0	109.7
November	184.9	141.5	21.6	84.9	184.5	59.0	170.2	143.3	141.5	466.1	46.2	16.4	126.8	62.3	85.6	110.4
December	179.4	135.5	19.3	78.8	176.9	56.9	170.1	135.9	140.2	459.3	44.0	14.3	127.3	59.4	83.9	106.8
Weekly Index Numbers																
January 27, 1938	177.7	110.0	18.6	88.8	196.4	66.0	159.8	114.4	136.7	421.1	48.0	18.5	125.8	64.4	84.5	107.8
1939																
January 5	181.9	140.4	19.4	80.1	177.6	56.0	174.0	135.8	144.2	469.4	43.9	15.3	127.1	58.3	83.9	108.0
January 12	178.9	137.1	18.9	80.5	177.0	54.8	174.6	132.2	141.0	454.8	43.5	14.1	127.2	58.5	85.4	106.6
January 19	176.5	136.3	18.3	82.5	175.8	53.3	174.8	132.6	138.1	442.7	43.4	13.7	127.3	58.6	85.8	105.4
January 26	166.1	125.2	15.9	78.0	170.5	51.9	171.9	122.9	128.0	403.4	41.9	12.5	127.8	56.5	84.9	100.1

x Weekly figures.

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