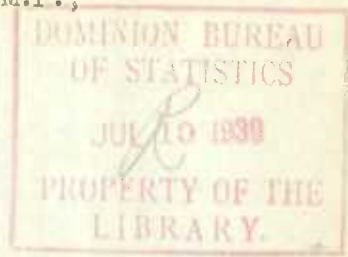


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SECURITY PRICES AND FOREIGN EXCHANGE, JUNE 30-JULY 6
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

The Investors' general price index of industrial, utility and bank stocks rose from 92.9 to 94.8 between June 29 and July 6, recovering about half of the previous week's decline on light volume. A firm opening was followed by successive gains, the greatest occurring on Tuesday, July 4. On the final day of trading a recession in utilities counterbalanced a minor increase in industrials and the composite index remained unchanged. All sections participated in the advance with the exception of textiles. In the van were the machinery and equipment issues with a net rise of 4.3 p.c., beverages 3.9 p.c., oils 3.7 p.c., pulp and paper 3.6 p.c., building materials 3.0 p.c., power and traction 2.3 p.c. and foods 2.2 p.c. In spite of the improvement shown above, the weekly index for 95 stocks receded from 94.9 to 94.0, with the industrials down 1.4 to 152.5, utilities 0.4 to 42.1 and banks 0.4 to 84.8.

MINING STOCK PRICES

Canadian mining stock prices staged a substantial rally during the week ended July 6 with sales volume at the lowest level since the week of June 2, 1938. The Bureau's general price index for twenty-five mining issues registered consistent daily advances, closing the week at 152.5 for a net gain of 4.4 points. Base metals led the advance mounting from 294.9 on June 29 to 305.1 on July 6. Despite a fractional loss on the final day of trading the gold index closed at 115.7, showing a gain of over 2 1/2 p.c. Although golds and base metals recorded net gains, weekly indexes were 114.8 for golds and 300.3 for base metals as compared with 115.2 and 300.9 respectively, for the week ended June 29. The general monthly average index for 25 mines mounted from 151.4 in May to 153.9 in June.

LONG-TERM BOND PRICES AND YIELDS

Uneasiness over international affairs again influenced security price movements, and the Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices fell from 118.1 for the week ending June 29 to 117.7 for the week ending July 6. Declines were concentrated in the early days of the week and the Bureau's daily index dropped from 118.0 on June 29th to 117.6 on July 3rd, but confidence soon returned and the series recovered to 117.9 on the 5th, closing the week with a net loss of only 0.1. Provincials were mixed, with Westerns showing some tendency toward reaction. British Consols moved from 67 to 67 5/8, while the Dow-Jones average of high-grade United States bonds advanced from 88.43 to 88.83.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

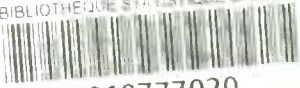
Foreign currencies closed the week ended July 6 narrowly firmer against the Canadian dollar. From \$1.00 1/4 on June 29, United States funds stiffened to \$1.00 19/64 on July 3, but subsequently reacted to \$1.00 17/64 on July 6. Sterling spot rates, which received support from the Exchange Equalization fund operations, ended fractionally higher at \$4.6935 compared with \$4.6922 on June 29. Discounts on 90-day sterling forward rates, New York on London, widened from 1 3/4¢ on June 29 to 2 1/4¢ on the following day, and finally closed at 1 29/32¢. French francs were steady at 2.66¢ while belga rates also were unchanged at 17.04¢, despite the drop in the Central bank's discount rate from 2 1/2 to 2 per cent. Mexican pesos, still quoted on a nominal basis, fluctuated widely. At the close, peso rates at 18.05¢, were up more than 1¢ above levels of a week earlier. Strength in the peso was partly accounted for by the announcement that the United States Government had decided not to bar the purchase of foreign silver.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1939						Weekly Average June 30- July 6	Preceding Weekly Average June 23-29	Corresponding Weekly Average Last Month	Weekly Average A Year Ago
	June 30	X1	July 3	July 4	July 5	July 6				
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	92.8	-	93.0	94.5	94.8	94.8	94.0	94.9	99.0	106.8
68 INDUSTRIALS	150.3	-	150.7	153.5	154.0	154.1	152.5	153.9	161.4	174.4
Machinery and Equipment (8)	110.1	-	111.1	113.2	113.4	115.5	112.8	113.7	113.2	122.7
Pulp and Paper (7)	11.0	-	11.0	11.5	11.4	11.5	11.3	11.5	12.7	23.4
Milling (3)	72.3	-	73.1	72.3	72.3	72.0	72.5	74.8	78.4	88.9
Oils (4)	146.5	-	146.3	149.9	151.2	153.1	149.0	151.0	159.6	177.4
Textiles and Clothing (10)	56.1	-	56.3	56.5	56.5	56.3	56.4	57.5	56.7	59.0
Food and Allied Products (12)	177.5	-	179.8	181.4	181.1	180.2	180.4	178.3	179.7	164.5
Beverages (7)	119.8	-	121.6	121.8	123.0	124.6	122.6	122.0	125.6	114.4
Building Materials (15)	122.1	-	122.0	124.9	124.7	124.9	123.7	124.2	131.7	141.2
Industrial Mines (2)	366.9	-	367.9	374.8	374.2	369.8	370.0	374.2	397.8	435.7
19 UTILITIES	41.7	-	41.8	42.2	42.5	42.2	42.1	42.5	44.6	48.9
Transportation (2)	10.0	-	10.0	10.3	10.0	10.0	10.1	10.4	11.7	18.7
Telephone & Telegraph (2)	132.6	-	133.0	132.6	132.8	132.6	132.7	132.4	134.2	123.8
Power and Traction (15)	57.4	-	57.5	58.4	59.1	58.6	58.3	59.1	62.0	66.7
8 BANKS	84.7	-	84.5	84.8	84.9	84.9	84.8	85.2	84.9	85.0
MINING STOCK PRICE INDEX, 25 STOCKS	149.0	-	149.4	150.7	152.2	152.5	150.9	151.5	155.1	148.5
Gold Stocks (22)	113.5	-	113.8	114.9	115.8	115.7	114.8	115.2	117.0	116.9
Base Metals (3)	296.0	-	296.9	298.9	302.8	305.1	300.3	300.9	314.0	279.2
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	117.7	-	117.6	117.6	117.9	117.9	117.7	118.1	118.0	118.2
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	60.6	-	60.7	60.7	60.2	60.1	60.5	59.9	60.3	61.7
FOREIGN EXCHANGE QUOTATIONSx - NOON RATES AT MONTREAL										
Sterling	4.6936	-	4.6945	4.6944	4.6939	4.6935	4.6940	4.6930	4.6903	4.9867
U.S. dollars	1.0028	-	1.0030	1.0028	1.0028	1.0027	1.0028	1.0026	1.0013	1.0079
French franc	.0266	-	.0266	.0266	.0266	.0266	.0266	.0266	.0265	.0280
Belgian belga	.1704	-	.1704	.1704	.1705	.1704	.1704	.1705	.1704	.1708
Netherlands florin	.5323	-	.5323	.5323	.5322	.5322	.5323	.5322	.5336	.5566
Japanese yen	.2735	-	.2736	.2736	.2735	.2734	.2735	.2735	.2734	.2905
Australian pound	3.7548	-	3.7556	3.7555	3.7551	3.7548	3.7552	3.7544	3.7522	3.9834
Argentine peso - free rate	.2327	-	.2327	.2327	.2327	.2326	.2327	.2326	.2324	.2620

x Bank of Canada. X Montreal and Toronto Stock Exchanges closed.

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