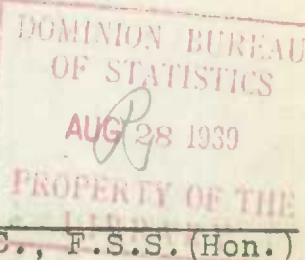


DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS - CANADA  
INTERNAL TRADE BRANCH

(Issued August 26, 1939)



Dominion Statistician:	R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Prices Statistician:	H. F. Greenway, M.A.

Price \$1.50 per year  
Single copies 10¢

SECURITY PRICES AND FOREIGN EXCHANGE, AUGUST 18-AUGUST 24  
(1926-100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Prices of Canadian common stocks declined sharply during the week ended August 24 and trading was at a moderate pace till Thursday (Aug. 24) when sales expanded considerably. The price decline was dominated by the rapidly changing European political situation and price indices broke through "Munich lows" to levels almost on a par with the close of March 1938. The Investors' daily price index for industrial, utility and bank common stocks dropped from 98.4 on August 17 to 90.0 on August 24. All sections of the composite index shared in the recession which was led by an 18 p.c. decrease in pulp and paper issues. Severe losses also occurred in machinery and equipment, beverages, building materials, oils, power issues and industrial mines. The industrial index closed at 146.2 on August 24 for a net loss of 11.8 points. Utilities were down 2.5 to 39.2 and banks 1.1 to 84.1.

MINING STOCK PRICES

Disturbed by the tension in Europe, Canadian mining markets suffered their severest decline since last September, during the week ended August 24. Declining prices were accompanied by a nervous flow of selling. The general price index of mining issues at 141.6 on August 24 registered a net loss of 14.3 points for the period, but was still 3.1 points above the low point of the year, reached on April 11. The base metal daily index fell 8.7 p.c. while golds in contrast to their former steadiness, receded 9.5 p.c. to 104.7 on the closing day, the lowest level since September 27, 1938. Despite marked recessions, base metal shares remained 23 points higher than their minimum for the current year. The Bureau's weekly index for twenty-five mining issues moved downward from 156.6 for the week of August 17 to 147.1 for the following week. Golds declined 7.0 to 109.5 and base metals 20.0 to 303.2.

LONG-TERM BOND PRICES AND YIELDS

The Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices fell from 117.5 for the week ending August 17 to 116.6 for the week ending August 24. High grade security values dropped sharply as anxiety over the trend of European political developments became more acute. The daily index declined from 117.5 to 115.2 in the same period but was still above the low of 112.6 reached on September 28, 1938, at the height of the Sudeten tension. Provincials were weaker also, and losses exceeded three points in scattered instances. British Consols dropped from 66 1/8 to 62 1/2, and the Dow-Jones average of selected high-grade United States issues receded from 89.62 to 88.15. The index for Dominion of Canada long-term bond yields rose from 60.8 for the week of August 17 to 62.7 for the week of August 24, and the average yield of the issues included in this index increased from 2.95 to 3.04.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Despite increasing selling pressure, the £ sterling rose from \$4.6805 on August 17 to \$4.7038 on the 24th with the British Equalization Fund furnishing continuous support. Discounts on 90-day futures rates, however, widened from 2 5/16¢ on August 17 to 2 1/2¢ on the 18th and held there till the 22nd as the Equalization Fund extended control measures to include future positions. Forward rates widened sharply to 5 1/8¢ during the next two days when the fund concentrated attention on the spot position. Movement of capital from London became more rapid and was accompanied by a rise in interest rates. The French franc held at 2.65¢ for the first five days and closed higher at 2.66¢. The Belgian belga moved down from 16.98¢ to 16.91¢ between the 18th and 23rd but recovered to 17.01¢ on the 24th. United States dollars which had remained at par since July 28 moved to a premium of 1/64 p.c. on August 21. By the 24th the premium had increased to 1/2 of 1 p.c.



SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1939 AUGUST						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average A Year Ago
	18	19	21	22	23	24	Aug.13-24	Aug.11-17	Last Month	
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	95.8	94.9	92.9	93.0	91.1	90.0	92.2	97.1	98.5	106.0
68 INDUSTRIALS	156.8	155.0	150.9	151.5	148.1	146.2	150.2	159.4	161.7	174.2
Machinery and Equipment (8)	111.5	109.6	106.7	106.3	105.6	101.3	105.1	115.4	119.5	131.5
Pulp and Paper (7)	11.4	11.3	10.3	10.3	9.8	9.5	10.2	12.1	13.1	21.4
Milling (3)	77.6	76.1	75.6	74.6	74.6	76.9	75.8	77.5	75.3	88.4
Oils (4)	152.3	152.0	145.1	146.0	142.4	139.2	144.7	154.1	155.5	178.0
Textiles and Clothing (10)	59.9	59.7	59.5	59.4	59.3	57.1	58.9	60.9	60.8	58.8
Food and Allied Products (12)	184.0	182.6	179.1	179.2	179.1	175.0	179.5	184.1	183.2	168.2
Beverages (7)	119.2	119.6	115.5	115.9	113.3	109.7	114.1	122.6	126.0	122.7
Building Materials (15)	123.7	121.9	119.1	117.8	115.7	112.9	117.1	125.7	131.0	140.0
Industrial Mines (2)	389.1	380.1	376.5	378.7	367.5	369.7	374.8	398.0	403.9	427.6
19 UTILITIES	41.6	41.3	41.1	40.7	39.9	39.2	40.2	42.0	43.0	47.1
Transportation (2)	9.3	9.0	9.0	9.0	8.8	8.8	8.9	9.4	10.4	16.6
Telephone and Telegraph (2)	132.2	132.2	130.9	128.9	128.9	127.8	129.5	132.7	132.8	125.6
Power and Traction (15)	58.0	57.6	57.3	56.9	55.3	54.0	55.9	58.8	59.8	64.3
8 BANKS	85.2	85.2	85.1	85.1	84.7	84.1	84.8	85.3	84.8	85.4
MINING STOCK PRICE INDEX, 25 STOCKS	153.6	153.3	149.4	148.9	146.0	141.6	147.1	156.6	157.9	157.9
Gold Stocks (22)	114.4	113.9	110.7	111.0	109.5	104.7	109.5	116.5	119.0	125.2
Base Metals (3)	316.2	317.2	309.9	306.1	297.3	294.6	303.2	323.2	320.2	294.9
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	117.5	117.2	117.2	116.6	116.0	115.2	116.6	117.5	117.9	117.7
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	60.8	61.4	61.4	62.6	63.2	64.9	62.7	60.8	60.2	62.7
FOREIGN EXCHANGE QUOTATIONSx - NOON RATES AT MONTREAL										
Sterling	4.6805	4.6806	4.6812	4.6812	4.6812	4.7038	4.6848	4.6806	4.6855	4.8959
U.S. dollars	1.0000	1.0000	1.0002	1.0002	1.0002	1.0050	1.0009	1.0000	1.0008	1.0033
French franc	.0265	.0265	.0265	.0265	.0265	.0266	.0265	.0265	.0265	.0274
Belgian belga	.1698	.1698	.1698	.1694	.1691	.1701	.1697	.1698	.1701	.1691
Netherlands florin	.5365	.5371	.5363	.5355	.5366	.5405	.5371	.5362	.5356	.5488
Japanese yen	.2728	.2731	.2728	.2728	.2727	.2741	.2731	.2729	.2731	.2850
Australian pound	3.7444	3.7445	3.7450	3.7450	3.7450	3.7630	3.7478	3.7445	3.7484	3.9167
Argentine peso - free rate	.2320	-	.2315	.2315	.2315	.2337	.2320	.2317	.2313	.2571

x Bank of Canada.

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MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND PRICES 1931-39.  
(From data issued by A. E. Ames and Co. Ltd.)  
(1926=100)

	1931	1932	1933	1934	1935	1936	1937	1938	1939
January .....	103.1	94.1	103.3	104.6	115.9	113.6	117.7	116.1	117.5
February .....	103.1	94.9	103.4	105.4	114.2	115.0	115.3	116.6	117.6
March .....	103.7	96.4	102.1	107.9	115.0	115.5	112.9	116.8	117.9
April .....	104.5	96.2	102.9	109.4	114.5	115.7	112.7	117.3	116.8
May .....	104.0	96.3	103.8	110.3	115.2	115.9	113.8	118.2	117.0
June .....	105.0	94.6	104.9	110.4	114.2	117.0	114.9	118.1	118.0
July .....	105.3	97.0	104.8	111.1	114.5	118.0	115.1	117.6	117.9
August .....	105.3	101.0	105.6	112.3	114.8	119.1	115.5	117.6	-
September .....	102.1	101.8	105.7	112.6	110.9	119.1	115.3	116.0	-
October .....	98.1	103.8	105.0	111.1	110.2	117.1	114.5	116.9	-
November .....	97.4	102.6	104.2	112.2	112.5	117.6	114.8	117.8	-
December .....	95.5	101.2	103.6	115.2	112.5	118.2	115.6	117.7	-

MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND YIELDS, 1931-39.  
(From data issued by A. E. Ames and Co. Ltd.)  
(1926=100)

	1931	1932	1933	1934	1935	1936	1937	1938	1939
January .....	93.9	112.7	96.3	93.2	70.9	72.4	64.6	66.3	62.1
February .....	93.6	112.2	96.0	91.0	73.2	70.8	68.4	65.4	61.9
March .....	91.9	109.1	97.7	86.1	71.4	69.9	72.7	64.7	61.1
April .....	90.0	109.8	96.6	83.8	72.2	69.5	73.2	63.7	63.0
May .....	89.3	109.3	95.0	81.8	71.4	68.8	71.0	61.7	62.4
June .....	88.3	111.7	93.3	82.1	73.4	66.9	69.3	61.8	60.1
July .....	88.3	107.5	93.5	80.1	72.1	65.1	69.0	62.7	60.1
August .....	88.3	100.5	92.2	77.8	71.6	63.2	68.1	62.7	-
September .....	95.5	98.7	92.4	77.2	79.8	63.1	68.3	65.3	-
October .....	105.2	96.2	93.5	79.3	78.9	66.2	69.7	63.2	-
November .....	107.7	98.5	94.3	77.2	74.5	65.1	68.8	61.5	-
December .....	111.7	99.4	95.1	71.3	75.5	64.1	67.4	61.8	-

MONTHLY INDEX NUMBERS OF PROVINCE OF ONTARIO REPRESENTATIVE BOND ISSUES,  
(From data issued by Wood, Gundy & Co. Ltd.)  
(1926=100)

	1931	1932	1933	1934	1935	1936	1937	1938	1939
January .....	95.0	119.8	99.2	97.3	76.2	85.5	70.4	69.7	68.1
February .....	95.0	115.9	98.7	96.0	78.3	80.6	74.3	69.3	69.7
March .....	95.0	110.6	100.0	90.2	79.5	77.3	78.5	68.5	68.3
April .....	95.0	111.3	101.3	87.7	80.8	78.5	77.9	67.2	70.6
May .....	91.9	113.2	98.1	84.8	78.5	76.6	74.5	65.3	68.7
June .....	91.9	114.4	97.1	85.4	80.4	73.3	72.9	65.3	65.8
July .....	92.9	110.6	96.7	83.1	80.2	72.0	73.1	66.8	65.8
August .....	91.9	103.3	95.0	82.3	79.7	71.2	72.2	66.8	-
September .....	97.1	101.9	95.8	82.0	88.3	69.9	71.8	68.9	-
October .....	103.3	98.1	94.6	82.9	85.4	72.2	73.1	66.8	-
November .....	105.4	102.3	97.3	81.0	80.8	71.8	72.7	65.1	-
December .....	108.6	102.7	98.5	76.2	82.7	69.7	71.2	65.8	-

WEEKLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BONDS, 1939x

Date		Prices	Yields
July	6	117.7	60.5
	13	118.0	59.9
	20	118.0	59.9
	27	117.9	60.2
Aug.	3	117.7	60.4
	10	117.6	60.6
	17	117.5	60.8
	24	116.6	62.7

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





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