

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

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SECURITY PRICES AND FOREIGN EXCHANGE, SEPTEMBER 8-SEPTEMBER 14
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

The Investors' daily price index of 95 common stocks moved irregularly downward from 102.8 to 97.3 between September 7 and 14, reducing by half the preceding week's sharp advance. All divisions of the composite index (Industrials, Utilities and Banks) followed similar courses, recessions being attributed to renewed profit-taking towards the end of the week. Major losses caused by a reactionary movement in foods and industrial mines were mostly responsible for a decrease of 5.8 p.c. to 163.4 in the industrial group. Pulp and paper and textiles issues showed noteworthy advances during the period while gains in other sub-groups were less substantial. Utilities fell from 41.6 on September 7 to 40.2 a week later with transportation and communication shares declining over 8 p.c. From their former firmness, banks issues have moved almost steadily lower in the past four weeks. A net loss of 8.7 points, of which 4 points were recorded in the last week carried the index to 76.5, the lowest level in several years.

MINING STOCK PRICES

During the 2nd week of September, a net loss of 9.6 points was registered, and the Bureau's weekly price index of twenty-five mining issues declined from 144.0 for the week ended September 7 to 134.4. Daily recessions were listed throughout the week, except on September 12. Trading volume was particularly heavy on Tuesday and Wednesday (September 12 and 13). In the gold section, the juniors showed strength while seniors took wide losses. The weekly index fell from 102.1 for the week of September 7 to 97.6 for the week of September 14. Fixing of metal prices in London at levels under the recent highs lent weakness to the base metal group, and the index tumbled down from 338.5 on September 5 to 275.0 on September 14. The weekly price average receded from 324.6 to 288.4.

LONG-TERM BOND PRICES AND YIELDS

Continuing the decline which began in the latter part of July, the Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices fell from 110.1 for the week ending September 7 to 108.5 for the week ending September 14. Buying on the stock and security markets decreased somewhat toward the end of the week and more attention was diverted to bonds. The Bureau's daily index, which touched a five-year low of 107.9 on the 13th, rallied on the 14th and at 108.7 closed the week on a level with the previous week's close. United States high-grade bonds were firmer, and the Dow-Jones average of selected issues advanced from 86.90 to 88.30. This compared with 86.68 for September 14, 1938. The index of Dominion of Canada long-term bond yields mounted from 74.3 for the week ending September 7 to 78.2 for the week ending September 14, and the average yield of the issues included in this index jumped from 3.61 to 3.80.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Movements of foreign currencies at Montreal were mixed during the week ended September 14. Sterling spot rates and other currencies allied to it moved substantially lower while leading independent units were stronger. Following an advance from \$4.3233 on September 7 to \$4.4345 on the 12th, sterling spot rates broke sharply on renewed selling to close the week at \$4.1966. This was the lowest sterling rate touched since April 1933. On Saturday, September 9, sterling forward rates were quoted nominally at New York for the first time in several days, ninety day futures being discounted at 3¢. French francs declined with the pound, finishing the week 5 points lower at 2.39¢. On the other hand currencies of several of the neutral European countries rose rapidly between September 7 and 14. Belgian belgas closed the week at 18.96¢ for a net gain of 87 points while the Netherlands florin moved 2 1/4¢ higher to 58.91¢. Further strength in United States funds at Montreal lifted the premium on the dollar from 6 3/4 per cent on September 7 to 11 per cent on the 14th, which was the highest rate touched since June, 1933.

SUMMARY OF FINANCIAL PRICE FACTORS

| Dates | 1939 SEPTEMBER | | | | | | Weekly Average | Preceding Weekly Average | Corresponding Weekly Average | Weekly Average |
|--|-------------------|--------|--------|--------|--------|--------|-------------------|--------------------------------|------------------------------------|-------------------|
| | 8 | 9 | 11 | 12 | 13 | 14 | Sept.8-14 | Sept.1-7 | Last Month | A Year Ago |
| INVESTORS' PRICE INDEX, 95 COMMON STOCKS | 101.4 | 101.5 | 99.2 | 100.3 | 98.6 | 97.3 | 99.9 | 102.3 | 97.1 | 98.0 |
| 68 INDUSTRIALS | 170.5 | 171.2 | 166.5 | 167.9 | 165.4 | 163.4 | 167.8 | 172.8 | 159.4 | 160.8 |
| Machinery and Equipment (8) | 127.4 | 129.8 | 133.9 | 137.4 | 133.1 | 132.6 | 132.9 | 125.5 | 115.4 | 119.2 |
| Pulp and Paper (7) | 18.0 | 18.7 | 19.2 | 19.1 | 18.9 | 18.3 | 18.5 | 15.6 | 12.1 | 16.7 |
| Milling (3) | 96.8 | 98.8 | 104.1 | 103.5 | 101.2 | 98.5 | 101.4 | 92.7 | 77.5 | 78.6 |
| Oils (4) | 170.8 | 170.3 | 163.1 | 162.3 | 164.9 | 165.1 | 166.2 | 161.6 | 154.1 | 165.3 |
| Textiles and Clothing (10) | 65.9 | 70.4 | 72.1 | 72.5 | 72.7 | 71.2 | 71.3 | 64.0 | 60.9 | 55.4 |
| Food and Allied Products (12) | 180.4 | 181.1 | 168.6 | 164.6 | 167.5 | 160.7 | 168.2 | 179.4 | 184.1 | 164.0 |
| Beverages (7) | 104.8 | 104.3 | 105.1 | 107.2 | 105.6 | 106.1 | 105.9 | 107.7 | 122.6 | 109.8 |
| Building Materials (15) | 140.5 | 141.6 | 148.9 | 150.2 | 150.2 | 144.9 | 146.1 | 135.6 | 125.7 | 119.5 |
| Industrial Mines (2) | 421.6 | 424.2 | 413.1 | 424.0 | 402.2 | 395.8 | 415.5 | 460.9 | 398.0 | 395.5 |
| 19 UTILITIES | 41.5 | 41.2 | 40.8 | 41.9 | 40.8 | 40.2 | 41.1 | 41.0 | 42.0 | 42.7 |
| Transportation (2) | 15.9 | 16.1 | 15.9 | 16.2 | 15.4 | 14.9 | 15.8 | 14.7 | 9.4 | 13.8 |
| Telephone and Telegraph (2) | 121.9 | 121.9 | 120.0 | 118.7 | 114.4 | 112.2 | 116.7 | 122.6 | 132.7 | 123.2 |
| Power and Traction (15) | 53.4 | 52.6 | 52.2 | 54.6 | 53.6 | 53.3 | 53.5 | 53.5 | 58.8 | 57.7 |
| 8 BANKS | 79.6 | 79.3 | 79.1 | 79.0 | 77.7 | 76.5 | 78.6 | 81.1 | 85.3 | 84.8 |
| MINING STOCK PRICE INDEX, 25 STOCKS | 134.8 | 134.7 | 130.2 | 137.6 | 134.0 | 132.7 | 134.4 | 144.0 | 156.6 | 143.9 |
| Gold Stocks (22) | 96.5 | 95.7 | 92.8 | 99.8 | 98.9 | 98.4 | 97.6 | 102.1 | 116.5 | 113.3 |
| Base Metals (3) | 293.7 | 297.3 | 285.8 | 294.3 | 279.8 | 275.0 | 288.4 | 324.6 | 323.2 | 271.0 |
| DOMINION OF CANADA LONG-TERM BOND PRICE INDEX | 108.9 | 108.7 | 108.7 | 108.1 | 107.9 | 108.7 | 108.5 | 110.1 | 117.5 | 116.7 |
| DOMINION OF CANADA LONG-TERM BOND YIELD INDEX | 77.1 | 77.6 | 77.6 | 79.2 | 79.7 | 77.9 | 78.2 | 74.3 | 60.8 | 64.0 |
| FOREIGN EXCHANGE QUOTATIONS ^x - NOON RATES AT MONTREAL | | | | | | | | | | |
| Sterling | 4.3487 | 4.3541 | 4.4335 | 4.4345 | 4.4124 | 4.1966 | 4.3633 | 4.3951 | 4.6806 | 4.8296 |
| U.S. dollars | 1.0725 | 1.0738 | 1.0950 | 1.0988 | 1.0988 | 1.1100 | 1.0915 | 1.0685 | 1.0000 | 1.0047 |
| French franc | .0243 | .0244 | .0249 | .0252 | .0252 | .0239 | .0247 | .0251 | .0265 | .0271 |
| Belgian belga | .1832 | .1836 | .1875 | .1882 | .1876 | .1896 | .1866 | .1832 | .1698 | .1693 |
| Netherlands florin | .5705 | .5705 | .5813 | .5833 | .5832 | .5891 | .5797 | .5754 | .5362 | .5414 |
| Japanese yen | .2526 | .2547 | .2585 | .2589 | .2575 | .2463 | .2548 | .2557 | .2729 | .2818 |
| Australian pound | 3.4790 | 3.4332 | 3.5468 | 3.5476 | 3.5298 | 3.3573 | 3.4823 | 3.5160 | 3.7445 | 3.8637 |
| Argentine peso - free rate | .2547 | - | .2601 | .2604 | .2599 | .2631 | .2596 | .2486 | .2317 | .2539 |

^x Bank of Canada.

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

| No. of Stocks 1939 | Gold 22 | Base Metals 3 | Total Index 25 |
|-----------------------------|------------|---------------------|----------------------|
| x1929 - High | 89.7 | 318.0 | 127.9 |
| Low | 52.7 | 157.3 | 72.6 |
| x1932 - High | 63.1 | 82.3 | 64.8 |
| Low | 48.5 | 42.5 | 46.8 |
| x1933 - High | 111.9 | 144.1 | 116.7 |
| Low | 64.9 | 68.2 | 65.1 |
| x1934 - High | 140.1 | 167.6 | 143.3 |
| Low | 103.1 | 125.0 | 107.3 |
| x1935 - High | 131.2 | 211.7 | 136.7 |
| Low | 104.7 | 128.6 | 114.9 |
| x1936 - High | 136.2 | 322.1 | 170.3 |
| Low | 118.3 | 205.5 | 135.4 |
| x1937 - High | 141.3 | 356.5 | 180.0 |
| Low | 99.7 | 183.1 | 115.8 |
| x1938 - High | 125.5 | 322.5 | 160.9 |
| Low | 105.1 | 206.8 | 125.1 |
| <u>1938</u> | | | |
| 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>1939</u> | | | |
| January | 121.4 | 307.0 | 158.0 |
| February | 121.1 | 315.1 | 158.8 |
| March | 118.2 | 305.6 | 155.0 |
| April | 110.1 | 282.6 | 143.7 |
| May | 114.6 | 303.3 | 151.4 |
| June | 116.5 | 308.6 | 153.9 |
| July | 117.7 | 314.7 | 155.8 |
| August | 112.8 | 310.3 | 151.4 |
| <u>Weekly Index Numbers</u> | | | |
| Week ending Aug. 3rd | 118.4 | 324.9 | 158.6 |
| " " " 10th | 117.4 | 324.0 | 157.5 |
| " " " 17th | 116.5 | 323.2 | 156.6 |
| " " " 24th | 109.5 | 303.2 | 147.1 |
| " " " 31st | 109.8 | 305.3 | 147.7 |
| " " Sept. 7th | 102.1 | 324.6 | 144.0 |
| " " " 14th | 97.6 | 288.4 | 134.4 |

x Weekly figures.

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