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# SECURITY PRICES AND FOREIGN EXCHANGE, AUGUST 25 - AUGUST 31.
(1926=100)

## INDUSTRIAL AND UTILITY COMMON STOCK PRICES

The Investors' daily price index for 95 common stocks closed the week ended August 31 at 91.6 for a net gain of 1.6 points. Prices moved forward sharply on moderately heavy buying on August 25, 26 and 29 as tension with regard to European developments lessened, but about half this gain was erased before the close as political unsettlement again increased. In the industrial section, all sub-groups with the exception of milling registered net advances. Gains were led by building materials, followed by beverages, textiles, oils, industrial mines and foods. The industrial index rose from 146.2 on August 24 to 150.3 on August 31. In the utility division, transportation and communication issues showed net recessions and the index for utilities fell from 39.2 to 39.1 during the same period. Banks dropped 1.4 to 82.7.

## MINING STOCK PRICES

Marked declines registered on Canadian mining markets on August 28 and particularly on the 31st, reflected renewed political tension in European centres and reduced to about half the partial recovery of prices made during the week ended August 31. Trading volume was less than last week but no heavy liquidation was reported while prices drifted lower. Price averages for twenty-five mining issues closed the week at 146.1 for a net increase of 5 points with the golds and base metals daily indexes showing rises of 2.9 p.c. and 3.8 p.c. respectively. Weekly indexes were 109.8 for golds and 305.3 for base metals as compared with 109.5 and 303.2 for the week preceding.

## LONG-TERM BOND PRICES AND YIELDS

Continued unsettlement in high-grade security markets was reflected by the Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices which dropped from 116.6 for the week ending August 24 to 113.5 for the week ending August 31. This was the lowest point touched since May 1937, and was 0.8 below the week of September 29, 1938, when the Sudeten problem was to the fore. The Bureau's daily index fell from 115.2 on the 24th to 112.6 on the 29th, before rising to close the week at 114.0. Provincials weakened also, and reductions of from one to three points were numerous. British Consols climbed from 62 1/2 on the 24th to 66 on the 30th, but then receded to 65 on the day following, while the Dow-Jones average of selected United States bonds declined from 88.15 to 87.71. The index for Dominion of Canada long-term bond yields advanced from 62.7 for the week ending August 24 to 68.0 for the week ending August 31, and the average yield of the issues included in this index increased from 3.04 to 3.30.

## FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Following the withdrawal of support on the part of the British Equalization Fund, in spot positions, the pound sterling dropped from $4.5578 on August 25 to $4.3867 on the 28th, the lowest level since 1933. Later moderate intervention on the part of the Equalization Fund was accompanied by a rise in quotations to $4.4673 on August 30 but by the close of the week the pound had fallen back to a new low of $4.3838. The French franc moved in line with the pound and declined .07 cents between August 25 and 28, recovered to 2.55 cents on the 30th but closed weaker at 2.51 cents. Other European currencies showed mixed tendencies. The break in sterling was immediately reflected in movements of the Canadian dollar. Premiums on United States funds moved up sharply from 1/2 p.c. on August 24 to 2 1/4 p.c. on the 25 but receded to 1 5/8 p.c. on the following day. After advancing to 2 1/2 p.c. on August 28, premiums moved gradually back to the opening level of 2 1/4 p.c. on the 31st.

## SUMMARY OF FINANCIAL PRICE FACTORS

| Dates | 1939 AUGUST 25 | 26 | 28 | 29 | 30 | 31 | Weekly Average Aug.25-31 | Preceding Weekly Average Aug.18-24 | Corresponding Weekly Average Last Month | Weekly Average A Year Ago |
|---|---|---|---|---|---|---|---|---|---|---|
| INVESTORS' PRICE INDEX, 95 COMMON STOCKS | 91.5 | 93.2 | 92.2 | 93.4 | 92.9 | 91.6 | 92.3 | 92.2 | 98.6 | 103.1 |
| 68 INDUSTRIALS | 149.3 | 152.2 | 150.8 | 153.4 | 152.5 | 150.3 | 151.0 | 150.2 | 162.0 | 169.2 |
| Machinery and Equipment (8) | 105.8 | 107.1 | 103.9 | 105.2 | 104.2 | 101.7 | 104.7 | 105.1 | 118.1 | 128.5 |
| Pulp and Paper (7) | 9.6 | 10.3 | 10.2 | 10.1 | 10.0 | 9.6 | 10.0 | 10.2 | 12.9 | 19.5 |
| Milling (3) | 77.0 | 77.3 | 73.4 | 73.4 | 74.9 | 75.4 | 74.9 | 75.8 | 74.7 | 86.3 |
| Oils (4) | 141.9 | 144.4 | 142.2 | 145.2 | 145.9 | 143.1 | 143.1 | 144.7 | 155.9 | 175.0 |
| Textiles and Clothing (10) | 57.5 | 58.7 | 59.3 | 60.3 | 60.3 | 59.5 | 59.2 | 58.9 | 61.9 | 58.3 |
| Food and Allied Products (12) | 176.9 | 176.4 | 176.9 | 177.1 | 177.5 | 178.6 | 177.0 | 179.5 | 183.3 | 167.8 |
| Beverages (7) | 112.5 | 115.3 | 114.1 | 117.0 | 117.4 | 115.7 | 114.7 | 114.1 | 126.3 | 120.2 |
| Building Materials (15) | 117.4 | 119.4 | 118.3 | 121.5 | 121.3 | 119.2 | 119.1 | 117.1 | 129.7 | 132.9 |
| Industrial Mines (2) | 377.5 | 387.5 | 385.9 | 392.5 | 384.9 | 379.5 | 383.5 | 374.8 | 407.1 | 407.4 |
| 19 UTILITIES | 39.9 | 40.8 | 40.0 | 40.2 | 40.0 | 39.1 | 39.9 | 40.2 | 42.9 | 45.8 |
| Transportation (2) | 8.8 | 10.0 | 9.8 | 9.0 | 8.8 | 8.5 | 8.9 | 8.9 | 10.4 | 15.7 |
| Telephone and Telegraph (2) | 127.5 | 128.6 | 128.2 | 128.5 | 128.2 | 126.8 | 127.7 | 129.5 | 132.7 | 125.8 |
| Power and Traction (15) | 55.7 | 56.2 | 54.7 | 55.8 | 55.8 | 54.3 | 55.2 | 55.9 | 59.6 | 62.4 |
| 8 BANKS | 83.2 | 83.3 | 82.5 | 82.6 | 82.5 | 82.7 | 83.0 | 84.8 | 85.1 | 85.1 |
| MINING STOCK PRICE INDEX, 25 STOCKS | 147.2 | 148.6 | 146.8 | 149.7 | 150.0 | 146.1 | 147.7 | 147.1 | 158.6 | 153.9 |
| Gold Stocks (22) | 109.9 | 111.2 | 109.2 | 110.4 | 111.3 | 107.7 | 109.8 | 109.5 | 118.4 | 122.4 |
| Base Metals (3) | 302.1 | 303.5 | 303.0 | 312.9 | 310.7 | 305.8 | 305.3 | 303.2 | 324.9 | 233.1 |
| DOMINION OF CANADA LONG-TERM BOND PRICE INDEX | 113.2 | 113.3 | 113.6 | 112.6 | 114.1 | 114.0 | 113.5 | 116.6 | 117.7 | 117.5 |
| DOMINION OF CANADA LONG-TERM BOND YIELD INDEX | 68.6 | 68.5 | 67.8 | 70.1 | 66.6 | 66.8 | 68.0 | 62.7 | 60.4 | 63.0 |
| FOREIGN EXCHANGE QUOTATIONSx - NOON RATES AT MONTREAL | | | | | | | | | | |
| Sterling | 4.5578 | 4.5122 | 4.3867 | 4.4566 | 4.4673 | 4.3838 | 4.4607 | 4.6848 | 4.6808 | 4.8727 |
| U.S. dollars | 1.0225 | 1.0163 | 1.0250 | 1.0200 | 1.0150 | 1.0225 | 1.0202 | 1.0009 | 1.0000 | 1.0017 |
| French franc | .0259 | .0255 | .0252 | .0254 | .0255 | .0251 | .0254 | .0265 | .0265 | .0273 |
| Belgian belga | .1732 | .1721 | .1730 | - | .1724 | .1742 | .1730 | .1697 | .1699 | .1691 |
| Netherlands florin | .5484 | .5437 | .5497 | .5463 | .5425 | .5459 | .5461 | .5371 | .5318 | .5461 |
| Japanese yen | .2661 | - | .2538 | .2606 | .2604 | .2560 | .2594 | .2731 | .2728 | .2840 |
| Australian pound | 3.6462 | 3.6097 | 3.5094 | 3.5653 | 3.5738 | 3.5070 | 3.5686 | 3.7478 | 3.7446 | 3.8981 |
| Argentine peso - free rate | .2301 | - | .2306 | .2346 | .2355 | .2377 | .2337 | .2320 | .2310 | .2569 |

x Bank of Canada.

## EXCHANGE QUOTATIONS AT MONTREAL, 1938-1939

NOTE: The noon rates in Canadian Funds upon which these averages are based have been supplied by the Bank of Canada

| | New York Funds | London Sterling | France Franc | Belgium Belga | Italy Lira | Switzerland Franc | Netherlands Florin | Norway Krone | Sweden Krona | Denmark Krone |
|---|---|---|---|---|---|---|---|---|---|---|
| 1938 | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| August | 1.0034 | 4.8970 | .0274 | .1692 | .0528 | .2296 | .5478 | .2460 | .2524 | .2186 |
| September | 1.0062 | 4.8335 | .0271 | .1698 | .0529 | .2275 | .5428 | .2429 | .2491 | .2157 |
| October | 1.0093 | 4.8120 | .0269 | .1706 | .0531 | .2293 | .5489 | .2418 | .2479 | .2148 |
| November | 1.0072 | 4.7413 | .0265 | .1703 | .0530 | .2282 | .5473 | .2383 | .2445 | .2117 |
| December | 1.0092 | 4.7133 | .0266 | .1700 | .0531 | .2283 | .5486 | .2368 | .2428 | .2104 |
| 1939 | | | | | | | | | | |
| January | 1.0079 | 4.7060 | .0266 | .1703 | .0530 | .2276 | .5462 | .2364 | .2423 | .2100 |
| February | 1.0049 | 4.7086 | .0266 | .1694 | .0529 | .2279 | .5388 | .2366 | .2425 | .2102 |
| March | 1.0041 | 4.7044 | .0266 | .1689 | .0528 | .2271 | .5331 | .2364 | .2423 | .2100 |
| April | 1.0050 | 4.7038 | .0266 | .1692 | .0529 | .2254 | .5341 | .2363 | .2423 | .2100 |
| May | 1.0036 | 4.6981 | .0266 | .1708 | .0528 | .2256 | .5379 | .2360 | .2420 | .2097 |
| June | 1.0021 | 4.6923 | .0266 | .1704 | .0527 | .2259 | .5328 | .2358 | .2416 | .2094 |
| July | 1.0015 | 4.6885 | .0265 | .1702 | .0527 | .2258 | .5335 | .2355 | .2415 | .2093 |
| August | 1.0047 | 4.6327 | .0263 | .1704 | .0528 | .2268 | .5374 | .2342 | .2407 | .2082 |

| | Spain Peseta | Czecho-Slovakia Koruna | Argentine Peso (Paper) Unofficial | Australia Pound | Brazil Milreis | Germany Reichsmark | India Rupee | China (Shanghai) Dollar | Japan Yen | Union of S. Africa Pound | New Zealand Pound |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1938 | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| August | .0577 | .0345 | .2586 | 3.9178 | .0586 | .4025 | .3659 | .1670 | .2854 | 4.8909 | 3.9491 |
| September | .0529 | .0347 | .2543 | 3.8670 | .0589 | .4021 | .3595 | .1730 | .2818 | 4.8375 | 3.8981 |
| October | .0514 | .0347 | .2542 | 3.8509 | .0590 | .4042 | .3594 | .1622 | .2806 | 4.8076 | 3.8820 |
| November | .0509 | .0345 | .2369 | 3.7931 | .0590 | .4033 | .3541 | .1595 | .2762 | 4.7333 | 3.8106 |
| December | .0504 | .0345 | .2297 | 3.7707 | .0592 | .4045 | .3519 | .1629 | .2747 | 4.7075 | 3.7878 |
| 1939 | | | | | | | | | | | |
| January | .0465 | .0345 | .2311 | 3.7647 | .0591 | .4038 | .3514 | .1640 | .2742 | 4.7001 | 3.7798 |
| February | - | .0344 | .2311 | 3.7665 | .0589 | .4032 | .3519 | .1596 | .2744 | 4.7027 | 3.7820 |
| March | - | .0343 | .2316 | 3.7636 | .0589 | .4026 | .3520 | .1609 | .2742 | 4.6986 | 3.7787 |
| April | - | - | .2323 | 3.7631 | .0588 | .4028 | .3514 | .1612 | .2742 | 4.6924 | 3.7782 |
| May | .1105 | - | .2323 | 3.7585 | .0571 | .4026 | .3505 | .1605 | .2738 | 4.6863 | 3.7736 |
| June | .1104 | - | .2326 | 3.7539 | x.0511 | .4019 | .3500 | .1349 | .2734 | 4.6806 | 3.7689 |
| July | .1104 | - | .2320 | 3.7508 | x.0506 | .4018 | .3496 | .1074 | .2733 | 4.6768 | 3.7659 |
| August | .1105 | - | .2321 | 3.7062 | x.0504 | .4006 | .3346 | .0719 | .2703 | 4.6211 | 3.7199 |

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