

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

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SECURITY PRICES AND FOREIGN EXCHANGE, SEPTEMBER 1 - SEPTEMBER 7  
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Following the turn of events in Europe, Canadian security markets staged the sharpest advance in several years. The general price index of 95 common stocks soared to 102.8 on September 7, the greatest rise since before the inception of a daily index in 1937, a net increase of 11.2 points on the week. Trading volume was heavy, and strength was credited mainly to prospects of increased selling of base metals and other products to Great Britain and France. All sub-groups included in the industrial index, with the sole exception of beverages, contributed to the upward movement and gains ranged from 0.7 p.c. for foods to 77.1 p.c. for pulp and paper. Led by these latter issues, machinery and equipment, milling, industrial mines, oils and building materials shares also posted important gains. In spite of profit-realizing which affected the market on September 6 and 7, the buoyancy was well maintained and some stocks moved into even higher ground on the closing day. A noteworthy advance in the transportation issues more than offset losses in communication and power issues and the utilities recorded a net rise of 2.5 points to 41.6. Weekly averages were 172.8 for industrials, 41.0 for utilities and 81.1 for banks as compared with 151.1, 39.9 and 83.0 respectively for the week ended August 31.

MINING STOCK PRICES

Recessions in golds proved of more consequence than increases in base metals and the Bureau's daily price index of twenty-five mining issues receded from 147.7 for the week ending August 31 to 144.0 for the week of September 7. Reflecting uneasiness in world security markets as unsettlement in European affairs increased, the daily average registered a net loss of 7.1 points to 139.0 in the opening session. Subsequently a brief rally moved the index to 150.8 on September 5, but it dropped to 141.8 in the last day of trading. Golds moved irregularly lower and closed the week at 100.2, the lowest daily figure since October 20, 1937. The weekly index fell from 109.8 for the week of August 31 to 102.1 for the following week. Base metals recorded a net gain of 19.3 points during the same period, the index climbing from 305.3 to 324.6. The monthly price index for mining issues declined from 155.8 in July to 151.4 in August.

LONG-TERM BOND PRICES AND YIELDS

Continuing the sharp decline of the preceding week, the Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices fell from 113.5 to 110.1 for the week ending September 7. This was 7.3 below the corresponding week of last year, and was the lowest point touched since October 1935. The Bureau's daily index stood at 114.0 on August 31, but dropped to 112.9 on September 1, and closed the week at 108.7. Trading was temporarily suspended on London Security markets, and official quotations for British Consols were not available. The Dow-Jones average of selected United States bonds declined from 87.71 to 86.90. The index for Dominion of Canada long-term bond yields rose from 68.0 for the week ending August 31 to 74.3 for the week ending September 7, and the average yield of the issues included in the index increased from 3.30 to 3.61.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Exchange rates were unsettled throughout the week and trading was limited to spot rates only while futures remained unquoted. In relation to the United States dollar, the British £ dropped over 7¢ to \$4.2138 on September 1. Pressure increased as the week progressed and despite intervals of steadiness, quotations were carried steadily downward to \$4.0422 by September 6. Following the announcement that the Bank of England would buy sterling at \$4.02 and sell at \$4.06, the £ recovered to close at \$4.0499 on September 7. The French franc moved in line with sterling opening at 2.41¢ (U.S. funds) and closing at 2.29¢. Holland, Belgium and Swiss currencies strengthened on reports of increased movement of capital to these countries but moved downward as the week ended. Premiums on United States dollars mounted to 9 1/2 p.c. on September 5 or 2 3/8 times the opening rate, and then moved steadily downward to 6 3/4 p.c. by September 7.



# SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1939						Weekly	Preceding	Corresponding	Weekly
	1	2	4	5	6	7	Average	Weekly	Weekly	Average
			September				Sept.1-7	Average	Last Month	A Year Ago
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	91.0	93.8	-	105.3	104.3	102.8	102.3	92.3	97.5	104.2
68 INDUSTRIALS	150.2	155.9	-	179.4	176.3	173.5	172.8	151.0	159.8	171.5
Machinery and Equipment (8)	100.6	108.4	-	130.5	129.7	129.8	125.5	104.7	116.4	132.2
Pulp and Paper (7)	9.5	10.8	-	15.4	15.0	17.0	15.6	10.0	12.5	20.0
Milling (3)	75.6	81.4	-	93.6	94.4	95.2	92.7	74.9	76.7	83.6
Oils (4)	136.2	142.9	-	167.0	165.6	167.6	161.6	143.1	154.6	175.6
Textiles and Clothing (10)	58.9	59.0	-	64.2	64.6	65.6	64.0	59.2	61.4	58.5
Food and Allied Products (12)	175.0	175.6	-	178.9	183.8	179.8	179.4	177.0	183.2	166.9
Beverages (7)	107.8	108.9	-	109.4	107.3	106.3	107.7	114.7	124.8	120.5
Building Materials (15)	115.7	123.5	-	139.5	138.8	139.6	135.6	119.1	127.7	133.0
Industrial Mines (2)	402.1	415.2	-	488.8	471.3	448.6	460.9	383.5	398.0	420.4
19 UTILITIES	38.2	38.6	-	41.0	41.8	41.6	41.0	39.9	42.5	45.7
Transportation (2)	9.3	10.0	-	13.8	15.3	16.3	14.7	8.9	10.0	15.9
Telephone & Telegraph (2)	122.7	122.4	-	122.2	122.6	122.2	122.6	127.7	132.7	124.6
Power and Traction (15)	52.2	52.6	-	54.3	54.5	53.2	53.5	55.2	59.0	62.0
8 BANKS	81.0	81.4	-	81.3	81.0	80.5	81.1	83.0	85.3	85.7
MINING STOCK PRICE INDEX, 25 STOCKS	139.0	143.2	-	150.8	146.7	141.8	144.0	147.7	157.5	155.0
Gold Stocks (22)	100.4	101.9	-	105.7	102.6	100.2	102.1	109.8	117.4	123.3
Base Metals (3)	299.1	314.6	-	338.5	330.1	315.1	324.6	305.3	324.0	285.6
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	112.9	-	-	109.7	109.1	108.7	110.1	113.5	117.6	117.4
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	69.3	-	-	74.3	74.8	76.8	74.3	68.0	60.6	63.2
FOREIGN EXCHANGE QUOTATIONSx - NOON RATES										
AT MONTREAL										
Sterling	4.3823	4.4310	-	4.4525	4.3858	4.3235	4.3951	4.4607	4.6807	4.8455
U.S. dollars	1.0400	1.0550	-	1.0950	1.0850	1.0675	1.0685	1.0202	1.0000	1.0024
French franc	.0251	.0252	-	.0256	.0251	.0244	.0251	.0254	.0265	.0272
Belgian belga	.1788	-	-	.1871	.1858	.1809	.1832	.1730	.1698	.1691
Netherlands florin	.5545	.5987	-	.5812	.5758	.5666	.5754	.5461	.5330	.5430
Japanese yen	.2555	-	-	.2590	.2566	.2515	.2557	.2594	.2728	.2824
Australian pound	3.5058	3.5448	-	3.5620	3.5087	3.4586	3.5160	3.5686	3.7446	3.8765
Argentine peso - free rate	.2392	-	-	.2519	.2496	.2535	.2486	.2337	.2318	.2544

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

# 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 1939	INDUSTRIALS										UTILITIES					Grand Total
	Total	Machinery and Equipment	Pulp and Paper	Mill- ing	Oils	Textiles and Clothing	Food and Allied Products	Bever- ages	Build- ing Materials	Indus- trial Mines	Total	Trans- porta- tion	Tele- phone and Tele- graph	Power and Trac- tion	Bank	
	68	8	7	3	4	10	12	7	15	2	19	2	2	15	8	95
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
x1929 - 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
x1935 - 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
x1936 - 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
x1937 - 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
x1938 - 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
1938																
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
1939																
January	171.4	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	422.1	42.7	13.4	127.3	57.5	85.2	102.9
February	174.0	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	433.1	42.9	12.4	129.7	58.2	85.3	104.1
March	171.4	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	419.2	44.4	11.5	131.7	62.0	85.1	103.7
April	157.7	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	381.9	41.9	9.6	129.7	58.9	83.7	96.2
May	163.0	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	387.9	43.2	10.0	132.6	60.8	84.7	99.2
June	157.6	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	389.0	43.7	11.0	133.8	60.8	85.0	97.0
July	159.2	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	393.1	42.7	10.4	132.8	59.2	85.0	97.3
August	154.2	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	386.7	40.9	9.3	130.0	56.8	84.3	94.2
Weekly Index Numbers																
September 8, 1938	171.5	132.2	20.0	83.6	175.6	58.5	166.9	120.5	133.0	420.4	45.7	15.9	124.6	62.0	85.7	104.2
1939																
August 17	159.4	115.4	12.1	77.5	154.1	60.9	184.1	122.6	125.7	398.0	42.0	9.4	132.7	58.8	85.3	97.1
August 24	150.2	105.1	10.2	75.8	144.7	58.9	179.5	114.1	117.1	374.8	40.2	8.9	129.5	55.9	84.8	92.2
August 31	151.0	104.7	10.0	74.9	143.1	59.2	177.0	114.7	119.1	383.5	39.9	8.9	127.7	55.2	83.0	92.3
September 7	172.8	125.5	15.6	92.7	161.6	64.0	179.4	107.7	135.6	460.9	41.0	14.7	122.6	53.5	81.1	102.3

x Weekly Figures.





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