

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

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SECURITY PRICES AND FOREIGN EXCHANGE, JANUARY 5-JANUARY 11
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Canadian common stock daily price averages for 95 industrial, utility and bank stocks closed the week ended January 11 at 99.9 for a net loss of 1.8 points. This was the lowest level attained since December 4, 1939. Daily price averages moved steadily downward except for a minor increase on January 6. All sections of the composite index with the exception of banks recorded net declines. Greatest losses occurred in transportation and pulp and paper groups, down 8.6 p.c. and 6.2 p.c. respectively. Groups to register moderate recessions were building materials, milling, machinery and equipment, oils and power and traction. The industrial index dropped from 165.8 on January 4 to 162.6 on January 11 and utilities were down 1.2 to 45.4. Banks advanced 0.6 to 84.5.

MINING STOCK PRICES

After a steady opening Canadian mining issues drifted lower in the latter part of the week. The Bureau's general price index receded from 146.5 to 145.7 between January 4 and 11. Golds supported mainly by the junior stocks retained their moderate advance of the previous week, closing at 108.2 for a minor net gain of 0.1. The base metals index moved from 305.8 on January 4 to 307.3 on the 8th, the highest point reached in the past two months but dropped to 301.1 at the close, the lowest level of the current year. The price index of twenty-five mining issues for the weeks ended January 4 and 11, rose from 146.4 to 146.6 with the gold section up from 108.3 to 108.4 and base metals from 304.2 to 305.8.

LONG-TERM BOND PRICES AND YIELDS

The Dominion Bureau of Statistics' revised index of Dominion of Canada long-term bond prices, on the base 1926-100, fell from 112.2 for the week ending January 4 to 112.0 for the week ending January 11. Continued dullness was apparent in the leading domestic markets as fuller information concerning the new Dominion War Loan was awaited. Quietness prevailed in the provincial section also and price changes were mostly small in extent and of a mixed nature. The recent advance in British Consols was slightly accelerated and at the close of the week quotations were $1\frac{3}{4}$ higher at $71\frac{3}{8}$, as compared with an increase of $1\frac{1}{4}$ for the preceding week. The Dow-Jones average of selected United States bonds, on the other hand, eased from 90.51 to 90.24. The revised index for Dominion of Canada long-term bond yields advanced from 75.5 for the week ending January 4 to 75.7 for the week ending January 11. This was 8.5 points or almost 13 p.c. higher than for the corresponding week in 1939.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Following two days of relative steadiness sterling free rates at New York moved substantially higher to finish the week ended January 11 at \$3.95 $\frac{3}{4}$ or 2 $\frac{3}{4}$ ¢ above the previous week's close. During the same interval Canadian funds moved up 3/16¢ to 88¢. Forward rates, New York on London, exhibited a stronger tone also, 90-day futures closing at a discount of 4 1/8¢ as against 5 1/8¢ on January 4. At Montreal most currencies finished unchanged to higher in terms of the Canadian dollar. French francs were quoted up 2 points at 2.49¢ as the week ended while belgas, following a drop to 18.55¢ on the opening day recovered to finish unchanged at 18.65¢. The Netherlands florin also showed easiness during the earlier half of the week but subsequently recovered to 59.21¢ on the 11th as compared with 59.16¢ on January 4. Argentine pesos (free rates) which had been moving irregularly lower in recent weeks stiffened from 24.91¢ on January 4 to 25.09¢ on the 9th where they remained for the balance of the week. No change occurred in daily buying and selling rates set by Canadian Foreign Exchange Control Board for sterling and United States funds which remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1940 JANUARY						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average
	5	6	8	9	10	11	Jan.5-11	Dec.29-Jan.4	Last Month	A Year Ago
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	101.3	101.7	101.2	100.6	100.0	99.9	100.7	101.6	101.8	106.6
68 INDUSTRIALS	165.1	165.8	164.8	163.8	162.6	162.6	164.0	166.2	166.4	178.9
Machinery and Equipment (8)	137.5	136.4	137.6	136.8	135.9	134.5	136.4	139.5	143.5	137.1
Pulp and Paper (7)	25.4	25.3	25.2	24.9	24.8	24.1	25.0	25.6	23.5	18.9
Milling (3)	101.6	101.6	101.6	101.6	100.7	98.2	99.5	101.6	102.5	80.5
Oils (4)	158.4	160.4	157.7	155.9	155.9	155.7	157.4	160.4	166.4	177.0
Textiles and Clothing (10)	86.2	86.3	86.1	85.6	86.2	86.3	86.1	86.5	84.8	54.8
Food and Allied Products (12)	183.7	183.7	184.4	183.6	183.4	185.2	184.2	185.1	180.2	174.6
Beverages (7)	137.5	137.8	137.7	138.0	137.0	135.9	137.3	137.3	128.1	132.2
Building Materials (15)	154.7	153.1	152.9	151.4	151.3	150.1	152.2	156.4	155.3	141.0
Industrial Mines (2)	383.8	384.5	384.3	383.7	376.6	377.6	381.0	383.5	378.7	454.8
19 UTILITIES	46.5	46.5	46.3	45.8	45.6	45.4	46.0	46.0	45.9	43.5
Transportation (2)	17.5	17.3	17.0	16.5	16.5	16.0	16.8	16.8	16.8	14.1
Telephone and Telegraph (2)	126.9	126.9	126.8	126.9	126.4	126.4	126.5	126.8	126.7	127.2
Power and Traction (15)	61.8	62.1	61.8	61.3	61.0	61.1	61.4	61.7	61.4	58.5
8 BANKS	83.9	84.4	84.5	84.4	84.4	84.5	84.3	84.2	84.4	85.4
MINING STOCK PRICE INDEX, 25 STOCKS	146.5	146.9	147.0	146.7	146.4	145.7	146.6	146.4	142.2	162.7
Gold Stocks (22)	108.0	108.5	108.4	108.4	108.6	108.2	108.4	108.3	104.6	124.4
Base Metals (3)	306.3	306.5	307.3	305.6	303.4	301.1	305.8	304.2	298.2	321.0
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	112.0	112.0	112.0	112.1	112.1	112.1	112.0	112.2	112.7	119.3
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	75.8	75.8	75.8	75.7	75.7	75.7	75.7	75.5	75.1	67.2
FOREIGN EXCHANGE QUOTATIONSx - NOON RATES AT MONTREAL										
+Sterling	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500	4.7104
+U.S. dollars	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.0088
-French franc	.0247	.0248	.0248	.0249	.0249	.0249	.0248	.0249	.0247	.0266
Belgium belga	.1855	.1860	.1859	.1865	.1866	.1865	.1862	.1863	.1829	.1703
Netherlands florin	.5912	.5911	.5912	.5916	.5919	.5921	.5915	.5910	.5892	.5486
Japanese yen	.2602	.2602	.2602	.2602	.2602	.2601	.2602	.2602	.2602	.2745
Australian pound	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.7683
Argentine peso - free rate	.2486	-	.2491	.2503	.2503	.2503	.2497	.2497	.2535	.2315

x Unofficial. + Since September 16, 1939, quotations used are the average of the daily buying and selling rate set by the Foreign Exchange Control Board. The current buying and selling rate for sterling is \$4.43 and \$4.47 and for U.S. funds \$1.10 and \$1.11.

Revised.

REVISED INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND PRICES AND YIELDS

Tabled below for the years 1932 to 1939 inclusive, are revised index numbers of Dominion of Canada long-term bond prices and yields. Indexes for periods prior to 1932 may be compared directly with indexes shown on the following tables.

The purpose of the revision was to simplify the construction of these series and to lengthen the average maturity of issues included. Comparison of the new indexes with those already published for the years 1932 to 1939 will show a very close correspondence between the two price indexes. However, the new yield index, while showing the same fluctuations as the old has tended to remain at slightly higher levels in recent years due to the longer average maturity of issues included.

Revised indexes have been based upon simple arithmetic averages of market prices and computed yields for two representative long-term Dominion issues.

The original issues used from the beginning of 1932 and subsequent substitutions with the dates of changes are shown below.

Dominion of Canada $4\frac{1}{2}$ p.c.	1948-58	(Jan. 1932 - Dec. 1936)
Dominion of Canada $4\frac{1}{2}$ p.c.	1949-59	(Jan. 1932 - Dec. 1937)
Dominion of Canada 3 p.c.	1950-55	(Dec. 1936 - Dec. 1938)
Dominion of Canada $3\frac{1}{4}$ p.c.	1956-66	(Dec. 1937 -)
Dominion of Canada 3 p.c.	1953-58	(Dec. 1938 -)

REVISED MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND PRICES, 1932 to 1939
(1926=100)

	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>
January	94.2	103.9	105.2	116.9	114.1	118.7	116.0	118.6
February	95.2	104.2	106.1	115.2	115.7	116.3	116.4	118.8
March	96.9	102.6	108.6	115.7	116.3	113.6	116.6	119.6
April	96.7	103.6	110.3	115.5	116.5	113.1	117.5	118.8
May	96.6	104.4	111.2	116.4	116.6	113.9	118.3	118.1
June	94.2	105.7	111.1	115.2	117.8	114.9	118.0	119.1
July	97.0	105.7	111.9	115.3	118.7	115.2	117.8	119.2
August	101.8	106.5	113.1	115.6	120.0	115.7	117.7	118.1
September	102.7	106.4	113.4	111.9	120.3	115.6	116.4	109.6
October	104.9	105.9	112.0	111.2	118.3	114.7	116.9	111.3
November	103.6	105.1	113.3	113.3	118.6	114.7	118.4	113.5
December	101.9	104.3	116.3	113.1	119.1	115.8	118.7	112.7

REVISED MONTHLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BOND YIELDS, 1932 to 1939

	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>
January	112.4	97.9	94.9	73.6	76.6	67.8	71.5	67.4
February	111.5	97.5	93.6	76.2	74.6	71.3	71.0	67.5
March	109.0	99.0	88.6	74.9	73.6	75.6	70.4	66.3
April	109.1	97.8	85.5	75.2	73.3	76.5	69.3	67.5
May	109.1	96.7	84.0	74.0	72.6	75.3	68.2	68.4
June	112.3	94.9	83.8	76.1	70.5	73.8	68.6	67.0
July	108.7	94.9	82.4	75.7	68.7	73.3	68.9	66.8
August	101.0	94.0	80.3	75.1	66.6	72.6	69.2	68.1
September	100.1	94.1	79.8	81.2	66.0	72.5	70.6	78.3
October	97.3	94.9	81.6	81.9	69.1	74.0	70.0	76.5
November	98.2	95.2	80.1	78.0	68.1	73.7	68.1	74.0
December	100.6	96.0	74.6	78.5	67.2	72.0	67.7	75.1

WEEKLY INDEX NUMBERS OF DOMINION OF CANADA LONG-TERM BONDS, 1939 - 1940

<u>Date</u>		<u>Prices</u>	<u>Yields</u>
1939 - December	7	112.8	74.8
	14	112.7	75.1
	21	112.6	75.2
	28	112.5	75.2
1940 - January	4	112.2	75.5
	11	112.0	75.7

