

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

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SECURITY PRICES AND FOREIGN EXCHANGE, SEPTEMBER 27-OCTOBER 3.
(1926-100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Announcement of the Japanese-Axis pact was followed by moderate re-actions on international security markets generally, during the earlier part of the week ended October 3. Proving no exception to the above statement the Investors' index of 95 common stocks listed on Canadian Exchanges dropped from 83.0 on September 26 to 81.7 on the 28th. Subsequently, however, a more buoyant tone developed, lifting the index to 85.3 by the close of the week for a net increase of 10 p.c. as in previous weeks volume of trading continued to follow the price movement pattern. Among the various sub-groups better than average increases were scored by transportation issues, up 7.8 p.c.; pulp and paper 5.6 p.c.; building materials 4.5 p.c.; and industrial mines 2.4 p.c. Minor declines were noted for three groups, viz., banks, down 1.6 p.c.; foods and allied products, 1.3 p.c. and textiles and clothing stocks 0.7 p.c.

MINING STOCK PRICES

Subsequent to the prevailing easiness of Canadian mining markets on September 27, stock prices rallied and the Bureau's price index for mining issues showed a net increase of 1.4 for the week ended October 3. The general price index of mining stocks mounted from 110.9 on the first trading day to 114.0 on October 2 and closed the week slightly lower at 113.8. On October 2 the gold index reached 86.4, its peak since May 11. This advance was due mostly to strength in the senior issues. The gold stocks index closed the week at 86.0 for a net gain of 1.4 points. Base metals were relatively dull throughout the period, with minor successive gains more than erasing the 3.1 point loss on the opening day. The base metal index rose from 225.0 on September 27 to 229.1 on October 3. The monthly price index of twenty-five mining issues rose from 101.8 in August to 111.1 in September. Golds mounted from 76.0 to 83.4 and base metals from 209.0 to 227.3.

LONG-TERM BOND PRICES AND YIELDS

Trading in Dominion of Canada long-term bonds continued quiet in the week ending October 3, and price changes were small and few in number. The Bureau's index of prices declined from 115.6 for the week ending September 26 to 115.5 for the week ending October 3. The daily index remained at the previous week's close of 115.5 until October 3rd, when it moved up 0.2 to 115.7. The index of yields eased fractionally from 71.4 to 71.3, during the week, which brought it to a point 7.0 below the corresponding week of last year. In the provincial section, changes were small and mixed, with advances slightly preponderant.

British Consols closed 1/4 lower at 74, while the Dow-Jones average of selected United States bonds rose from 90.11 to 90.59.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended October 3. These were quoted at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates, following an advance from \$4.03 3/4 on September 26 to \$4.05 on the 30th subsequently declined to \$4.03 1/2 at the close for a net loss of 1/4 of a cent. During the same interval Canadian dollar rates at New York moved between 87¢ on September 27 and 84 5/8¢ on October 2 while a final figure of 85 1/4¢ indicated a net loss of 1 1/8¢. News of the signing of the Japanese-Axis pact had little or no immediate effect on Shanghai and Hong Kong dollar rates, quotations at Montreal closing the week slightly higher at 5.98¢ and 29.92¢ respectively. Two official increases in the Swiss franc advanced rates for this unit 21 points to 25.54¢ between September 26 and October 3. Increased official quotations reflected the steady movement of refugee funds into Switzerland while at the same time Swiss banks have been deluged with offers of gold which they have now refused to buy due to difficulties of re-shipment to the United States. There was a 1 point increase to 26.47¢ for the Swedish kron, while Argentine pesos (free rates) were quoted 11 points higher at 25.81¢.

SUMMARY OF FINANCIAL PRICE FACTORS

| Dates | 1940 | | | | | | Weekly Average Sept.27- Oct. 3 | Preceding Weekly Average Sept.20-26 | Corresponding Weekly Average Last Month | Weekly Average A Year Ago |
|--|-----------|--------|--------|---------|--------|--------|---|--|--|------------------------------------|
| | SEPTEMBER | | | OCTOBER | | | | | | |
| | 27 | 28 | 30 | 1 | 2 | 3 | | | | |
| INVESTORS' PRICE INDEX, 95 COMMON STOCKS | 82.0 | 81.7 | 82.0 | 82.8 | 83.5 | 83.8 | 82.8 | 83.4 | 82.4 | 101.1 |
| 68 INDUSTRIALS | 130.8 | 130.2 | 130.9 | 132.3 | 133.6 | 134.2 | 132.3 | 133.4 | 131.4 | 167.3 |
| Machinery and Equipment (8) | 101.9 | 102.1 | 102.6 | 105.1 | 105.3 | 106.2 | 104.4 | 106.5 | 107.8 | 141.7 |
| Pulp and Paper (7) | 16.0 | 16.1 | 16.1 | 16.5 | 16.6 | 16.9 | 16.4 | 16.3 | 16.7 | 21.3 |
| Milling (3) | 81.0 | 81.0 | 80.5 | 80.5 | 80.6 | 82.0 | 80.9 | 83.5 | 71.9 | 104.3 |
| Oils (4) | 118.1 | 116.7 | 116.6 | 116.9 | 118.6 | 118.8 | 117.8 | 118.9 | 118.7 | 170.0 |
| Textiles and Clothing (10) | 81.1 | 81.0 | 81.1 | 82.0 | 81.9 | 81.9 | 81.5 | 83.2 | 80.5 | 76.2 |
| Food and Allied Products (12) | 163.5 | 163.5 | 163.6 | 163.3 | 164.4 | 165.5 | 164.3 | 165.2 | 156.3 | 174.2 |
| Beverages (7) | 123.7 | 124.8 | 125.3 | 125.6 | 125.9 | 126.2 | 125.4 | 126.5 | 123.6 | 115.1 |
| Building Materials (15) | 123.0 | 122.9 | 122.7 | 124.8 | 125.6 | 126.9 | 124.5 | 123.1 | 119.2 | 152.9 |
| Industrial Mines (2) | 307.7 | 306.7 | 311.2 | 317.3 | 320.6 | 322.4 | 315.7 | 319.2 | 312.1 | 387.8 |
| 19 UTILITIES | 38.8 | 38.3 | 38.6 | 39.2 | 39.4 | 39.6 | 39.1 | 39.3 | 39.2 | 44.6 |
| Transportation (2) | 12.7 | 12.7 | 12.9 | 13.4 | 13.9 | 13.9 | 13.4 | 13.3 | 14.8 | 20.4 |
| Telephone and Telegraph (2) | 115.8 | 115.6 | 113.7 | 115.0 | 116.9 | 117.8 | 116.2 | 117.3 | 115.1 | 121.4 |
| Power and Traction (15) | 51.6 | 51.6 | 51.4 | 51.9 | 51.6 | 51.9 | 51.7 | 52.0 | 50.4 | 56.1 |
| 8 BANKS | 75.5 | 75.5 | 75.4 | 75.7 | 75.0 | 74.9 | 75.6 | 76.0 | 75.5 | 79.2 |
| MINING STOCK PRICE INDEX, 25 STOCKS | 110.9 | 111.0 | 112.2 | 112.5 | 114.0 | 113.8 | 112.8 | 113.1 | 109.9 | 135.9 |
| Gold Stocks (22) | 82.3 | 83.4 | 84.5 | 84.7 | 86.4 | 86.0 | 85.1 | 85.1 | 82.3 | 100.2 |
| Base Metals (3) | 225.0 | 225.6 | 227.5 | 227.9 | 228.2 | 229.1 | 227.2 | 229.7 | 224.6 | 284.0 |
| DOMINION OF CANADA LONG-TERM BOND PRICE INDEX | 115.5 | 115.5 | 115.5 | 115.5 | 115.5 | 115.7 | 115.5 | 115.6 | 115.7 | 109.8 |
| DOMINION OF CANADA LONG-TERM BOND YIELD INDEX | 71.3 | 71.3 | 71.3 | 71.3 | 71.3 | 71.2 | 71.3 | 71.4 | 71.2 | 78.3 |
| FOREIGN EXCHANGE QUOTATIONS ^x - NOON RATES AT MONTREAL | | | | | | | | | | |
| Sterling | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 | 4.4500 |
| U.S. dollars | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 | 1.1050 |
| Brazil milreis - free rate | .0557 | - | .0557 | .0557 | .0556 | .0557 | .0557 | .0673 | .0556 | .0558 |
| India rupee | .3359 | .3359 | .3359 | .3359 | .3359 | .3359 | .3359 | .3359 | .3359 | .3358 |
| Sweden krona | .2643 | .2643 | .2641 | .2642 | .2642 | .2643 | .2642 | .2643 | .2643 | .2641 |
| Japan yen | .2602 | .2602 | .2602 | .2602 | .2602 | .2602 | .2602 | .2602 | .2601 | .2615 |
| Australian pound | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 | 3.5760 |
| Argentine peso - free rate | .2575 | - | .2572 | .2575 | .2575 | .2581 | .2575 | .2568 | .2530 | .2602 |

^x Bank of Canada. / Average of daily buying and selling rates by the Foreign Exchange Control Board. Since September 16, 1939, current buying and selling rates were: Sterling \$4.43 and \$4.47; U.S. funds \$1.10 and \$1.11.

EXCHANGE QUOTATIONS AT MONTREAL, 1939-1940

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 Krono | Sweden Krona | Denmark Krone |
|-----------------|----------------|-----------------|--------------|---------------|------------|-------------------|--------------------|--------------|--------------|---------------|
| 1939 | | | | | | | | | | |
| September | +1.0948 | +4.4090 | .0248 | .1871 | .0569 | .2478 | .5851 | .2490 | .2612 | .2123 |
| October | +1.1050 | +4.4500 | .0252 | .1858 | .0561 | .2491 | .5897 | .2520 | .2642 | .2142 |
| November | +1.1050 | +4.4500 | .0247 | .1832 | .0560 | .2490 | .5892 | .2521 | .2642 | .2142 |
| December | +1.1050 | +4.4500 | .0247 | .1841 | .0560 | .2490 | .5895 | .2521 | .2642 | .2143 |
| 1940 | | | | | | | | | | |
| January | +1.1050 | +4.4500 | .0249 | .1869 | .0561 | .2489 | .5907 | .2521 | .2643 | .2143 |
| February | +1.1050 | +4.4500 | .0249 | .1872 | .0561 | .2489 | .5899 | .2521 | .2643 | .2144 |
| March | +1.1050 | +4.4500 | .0236 | .1885 | .0561 | .2489 | .5895 | .2521 | .2644 | .2143 |
| April | +1.1050 | +4.4500 | .0222 | .1875 | .0560 | .2489 | .5892 | .2521 | .2634 | .2143 |
| May | +1.1050 | +4.4500 | .0206 | .1858 | .0559 | .2471 | .5892 | - | .2641 | - |
| June | +1.1050 | +4.4500 | .0231 | - | .0559 | .2491 | - | - | .2642 | - |
| July | +1.1050 | +4.4500 | - | - | - | .2518 | - | - | .2646 | - |
| August | +1.1050 | +4.4500 | - | - | - | .2526 | - | - | .2643 | - |
| September | +1.1050 | +4.4500 | - | - | - | .2528 | - | - | .2643 | - |

| | Spain Peseta | Mexico Peso | Argentine Peso (Paper) x | Australia Pound | Brazil Milreis x | Straits Settlement Dollar | India Rupee | China (Shanghai) Dollar | Japan Yen | Union of S. Africa Pound | New Zealand Pound |
|-----------------|--------------|-------------|--------------------------|-----------------|------------------|---------------------------|-------------|-------------------------|-----------|--------------------------|-------------------|
| 1939 | | | | | | | | | | | |
| September | .1153 | .2124 | .2566 | 3.5292 | .0554 | .5133 | .3282 | .0750 | .2575 | 4.4080 | 3.5433 |
| October | .1127 | .2240 | .2604 | 3.5760 | .0561 | .5223 | .3362 | .0858 | .2612 | 4.4728 | 3.5900 |
| November | .1114 | .2275 | .2574 | 3.5760 | .0559 | .5142 | .3346 | .0934 | .2603 | 4.4600 | 3.5900 |
| December | .1104 | .2023 | .2527 | 3.5760 | .0558 | .5124 | .3363 | .0831 | .2602 | 4.4600 | 3.5900 |
| 1940 | | | | | | | | | | | |
| January | .1104 | .1850 | .2515 | 3.5760 | .0556 | .5164 | .3361 | .0872 | .2602 | 4.4600 | 3.5900 |
| February | .1104 | .1848 | .2573 | 3.5760 | .0557 | .5165 | .3359 | .0783 | .2602 | 4.4600 | 3.5900 |
| March | .1090 | .1849 | .2598 | 3.5760 | .0558 | .5195 | .3359 | .0717 | .2602 | 4.4600 | 3.5900 |
| April | .1015 | .1849 | .2550 | 3.5760 | .0558 | .5253 | .3359 | .0666 | .2602 | 4.4600 | 3.5900 |
| May | .1013 | .1849 | .2514 | 3.5760 | .0557 | .5256 | .3359 | .0566 | .2602 | 4.4600 | 3.5900 |
| June | .1013 | .2041 | .2438 | 3.5760 | .0559 | .5256 | .3359 | .0641 | .2601 | 4.4600 | 3.5900 |
| July | .1013 | .2211 | .2403 | 3.5760 | .0558 | .5256 | .3359 | .0674 | .2601 | 4.4600 | 3.5900 |
| August | .1013 | .2219 | .2492 | 3.5760 | .0557 | .5256 | .3359 | .0611 | .2601 | 4.4600 | 3.5900 |
| September | .1013 | .2214 | .2575 | 3.5760 | .0556 | .5256 | .3359 | .0579 | .2601 | 4.4600 | 3.5900 |

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

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