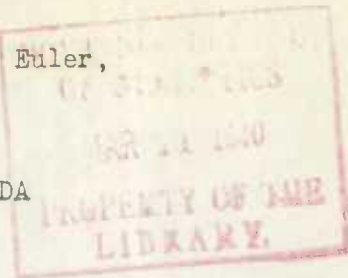


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SECURITY PRICES AND FOREIGN EXCHANGE, MARCH 1-MARCH 7.
(1936-100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

The Investors' daily price index for 95 industrial, utility and bank common stocks advanced from 98.6 on February 29 to 99.5 on March 7. After remaining almost at a standstill in the first half of the week, the index advanced narrowly on heavy trading on March 5 and 6. However, on the closing day a reaction set in and the index dropped 0.2 on considerably lower sales volume. In the industrial division net losses in oils, industrial mines and foods slightly outweighed gains in the other six sub-groups and the industrial index dropped 0.1 to 159.5. Strength was most apparent for machinery and equipment, pulp and paper, and building materials. The index for nineteen utilities rose 1.8 points to 47.4 on unusually active trading. In this section, transportation stocks mounted 12.9 p.c., power stocks 2.2 p.c. and communication issues 1.8 p.c. Banks were up 1.2 to 86.0.

MINING STOCK PRICES

The Bureau's price index of twenty-five mining issues advanced fractionally from 134.1 on February 29 to 134.5 on March 7. The base metal index showed daily increases with the exception of March 4 and closed at 288.1 for a net gain of 1.9 p.c. The gold index continued downward from 98.3 at last week's close to 97.5 on March 7. Price changes in this section were generally narrow with demand very limited. The weekly general price index receded from 135.5 for the week ended February 29 to 134.3 for the week under review, with the gold index dropping 1.6 to 97.8. Base metals gained 0.6 to 286.0.

LONG-TERM BOND PRICES AND YIELDS

The Dominion Bureau of Statistics' index of Dominion of Canada long-term bond prices rose from 113.7 for the week ending February 29 to 113.9 for the week ending March 7. A slight advance occurred on the opening day, when the daily index increased 0.2 to 113.9, but thereafter price movements were not of sufficient importance to cause further change. Movements of this index have been narrow during the past seven weeks, remaining within limits of 114.3 (February 1) and 113.7 (February 29). The Bureau's index of yields declined from 73.7 for the week of February 29 to 73.5 for the week of March 7, and the average yield of the issues included in this index decreased from 3.34 to 3.33. In the provincial section, price movements were restrained, with recessions outnumbering advances.

A reaction took place in British Consols, which had been gradually moving upward since the first week in February. During the week they declined $5/8$ to $73 \frac{3}{4}$. High-grade United States bonds, on the contrary, were firmer, and the Dow-Jones average of 40 selected issues rose from 88.71 to 88.84.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

There was no change in daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended March 7. These remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free rates fluctuated widely during the week. From \$3.933 at the end of February, quotations dropped to a low of \$3.896 on the 5th, and then recovered to \$3.9266 on the 7th. During the same interval a weaker tendency for Canadian funds dropped rates to a 6 1/2 year low of 85 3/8¢ on the 6th and 7th compared with 86 1/8 on February 29. French franc rates at Montreal fell to a mid-week low of 2.45¢ but later recovered to 2.47¢ at the close for no net change. Among European neutrals Belgian belgas fluctuated irregularly, finally finishing 7 points higher at 18.78¢ while the Netherlands florin was relatively steady at 58.96¢. Continued improvement in the Argentine export situation was reflected in the free peso rate which closed the week 17 points higher at 26.93¢.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1940 <u>MARCH</u>						Weekly Average	Preceding Weekly Average	Corresponding Weekly Average	Weekly Average
	1	2	4	5	6	7	Mar.1-7	Feb.23-29	Last Month	A Year Ago
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	98.6	98.7	98.7	99.6	99.7	99.5	99.4	98.4	99.3	107.0
68 INDUSTRIALS	159.2	159.2	159.0	160.3	160.0	159.5	159.7	159.7	161.5	178.6
Machinery and Equipment (8)	129.3	129.8	131.4	134.5	135.0	136.2	133.9	128.9	129.4	134.1
Pulp and Paper (7)	22.8	23.1	23.0	22.7	23.8	23.5	23.2	22.8	23.7	17.0
Milling (3)	92.6	92.1	94.5	95.5	96.8	97.5	96.2	97.8	98.2	83.1
Oils (4)	156.2	155.9	155.4	156.4	155.7	154.5	155.8	155.9	159.0	178.4
Textiles and Clothing (10)	91.3	91.4	90.6	91.6	92.2	92.2	91.6	91.3	90.8	58.4
Food and Allied Products (12)	188.2	188.0	188.5	188.5	188.1	185.9	188.0	186.8	182.9	176.3
Beverages (7)	131.8	132.4	132.9	133.2	134.2	135.1	133.9	134.2	133.0	134.0
Building Materials (15)	145.2	145.4	145.2	146.4	148.2	148.5	147.4	144.4	147.3	139.3
Industrial Mines (2)	358.0	358.5	357.4	361.9	359.7	360.2	359.5	361.7	366.2	449.5
19 UTILITIES	45.9	46.1	46.2	47.1	47.7	47.4	47.2	45.2	45.4	44.9
Transportation (2)	18.3	18.6	18.8	20.1	20.6	20.1	19.9	17.3	16.2	12.4
Telephone and Telegraph (2)	126.0	126.1	125.6	126.4	126.8	127.2	126.6	125.2	126.0	132.3
Power and Traction (15)	60.0	60.1	60.3	60.7	61.5	61.3	61.2	59.6	60.7	62.3
8 BANKS	84.9	85.0	85.4	85.5	85.5	86.0	85.5	84.4	84.2	85.8
MINING STOCK PRICE INDEX, 25 STOCKS	133.9	133.9	133.7	134.7	134.8	134.5	134.3	135.5	139.1	160.9
Gold Stocks (22)	97.9	97.7	97.8	98.0	97.9	97.5	97.8	99.4	103.7	122.6
Base Metals (3)	283.3	284.2	283.1	287.3	287.8	288.1	286.0	285.4	286.0	319.7
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	113.9	113.9	113.9	113.9	113.9	113.9	113.9	113.7	114.2	120.0
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.7	73.3	65.8
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	4.7040
+U.S. dollars	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.0032
French franc	.0247	-	.0246	.0245	.0245	.0247	.0246	.0248	.0251	.0266
Belgian belga	.1875	.1877	.1871	.1875	.1876	.1873	.1875	.1873	.1874	.1687
Netherlands florin	.5894	.5898	.5897	.5896	.5897	.5896	.5896	.5903	.5898	.5329
Japanese yen	.2602	.2602	.2602	.2602	.2602	.2602	.2602	.2602	.2602	.2741
Australian pound	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.7632
Argentine peso - free rate	.2586	-	.2597	.2609	.2603	.2603	.2600	.2587	.2544	.2314

x Bank of Canada. + 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.

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	Switzer- land Franc	Nether- lands Florin	Norway Krone	Sweden Krona	Denmark Krone	
1939	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
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	
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	
	Spain Peseta	Mexico Peso	Argentine Peso (Paper) Unofficial	Austra- lia Pound	Brazil Milreis	Straits Settle- ment Dollar	India Rupee	China (Shanghai) Dollar	Japan Yen	Union of S. Africa Pound	New Zealand Pound
1939	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
February	-	.2006	.2311	3.7665	.0589	.5468	.3519	.1596	.2744	4.7027	3.7820
March	-	.2011	.2316	3.7636	.0589	.5463	.3520	.1609	.2742	4.6986	3.7787
April	-	.2012	.2323	3.7631	.0588	.5456	.3514	.1612	.2742	4.6924	3.7782
May .....	.1105	.2010	.2323	3.7585	.0571	.5459	.3505	.1605	.2738	4.6863	3.7736
June .....	.1104	.2006	.2326	3.7539	x.0511	.5460	.3500	.1349	.2734	4.6806	3.7689
July .....	.1104	.1716	.2320	3.7508	x.0506	.5488	.3496	.1074	.2733	4.6768	3.7659
August .....	.1105	.1689	.2321	3.7062	x.0504	.5425	.3346	.0719	.2703	4.6211	3.7199
September .....	.1153	.2124	.2566	3.5292	x.0554	.5133	.3282	.0750	.2575	4.4080	3.5433
October .....	.1127	.2240	.2604	3.5760	x.0561	.5223	.3362	.0858	.2612	4.4728	3.5900
November .....	.1114	.2275	.2574	3.5760	x.0559	.5142	.3346	.0934	.2603	4.4600	3.5900
December .....	.1104	.2023	.2527	3.5760	x.0558	.5124	.3363	.0831	.2602	4.4600	3.5900
1940											
January .....	.1104	.1850	.2515	3.5760	x.0556	.5164	.3361	.0872	.2602	4.4600	3.5900
February .....	.1104	.1848	.2573	3.5760	x.0557	.5165	.3359	.0783	.2602	4.4600	3.5900

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.

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