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Published by Authority of the Hon. Jas. A. MacKinnon, M.P.,
Minister of Trade and Commerce

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

(Issued June 1, 1940)

DOMINION BUREAU
OF STATISTICS

JUN 3 1940

PROPERTY OF THE

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Price \$1.50 per year
Single copies 10 cents

SECURITY PRICES AND FOREIGN EXCHANGE, MAY 24-30
(1926=100)

INDUSTRIAL AND UTILITY COMMON STOCK PRICES

Following severe declines in the preceding fortnight, Canadian common stock prices moved irregularly downward at a slower pace during the week ended May 30. Trading volume was also considerably reduced. The Investors' daily price index for 95 industrial, utility and bank stocks dropped 2.3 points to close the week at 71.4, the minimum since 1934. All sections of the composite index with the exception of milling, transportation and pulp and paper issues, shared in the recession. Decreases were headed by a 6.1 p.c. drop in oils, followed by industrial mines, foods, textiles, building materials and beverages. The industrial index fell from 114.4 on May 23 to 109.8 on May 30. Utilities were down 0.2 to 36.0 and banks 1.8 to 75.7.

MINING STOCK PRICES

The general price index of twenty-five mining issues declined 4 p.c. during the week ended May 30, to close at 93.0. Canadian mining markets recorded a small advance on May 27, but on the following day, they experienced another severe break, which sent group indexes to levels still lower than those of the preceding week. The recession was accompanied by a heavy selling wave. In the ensuing two days movements were narrower and price averages changed very little. The gold index dropped 2.4 points to 70.9 during the four sessions of the week ended May 30 and base maysals 10.3 to 184.5.

LONG-TERM BOND PRICES AND YIELDS

Security markets weakened still further in the week ending May 30, and the Bureau's index of Dominion of Canada long-term bond prices declined from 115.2 for the week ending May 23 to 114.9. War news was credited with influencing markets to a considerable extent. On Monday the sale of Dominion Saving Certificates and Stamps commenced, while on the day following announcement was made that a Dominion of Canada re-funding issue of \$65 mm. due in 5 years and bearing 2 p.c. interest had been sold to the banks. The index of Dominion of Canada long-term bond yields rose from 71.9 to 72.5, which was 5.0 above the corresponding week of 1939. In the provincial section, price movements were mixed, but with reductions predominating.

British Consols closed unchanged at 74, while the Dow-Jones average of selected United States bonds rose from 83.10 to 83.34.

FOREIGN EXCHANGE

(Quotations are Montreal noon rates unless otherwise specified)

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged during the week ended May 30 at \$4.43-\$4.47 and \$1.10-\$1.11. At New York sterling free market rates touched a low for the week of \$3.16 1/2 on the 23rd while the close at \$3.18 3/4 indicated a net loss of 1/4¢. Canadian funds at New York stiffened 1/2¢ to 78 1/2¢ in the same interval. Montreal rates for the French franc, reflecting sterling movements at New York, eased to a mid-week low of 1.98¢ but subsequently recovered to 2.01¢ at the close for no net change. Advances of 3 and 5 points for the Italian lira and Swedish krona lifted rates to 5.62¢ and 26.43¢ respectively, as the week closed. Continuing an irregular decline of the past few weeks Argentine pesos (free rates) finished the week 33 points lower at 24.81¢.

SUMMARY OF FINANCIAL PRICE FACTORS

Dates	1940						Weekly Average May 24-30	Preceding Weekly Average May 17-23	Corresponding Weekly Average Last Month	Weekly Average A Year Ago				
	<u>MAY</u>													
	/ 24	/ 25	27	28	29	30								
INVESTORS' PRICE INDEX, 95 COMMON STOCKS	-	-	75.0	71.3	72.6	71.4	72.6	75.3	92.7	99.6				
68 INDUSTRIALS	-	-	116.4	110.3	112.5	109.8	112.4	117.2	146.2	163.3				
Machinery and Equipment (8)	-	-	93.6	88.8	90.0	91.9	90.6	95.5	126.0	114.6				
Pulp and Paper (7)	-	-	13.8	12.2	13.0	13.1	12.9	13.8	24.4	12.4				
Milling (3)	-	-	70.1	66.7	69.6	72.6	68.6	72.4	91.1	79.7				
Oils (4)	-	-	117.3	110.2	113.1	107.5	112.7	114.5	138.3	167.3				
Textiles and Clothing (10)	-	-	72.5	69.7	70.0	70.4	70.7	74.3	91.4	56.0				
Food and Allied Products (12)	-	-	148.9	140.6	143.0	142.6	143.8	154.2	182.2	178.8				
Beverages (7)	-	-	110.7	104.9	105.6	104.6	106.4	108.5	137.8	123.6				
Building Materials (15)	-	-	108.8	103.2	104.7	105.0	105.4	109.0	142.4	129.3				
Industrial Mines (2)	-	-	242.3	232.5	236.4	231.8	235.5	248.3	314.2	394.5				
19 UTILITIES	-	-	37.1	35.2	36.2	36.0	36.1	36.8	46.3	44.0				
Transportation (2)	-	-	11.4	10.1	11.1	10.6	10.6	11.2	18.8	10.9				
Telephone & Telegraph (2)	-	-	114.7	113.9	113.6	113.4	113.8	115.4	122.7	133.7				
Power and Traction (15)	-	-	49.4	46.5	47.8	47.8	48.1	48.6	60.9	61.6				
8 BANKS	-	-	76.7	75.3	74.8	75.7	75.4	78.2	83.3	84.1				
MINING STOCK PRICE INDEX, 25 STOCKS	-	-	97.6	91.9	93.0	93.0	93.4	99.7	126.7	154.5				
Gold Stocks (22)	-	-	73.7	69.8	70.5	70.9	70.9	74.7	93.3	117.1				
Base Metals (3)	-	-	196.9	183.7	186.0	184.5	186.1	204.8	264.7	309.8				
DOMINION OF CANADA LONG-TERM BOND PRICE INDEX	-	-	115.1	115.0	114.8	114.6	114.9	115.2	115.7	118.7				
DOMINION OF CANADA LONG-TERM BOND YIELD INDEX	-	-	72.2	72.3	72.5	72.7	72.5	71.9	71.3	67.5				
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	4.6938				
. U.S. dollars	-	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050	1.0026				
. France franc	-	.0202	.0200	.0198	.0199	.0201	.0200	.0202	.0221	.0266				
Italy lire	-	.0559	.0559	.0559	.0559	.0562	.0560	.0559	.0560	.0527				
Sweden krona	-	.2638	.2637	.2640	.2643	-	.2640	.2641	.2626	.2418				
Japan yen	-	.2602	.2602	.2602	.2602	.2602	.2602	.2602	.2602	.2735				
Australia pound	-	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.5760	3.7550				
Argentine peso - free rate	-	-	.2503	.2503	.2481	-	.2496	.2521	.2547	.2328				

^x Bank of Canada. ⁺ Montreal and Toronto Stock Exchanges closed. +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.

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 1940	General	INDUSTRIALS												UTILITIES				
		Total	Machin- ery and Equip- ment	Pulp and Paper	Mill- ing	Oils	Tex- tiles and Cloth- ing	Food and Allied Pro- ducts	Bever- ages	Build- ing Mater- ials	Indus- trial Mines	Total	Trans- porta- tion	Tele- phone and Tele- graph	Power and Trac- tion	Banks		
		95	68	8	7	3	4	10	12	7	15	2	19	2	2	15	8	
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		198.3	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	
Low		134.6	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	
x1935 - High		98.8	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	
Low		75.7	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	
x1936 - High		135.5	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	
Low		109.4	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	
x1937 - High		149.6	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	
Low		99.0	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	
x1938 - High		111.9	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	
Low		92.5	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	
x1939 - High		108.0	181.9	151.5	25.0	108.6	191.0	85.4	184.1	135.8	165.0	469.4	46.2	20.4	134.2	65.0	86.1	
Low		92.2	150.2	104.7	10.0	69.7	143.1	51.3	156.6	105.9	116.0	370.0	39.7	8.9	110.1	52.1	72.2	
1939 - January		102.9	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	
February		104.1	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	
March		103.7	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	
April		96.2	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	
May		99.2	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	
June		97.0	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	
July		97.3	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	
August		94.2	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	
September		100.1	168.2	132.8	19.1	99.8	164.6	71.9	170.8	108.5	145.3	426.3	42.2	17.8	116.7	53.8	78.4	
1940 - January		99.7	162.1	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	373.6	45.7	16.4	126.1	61.3	84.5	
February		99.0	161.1	129.8	23.4	98.4	158.2	90.7	184.3	134.0	146.8	365.5	45.3	16.7	125.8	60.3	84.3	
March		99.1	159.2	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	357.6	47.1	19.7	126.5	61.1	85.1	
April		97.0	154.8	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	344.1	47.1	19.4	124.6	61.9	83.8	
<u>Weekly Index Numbers</u>																		
May 9		91.8	145.2	123.9	23.3	89.9	144.7	89.5	180.2	135.1	137.9	304.1	45.1	17.9	121.8	59.3	82.7	
May 16		83.6	132.0	107.5	18.2	83.2	135.8	84.0	171.3	121.9	117.8	267.9	40.0	14.0	116.0	52.8	81.6	
May 23		75.3	117.2	95.5	13.8	72.4	114.5	74.3	154.2	108.5	109.0	248.3	36.8	11.2	115.4	48.6	78.2	
May 30		72.6	112.4	90.6	12.9	68.6	112.7	70.7	143.8	106.4	105.4	235.5	36.1	10.6	113.8	48.1	75.4	

x Weekly figures.

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