

# The Stock Market

(November 11th to December 8th)

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Ovejero & Hall

November 11th to November 17th, inclusive: After six consecutive weeks of advance, a technical correction set in. The high point of the rise was recorded on November 11th with the averages reaching 111.42, and the volume of transactions on that day slightly exceeded two million pesos; this was the heaviest day's trading since May 25th, 1937. Considerable profit-taking was in evidence during the balance of the week, which closed with the index at 105.31 for a net loss of 5.60. The aggregate volume during the four successive sessions of decline totalled rather less than P4 million, whereas the volume during the previous four sessions of advance exceeded the P6½ million mark. The only stock to move against the trend was San Mauricio which gained six points over the period to close at P1.76. Mindanao Mother Lode held its ground to close unchanged at 11½. With these exceptions, losses were more or less uniform throughout the list, except in the case of Atok which lost 4½ points to close at 26. The reason for this slump was not clear but it was to some extent precipitated by the switching of sizeable blocks of this stock into Big Wedge.

On November 14th, in a letter to stockholders, the President of San Mauricio gave a report on the progress and prospects of the company. It was stated that this company's ore reserves as at the end of the year, should approximate three years supply with an average value of P50.00 per ton. Total operating costs had been reduced to P21.39 per ton which would leave a margin of profit of P28.61 per ton. At the present monthly capacity of 9,000 to 10,000 tons, a monthly profit of approximately 2½ centavos per share should be maintained.

The foregoing is yet another example of the great potentialities of the Philippine Gold Mining industry, and credit is due the management for the genuine progress accomplished during the past year.

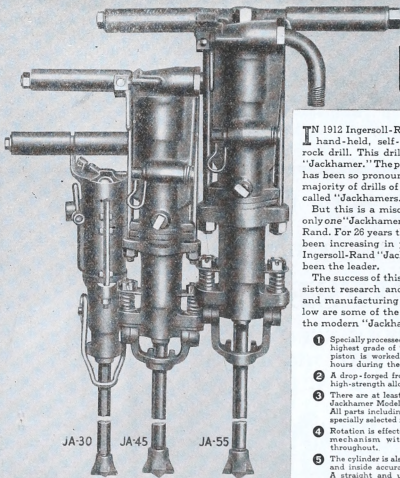
November 18th to November 24th, inclusive: The week opened with a vigorous rally on Friday when the extensive losses of the previous day were fully recouped. Subsequently, interest was lacking and the market

drifted slowly downwards on greatly reduced volume. The averages closing at 104.92 for a net loss of .39. Less favorable foreign political de-

velopments have probably been the major reason for the continuation of the downward drift. However, there appeared necessity for further



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consolidation of recent gains, while Public Holidays this month also tended to keep traders on the sidelines. The only stocks to successfully combat the easiness were Itogon and San Mauricio. The former closing at 21½ up ½ on unconfirmed rumors that a new vein carrying good values had been cut; San Mauricio closed the week unchanged at P1.76.

*November 25th to December 1st, inclusive:* During a short week's trading, the line of least resistance proved to be upwards and a gain of 2.26 was recorded, the index closing at 107.18 on the lightest volume for some six weeks. Individual price movements were small and neither buyers and sellers showed much disposition to operate. During the period, it became increasingly clear that a further period of consolidation would be required prior to a resumption of the main upward trend, although it appeared unlikely that much of a decline would materialize unless European conditions should deteriorate further.

The widest gain during the week was made by Mambulao Consolidated which rose 3 points to 17½¢ on good development results. United Paracale was also strong, closing at 51. Antamok, Coco Grove and Demonstration moved meaninglessly against

the trend each losing ½ point in quiet trading.

*December 2nd to December 8th, inclusive:* Although the market as a whole was somewhat more active, actual price changes in the leaders have been small. Over the period the averages showed a gain of 1.53 the index closing at 108.71 and are, thus, within striking distance of the previous resistance level. It would appear that equities of the leading producers are passing through a period of extended consolidation. Neither the numerous dividend announcements, nor the favorable production figures for November aroused any particular enthusiasm on the buying side. On the other hand, the recent severe drop in domestic sugar futures on the New York Coffee & Sugar Exchange, following the announcement of 1939 quotas, was almost completely ignored by the market, and this must be considered favorably.

The feature of the week has been the revival of interest in issues which have been neglected for a long period, and which have been quoted at nominal prices. The advances recorded have been due to improved development results; also that most of these issues have possibly been quoted at less than their intrinsic value. It is a sign of increasing public interest

in the market as a whole, however, and indicates a definite revival of speculative interest.

In the investment issues, Antamok and Benguet Consolidated have proved to be the leaders, the former gaining 2½ to close at 49½ on the expectation that favorable development news will be released shortly. The 50¢ dividend announcement by Benguet met with approval, and strong buying raised the bid to P13.30, for a gain of 40¢. In the other issues, Crown Mines staged a meteoric advance from .01½ to .04 apparently on the belief that the recent new discoveries at Demonstration run into Crown ground outside the "city limits", thereby increasing the possibility of some agreement with Demonstration to work these claims. East Mindanao, Gumaus Goldfields and Northern Mining all turned active and registered good advances.

In retrospect, the action of the market over the past month has been encouraging. A decline of 2.20 points in the averages following a rise during the previous month of 23.57 points must be construed favorably from a technical standpoint. While it should not be overlooked that the reaction has possibly not yet have run its course, there appears at the

(Please turn to page 22)

## DEPENDABLE

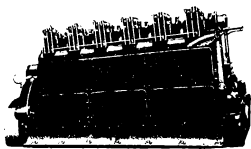
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## THE MINING INDUSTRY AT A GLANCE

| MINE   | Started Milling | Auth. Cap.  | Par. Value | Capital Paid to Date | Daily Capacity | Tons Milled Nov. 1938                             | Nov. 1938 Gold Production | Average value per ton | 1938 Production to date | Surplus or Reserve | Last Dividend | Total 1938 Dividend to-date | Total Dividend 1937 |
|--|-----------------|-------------|------------|----------------------|----------------|---|---------------------------|-----------------------|-------------------------|--------------------|---------------|-----------------------------|---------------------|
| Antamok  | 1932            | 75,000 0.10 | P2,750,000 |                      | 900            | 24,103  | P 353,923.29              | 14.64                 | P 4,200,156             | 1,320,550          | Oct. 15, '38  | P9.02                       | P9.06               |
| Baguio Gold                                      | 1930            | 2,000 0.10  | 1,300,000  |                      | 250            | 8,391   | 158,486.66                | 18.88                 | 1,564,027               | 117,222            | Dec. 29, '38  | 0.915                       | 0.935               |
| Balacot  | 1927            | 6,000 1.00  | 6,000,000  |                      | 1,200          | 39,256  | 1,082,966.28              | 28.06                 | 11,685,801              | 2,192,410          | Sept. 30, '38 | 0.30                        | 0.90                |
| Benguet Cons.                                    | 1913            | 6,000 1.00  | 6,000,000  |                      | 1,000          | 32,962  | 947,850.04                | 29.56                 | 10,265,194              | 4,965,354          | Sept. 30, '38 | 0.30                        | 0.90                |
| Benguet Expl.                                    | 1931            | 1,500 0.10  | 500,000    |                      | 100            | 3,393   | 22,293.60                 | 6.57                  | 237,865                 | 7,963              |               |                             |                     |
| Big Wedge  | 1936            | 2,000 0.10  | 777,892    |                      | 150            | 6,296   | 170,337.42                | 27.05                 | 1,761,667               | 247,133            | Oct. 5, '38   | 0.91                        | 0.92                |
| Cal Herr   | 1935            | 1,500 0.10  | 1,500,000  |                      | 200            | 7,158   | 121,938.86                | 17.03                 | 1,214,440               |                    |               |                             |                     |
| Coco Grove                                       | 1935            | 1,500 0.10  | 1,500,000  | Placer               |                | 335,965 yds.                                      | 105,000.83                | 0.31                  | 2,088,840               |                    |               |                             |                     |
| Demonstration                                    | 1934            | 1,000 0.10  | 1,000,000  |                      | 250            | 9,746   | 141,184.00                | 14.48                 | 1,638,365               | 249,558            | Dec. 20, '38  | 0.01                        | 0.01                |
| East Mindanao                                    | 1936            | 1,000 0.10  | 1,000,000  |                      | 100            | 3,384   | 79,967.24                 | 23.63                 | 523,310                 | 6,672              |               |                             |                     |
| Insu Gold  | 1934            | 1,000 0.10  | 799,794    |                      | 200            | 6,564   | 105,593.81                | 16.07                 | 881,251                 | 28,256             | Aug. 29, '38  | 0.005                       | 0.011               |
| Ilogon   | 1925            | 2,000 0.10  | 2,000,000  |                      | 1,000          | 30,656  | 332,274.33                | 10.83                 | 3,717,688               | 929,433            | Jul. 15, '38  | 0.6075                      | 0.015               |
| IXL Mining                                       | 1931            | 1,500 0.10  | 1,500,000  |                      | 350            | 11,400  | 258,375.52                | 22.66                 | 2,845,274               | 443,560            | Oct. 15, '38  | 0.02                        | 0.09                |
| Maabate Cons.                                    | 1935            | 5,000 0.10  | 5,000,000  |                      | 3,000          | 66,406  | 372,057.74                | 5.60                  | 3,831,670               | 810,330            |               |                             |                     |
| Macabete Gold                                    | 1938            | 1,500 0.10  | 1,350,000  |                      |                |   |                           |                       | 74,733                  |                    |               |                             |                     |
| Napaso Goldfields                                | 1938            | 1,500 0.10  | 1,100,000  | No. Mills            |                | 259.06  | 5,165.21                  | 12.21                 | 36,537                  |                    |               |                             |                     |
| Mindanao Mining                                  | 1938            | 1,000 0.10  | 596,935    |                      |                | 37,500 yds.                                       | 13,600                    | 0.36                  | 94,589                  |                    |               |                             |                     |
| Mindanao M. Leds                                 | 1937            | 2,000 0.10  | 2,000,000  |                      | 200            | 3,945   | 140,891.60                | 35.71                 | 1,209,039               |                    |               |                             |                     |
| Nabugo Gold & Sil.                               | 1938            | 600 0.10    | 30,000     |                      |                | 56.51   | 619.65                    | 10.96                 | 20,307                  |                    |               |                             |                     |
| North Mindanao                                   | 1937            | 800 0.10    | 355,220    | Placer               |                |   |                           |                       | 145,151                 |                    |               |                             |                     |
| Northern Mining                                  | 1927            | 1,000 0.10  | 789,220    |                      |                |   |                           |                       | 36,537                  |                    |               |                             |                     |
| Paracale Gumaus                                  | 1938            | 500 0.10    | 500,000    |                      | 125            | 3,029   | 54,047.22                 | 17.84                 | 326,373                 |                    |               |                             |                     |
| Royal Paracale                                   | 1936            | 1,500 0.10  | 370,125    |                      | 100            | 2,615   | 17,618.44                 | 6.73                  | 197,637                 |                    |               |                             |                     |
| San Maurice                                      | 1936            | 800 0.10    | 800,000    |                      | 300            | 9,166   | 501,732.47                | 54.74                 | 3,541,191               | 740,231            | Dec. 19, '36  | 0.01                        |                     |
| Santa Rosa                                       | 1938            | 1,500 0.10  | 1,000,000  |                      | 200            | 5,910   | 94,235.55                 | 15.94                 | 802,309                 |                    |               |                             |                     |
| Surgao Cons.                                     | 1938            | 1,200 0.10  | 1,000,000  |                      | 200            | 3,855.32  | 86,389.23                 | 9.44                  | 525,498                 |                    |               |                             |                     |
| Suyoc Cons.                                      | 1934            | 1,250 0.10  | 1,250,000  |                      | 200            | 6,096   | 148,526.10                | 24.36                 | 1,536,471               | 364,765            | Jul. 20, '38  | 0.01                        | 0.02                |
| Tambisa Gold                                     | 1929            | 4,000 0.10  | 339,944    | Placer               |                |   |                           |                       | 137,928                 |                    |               |                             |                     |
| Tinago Cons.                                     | 1938            | 1,000 0.10  | 1,000,000  |                      | 75             |   |                           |                       | 46,034                  |                    |               |                             |                     |
| Twin Rivers                                      | 1938            | 1,000 0.10  | 500,000    |                      |                | 36,998  | 27,289.23                 | 0.73                  | 389,283                 |                    |               |                             |                     |
| United Paracale                                  | 1935            | 1,100 0.10  | 1,100,000  |                      | 300            | 9,467   | 223,006.37                | 23.66                 | 2,357,591               | 388,807            | Sept. 15, '38 | 0.02                        | 0.03                |
| Total  |                 |             |            |                      |                |   | P5,405,488.69             |                       | P57,990,938             |                    |               |                             |                     |
| Gold Production for October 1938 — P5,505,847.17 |                 |             |            |                      |                | Gold Production for November 1937 — P4,618,183.87 |                           |                       |                         |                    |               |                             |                     |

market has declined, hovering perilously close to new low ground.

Technically, the New York market appears to be gathering strength, and ominous news dispatches from abroad have so far failed to shake

out any appreciable amount of stock. Seasonally, a rise can ordinarily be anticipated during the early months of the year and present market action justifies the belief, barring unexpected adverse developments abroad, that higher prices may be seen within the reasonably near future. Overlooking, therefore, a further period of indecision and irregularity during coming weeks, the longer term outlook currently is for a continuation of the recovery cycle.

### A Timely . . .

(Continued from page 18)

knowledge, reflects to a great extent conditions as they now exist at the mine. We realize that mining at best is a hazardous venture and these estimates may prove extremely optimistic as present future prospects become history. On the other hand, we believe that there is sufficient reason to presume that instead of these estimates proving exceedingly optimistic they may very well exceedingly conservative. For this reason, the progress of San Maurice over the next few months should be watched closely in order to fully participate in any change in market price, which will only be reflection of actual operations and conditions as they exist at the mine.

### The Stock . . .

(Continued from page 20)

moment no reason why any particular weakness should develop providing world conditions remain about unchanged. In assessing the possibility of a reaction it is well to bear in mind that although the averages have staged a considerable percentage advance this has been largely accounted for by wide gains in only a few individual issues. As these are apparently fully justified, in almost all cases, the market may not be in as vulnerable a position as might be expected after such a sustained upward movement.

The likelihood of any runaway rise appears to be equally slim. Local and world conditions are not ripe for such a movement, however, it would appear that the present healthy condition of the majority of the producers, and near producers, coupled with the increasing dividend disbursements, would bring confidence and money enough to support a price structure irregularly higher than that to which we are now becoming accustomed and could lead to a somewhat more active market early next year.

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