

Debits to Individual Accounts (monthly averages)

*June, 1948 P113,944	(000 omitted) **May, 1948 P117,993	June, 1947 P96,963
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Currency in Circulation (monthly averages)

June 30, 1948 P810,780,079	May 31, 1948 P798,775,645	June 30, 1947 P716,447,804
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\*Compiled from reports to June 19 only, to be corrected in next issue.  
\*\*Corrected figures.

The September contract for New York Sugar closed the period at 5.21, as compared to 5.18 a month ago. Advances from New York dated July 16 reported production from Cuba at somewhat over 6,655,000 short tons, with one mill still grinding. Pressure on the Agriculture Department to increase the United States sugar quota, caused some trade members to adopt a waiting attitude pending further action in this direction.

## American Stock and Commodity Markets

June 27 to July 27, 1948

By ROY EWING

Swan, Culbertson & Fritz

THE feature of the New York stock market during the past month was the sharp break between July 14 and 19 when the Industrial Average declined from 190.66 to 181.20. The crisis in Berlin and the resulting threat of war was undoubtedly the main influence. Previous to this break the market had acted well, especially the Rails, which Average went up to 64.95 on July 14, a new high since 1946. Since the 19th, moderate rallies have brought the Industrial Average back to 184.17 at present writing.

In addition to the international situation, there were other bearish market influences. The inflation spiral was boosted by Big Steel's wage increases, which followed similar previous hikes in the motor, railroad, coal mining, and other industries, with resulting rises in prices; there was nervousness over the special session of Congress, and the effect to some industries of the bumper crops (see below). On the bullish side were continued reports from numerous companies of record high earnings and dividends. The United States employment figure was at a record all-time high, as were several other business indices. Consumer spending was on the increase and acting as a cushion. As yet to have its effect, was the Marshall Plan and the defense spending, which is still in the allocation stage.

From the 1948 lows in February and March, to the highs in June and July, the Industrial Average rallied 27.77 points, the Rails 16.82. The recent break erased 43% and 32% of these respectively. According to the Dow Theory, a normal secondary reaction retraces from one-third to two-thirds of the previous move, so the recent break is well within these limits. As pointed out in this column last month, a break in the Average to between the 180 and 185 levels would, according to the Theory, be a buying spot, and we continue to hold to this opinion. As confirmed by the Averages in May, the primary trend is bullish.

Commodity prices were mixed but generally easy. New York spot Cotton is 33.90 today as compared to 37.26 on June 28, the gradual drifting toward loan level being a result of good to excellent crop news. Export prospects were reported a little brighter, but European Co-operative Administration business was slow in developing. July Wheat in Chicago declined from 232-1/4 on July 1 to 225-1/4 on July 16, but rallied sharply to 236-1/2 on July 23, the expiry date for July contracts. The Department of Agriculture's latest estimate predicted the second biggest harvest in history. Chief support was due to known export needs and indications that large amounts will be impounded under the loan. July Corn also declined from a high of 222-3/8 on July 1 to 199 on July 10; it rallied to 212 on July 23. The Government's estimate was for an all-time record crop, 2% above 1946. A strong livestock market with both cattle and hogs touching all-time highs at Chicago, was a favorable influence.

## Manila Stock Market

June 18 to July 15, 1948

By A. C. HALL

A. C. Hall & Company

### MINING SHARES

MINING shares have drifted steadily downwards during the past month under mild but persistent pressure.

The principal bearish factors were the Court of Industrial Relations decision in the Consolidated Mines case, issued around the middle of June, and, latterly, the worsening Berlin situation.

In regard to the former, there is apprehension that the decision may set a pattern for the entire mining industry. As some mines are already staggering under high costs and war losses, any additional burden at this time would be unfortunate.

The case in question was submitted to the Court in March, 1947, and remained pending for a period of about 15 months. The Union received a substantial wage increase which was made retroactive to May, 1947. In addition, the Company was ordered to pay a wage bonus of 50% on all work performed between sunset and sunrise. The estimated cost of this decision is approximately half a million pesos. The Company has filed a petition for reconsideration.

At today's closing level, the market average is once again in the area of the year's lows. In view of the worsening international situation, it appears that some further decline is likely.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Manila Stock Exchange Average	102 87	93 51	94 41	Off 9 06	
Acoje Mining Company	P 355	P 34	P 32	Off 03	119,000
Antamok Goldfields	02	02	02	Off 005	149,778
Atok-Big Wedge Mining Co.	72	66	67	Off 05	217,500
Baguio Gold Mining Co.	044	044	044	Up 004	20,006
Batong Buhay Gold Mines	0058	0054	0054	Off 0004	1,070,000
Coco Grove, Inc.	023	023	023	Unchanged	20,000
Consolidated Mines, Inc.	013	0115	0115	Off 0015	6,720,000
Icogon Mining Company	08	075	08	Off 01	200,000
I. X. L. Mining Company	0775	0775	0775	Up 0075	120,000
Lepanto Consolidated	79	75	76	Off 03	250,000
Masbate Consolidated	042	04	04	Unchanged	70,000
Mindanao Mother Lode Mines	80	65	67	Off 15	312,000
Misamis Chromite Co., Inc.	275	25	275	Off 005	210,000
Suyoc Consolidated	035	032	032	Up 002	155,000
San Mauricio Mining Co.	25	195	21	Up 025	151,000
Surigao Consolidated	37	34	32	Off 04	309,433
United Paracale Mining Co.	0825	0775	0775	Unchanged	85,000

In addition to the foregoing, unlisted mining issues were traded as follows: Antipolo 107,000 shares at P19 and 18 centavos; Balatoc, 1,500 shares at P3.40; Benguet Consolidated, 17,000 shares from P3.80 to P3.40; and Philippine Iron Mines, Common, 200 shares at P12.

#### COMMERCIAL AND INDUSTRIAL

Philippine Oil Development continued to advance on heavy volume in anticipation of resumption of drilling operations on its Bondoc Lease. Sugar shares were firm on Carlota's resumption of dividend payments, and reports of a probable Victorias stock dividend later in the year. San Miguel sold ex-dividend during the period.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Bank of the Philippine Islands	P65 00	P 60 00	P 65 00	Up P9. 00	240
Central Azucarera de la Carlota	115 00	111 00x-d	111 00	Up 6 00	276
China Banking Corporation	180 00	180 00	180 00	Up 7 00	100
Central Azucarera de Tarlac	45 00	41 00	45 00	Up 10 00	125
Manila Wine Merchants, Inc.	5 00	5 00	5 00	Up .25	300
Metropolitan Insurance Co.	140 00x-d	140 00	140 00	—	77
Pampanga Bus Company	1 02	1 00	1 02	Off .04	12,112
Philippine Oil Development Co. Inc.	305	265	27	Up 04	3,029,000
Philippine Racing Club	1 28	1 22	1 22	Up .02	14,700
San Miguel Brewery	72 00	70 00x-d	70 00	Off 4 00	1,845
Victorias Milling Co.	150 00	120 00	150 00	Up 30 00	399
Williams Equipment Co., Pfd.	—	—	85 00b	—	—
Williams Equipment Co., Com.	—	—	9 00b	—	—

In addition to the foregoing, unlisted commercials traded as follows: Jai Alai 4,000 shares at P22; Manila Jockey Club 1,500 shares at P2.15; and 107 shares Philippine Education Preferred at P100.

## Credit

By W. J. NICHOLS

Treasurer, General Electric (P.I.) Inc.

THE recent lifting, under certain restrictions, of the Moratorium on pre-war debts has not yet resulted in any wholesale liquidation of old obligations. All legal aspects of the raising of the Moratorium remain to be clarified. It is hoped that within the space of a month or so the situation will clear up somewhat and business firms will know more definitely what the prospects are for collection of old outstanding items.

On Tuesday, July 27, the annual general meeting of the Association of Credit Men, Inc. (P.I.) was held at the Town House. Representatives of 34 member firms were present to elect a board of directors for the ensuing year. Luncheon was served after the meeting for members and their guests. The Association is now comprised of 58 companies doing business in the Philippines, and applications from several other firms are under consideration. The Association is a non-profit making organization for the exchange of credit information among its members, and the increasing use of its facilities is another indication of the importance which credit managers are attaching to collection work.

Several wholesaling firms report that a larger percentage of their accounts are being currently settled by payments received through the mails, than was the case be-

fore the war, when collectors were more extensively used. If this is any indication that customers are now more willing to pay their bills without waiting for a visit from the collector, it is of course very welcome news to treasurers. However, there is no reason at this time to believe that any pronounced trend in this direction is in progress.

## Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average — 15,316,000 KWH

	1948	1947
January	27,301,000	17,543,000 K
February	26,021,000	17,503,000 I
March	26,951,000	20,140,000 L
April	26,871,000	19,601,000 O
May	28,294,000	19,241,000 W
June	29,216,000 *	17,898,000 A
July	31,200,000 **	22,593,000 T
August	—	23,358,000 T
September	—	23,122,000 H
October	—	24,755,000 O
November	—	24,502,000 U
December	—	25,725,000 R
TOTAL	—	255,981,000 S

\* Revised  
\*\* Partially estimated

The July output, now more than double the 1941 monthly average, was 1,984,000 KWH, or 6.8% above June. The increase over July, 1942, was 8,607,000 KWH, or 38.1%.

Should the present rate of increase continue, as now seems probable, the maximum capacity of the system will be reached before the new 50,000 KW Rockwell Station will be completed in 1950. In this event interruptions of service must be expected.

## Real Estate

By C. M. HOSKINS

C. M. Hoskins & Co., Inc., Realtors

REAL estate activity for the month of July in the City of Manila consisted largely of the usual volume of small units changing hands. Biggest sale of the month was of a property in the District of San Miguel, comprising 5 adjacent parcels of land with a total area of 5,891 sq. m., bought by Angela Abueg of Manila for P350,000.

Mortgage funds continue to be abundant, although the total amount for July registered a considerable dip from the all-time record of about P20,000,000 registered in June. Construction and rehabilitation loans comprise the bulk of the mortgages.

Demand for good office-space in permanent buildings continues to be brisk. A newly constructed office building of reinforced concrete had all space contracted for well ahead of completion, on as long as a 6-years' lease period. This latest addition to Manila's growing skyline is the Dasmariñas Building, erected by Francisco T. Lopez at a cost of about P500,000.

The Manila zoning plan, as prepared by the National Urban Planning Commission, was disapproved by City