

The Manila Stock Market During September

By W. P. G. ELLIOTT

New Companies.—The Goodyear Rubber Plantation Company, mentioned in last month's circular, have been granted a permanent license to do business in the Philippines. It is reported that representatives of the Company have selected a tract of land at Sibuguey Bay, in Mindanao, for a rubber plantation. A new sugar central, capitalized at P400,000, will shortly be erected in Paniqui, Tarlac. The new central will be registered under the name of *The Paniqui Sugar Mill, Inc.* The capacity of the central will range from 600 to 1000 tons daily, and it is further learned that the central has approximately 2500 hectares of land on which to plant sugar cane.

It has been tentatively decided to establish the first rice central in Bulacan, where conditions are favorable. This central will be patterned after the modern sugar centrals. The central will be owned, managed and supervised by a cooperative association of planters, millers and merchants, and if the venture is successful, other centrals will be erected in Tarlac, Pangasinan and Nueva Ecija.

Manila-Iloilo Radio.—Manila and Iloilo will be connected by radio communication within the next ten days, according to announcement made by the Radio Corporation. The Iloilo Station will have a duplex sending and receiving set which will greatly facilitate communications between Iloilo and foreign points via Manila as well as between Manila and Iloilo.

Banks.—The Bank of the Philippine Islands continued their advance, selling up to P177 on fairly large transactions and closed firm with no sellers at better than P180. It seems to be the general opinion that the bank will pay a dividend next January of at least 6% and possibly more, and this is undoubtedly the cause for the strong advance in these shares. China Banks have had a fairly large turnover at P85, which, as we before pointed out, represents 8.23% on the investment. Mercantile Banks are wanted at P41 with sellers not disposed to offer any shares. Hongkong and Shanghai Banks have been very active with heavy buying from HK\$1290, the opening price of the month, to HK\$1325 at the close. Chartered Banks are very firm at 22-1/8 and have declared the usual interim dividend of 14%.

Insurances.—Unions of Canton have been firm and active throughout the month. Opening at HK\$355, they continued to advance steadily and closed firm and active at HK\$375.

Compañia Filipinas, Insular Life and Philippine Guarantee have remained firm and unchanged with no transactions recorded, closing quotations being P3150, P3000, and P3000 respectively.

Sugars.—The market for sugar shares has been very inactive and it is quite evident that there are more sellers than buyers. This is probably due to the fact that raw sugar quotations in the New York market have reached the lowest price in three years, registering for the Cuban product 3.96 cents gold per pound, which is below the cost of production for most of the Cuban mills. For the Philippines, however, average cost of sugar laid down in New York is 3.50 cents gold per pound. Latest quotations, therefore, leave a margin of profit for local exports except for a few high cost mills.

Present quotations present no terrors, although they do cut materially into profits. However, the 1927-1928 Philippine crop has been practically all sold since May last, and the offerings of Philippine sugar at present in the New York market comes from speculators and holders, rather than from planters and millers here.

Plantations.—There has been no interest shown during the month in plantations and Polos and Pamplonas remained unquoted. The last transaction in Polos was reported at P400 and Pamplonas at P80.

Mines.—Benguet Consolidated has been very active and all offerings have been quickly taken up. Quotations have ranged from P2.10 to P2.20 and at the close P2.25 was bid without any offerings. A large block is still offered at P2.50 but buyers do not seem inclined to pay that price. Balatots were placed at P2.10 and there are further buyers at this figure. Itogons report that the mill operated 30 days and ten hours during the month of August. One thousand, four hundred twenty-three tons of ore were treated of an approximate value of \$13 and the bullion production amounted to 2115.22 oz. valued at P30,583.27. The milling capacity is considerably in excess of the tonnage of ore it has been possible to mine, and in order to increase the tonnage mined and facilitate the development work, the company purchased and installed an air compressor and engine to operate air drills. It is expected that this equipment will result in a substantial increase in tonnage mined with the corresponding increase in bullion production. Itogons are also expected to pay a small dividend at the end of this

year. A few sales were made at P8, later advancing to P9 and closing at that figure.

Industrials.—Philippine Educations are again the outstanding feature in this list. A small amount of common shares changed hands at P135 and there are further buyers at this price. A large amount of 10% preferred shares were placed at par and the investment seems to be a most attractive one. A small amount of Mayon Lumber shares were placed at par, P100. Manila Finance and Discount Corporation have not announced the details of settlement in their suit with the Teal Motor Company. There are any amount of offerings to sell common and preferred shares but so far buyers have not shown any incentive to purchase these shares, even at a discount.

Bonds.—There are inquiries for Carlotra 8% bonds at P1040, also inquiries for Bais 8% bonds at the same figure. The Lyric Theatre 7% bonds are selling briskly at par plus accrued interest for all maturities. The bond market is very steady with far more inquiries than there are bonds to meet them. With increased capital coming to the islands, it is a foregone conclusion that interest rates must decrease and we believe that within the next two years, providing that we have material prosperity, 6% will look most attractive for sound investments. Therefore, we believe that 7% bonds that are at present obtainable are very attractive from the investor's point of view. The market closed firm and active with prices well sustained with the exception of sugars which have eased off slightly. Sales for the month total 31,452 shares.

Dividends Declared.—Chartered Bank of India, Australia and China—14% interim.

RAIL COMMODITY MOVEMENTS

By M. D. ROYER

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The following commodities were received in Manila August 26, 1928, to September 25, 1928, both inclusive, via Manila Railroad.

	September	August
Rice, cavans	204,250	248,980
Sugar, piculs	1,232	4,704
Tobacco, bales	34,460	34,080
Copra, piculs	255,500	224,600
Coconuts	2,695,000	2,949,100
Lumber, B.F.	731,700	540,000
Desiccated coconuts, cases	20,746	25,092

Among the convenient references in the chamber of commerce are the latest telephone directories procurable from some thousand cities in the United States and from London, Mexico City and a few other foreign cities.

P. J. Wester of the agriculture bureau has discovered a tree of thin-shelled pili nuts in the Bikol region from which he believes others may be propagated until the islands may be partially stocked with this new and far more desirable variety of the pili nuts and possibly develop a more flourishing trade in the nuts with the United States.

More good numbers of a new publication, the *Philippine Finance Review*, have appeared. It seems to be sponsored by the finance department of the government; no editor's name appears, but it has a motto: *For a Better and Greater Philippines*. The sales tax is discussed in a way to indicate that the government is prepared to accept modifications, while holding objections to the necessity of proposing practical substitutes. Among contributors to the second number are Judge Rafael Corpus, Miguel Romualdez, jr., Tom Confesor, the stormy petrel of Iloilo, Salvador Ladgameo, Cornelio Balmaceda, D. T. Dikit, and Dr. José P. Bantug. Máximo M. Kalaw discusses with a good deal of learning *Our Economic Relations with America*, but the worth of the article is unfortunately detracted from by the evident asperities it contains. Dr. Kalaw continues this argument in future issues.

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