

the year, which brought on the Exchange Control on December 9, 1949. However, the drop in this Reserve for December was only P8,045,000 as against P58,500,000 in November. Governor Cuaderno of the Central Bank has pointed out that this actually represents an increase in the reserve from the lowest point reached early in December and he indicated his confidence that this reserve would increase as Exchange Control became more effective.

Money in circulation was less than in November but still greater than any other month since April.

The total of Loans and Advances (advances to the Government and the Philippine National Bank) and Domestic Securities (representing advances to the Philippine Treasury secured by Government bonds to supply funds for government projects) has reached the highest point for the year, showing net increase of P13,000,000.

The Exchange Control Board has issued several notifications and memoranda during the past month which have enabled importers and the banks to prepare applications for exchange and reports to the Control authorities more satisfactorily. The banks have been given general licenses to sell foreign exchange for travel and for education purposes provided certain conditions are fulfilled. This should help to relieve the congestion at the Exchange Control leaving it free to act on the doubtful cases.

## Stock and Commodity Markets

By A. C. HALL  
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December 24, 1949, to January 27, 1950

**NEW YORK STOCKS.**—For the seventh consecutive month, the market moved forward into new high ground, but during the early part of January it appeared to have encountered a formidable barrier around the 202 mark of the Dow Jones Industrial Average. At this level, at the present time, there appears more stock for sale than can be absorbed. It seems likely, in fact, that, before the hurdle can be cleared, technical strength will have to be gained by the usual process of a temporary move in the opposite direction. Over the period of this review, the range of the Dow Jones daily closing averages was as follows:

	Dec. 23	High	Low	Jan. 27	Change
Industrials.....	198.88	201.98	196.81	199.08	Up 2.20
Rails.....	51.55	55.80	51.23	54.82	Up 3.27
Utilities.....	41.02	41.87	40.86	41.87	Up .85

Of the various market groups, rails improved, motors and chemicals were mixed, steels and coppers firmer, while oils were heavy. As has occurred in recent months, there was pronounced strength in some individual issues, in particular American Can which has advanced 15 points on talk of a split-up.

Industrial activity on the whole is likely to continue at a high rate during the first half of the year, but prospects for the remainder of 1950 are less clear at this stage. Until more is known about the latter, it is unlikely that the market can make further progress on the upside.

**Commodities.**—Wheat and flour buyers are following a hand-to-mouth policy, but there has been no important increase in offerings: Chicago March Wheat closed at \$2.17-1/8, compared to \$2.18-1/2 last month. In Corn, the loan is still the most important factor; Chicago March Corn closed at \$1.28-7/8, against \$1.31-7/8 last month. Good domestic and export demand continues in Cotton, with New York March Cotton closing at 31.30, compared to 30.66 in December. In Sugar, the United States domestic quota is realistic and the Cuban production-peak is at hand, but aggressive world demand is a firming factor; New York March #6 Contract advanced from 5.16 to 5.22 during the month.

**Manila Market.**—Modification of the Central Bank's gold policy caused great strength following the holidays, but other factors have since appeared and have caused the market to give up almost all its gains. At the moment inflationary and deflationary forces appear pretty much in balance, and most investors have retired to the sidelines until they can assess the consequences to mining companies of recent changes in the country's financial and economic policies.

In the Commercial and Industrial Section of the market, Sugar shares have been in excellent demand at advancing prices. Bank shares have also been firm.

### MINING SHARES

1949-50 Range	High	Low	Close	Change	Total Sale
94.40 60.32	M.S.E. Mining Share Average	93.42	81.55	82.29	Up 1.42
P. 375 P. 12	Coje Mining Company.....	P. 18	P. 16	P. 17	—
.024 .011	Antemok Goldfields Mining	.024	.02	.024	Up .004
.68 .42	Atok-Big Wedge Mining Co.	.68	.52	.55	Up .02
.07 .041	Baguio Gold Mining Co.	.05	.04	.04	Off .01
3.75 2.00	Balaitos Mining Company.....	3.50	2.50	3.50	Up .70
.0052 .0025	Batong Buhay Gold Mines	.0041	.004	.0041	Up .0001
5.30 2.65	Benguet Consolidated Mining Co.	4.40	4.00	4.20	Up .65
.05 .016	Coco Grove, Inc.	.034	.034	.034	Up .002
.014 .008	Consolidated Mines, Inc.	.013	.01	.01	Off .002
.115 .038	Itoyan Mining Company.....	.11	.09	.10	Up .015
.08 .025	I.T.L. Mining Company.....	.08	.07	.08	Up .02
.64 .28	Lepanto Consolidated Mining Co.	.64	.41	.60	—
.70 .42	Minaoza Mother Lode Mines.....	.70	.56	.60	Up .03
.02 .02	Maabta Consolidated Mining Co.	—	—	.028	—
.21 .10	Misamis Chromite, Inc.	.21	.15	.15	Off .035
.08 .03	Paracale Gumaus Cons.	.08	.08	.08	—
.22 .105	San Mauricio Mining Co.	—	—	.148	—
.31 .08	Surigao Consolidated Mining Co.	.29	.18	.22	Up .04
.043 .015	Suyoc Consolidated Mining Co.	.025	.025	.025	Up .005
.11 .04	United Paracale Mining Co.	.10	.09	.09	Up .02

### COMMERCIAL SHARES

1949-50 Range	High	Low	Close	Change	Total Sale
P87.00 P59.00	Bank of the Philippine	P87.00	P75.00	P87.00	Up P11. 2.80
200.00 185.00	Chinca Banking Corp.	189.00	189.00	189.00	Up P 4. 1.0
750.00 510.00	Central Azucarera de Bani	750.00	675.00	680.00	Up P55. 14.
220.00 145.00	Central Azucarera de Carlota	220.00	200.00	220.00	Up P38. 21.
135.00 100.00	Central Azucarera del Pilar	135.00	135.00	135.00	Up P15. 2.
95.00 70.00	Central Azucarera de Sare Ajuy	95.00	85.00	85.00	Up P 2. 27.
70.00 50.00	Central Azucarera de Talaric	70.00	70.00	70.00	Up P15. 20.
25.00 23.00	Filipinas Cia. de Seguros	—	—	23.50b	—
1.30 .75	Manila Broadcasting Co.	1.00	.75	.75	Off .17
4.00 2.00	Manila Wine Merchants, Inc.	2.00	2.00	2.10b	—
115.00 95.00	Metropolitan Insurance Co.	—	—	120.00b	—
.83 .40	Pampanga Bus Company	.40	.40	.40	—
1.65 .065	Philippine Oil Development Co.	.1075	.085	.095	Up .0025
1.28 1.00	Philippine Racing Club	1.22	1.20	1.22b	Up .02
1.28 0.450	San Miguel Brewery, Inc.	38.00	29.00	29.00	Off 3.50
90.00 75.00	Williams Equipment Co.	80.00	80.00	80.00	—
9.00 7.25	Williams Equipment Co. Com.	8.50	8.00	8.50	Off .50

Over-the-counter business reported during the month included Bacolod Murcia, 5,000 shares at P17; Manila Jockey Club, 1,100 shares at P165; Philippine Education Co. 120 shares at P100; Philippine Iron Mines, 100 shares at P35; San Miguel Brewery 4 preferred, 255 shares at P100; and Victoria Milling Co., 750 shares between P250 and P270

## Credit

By W. J. NICHOLS  
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A great many importers handle merchandise on an indent basis in which the time of delivery extends over several months. Due to time limitations which the Central Bank of the Philippines has imposed on the opening of letters of credit, such indentors are at present unable to insure that the goods they import will be paid for when they arrive. As a result, some importing firms