The Stock Market

(Nov. 15th to Dec. 11th, 1937.)

The period under review is probably the dullest and gloomiest on record. Trading during the week ending November 27th, was encouraging to brokers, since most issues registered losses of but fractions to 1 and ½ points. This was less than losses had been for any week for some time. Mine Factors made a slight gain. About 30 issues were traded on the board, and investors entirely ignored favorable production figures.

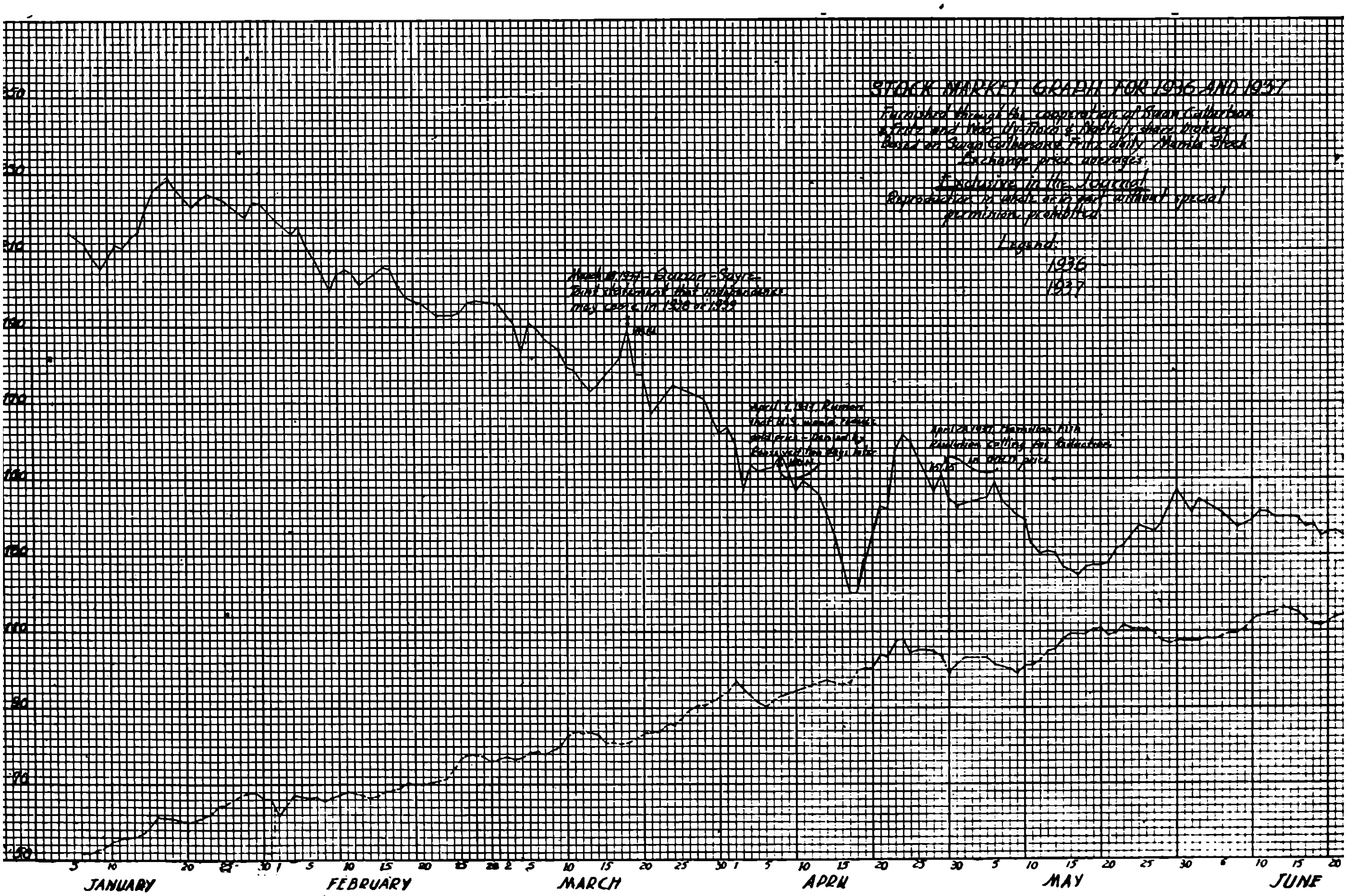
The first upward movement in four weeks came the following week. Mineral Resources was the only stock to show a loss at the close of the period, and it dropped to ₱0.19 for a loss of a point. Trading volume was much lower than the preceding week, amounting to ₱403,322.00 at the Manila, and ₱202,377.00 at the International.

This cheery feeling did not long continue, however. Holders of mining shares sold out a low levels all week, apparently in order to get a little Christmas money. Holders made strenuous efforts to find buyers, but the latter kept away from the exchanges most of the time. Total sales were lower than the preceding week, and stocks lost from fractions to 3 and ½ points.

As the JOURNAL went to press, many stocks were hitting pegged levels, and it was apparent that there would be more sales, if the pegs were taken out. Buyers will not buy in many cases, feeling that prices are too high.

There is some justification for their attitude, at least in so far as some stocks are concerned. For example: Salacot storped production last month, and is practically without funds, according to statements to the press. Yet, the pegged price of this stock is quite high. A number of others could be mentioned, which would be unattractive at prices much lower than required by the pegs.

The pegged prices are generally conceded to be illegal. Under the law, no stock exchange is allowed in any way to hinder the free sale of shares of stock, or to fix an arbitrary price therefor. The Securities and Exchange Commission is aware of this, but has winked at it, believing pegged prices beneficial to the public.



Individual members of the two exchanges are considering pressing for elimination of the pegs. As far as the JOURNAL could discover through interviews, the general sentiment at the International is in favor of abolition of the pegs, while most Manila Stock Exchange members favor retaining them.

The Manila Stock Exchange was also in favor of eliminating the afternoon sessions, in the belief that present volume of business does not warrant but one session; that having one session instead of two would enable brokers to cut down their overhead; and that during present unproductive afternoon hours, brokers could drum up business, in preparation for the following session in the morning.

Newspapers had it practically official that the International would fall in line, but the Board of Directors of the International turned down the proposition. Double sessions will continue, at least for the present.

Picketing has come into practise at the stock exchange. This month, when brokers were cautioned gently against matching pennies on the floor of the exchange to pass away the time, some of them prepared placards reading "stopping matching of pennies UNFAIR to brokers!" and marched back and forth on the exchange floor with them. We were unable to learn whether they won their point.

Three Mines are...

(Continued from page 13)

Spaniards worked it, possibly three centuries ago. Their workings still show in various places, in some spots practically intact.

The mill will have an initial capacity of 200 tons, but work is being rushed to have 100 tons' production before the next rainy season. The other 100 tons will wait until the rainy season is over.

The Santa Rosa Mining Company was incorporated in 1934, with a capitalization of ₱100,000.00. In 1935, the board of directors obtained permission from the Insular Treasurer to increase the authorized capitalization to ₱1,500,000.00. Of this sum, ₱500,000.00 worth of shares was held in escrow, ₱240,000.00 for claim owners, and ₱260,000.00 worth of shares for the old stockholders, as a kind of reward for their early investment in a new company.

The board of directors is entirely Filipino, and consists of Vicente Singson Encarnacion, Sr., President, G. P. Nava, Vice-President and Gen. Manager, P. Angulo, Treasurer, S. Araneta, T. Teodoro, A. Montinola and C. Tuason, Directors.

In December, 1936, the company entered into a contract with the Union Management Company, whereby the latter undertook to develop the company's claims in Camarines Norte, adjoining the San Mauricio claims. According to R. G. Bergmann, consulting engineer for the Union Management Company, two veins, called the Pelang and the Luna veins, have shown sufficient ore to supply the mill for several years. It has been found unnecessary to develop other discovered veins up to the present time, as development work from the start on these two veins has continued to block out minerable ore in satisfactory quantities.

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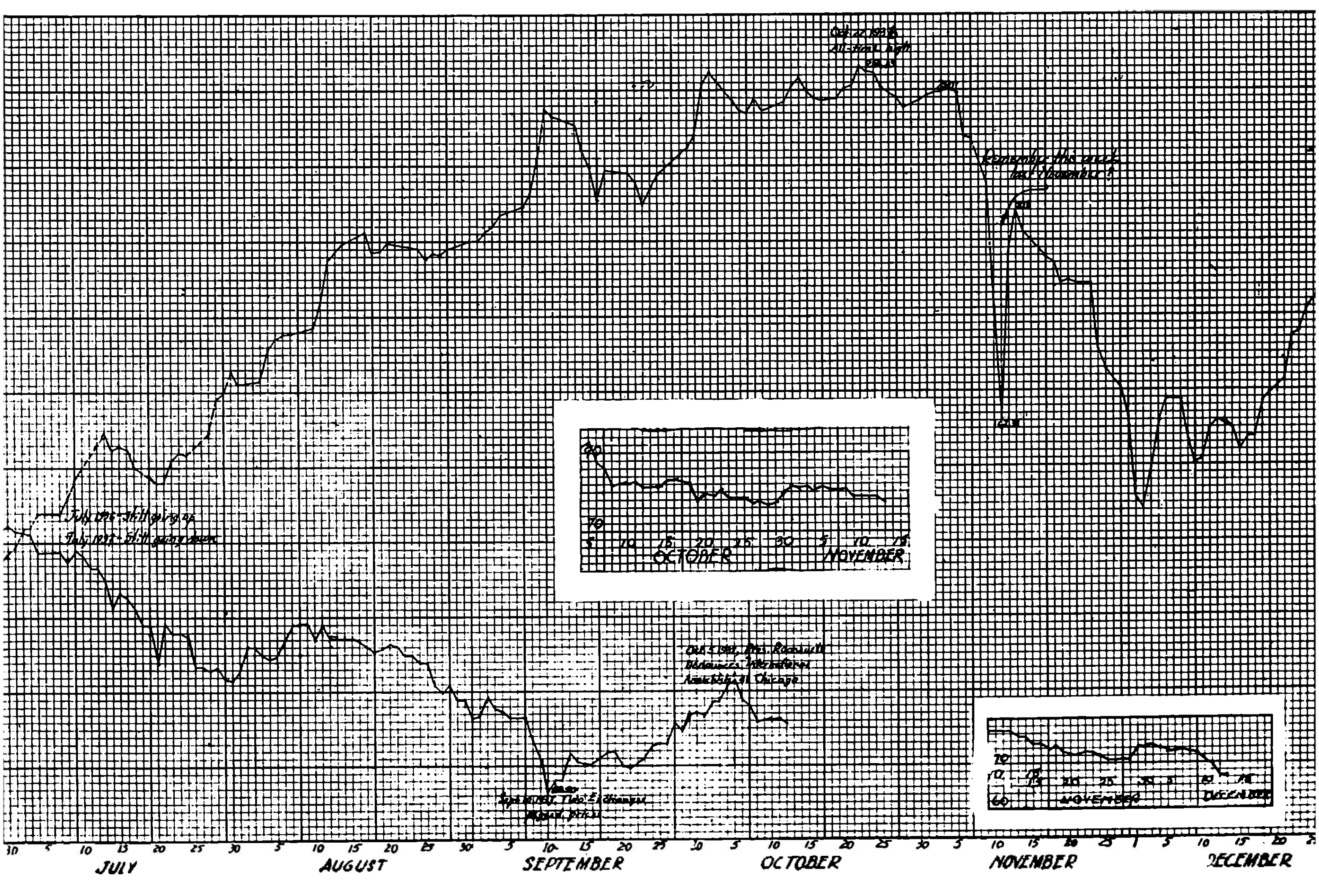

THE RICE INDUSTRY

By
DR. V. BUENCAMINO
Manager, National Rice & Corn Corporation

The market encountered very aggressive buying throughout the period under review. In the face of a greatly reduced crop and the comparatively light arrivals from the supplying centers, prices hit new highs for the year, Elon-elon netting an advance of 85¢ and Macan 45¢. Sellers' position was strengthened further by the continuous rains during the month which rendered the drying of the early crop extremely difficult. The trade, therefore, had to depend mainly on the old crop which was already nearing exhaustion. What little of it remained was in strong hands. At the close of the period there were strong indications of further appreciation in values.

November arrivals by rail and water were the lowest during the year, as may be gleaned from the following table:

Month	*Quantity*
January	183,848 sacks
February	174,406 "
March	202,598 "
April	181,318 "
May	144,708 "
June	160,797 "
July	194,663 "
August	144,144 "
September	131,048 "
October	125,571 "
November	101,265 "
TOTAL	1,744,366 "

Opening and closing quotations on the Tutuban Rice Exchange were as follows:

Elon-elon and Macan (*Manila Quality*)
(Sellers, per sack of 57 kilos, net)

	Opening Quotations	*Closing Quotations*
Elon-elon:		
1st class	₱6.15-₱6.25	₱7.00-₱7.10
2nd class	6.05- 6.15	6.90- 7.00
Macan:		
1st class	₱5.60-₱5.70	₱6.05-₱6.15
2nd class	5.50- 5.60	5.95- 6.05

Palay prices were maintained above the parity of rice in Manila in view of the expected shortage of the new crop. In spite of very attractive prices being offered by speculators, sellers were not keen in anticipation of more favorable prices in the future. While no definite figure on the extent of the damage sustained by the present crop is available, it is generally admitted in well-informed quarters that it may fall short of the country's requirements for 1938. Some observers ventured to estimate the probable damage to the crop by as high as 30% and look forward to the possibility of the country's necessitating importation from abroad next year. Opening and closing quotation in Cabanatuan are given below:

Macan Ordinario (*Cabanatuan Quality*)
(Per sack of 44 kilos, net)

	Opening Quotations	*Closing Quotations*
Macan No. 2	₱2.60-₱2.65	₱2.85-₱2.90
Inferior	2.30- 2.45	2.55- 2.60

Copra and...

(*Continued from page 51*)

ticularly in the belt from Samar to north Panay, including Romblon. It is estimated that the total normal crop of the Islands might be affected 10% by the November storms plus the storm which took place early in December. On the other hand, barring accidents, next year's crop should be a very reasonably good one providing prices will justify production.

At the beginning of December all markets were very lifeless and the general prediction was that no material pick up in copra and oil can be expected until the second quarter of 1938, although it is entirely probable that certain markets will improve to a limited extent, notably the European copra market, which with no excise taxes to pay, still finds copra very reasonably priced.

Three Mines...

(*Continued from page 15*)

Mr. Bergmann estimates present ore reserves at 70,000 tons of proved and prospective ore, valued at ₱2,874,000.00. Probable ore is estimated at 50,000 tons, having an estimated value of ₱1,750,000.00, giving a total value of ₱4,624,000.00, "without considering the potential value of undeveloped veins."

The mill is a combined flotation and cyanide plant. The flotation part is already installed, and practically ready to go into operation. It has been designed for a maximum tonnage of 250 tons, but provision has been made for a possible future increase to five or six hundred tons. All buildings, including power house, staff houses, laborers' quarters, hospital, etc., have been completed. The staff at present consists of R. G. Bergmann, consulting engineer in charge of operations, Glenn L. Allen, General Superintendent, W. Stine, construction superintendent, A. R. Baba, mine superintendent, and H. H. Mackenzie, master mechanic.