

The Manila Stock Market During April

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Business in general has shown a steady increase in practically all lines of trade, during the month just closed. Late cables from the United States relative to the nonimposition of restrictions on the islands' products have been of such reassuring character that a decided feeling of optimism for the future business of the year is heard on all sides.


New Corporations.—The Sara-Ajui sugar central capitalized at ₱3,000,000 and the United Shoe Machinery Corporation, capitalized at ₱6,000,000 have been registered. Another new corporation recently registered and already operating, is The Pure Cane Molasses Company capitalized at ₱100,000. This corporation is a subsidiary of the United Molasses Company of London, England. The new company proposes to build tank installations in Manila and Iloilo for the storage of molasses, the company also owns a fleet of 20 modern tank ships for the transport of molasses for export.

Supreme Court Decisions.—Two decisions recently rendered by the United States Supreme Court in Washington are unfavorable from a shareholders' point of view, the first being that income from the sales of Philippine products in the United States marketed through foreign corporations are taxable under the Philippine internal revenue law. This question had been in abeyance since 1923, and while the importers in fact have been paying income tax on goods sold in the United States, the payments were always made under protest. The present decision serves finally to settle the question at issue. The second decision ruled that stock dividends in the Philippines are subject to income tax, and this decision reverses the insular courts in the several cases brought before them. As the local supreme court was equally divided on this subject, it is thought that the question will be again brought up for trial and decision locally, in an endeavor to get a final ruling from the local supreme court.

Publication of Banks Balance Sheets.—Amendment of the banking laws to suit modern business conditions will be urged upon the legislature when it meets in July, it is reported. The alteration of the present banking laws that will be advocated, will deal with the publication of the balance sheets of the banks. It is pointed out that in the United States, banks publish their balance sheets monthly, stating the financial standing of the bank. The proponents of the amendment, however, do not advocate the monthly publication of balance sheets, but will urge a quarterly balance. This will be a

guarantee to the public, and at the same time serve as an advertisement for the banks:

Banking and Exchange.—Total resources of Philippine banks continued their upward trend, until about the 20th of the month, when large



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withdrawals were made for account of the quarterly sales taxes. These withdrawals were responsible for a sharp shrinkage in the cash position, and as a natural consequence foreign exchanges for gold dollars particularly, weakened considerably.

The Stock Market.—The market has enjoyed a particularly busy month and as we have before pointed out a decided feeling of optimism prevails.

Banks have been very active with fairly good sales of Bank of the Philippine Islands at ₱175. Hongkong Banks have been very actively traded in from HK\$1250 the opening price, down to HK\$1230 at the close. Chartered Banks had a large turnover at £19-3/8, and China Banks were placed at ₱90. Peoples Banks have been actively traded in at ₱107 and report an excellent first quarter for 1929. Surplus has increased by ₱33,316.64, deposits also increased ₱625,356.53 and total resources are now ₱10,000,000. In addition to the branch already established at San Pablo, Laguna, another branch has been opened in Baguio, which will greatly aid in the development of the mountain capital.

Insurances.—Unions of Canton after opening at HK\$387 have declined to HK\$380 on heavy trading. The Compania Filipinas, Insular Life and Philippine Guaranty are firm with buyers at ₱3100, ₱350 and ₱350 respectively.

Sugars.—Sugar shares have shown more activity this month probably due to the reassuring cable advices that there will be no restrictions on Philippine sugars imported into the United States, and there is a growing feeling that the more seasoned sugar shares are buys at present prices.

The San Carlos Milling Co. reports net profits at the close of the year, December 31, of \$666,220.58 and the estimated crop for this year will be 30,500 tons according to the report of the company management.

Bacolod-Murcias were in good demand and on fairly large transactions were placed at ₱7, Tarlaes were fairly heavily traded in at ₱170, and this central is, according to the latest reports, making an excellent showing for the year. Talisay-Silays were placed at ₱25 and more are wanted at this figure. Carlotas on small transactions were done at ₱235. Pasudecos on heavy trading opened at ₱45, and closed at ₱46.50 bid with sellers at not better than ₱47. A large quantity of Bagos were placed in Honolulu at ₱19.50. A fair sized parcel of Luzons changed hands at ₱1000. Victorias common were done at ₱165 and the preferred 9% were placed at ₱110. Hawaiian-Philippines are in demand at ₱45.

Plantations.—Plantations have been very inactive with no transactions reported in either Polos or Pamplonas.

Mines.—Benguets have been heavily traded in at ₱2.75 throughout the month and more can be placed at this price. Balatocs have also continued steady with buyers at ₱2.40 and more of these are also wanted at the same figure. A record gold production is reported by the Benguet Consolidated Mining Co. and the Balatoc Mining Co. for the first quarter of this year. Benguet Consolidated produced during this period, gold valued at ₱839,658.92 and Balatoc during a similar period produced gold valued at ₱470,220.86. It is reported that Benguet will resume the payment of dividends in June. The new power plant on the Agno should be in operation by next October, thereby giving an impetus to exploration work and also sufficient power to run both plants as well as supplying current for lighting the city of Baguio and surrounding districts. Itogons continue firm and are nominal at ₱10.

Industrials.—Philippine Educations have as usual been the outstanding feature in this list with large sales of preferred shares at ₱105. A small block of educations common are offered at ₱172.50, and this is the first offer to appear in the market for many months. Philippine Educations report sales for March, 1929 of ₱158,012.33, this being an increase over the same month last year of ₱35,942.28. Sales for the first quarter of 1929 show an increase of ₱119,645.69 as compared with the corresponding period last year. Philippine Educations have declared the usual quarterly dividend on the preferred of 2½% and have also declared a quarterly dividend on common shares of 3%. La Urbana 8% Liberadas were again active at ₱200. In the unlisted securities, Botica Boie common were placed at ₱200 for a moderate sized parcel and there are a few more offered at the same quotation.

Bonds.—The bond market has been unusually active with large sales of Tarlaes 8%, Bais 8%, North Negros 8%, Polo Plantation 10%, all being placed at par plus accrued interest. University Club bonds are much in demand, but they will only be issued as the various stages of building warrants.

The market closed firm with advancing price tendencies, the sales for the month aggregating 28,717 shares.

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