

## DECEMBER SUGAR REVIEW

By GEO. H. FAIRCHILD

**NEW YORK MARKET:** The firmness of the market at the opening of the month under review which resulted in a fairly large volume of business being done at prices as high as 3.83 cents, was soon adversely affected by rumors, which were subsequently shown to be unfounded, to the effect that the AAA had intended to increase 1937 quotas by 500,000 tons. As the 1937 quotas were not announced until the 12th, this uncertainty influenced the market to a large extent, thereby contributing to holders' pressing sales and the consequent decline in prices during the first two weeks of the month. The first signs of holders' discouragement occurred on the 4th when two cargoes of February shipment Puerto Ricos were sold at 3.75 cents,

while during the first two days of the second week small sales of aloft Philippines and February shipment Puerto Ricos were made at 3.70 cents. The slight improvement during the rest of this week was credited to the entry of operators into the market beginning on the 9th when, after small sales of January-February shipment Philippines were made at 3.75 cents, sellers indicated 3.80 cents. Small sales of Cubas for present shipment were subsequently made during the week to operators and refiners at 2.87 cents.

The announcement on the 12th of the initial quotas for 1937 amounting to 6,682,670 short tons, representing an increase of approximately 250,000 tons over the initial 1936 quotas, instead of the rumored 500,000 tons, had a favorable effect on the market. After small sales of January shipment Cubas and of April-May shipment Philippines were made on the 15th at 2.90 cents and 3.83 cents, respectively, however, the market became quiet with buyers retiring. Small sales of February-March shipment Puerto Ricos were made at the close of the week at 3.80 cents, with the market showing a firmer tendency.

With the revival of the buying interest of operators, the 4th week opened auspiciously with small sales of present shipment Puerto Ricos to refiners at 3.81 cents and fairly large sales of March-April-May shipment Philippines at 3.83 cents during the week up to the Christmas Eve, when refiners re-entered the market. A small sale of February-March shipment Philippines was made at 3.85 cents, at which level business was done in Puerto Ricos for March-April-May-June shipments.

The improvement of the market continued after the Christmas holidays and a large volume of business in Puerto Rico and Philippine sugar for January-February shipment was transacted at 3.90 cents, with both refiners and operators buying. At the end of the month, prices further advanced to 3.95 cents for March shipment Puerto Ricos and April-May shipment Philippines, while at the close Philippine holders were offering 4,000 tons of March-April shipment Philippines at 3.97 cents without finding buyers thereat. The improvement in sugar prices was credited in some quarters, at least partially, to the strike situation in the Pacific coast which has seriously disrupted the freight and shipping situation throughout the world.

**Futures:** Quotations on the Exchange during December fluctuated as follows:

	High	Low	Latest
January.....	3.04	2.80	3.04
March.....	3.01	2.79	3.01
May.....	3.03	2.80	3.03
July.....	3.04	2.83	3.04
September.....	3.05	2.84	3.05
November.....	3.03	2.98	3.03

**Stocks:** The latest statistics of world stocks were 4,265,000 tons as compared with 5,395,000 tons at the same time last year and 6,255,000 tons at the same time in 1934.

**Philippine Sales:** Sales of Philippine sugar afloat and for future delivery during the month amounted to 66,300 long tons at prices ranging from 3.70 to 3.95 cents, while resales amounting to 16,000 tons for January-February-March shipment were made at 3.80 cents.

**LOCAL MARKET:** The local export market opened during the month with exporters quoting P8.80 per picul ex-godown, after a fairly large sale was made at P9.00 per picul the week previously. Prices sagged down to P8.50 the following week but later reacted to P8.65 in sympathy with the improving tendency of the New York market, although holders' ideas were set at not less than P9.00 per picul. The local market was affected by the scarcity of space at the conference lines' rate of \$8.00 per ton, and shippers indicated the rates of from \$10.50 to \$12.00 per ton to guarantee shippers space. Exporters accordingly reduced their quotations to P8.50 per picul during the third and fourth weeks at which level no business was done. In view of the advancing sugar values in New York, exporters quoted during the last week P8.65, with sellers remaining uninterested.

The market for domestic consumption sugar was dull throughout the first three weeks of the month under review with the nominal quotations remaining stationary at P7.50 per picul for two weeks and then reportedly declining to P7.00 for old-crop sugar during the third week. The disciplinary action taken by the Domestic Sugar Administration during the fourth week in imposing several shipments of domestic sugar from the South on arrival in Manila for alleged violation by certain centrals of the Sugar Limitation Act, caused some Chinese dealers to enter the market and buy their requirements at P7.50 per picul ex-ship Manila. Prices however, again declined during the last week to P6.90-P7.00 per picul ex-ship Manila.

**Philippine Exports:** According to reliable advices, Philippine sugar shipments to the United States during December amounted to 76,902 long tons of centrifugals. The total shipments to date of the centrifugal and refined sugar are as follows:

Centrifugals.....	101,165
Refined.....	51
Total.....	101,216

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