downward under the influence of the reserved attitude adopted by refiners and the interference caused by strikes in some of the refineries.

The market during the latter part of the month was dominated by two factors: fear of increasing pressure on the part of Cuban holders, who still have a large proportion of their quota to sell, and fear of increasing competition from the beet sugar interests, who gave indications that they proposed to make a determined effort to dispose of their entire allotment for 1938. Though the official quotation for cane refined remained at 4.50¢ per pound throughout the month, some refiners booked orders privately at 4.40¢ and this move was met by a reduction in the beet refined quotation to 4.20¢. In face of these depressing factors, raw prices declined and, by the end of the month, had returned to the 2.75¢ level.

Quotations on the Exchange have fluctuated as follows during the month:—

		High	Low	Latest
July,	1938	1.86¢	1.77¢	....
Sept.,	"	1.92¢	1.81¢	1.81¢
Jan.,	1939	1.97¢	1.87¢	1.86¢
Mar.,	"	2.01¢	1.90¢	1.90¢
May,	"	2.04¢	1.94¢	1.94¢
July,	"	2.08¢	1.97¢	1.97¢

Latest statistics of world stocks were 5,096,000 tons, compared with 4,187,000 tons last year and 4,704,000 tons in 1936.

Sales of Philippine sugar during the month amounted to 72,661 long tons at prices ranging from 2.70¢ to 2.85¢, while resales amounted to 7,000 tons at 2.72¢ to 2.85¢.

Locally, exporting prices fluctuated in accordance with movements in New York. About the middle of the month, they rose to ₱6.75¢ per picul, at which price a considerable volume of business was transacted and it is believed that the amount of sugar still remaining in producers' hands is very small. Prices have now declined again and, at the close, exporters quota ₱6.40 in a completely inactive market.

The domestic consumption market was dull throughout the whole month with buyers content to cover their requirements from day to day on the basis of ₱3.70/₱3.80 per picul for mill run centrifugals.

Exports to the United States during the month amounted to 45,426 tons centrifugals and 9,824 tons refined. Total shipments from November 1st, 1937 to July 31st, 1938 were as follows:—

Centrifugals	699,907 tons
Refined	37,263 "
Total	737,170 tons

RICE REVIEW
JULY, 1938

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

RICE

The market gained further strength during the month under review and while prices did not advance materially in view of the restraining effect of the Naric entrance into the market, every indication points to further hardening of values in the coming months. Despite heavier receipts both by rail and water, brought about by some seller's eagerness to take advantage of improved prices, the market was able to absorb all offerings and to sustain its strength until the close. It was very apparent that stocks of palay in the primary markets are nearing exhaustion and what little still remains available for the trade, is mainly in strong hands and is being held for still higher prices. Opinion still persists in well informed quarters that inspite of the efforts of the Naric to keep prices within the limits it has set, the situation may run out of control in certain sections of the country not served by Naric rice. For the present, the situation seems to be well in hand at least in all places where the National Rice and Corn Corporation maintains selling organizations or where Provincial and Municipal Treasurers handle the sale and distribution of Naric rice.

Manifested arrivals by rail during the month amounted to 176,599 compared with 125.092 in the preceding month; by water 34,829 against 38,231 in June. Total arrivals, however, by rail during the first seven months of 1938, fall short by about 150,000 cavanes compared with the same period in 1937 as may be gleaned from the following figures:

Months	*1937 Monthly Total*	*1938 Monthly Total*
January ...	184,758	194,586
February ...	171,115	191,100
March	186,530	166,453
April	176,831	107,882
May	150,383	123,954
June	158,499	125,092
July	203,269	176,599
TOTAL	1,231,385	1,085,666

We interpret this decrease in arrivals as a reflection of the relative scarcity of the cereal now existing in the Central Luzon provinces which supply Manila and the other centers of consumption with their rice needs.

The Naric, in response to the popular clamour of the people for cheaper rice, fixed a set of prices to govern its sales for the year. These prices are:

	ex-bodega	*f.o.b. steamer or railroad car*
Macan No. 2 .	₱6.65	₱6.67
Ramay No. 2 .	₱6.60	₱6.62 per sack of 57 kilos net.

These prices apply to Manila and all the Central Luzon provinces. If intended for shipment outside of Manila, actual expenses for freight and handling have to be added. It is figured out, however, that even with the actual expenses incident to freight and handling, Naric rice could still be sold to advantage in distant places. Demand for Naric rice continues to improve from day to day, a condition indicative of the scarcity which exists in many places. The Naric, however, is confident that with the present supply on hand, it has enough to meet the requirements of the country until the new harvest becomes avialable and there is no fear to entertain that any section of the country may face hunger as a result of rice shortage.

The month opened very firm at ₱6.65 for second class Macan. The market would have undoubtedly registered important appreciation in values were it not for the prices set by the Corporation. Prices, nevertheless, showed persistent tendency to advance. The month closed strong registering a net gain of ₱0.05.

Heavy demand was felt from Samar, Leyte, Cebu, Capiz and the Bicol provinces. Shipments by water from Manila to the provinces amounted to 184,682 cavanes from July 1 to 29 only compared with 170,033 in the preceding month. It is generally accepted that demand will broaden further in the coming months owing to the depleted stocks in the consuming markets.

PALAY

As in previous months, palay prices again led the advance, indicating a speculative tendency on the part of millers and private merchants. At a time when rice was selling in Manila at ₱6.60, palay should not go beyond ₱3.30 in the provinces but actual sales during the month were registered as high as ₱3.45. In Cabanatuan closing quotations range from ₱3.28 to ₱3.33 which were above the parity of rice prices in Manila.

FOREIGN MARKETS

Saigon registered an appreciable improvement in prices. Latest quotations ranged from piastres 7.07 to piastres 7.12, per sack of 57 kilos net f. o. b., Saigon. These prices are equivalent to ₱7.25 and ₱7.28 respectively, per sack placed at bodega, Manila, duty paid. Bangkok likewise registered some improvement in price.

FOREIGN EXCHANGE

By Leon Ancheta
Manager, Foreign Dept., P.N.B.

Starting with a heavy demand, the dollar in the local exchange market opened strong at ⅝% pr. for T.T. on New York to customers, and ½% pr. for inter bank sales. Supply from trade channels appeared scarce as the demand was largely met by local banks which kept ample supply of dollar funds. The rate continued at ⅝% for T.T. New York until the close of the first fortnight when it moved up to ¾% pr. Correspondingly, interbank T.T. sales moved up from ½% to 9/16% pr.

The continued sustained strength of the dollar is reflected from the trade figures during the first semester of the year, which showed exports amounting to ₱133,000,000 and imports ₱153,800,000, or an adverse foreign exchange balance of ₱20,800,000, compared with the Islands' visible exchange position during the same period in 1937 when exports totalled ₱166,000,000 and imports ₱109,000,000 or a visible favorable foreign exchange balance of ₱57,000,000.

Gold production, which is not included in the above figures, reached ₱31,000,000 during the first semester of the year, compared with ₱24,000,000 of the previous year for the same period, the increase not having been sufficient in supporting the peso to bring the exchange rate to a level lower than that at which the Exchange Standard Fund operates.

Another important factor which operated to strengthen the dollar is the exceptionally strong peso position of local banks. As of July 16, 1938, local banks had cash on hand amounting to ₱78,000,000 compared with an average of ₱47,000,000 during July, 1937.

Sixty-day and sight bills remained strong at par and ¼% pr., respectively, as in the