

**REVIEW OF THE HEMP MARKET**

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This report covers the markets for Manila Hemp for the month of December, 1927, with statistics up to and including December 31st, 1927.

**U. S. Grades:** The New York market opened with export houses offering moderately: F, 14-3/8 cents; G, 9-1/8 cents; I, 12-7/8 cents; J1, 10-1/2 cents; S1, 14-1/4 cents; S2, 12-5/8

cents; but buyers held off, a lull in the market resulting with practically no business doing. Export houses refused to make any concessions, the market thereon quickly turned firmer with a fair demand running on higher grades. The appreciation in value was reflected in all U. S. grades and early in the month the general market was firm on the basis of F, 14-3/4 cents; I, 13 cents; J1, 10-3/4 cents. A little business was transacted but values continued to appreciate based on export houses' quotations to F, 14-7/8 cents; G, 9-3/8 cents; I, 13-1/4 cents; J1, 11 cents; S1, 15 cents; S2, 13 cents. The apathetic attitude of buyers eventually made itself felt and by mid December the U. S. market took on a dull tone with a downward tendency, most export houses being willing to accept prices considerably under the nominal rates ruling. Prices fell away quietly to F, 14-5/8 cents; I, 12-3/4 cents; J1, 10-5/8 cents; S1, 14-3/8 cents; S2, 12-5/8 cents. Other grades not quoted. Values continued to sag, the lowest price registered on I being 12-1/2 cents. At the close of 1927 the market was quiet with practically no business doing and sellers at last prices quoted with the exception of I grade.

The Manila market for U. S. grades ruled steady in early December with dealers firm and inclination on the part of export houses to encourage dealers' attitude. The market naturally took on a firm tone and in the first week of the month there were buyers in Manila basis F, P34; G, P20; H, P19; I, P30; J1, P24; S1, P33; S2, P29.2; S3, P24.4. The market held firm in the absence of parcels of free hemp arriving, prices appreciating to F, P34.4; G, P21; H, P20; I, P30.4; J1, P24.4; S1, P33.4; S2, P29.4; S3, P25 and toward mid December to a basis of F, P35.4; I, P31; J1, P25.2 on which basis business was transacted. These prices topped the market, a quieter tone setting in on the lack of support from New York, but dealers refused to make any concessions in spite of the depreciation in values in the consuming markets. The few free parcels coming into Manila were looked after by some of the minor export houses who sustained prices above the regular run of the market for a time, values however sagging at the close for small parcels arriving to F, P34; G, P20.4; H, P19.4; I, P29.4; J1, P24; S1, P33; S2, P28.6; S3, P24; there being no general buying at the prices quoted above and Manila dealers unwilling to shade same.

**U. K. Grades:** The inactivity reported in London in November continued into early December, the market however responding to the desire shown by shipping houses to make progress in selling, business being transacted J2, £42; K, £39, L1, £37.10; L2 and M1, £36.10, M2, £34; DL, £32.10 for shipment up to March, 1928. Values appreciated quickly early in the month, a firm tone setting in the U. K. market with first-hand business on J2, £43; K, £40; L1, £38.5; L2, £37.10; M1, £37.5; M2, £34.10; DL, £34. Continued reticence on the part of shippers to operate held up business somewhat, the moderate receipts and estimates acting as a deterrent to speculative "Bear" sales and encouraging first-hand sellers to ask higher prices on some grades. The market on the lack of



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demand at increased prices turned dull and toward mid December there were sellers in London at J2, £42.5; K, £39.10; L1, £37.10; L2, £36.10; M1, £36.10; M2, £34; DL, £34, buyers still holding aloof and no business passing. The market continued quiet but steady about last prices to 5/- per ton less and the latter two weeks of December were productive of but little business, closing values being, rather sellers, J2, £41.10; K, £38.10; L1, £36.10; L2, £35.10; M1, £35.10; M2, £33.

The Manila market for U. K. grades ran steady at the opening of December and the market was quickly sympathetic to the improvement in London, prices in Manila appreciating to J2, P20; K, P18.4; L1, P17.6; L2, P16.6; M1, P16.6; M2, P15.6; DL, P15; DM, P13. Even at this range of prices very little free hemp was available and values appreciated 2 to 4 reales according to grade. Mid December saw these values maintained, there being practically no U. K. grades coming into Manila. The minor export houses again pegged prices up to J2, P20.4; K, P19; L1, P18; L2, P17.2; M1, P17; M2, P15.6, and around these prices the market closed with, however, the bulk of the export houses not interested except at lower prices.

**High-grade** hemp continues scarce and desirable quality changed hands at a high premium over prices quoted for similar grades in parcels.

**Japan:** The demand from this quarter has been cautious but productive of business.

**Freight Rates** remain unchanged.

The year 1927 must not be passed over without comment on essential facts which the past year has brought out in relation to the fibre industry in the Philippines.

To the regular reader of this report no comment is necessary on the usual statistics we give below, but to the occasional reader we would point out the falling off in consumption of Manila hemp in the U. S. as reflected in the smaller quantities shipped in 1927 as compared to 1926.

The menace of Java hemp is real and to be feared by the Manila hemp industry in future years. Competitors' fibres have improved in quality and declined considerably in price.

The solution to the future of Manila hemp is, we hope, co-operation in the Islands between the producers and the exporters toward an improved article at a price which will compete with substitutes which now are filling the place which rightly belongs to one of the staple products of the Philippines, Manila Hemp.

**Statistics:** We give below figures for the period extending from November 29th to December 31st, 1927.

	1927	1926
Stocks on Jan. 1st.....	112,382	153,181
Receipts to Dec. 31st.....	1,290,741	1,240,057
Stocks on Dec. 31st.....	155,457	112,382

**Shipments**

To the—	To Dec. 31, 1927		To Dec. 31, 1926	
	Bales	Bales	Bales	Bales
United Kingdom.....	334,584	273,857		
Continent of Europe....	152,048	176,293		
Atlantic U. S.....	278,359	342,636		
U. S. via Pacific.....	121,923	160,265		
Japan.....	259,858	234,381		
Elsewhere and Local..	100,894	93,424		
	1,247,666	1,280,856		

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