

FOREIGN EXCHANGE

By LEON ANCHETA

Manager, Foreign Dept., Phil. Nat. Bank



Closing last month at 200.50 for T.T. New York with a strong undertone, the dollar rose to 200.75 at the beginning of February. Its upward movement unchecked up to the end of the third week when it reached 201.50, the highest reached during the last four years. As the

first fortnight of the month advanced there was noted an increasing demand for T.T. dollar coinciding at a time when, seasonally, local banks have a low supply of dollar exchange. Buyers observed that the growing tightness of the dollar indicated an approaching depletion of the stock of local banks and suddenly bought heavily for coverage. The dollar's rapid rise was checked as local banks bought from the Philippine Treasury substantial amounts of this exchange to replenish their supply. Thereafter the dollar became visibly easier and toward the close T.T. on New York receded from 201.50 to 201.25

Sixty days dollar bills on New York ruled between 199.25 and 199.75, with buyers disposed to bid at better rates for prompt deliveries.

Compared with the same period last year when T.T. New York was selling as low as 199, and 60-day bills at 198, the dollar's appreciation in terms of the peso represented about 15% per annum and 10-1/2% covering a three-month period, respectively.

In the foreign exchange market, the dollar in terms of pound sterling ruled quietly

steadily until towards the close of the second week when it weakened sharply, receding from an opening rate of 501 to 502 1/2. The immediate cause was the impending partial abandonment of the gold sterilization operations of the United States Treasury whereby gold acquisitions up to \$100,000,000 each three months would be allowed to increase excess reserves without any offsetting action by the Treasury. When the new policy was announced, the dollar moved rapidly downward reaching 503 1/2 toward the close of the third week and was checked only after President Roosevelt declared that there was no intention to inflate the dollar. The British Exchange Equalization Account helped in easing the tension by not withdrawing gold from America so long as the dollar was under the influence of nervous selling. The President's announcement had a reassuring effect as the dollar immediately, closing at 502.

Last year, at the same period the dollar was quoting at an average of 489-11/32.

The situation in the French Franc appeared generally to have improved after the crisis in January. The rates moved irregularly above 328%, last month's closing rate. Toward the close, however, it again weakened sharply, reaching 325 1/2 due to renewed labor troubles and fears of another possible cabinet crisis.

Last year at the same period, French Franc was quoted at an average of 465%.

The weakness of the Yen noted in the previous month continued although its movement downward was within very narrow range. Opening at 29.08 it moved down to 29.04 and then back to 29.08 at the middle of the month when the dollar was under heavy selling pressure. However, as the dollar recovered, it weakened again, closing at 29.04. Like the previous month, Japan continued to be a keen bidder of foreign exchange selling yen generally, below the level of the New York market.

Hongkong rates again moved up reaching a high of 31.50 and a low of 31.35 compared with 31.375 and 31.30 respectively of the previous month.

Shanghai was also slightly up ruling between 29% and 29 1/2%, compared with 29-21/32 and 29-17/32 of the previous month.

EVERETT TRAVEL SERVICE

Authorized agents-all lines

STEAMSHIP-AIR-RAIL
RESERVATIONS AND TICKETS

ITINERARIES PLANNED
TOURS-CRUISES ARRANGED
HOTEL RESERVATIONS

TRAVELERS CHEQUES-INSURANCE
LETTERS OF CREDIT
NO BOOKING FEE CHARGED.

Southern Island Cruises

Cebu-Dumaguete-Zamboanga
Cotabato-Jolo

Twelve days through the Sulu Sea

NINETY PESOS

Sailing Every Thursday

New m/s. Legazpi-s. s. Kinua

EVERETT STEAMSHIP CORP.

223 Dasmarias Manila, P. I.
Phone 4-98-91

FOREIGN EXCHANGE REVIEW
COUNTER RATES

	U. S. Dollars		Sterling			Francs			Yen		Shanghai		Hongkong	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
January, 1937	199.50	199.25	2/0	3/8	2/0	7/16	9/45	9/45	58.90	58.60	59.75	59.60	63.15	63.05
January, 1938	200.75	200.25	1/11-11/16	1-11-13/16	7/00	6/75	57.80	57.00	60.40	59.80	61.80	61.89		
February, 1937	199.50	199.25	2/0-3/8	7/00	7/16	9/45	9/40	57.60	57.50	59.90	59.70	61.55	61.15	
February, 1938	201.75	200.75	1/11-7/16	1/11-11/16	6/95	6/85	59.00	58.60	60.30	59.80	63.80	63.85		

Philippine Trust Company

sells drafts and cable or radio transfers for the payment of money anywhere in the United States, the principal cities of Europe, China and Japan.

It receives checking accounts in Pesos, Savings Accounts in Pesos or United States Dollars, Fixed Deposits and Trust Accounts.

Fidelity and Surety Company of the Philippine Islands

executes and covers

BONDS

Court, Customs, Firearm, etc.

INSURANCE

Fire, Life, Marine, etc.

Plaza Goiti and Escolta

Tel. 2-12-55

P. O. Box 150