

American Stock and Commodity Markets

BY ROY EWING

Swan, Culbertson & Fritz

October 28 to November 27, 1948

THE feature of the New York stock market for the period was the collapse of prices following the Democratic election victories on November 2. Prior to that date the so-called Dewey boom had carried the Industrial Average to a minor high of 190.19 on October 23. In the seven market days which followed, however, this average plunged to 173.48, the lowest in eight months, for a paper loss of over \$6,000,000,000.

All market factors were ignored except the bearish influences expected from a Democratic administration. These included (1) an anticipated 4th round of wage increases, supported by President Truman's campaign promises which included repeal of the Taft-Hartley Bill; (2) an increase in corporation taxes, supported by the Administration's apparent policy that any increase in expenditures should be met by increased taxes on corporate earning; and (3) the possibility of price controls; the President has requested power to control prices and may receive this now.

Many business indices continued to move in the opposite direction from the stock market. Steel production reached record all-time highs and employment figures remained at record levels. For many corporations the 3rd quarter was the most profitable in history and resulted in numerous extra dividends; for example, General Motors declared a \$2 year-end dividend against only \$0.75 last year. Time Magazine pointed out that many stocks have a market value of less than their cash assets.

Between November 5 and 7 both averages decisively broke their previous minor lows, thereby, according to the Dow Theory, confirming that the bull market which began in May of 1947 ended in June-July of this year. This abnormally short bull move has let the Dow Theory in for considerable derision from those who point out that as a barometer of things to come it has been of little use in recent years. At any rate the averages are now predicting disturbing conditions in the future and these will be appraised from a conservative level.

CONTRARY to the securities markets, practically all commodities reacted favorably to the election, a result of renewed assurance that the agricultural support program will continue through 1949. New York spot cotton is 32.30, as compared to 31.65 a month ago, on good exports and trade buying. The December contract for Chicago wheat is 239-1/2 and was as high as 241 on November 22, up from 229-1/2 on October 28. Large exports and heavy movement into the loan were biggest factors. December Chicago corn also recovered sharply, sold as high as 146-3/4 on November 24 against 139-1/4 a month ago. The record crop is offset by predicted record consumption. The loan level, around 15¢ higher than the present market, will become more and more of a factor as forced marketing, for lack of storage, slackens.

The sugar market in New York was firm and closed the period a few points higher than a month ago, the December No. 5 Contract at 5.34. The East Coast longshoremen's strike is making supplies tighter.

Manila Stock Market

BY A. C. HALL

A. C. Hall & Company

October 16 to November 15, 1948

THE mining share market has fluctuated inactively within narrow limits during the past month. With two exceptions, individual stock prices are little changed from the previous close. Lepanto has advanced on pleasing news from the property coupled with a further rise in the United States copper price, while Mindanao Mother Lode has registered a further decline with the publication of a progress-report disclosing that further problems have to be solved before a satisfactory level of operations at the mine can be reached.

The surprise result of the American presidential election and other foreign developments have had relatively little effect on market sentiment. Generally speaking, investors are more concerned with the domestic outlook.

As mentioned in this column last month, changes of great importance are scheduled for the comparatively near future. In addition to the much debated Import Control measure, which is to become operative following the turn of the year, the Central Bank of the Philippines is expected to begin its operations soon. Divergence of opinion exists as to the probable economic impact of these factors. For the present, therefore, and until the general picture clarifies, investors are likely to remain largely on the sidelines.

Manila Stock Exchange Average	High	Low	Close	Change	Total Sales
Anteco Mining Company	72.55	66.52	68.31	Up .97	246,000
Atok-Big Wedge Mining Co.	1.11	.01	.01	Unchanged	288,000
Baguio Gold Mining Co.	.638	.638	.638	Off .007	20,300
Batong Buhay Gold Mines	.0038	.003	.007	Off .001	870,000
Coco Grove, Inc.	.028	.02	.026	Off .005	78,000
Consolidated Mines, Inc.	.012	.0105	.0115	Up .001	4,706,900
Ilex M. Mining Company	.0525	.05	.05	Unchanged	42,500
L X L Mining Company	.048	.048	.048	Off .007	15,500
Lepanto Consolidated Mining	.59	.50	.58	Up .07	608,500
Masbate Consolidated Mining	.018	.015	.016	Off .013	80,000
Mindanao Mother Lode Mines	.47	.35	.35	Off .10	190,000
Misamis Chromite, Inc.	21	195	195	Off .005	31,000
Suyoc Consolidated Mining Co.			.03a		
San Maurice Mining Co.	.165	.165	.165	Unchanged	43,000
Surigao Consolidated Mining Co.	.265	.24	.25	Unchanged	122,000
United Paracale Mining Co.	.80	.85	.86	Off .005	22,000

In addition to the foregoing, unlisted mining issues were traded as follows: Antipolo Mines, 115,000 shares at 11 and 8 centavos, closing at 11; Benguet Consolidated, 12,750 shares from P3.20 to P2.90, closing at P2.93; and Philippine Iron Mines, 425 shares at P31.

Commercial and Industrial

WITH the exception of Sugar shares which continue in demand at firm prices, the balance of this section has been neglected. Business done during the period was as follows:

Bank of the Philippine Islands	High	Low	Close	Change	Total Sales
Bank of the Philippine Islands	P 55.00	P 55.00	P 55.00	Off P 8.00	42
Central Asucarera de Bais	580.00	570.00	570.00	Up 2.00	38
Central Asucarera de la Carlota	140.00	140.00	140.00	Up 2.00	230
Central Asucarera del Pilar			80.00b		
Central Asucarera de Sara-Ajay	30.00	30.00	30.00		250
Central Asucarera de Talarin			50.00a		
China Banking Corporation	185.00	185.00	185.00	Up 5.00	6
Philippine Bank of Securities			21.00b		
Manila Wine Merchants	4.40	1.40	4.40	Off .10	1,350
Metropolitan Insurance Co.			140.00b		
Philippine Oil Development Co.	1175	135	117	Up	01 265,258
Pampanga Bus Company			.80b		
Philippine Racing Club	1.20	1.21	1.24	Off .10	6,000
San Miguel Brewery	56.90	52.00	52.00	Off 1.00	1,170
Williams Equipment Co., Pfd.			95.00a		
Williams Equipment Co., Com.			10.00a		