

REVIEW OF THE HEMP MARKET

By L. L. SUELLMAN
Market & Compara

The last report covered the month of April with statistics up to and including May 3 and this report covers the month of May with statistics up to and including May 31.

U.S. GRADES
The general strike in Great Britain declared the first of the month had an

immediate effect on all hemp markets. The buyers in the New York market retired immediately as they realized that if the strike should be prolonged it would throw a large quantity of Abaca fibre on the U. S. market and in addition to this the African Sisal, New Zealand hemp and Java Sisal, usually found in the U. K., would be offered to the American buyers. Sellers were offering on the basis of J 11-1/2c, I 13-3/4c and F 14-1/2c. During the first week the shipping houses kept their prices fairly steady but second-hand sellers were quoting considerably lower prices but buyers remained indifferent. Prices gradually declined until the middle of the month when shippers were offering on the basis of J 11c, I 13c and F 13-3/4c.

Notwithstanding the fact that the general strike had been called off, the U. S. buyers continued to look for lower prices. During the last half of the month prices steadily declined and the market closed with sellers but no buyers on the basis of J 10-3/8c, I 11-3/4c and F 12-1/2c. During this period the manufacturers undoubtedly

purchased sufficient hemp for their immediate requirements and it is thought speculators purchased a fair quantity.

On the 1st of the month the shipping houses in Manila were not keen to buy and the dealers remained firm. Nominal quotations were E P34.50, F 32.50, G 24.50, H 17.50, I 31.00, J1 25.50, S1 31.50, S2 29.50 and S3 25.50. With the collapse of the U.S. market exporters immediately dropped their prices and at the end of the first week sales were being made on the basis of D P36.—, E 34.—, F 32.—, G 24.—, H 16.—, I 30.—, J1 24.—, S1 30.4, S2 28.4 and S3 24.4. The market for the balance of the month continued to decline steadily with the shipping houses confining their purchases largely to their regular customers. The dealers, however, remained firm in their ideas of value and as a consequence a considerable quantity of hemp has gone into store. Nominal quotations at the end of the month were E P50.4, F 28.4, G 23.—, H 15.—, I 26.1, J1 23.—, S1 28.—, S2 26.— and S3 23.— with neither buyers nor sellers showing much interest.

U.K. GRADES. The U.K. market collapsed on the first of the month due to the general strike. There had been very little buying during the last week or ten days of April and sellers at the close were asking the following prices: J2 £11.—, K £31.— and L £32.10. The general strike was settled by the 12th but the coal strike continued and the manufacturers were not interested in hemp until toward the middle of the month when a few sales were reported.

At this time the Continental buyers commenced to operate to a limited extent. The market for the last half of the month was dull with prices continuing to give way. Both the U.K. and Continental spinners were limited buyers and the London dealers seemed to confine their purchases to about the same quantity that they were able to

dispose of. The market closed quiet with sellers on the basis of J2 £38.10, K £30.—, L £31.— and M £27.—.

The market in Manila for the U.K. grades has been practically at a standstill for the entire month. Nominal prices on the first were J2 P19.50, K 11.50, L 15.50 and M 13.— but there were neither buyers nor sellers. The exporters knew they would be unable to dispose of the hemp at these prices and the dealers claimed the fibre on hand cost them considerably more. Prices, however, continued to decline and at the end of the month sales were made on the basis of J2 P17.50, K 13.25, L 14.— and M 12.25 for good parcels.

GENERAL. Prices during the month declined from P1.50 to P1.— per picul on the various grades, the average being in the neighborhood of P2.50 per picul or say P5.— per bale. The stocks, including province holdings, will reach at least 200,000 bales so it is safe to assume that the British strike cost the hemp industry considerably over P1,000,000. It is argued in some quarters that fibre prices were abnormally high. This is probably true but the natural decline would have extended over a longer period and would have enabled holders to liquidate their fibre without loss.

FREIGHT RATES. On May 1st the Associated Steamship Lines reduced the rate on hemp from Cebu to Japanese ports from P2.— per bale to P1.— per bale. On May 11th they restored the P2.— rate. On the 21st of May they reduced the rate from Manila to Japanese ports from P2.— to P1.50 per bale. It is understood the P2.— rate will be restored shortly. It is believed these changes in rate were made on account of one or two outside steamers taking hemp for Japan at less than Conference rates.

The rate on hemp for the U.K. and Continent shipped from Davao for transhipment at Singapore was advanced from 10/— over the Manila rate to 20/— over the Manila

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rate. There was a fair amount of hemp moving via this route but the advance makes it more expensive than bringing the hemp to Cebu or Manila on interisland boats. If it was the intention of the steamship lines to eliminate transshipment at Singapore, they have been entirely successful.

STATISTICS. We give below the figures for the period extending from May 3rd to May 31st, 1926.

	1926.	1925.
Stocks on January 1 . . .	153,181	131,228
Receipts to May 31 . . .	559,130	525,959
Stocks on May 31 . . .	205,633	178,230

SHIPMENTS.

	To May 31, 1926.	To June 1, 1925.
To the United Kingdom . . .	121,665 Bales	134,606 Bales
Continent of Europe . . .	66,773 "	51,858 "
Atlantic U.S. . . .	146,793 "	134,868 "
U.S. via Pacific . . .	51,682 "	57,776 "
Japan . . .	86,226 "	46,681 "
Elsewhere & Local . . .	33,539 "	33,118 "
TOTAL . . .	506,678 Bales	478,907 Bales

COPRA AND ITS PRODUCTS

By R. K. ZECHER
Copra Milling Corporation



Complete returns for April show arrivals at Manila as 180,500 bags or 38% more than the April average for the past three years. May arrivals as reported up to the date of this article were 214,800 bags or 36% more than the May average for the past three years.

May prices at the opening of the month were P12.50 for buen corriente and P13.75 for rescacada copra. There was not much of a variance in these prices until May 10 when buen corriente was quoted at P12.25 and rescacada at P13.50, with but little copra being offered. Sellers were holding out for higher prices to realize on stocks which they had on hand. By the 15th buyers came into the market and prices were advanced to P11 rescacada for large lots. Up to the end of the month there was a steady increase in price and the month closed with buen corriente quoted from P12.87 to P13.25 and rescacada from P14.25 to P14.375.

One quite large parcel was sold at P14.50 and a few smaller parcels have been sold at near this figure.

There is quite a demand for buen corriente in certain quarters, for milling purposes. Exporters are buying heavily in the Tayabas district, as a result of which prices are almost a peso per picul above Manila river copra prices. Large shipments have arrived from the southern islands which accounts for the excess over normal arrivals.

The London market has steadily advanced from L-23/0/0 to L-28/12/6 f. m. m., with the exception of a period during the early part of the month when it dropped to L-27/15/0 f. m. m. due to strike disturbances in England. Copra prices appear to have reached a maximum and with the

approaching period of heavy production a decline may reasonably be expected.

Closing quotations were:—

- London f. m. m. —L-28/12/6
- San Francisco —5-5/8 cents
- Manila-rescacada—P14.25 to P14.375

COCONUT OIL

The animation in the coconut oil market which opened up during the latter part of April continued at advancing prices thru May until the closing days when it settled down to a firm market with but few transactions. May opening prices were 8-7/8 to 9 cents f.o.b. tank cars west coast, and 9-1/4 cents New York. Sellers began forcing the market, offering oil in anticipation of cheaper Straits Settlement copra as a result of the strike conditions in England. Buyers held off expecting 8-1/2 cent oil, but the strike situation having cleared up the price advanced to the former level.

Competing fats and oils began to show strength at this time and the co-nut oil market responded quickly, spot May sales being made at 9-3/8 with 9-1/4 for June and 9 cents forward. Sellers withdrew from the market after some large sales had been made, most of which were speculative. Buyers advanced their ideas and sales were made at 9-1/2 cents June and July tank cars. The market remained strong and prices advanced to 9-5/8 for June tank cars, with corresponding attractive forward prices. At this time several of the larger consumers of coconut oil made purchases which temporarily filled up the source of demand and the market reverted to 9-1/2 cents tank cars, firm but with no business done.

The approaching season of heavy production of copra and a weakening of competing oil and fats has apparently had a depressing effect, and further strength will probably not develop.

Closing quotations are:—

- London —No quotation
- San Francisco—9-1/2 to 9-5/8 cents tank cars, spot.
- Manila —P.42 per kilo

COPRA CAKE

The closing quotation of L-7/15/0 for April dropped to L-7/10/0, L-7/5/0 and L-7/2/5 by the middle of the month. The Hamburg warehouses were reported full of cake, awaiting higher prices.

Locally, sellers were holding out for P50 ex warehouse but buyers were not interested at that price.

NEW CITY LICENSE TAXES

The following schedule of license taxes has been approved by the municipal board and is up to the mayor for action:

Class A livery garage with 50 automobiles	P720.00
Class B livery garage with not more than 50 motor vehicles.	P260.00
Class C livery garage with more than 20 motor vehicles but not more than 30	P300.00
Class D livery garage, from 10 to 20 motor vehicles	P180.00
Class E livery garage with less than 10 motor vehicles	P120.00
Garages that are used for depositing motor vehicles	P 60.00
Livery stables will pay about P17 a year besides the two pesos for every horse used for service.	

For every month of use of the merry-go-round, tax of P20 will be paid the city treasurer.

Soft drink factories will be required to pay the city treasurer a tax varying from P30 to 300.

Junkshops will pay the city a license fee of P75 a year.

Repair factories will pay from P100 to P100 depending on the machinery used.

Lumber yards shall be taxed from P200 to P600. Before a license to keep a lumber yard can be obtained, the approval of the fire police departments must first be sought.

The following factories are taxed as follows:

Match factory	P250
Candle factory	P200
Soap factory	P100 to P350
Repair factory	P 25,
Automobile repair shop	P400
Oil factories from	P 50 to P800
Fundry shops from	P200 to P800
Carpentry shops from	P 25 to P150
Box factories	P200
Shoe factories from	P 50 to P150
Tile factories from	P 20 to P300
Hat factories from	P 20 to P200
Umbrella factories from	P 50 to P100
Blacksmith shops from	P 25 to P500
Repair shops from	P 20 to P100
Ice Cream factories	P500
Ice factory	P 50
Watch repairs	P100

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