SHIPPING REVIEW

By H. M. CAVENDER
General Agent—Dollar Steamship Lines

The export cargo movement for June dropped to 220,160 revenue tons, a decided falling off and the smallest figure for the year 1938. Three important factors contribute to this shortage. The sugar movement slowed down to 54,877 tons. Japan for a long time has been a heavy purchaser of logs, often taking over 5 million feet, but in June she took none except that Japanese interests shipping one full cargo to Shanghai. The hemp shipments to Japan were only 4,199 bales, or less than 10% of her normal purchases.

The sugar market was sluggish during the entire month. Prices declined and the charter market continued weak. We understand that $5.75 rate was freely offered. One Japanese bottom booked 5,000 tons at $4.00 to the Atlantic, setting a low record for many years and creating quite a flurry in the trade. The Conference could do nothing and the rate is still open and around $5.75. The shipments, all to the United States, were 49,887 tons of centrifugal and 4,990 tons of refined, a total of 54,877 tons. The rate on refined sugar followed the downward trend of centrifugal.

Shipments of coconut products continued to show an increase. The desiccated coconut shipments went up to a normal monthly basis—6,250 tons (40 cu ft). The United States took 11,050 tons of coconut oil, all loaded in regular berth line tanks. No tankers have been on berth during the current year. Canada and South America took enough to make a total of 11,223 tons. The crushers are asking a reduction in rates to conform to the charter market. The copra trade showed no improvement. The United States buyers took 17,210 tons, Europe 4,750 tons, Japan 148 tons and Mexico and South America 1,228 tons, making a total of 23,336 tons. Cake and meal shipments to the United States amounted to 2,418 tons and to Europe 8,800 tons. This marks an increase in the European purchases. A small lot, 38 tons, brings the total to 11,256 tons. Shipments of lard and margarine amounted to 799 tons—the best customers being the East Indies and the West Indies.

Hemp shipments continue to shrink. The United States trade took 17,120 bales, China 1,183 bales, Japan only 4,199 bales, Europe (the only good customer) took 43,194 bales and scattered far and wide went 6,850 bales. The total movement 72,546 is the smallest that we have noted in a very long time.

The June movement in ores was very heavy although principally made up of iron. Japan has cut down on logs, hemp and various other commodities but still seems hungry for metals. The AG & P mine shipped 62,790 tons, the Elizalde mine 12, 890 tons and some unknown mines sent an 8 ton sample, a total of 75,688 tons of iron ore. Added to this is 640 tons of manganese. To Philadelphia the Florannie mine shipped a 5,000 ton lot of chromite. The Tacoma smelters took 711 tons of concentrates, gold, silver and copper contents. To Antwerp/Hamburg a 500 ton lot of chromite was shipped. A total of 82,539 tons of metallic ores. Singapore purchased a 10 ton lot of rock asphalt.

Sawn lumber shipments amounted to 3,488,161 board feet. The largest shipment went to Shanghai. The movement to the United States was only 672,300 feet. Europe took 736,585 feet. The remainder went to Africa, Australia and the Straits.

Cigar shipments were heavy but the tobacco movement was quite small. The embroidery, furniture, molasses, kapok and liquor shipments were on a satisfactory basis. Plenty of junk metals seem available for the Japanese trade. The rope factories shipped 583 tons of cordage. The rubber plantations increased their shipments to 97 tons, proving that rubber can be economically produced here. Shipments of alcohol, fresh fruits, gums and hides were not very heavy. The cutch factory shipped 400 tons of tanning extract. An in transit movement of 1,156 tons is noted.

The rates to Europe on copra were reduced and on refined sugar and lumber to the United States also. Shippers of desiccated coconut, coconut oil, copra, cake, meal, gold ores and concentrates, hemp, lumber, refined sugar and tobacco are pressing for reductions in rates. Their claims that high rates to the United States are restricting trade is not borne out by surveys made in the Pacific and Atlantic sea boards. It is reported that the trade is simply stagnant and freight rates have little or no effect on the volume.

From statistics compiled by the Associated Steamship Lines during the month of June there were exported from the Philippine Islands the following:—

To	Tons	With Misc Sailings	Of Which Tons	Were carried in American bottoms with sailings
China & Japan	86,105	45	763	4
Pacific Coast Local	22,326	16	4,983	4
Pacific Coast Overland	1,262	11	366	3
Pacific Coast Intercoastal	3,797	8	2,882	3
Atlantic & Gulf Ports	80,263	25	5,367	4
European Ports	22,623	17	28	1
All other ports	3,784	28	201	4

A Grand Total of 220,160 tons with a total of 88 sailings (average 2,500 tons per vessel) of which 14,590 tons were carried in American bottoms with 8 sailings (average 1,870 tons per vessel).

SUGAR MARKET REPORT FOR JULY

By Warner, Barnes & Co., Ltd.

During the first week of July, withdrawals of refined sugar in the U. S. continued to improve and the market remained steady, though buyers for the most part refused to yield to attempts made by holders to secure higher prices.

On July 5th, the International Sugar Council met in London to undertake the problem of adjusting quotas for the period September 1st, 1938 to August 31st, 1939 to the probable requirements of the free world market. The session was adjourned temporarily on July 9th and, although no official statement was made, it was commonly believed that the nations signatory to the agreement were prepared to make substantial reductions in their quotas, which on the original basis of 3,682,000 metric tons were evidently far in excess of requirements. This favourable news from London stimulated an advance in New York, Exchange quotations rising during the second week of the month 8 to 10 points, while actual prices advanced to 2.85¢ in a substantial buying movement by refiners. At the close of the week, however, there were some indications that the latter had filled their immediate requirements and an easier tone appeared in the market.

On July 18th, the International Sugar Council issued a communique to the effect that 1938/39 requirements were estimated at 3,150,000 metric tons and that quotas for the same period had been adjusted to this level by an all-round reduction of 5%, together with voluntary concessions sufficient to take care of the excess still remaining. This outcome was generally considered to be quite satisfactory but in New York its effect had been discounted in advance and the market began to move 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:

	1937	*1938*
Months	*Monthly Total*	*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