

# New York Stock Market

(December 10th)

By Glendon B. Loveles  
Ovejero & Hall

The principal question at the present time is whether or not industrial production, if it continues to mount at as sharp a rate during the immediate future as is presently indicated, will not outstrip consumption. If such is the case, some moderate recession in business activity may be witnessed.

Whether the current setback in the security market reflects a possible slackening off of industrial production or whether it represents mild fear over new European developments, is a question difficult to answer. In either case, it appears quite certain, from the market's action, that no great apprehension exists in the minds of investors over the ultimate outcome of the latter.

Normally, the market between Thanksgiving and Christmas is called upon to absorb a fair amount of liquidation for tax purposes, and this fact has no doubt contributed its share to the current mild recession.

In last month's article, attention was directed to the danger of continued industrial recovery at the pace witnessed during the past seven months and the current flattening out of the business activity curve is considered favorable in that it represents digestion and consolidation of previous gains and will, no doubt, ultimately provide a basis from which the general upward trend of business activity will emerge.

Recently, some apprehension has been expressed over the possible deflationary effect on the national economy of the striking political gains of the Republican party in the November elections. However, it is hardly likely that the Republicans (even if they had a Senate and House majority which they have not) would dare (politically or economically) to curtail present spending plans. What reasonably can be expected, possibly, is that the spending authority of the President will be curtailed and Congress will make its own allocations of public work and relief funds. In any event, the peak of deficit spending will probably not be reached until late spring or early summer and there will be sufficient time to reappraise the situation, from a market standpoint, prior to that time.

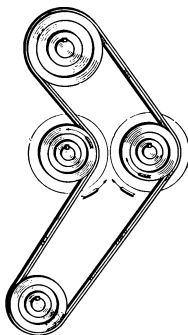
Definite lessening of apprehension over the foreign situation would probably result in a resumption of rallying tendencies which meantime, however, may be confined to moderate proportions.

The modern world has grown so small that the development of a dynamic bull market in America presupposes an accompanying improvement in other world centers. Serious consideration must be given at this time, therefore, to a major factor which may contribute to general uncertainty in world security markets, namely, the very uninspiring action

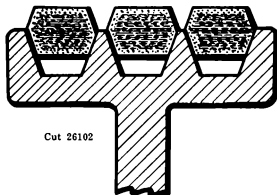
of prices on the London Stock Exchange and the attendant implications of its failure to respond to the spectacular improvement in the American economy and to the apparently improved political and economical developments at home. The week of April 2nd, 1938, marked the low for American security prices as measured by the Dow-Jones industrial-average which at that time stood at approximately 103. At the same time, the London Financial Times average closed the week at approximately 104. Today, thirty-five weeks later, the American average has risen over 44 points, while the London



## THE TEXROPE DRIVE NEW DEVELOPMENTS "HEX TEX"



FOR THAT  
SPECIAL DRIVE



### THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

P. O. Box 282  
Tel. 2-32-13

60-118 Second Street, Port Area  
Manila, P. I.

Branch Offices:  
Bacolod, Occ. Nez.  
Cebu, Cebu

## THE MINING INDUSTRY AT A GLANCE

| MINE   | Started Milling | Auth. Cap.  | Par. Value | Capital Paid to Date | Daily Capacity | Tons Milled Nov. 1938                             | Nov. 1938 Gold Production | Average value per ton | 1938 Production to date | Surplus or Reserve | Last Dividend | Total 1938 Dividend to-date | Total Dividend 1937 |
|--|-----------------|-------------|------------|----------------------|----------------|---|---------------------------|-----------------------|-------------------------|--------------------|---------------|-----------------------------|---------------------|
| Antamok  | 1932            | 75,000 0.10 | P2,750,000 |                      | 900            | 24,103  | P 353,923.29              | 14.64                 | P 4,200,156             | 1,320,550          | Oct. 15, '38  | P9.02                       | P9.06               |
| Baguio Gold                                      | 1930            | 2,000 0.10  | 1,300,000  |                      | 250            | 8,391   | 158,486.66                | 18.88                 | 1,564,027               | 117,222            | Dec. 29, '38  | 0.915                       | 0.935               |
| Balacot  | 1927            | 6,000 1.00  | 6,000,000  |                      | 1,200          | 39,256  | 1,082,966.28              | 28.06                 | 11,685,801              | 2,192,410          | Sept. 30, '38 | 0.30                        | 0.90                |
| Benguet Cons.                                    | 1913            | 6,000 1.00  | 6,000,000  |                      | 1,000          | 32,962  | 947,850.04                | 29.56                 | 10,265,194              | 4,965,954          | Sept. 30, '38 | 0.30                        | 0.90                |
| Benguet Expl.                                    | 1931            | 1,500 0.10  | 500,000    |                      | 100            | 3,393   | 22,293.60                 | 6.57                  | 237,865                 | 7,963              |               |                             |                     |
| Big Wedge  | 1936            | 2,000 0.10  | 777,892    |                      | 150            | 6,296   | 170,337.42                | 27.05                 | 1,764,667               | 247,133            | Oct. 5, '38   | 0.91                        | 0.92                |
| Cal Herr   | 1935            | 1,500 0.10  | 1,500,000  |                      | 200            | 7,158   | 121,938.86                | 17.03                 | 1,214,440               |                    |               |                             |                     |
| Coco Grove                                       | 1932            | 1,500 0.10  | 1,500,000  |                      | Placer         | 335,965 yds.                                      | 105,000.83                | 0.31                  | 2,088,840               |                    |               |                             |                     |
| Demonstration                                    | 1934            | 1,000 0.10  | 1,000,000  |                      | 250            | 9,746   | 141,184.00                | 14.48                 | 1,638,365               | 249,558            | Dec. 20, '38  | 0.01                        | 0.01                |
| East Mindanao                                    | 1936            | 1,000 0.10  | 1,000,000  |                      | 100            | 3,384   | 79,967.24                 | 23.63                 | 523,310                 | 6,672              |               |                             |                     |
| Insu Gold  | 1934            | 1,000 0.10  | 799,794    |                      | 200            | 6,564   | 105,593.81                | 16.07                 | 881,251                 | 28,256             | Aug. 29, '38  | 0.005                       | 0.011               |
| Ilogon   | 1925            | 2,000 0.10  | 2,000,000  |                      | 1,000          | 30,656  | 332,274.33                | 10.83                 | 3,717,688               | 929,433            | Jul. 15, '38  | 0.6075                      | 0.015               |
| IXL Mining                                       | 1931            | 1,500 0.10  | 1,500,000  |                      | 350            | 11,400  | 258,375.52                | 22.66                 | 2,845,274               | 443,560            | Oct. 15, '38  | 0.02                        | 0.09                |
| Maabate Cons.                                    | 1935            | 5,000 0.10  | 5,000,000  |                      | 3,000          | 66,406  | 372,057.74                | 5.60                  | 3,831,670               | 810,330            |               |                             |                     |
| Macabete Gold                                    | 1938            | 1,500 0.10  | 1,350,000  |                      |                |   |                           |                       | 74,733                  |                    |               |                             |                     |
| Napaso Goldfields                                | 1938            | 1,500 0.10  | 1,100,000  | No. Mills            |                | 259.06  | 5,165.21                  | 12.21                 | 36,537                  |                    |               |                             |                     |
| Mindanao Mining                                  | 1938            | 1,000 0.10  | 596,935    |                      |                | 37,500 yds.                                       | 13,600                    | 0.36                  | 94,589                  |                    |               |                             |                     |
| Mindanao M. Leds                                 | 1937            | 2,000 0.10  | 2,000,000  |                      | 200            | 3,945   | 140,891.60                | 35.71                 | 1,209,039               |                    |               |                             |                     |
| Nabugo Gold & Sil.                               | 1938            | 600 0.10    | 30,000     |                      |                | 56.51   | 619.65                    | 10.96                 | 20,307                  |                    |               |                             |                     |
| North Mindanao                                   | 1937            | 800 0.10    | 355,220    | Placer               |                |   |                           |                       | 145,151                 |                    |               |                             |                     |
| Northern Mining                                  | 1927            | 1,000 0.10  | 789,220    |                      |                |   |                           |                       | 36,537                  |                    |               |                             |                     |
| Paracale Gumaus                                  | 1938            | 500 0.10    | 500,000    |                      | 125            | 3,029   | 54,047.22                 | 17.84                 | 326,373                 |                    |               |                             |                     |
| Royal Paracale                                   | 1936            | 1,500 0.10  | 370,125    |                      | 100            | 2,615   | 17,618.44                 | 6.73                  | 197,637                 |                    |               |                             |                     |
| San Mauricio                                     | 1936            | 800 0.10    | 800,000    |                      | 300            | 9,166   | 501,732.47                | 54.74                 | 3,541,191               | 740,231            | Dec. 19, '36  | 0.01                        |                     |
| Santa Rosa                                       | 1938            | 1,500 0.10  | 1,000,000  |                      | 200            | 5,910   | 94,235.55                 | 15.94                 | 802,309                 |                    |               |                             |                     |
| Surgao Cons.                                     | 1938            | 1,200 0.10  | 1,000,000  |                      | 200            | 3,855.32  | 86,389.23                 | 9.44                  | 525,498                 |                    |               |                             |                     |
| Suyoc Cons.                                      | 1934            | 1,250 0.10  | 1,250,000  |                      | 200            | 6,096   | 148,526.10                | 24.36                 | 1,536,471               | 364,765            | Jul. 20, '38  | 0.01                        | 0.02                |
| Tambisa Gold                                     | 1929            | 4,000 0.10  | 339,944    | Placer               |                |   |                           |                       | 137,928                 |                    |               |                             |                     |
| Tinago Cons.                                     | 1938            | 1,000 0.10  | 1,000,000  |                      | 75             |   |                           |                       | 46,034                  |                    |               |                             |                     |
| Twin Rivers                                      | 1938            | 1,000 0.10  | 500,000    |                      |                | 36,998  | 27,289.23                 | 0.73                  | 389,283                 |                    |               |                             |                     |
| United Paracale                                  | 1935            | 1,100 0.10  | 1,100,000  |                      | 300            | 9,467   | 223,006.37                | 23.66                 | 2,357,591               | 388,807            | Sept. 15, '38 | 0.02                        | 0.03                |
| Total  |                 |             |            |                      |                |   | P5,405,488.69             |                       | P57,990,938             |                    |               |                             |                     |
| Gold Production for October 1938 — P5,505,847.17 |                 |             |            |                      |                | Gold Production for November 1937 — P4,618,183.87 |                           |                       |                         |                    |               |                             |                     |

market has declined, hovering perilously close to new low ground.

Technically, the New York market appears to be gathering strength, and ominous news dispatches from abroad have so far failed to shake

out any appreciable amount of stock. Seasonally, a rise can ordinarily be anticipated during the early months of the year and present market action justifies the belief, barring unexpected adverse developments abroad, that higher prices may be seen within the reasonably near future. Overlooking, therefore, a further period of indecision and irregularity during coming weeks, the longer term outlook currently is for a continuation of the recovery cycle.

### A Timely . . .

(Continued from page 18)

knowledge, reflects to a great extent conditions as they now exist at the mine. We realize that mining at best is a hazardous venture and these estimates may prove extremely optimistic as present future prospects become history. On the other hand, we believe that there is sufficient reason to presume that instead of these estimates proving exceedingly optimistic they may very well exceedingly conservative. For this reason, the progress of San Mauricio over the next few months should be watched closely in order to fully participate in any change in market price, which will only be reflection of actual operations and conditions as they exist at the mine.

### The Stock . . .

(Continued from page 20)

moment no reason why any particular weakness should develop providing world conditions remain about unchanged. In assessing the possibility of a reaction it is well to bear in mind that although the averages have staged a considerable percentage advance this has been largely accounted for by wide gains in only a few individual issues. As these are apparently fully justified, in almost all cases, the market may not be in as vulnerable a position as might be expected after such a sustained upward movement.

The likelihood of any runaway rise appears to be equally slim. Local and world conditions are not ripe for such a movement, however, it would appear that the present healthy condition of the majority of the producers, and near producers, coupled with the increasing dividend disbursements, would bring confidence and money enough to support a price structure irregularly higher than that to which we are now becoming accustomed and could lead to a somewhat more active market early next year.

## OVEJERO & HALL

STOCK, COMMODITY  
&  
EXCHANGE BROKERS

MEMBERS

MANILA STOCK EXCHANGE  
NATIONAL PRODUCE  
EXCHANGE  
NEW YORK COFFEE  
&  
SUGAR EXCHANGE

6th Floor, Wilson Building  
Juan Luna, Manila  
Tel. 2-10-51

Cable Address OVERALL,  
Manila