TOBACCO REVIEW

By P. A. MEYER

Alhambra Cigar and Cigarette Manufacturing Co.

RAWLEAF: The local market remained quiet during July. Dealers show no inclination to reduce their prices for old parcels while consumers expect lower quotations when the 1931 crop of Ysabela and Cagayan will be ready for sale. In view of the unsettled conditions prevailing at some important foreign markets, buying of the new crop may be postponed until the situation clears up. Comparative figures for July exports are as follows:

	Rawleaf, Stripped Tobacco and Scraps Kilos
China	7,086
Czechoslovakia	663,182
Hongkong	5,537
Japan	119
North Africa	21,420
North Atlantic (Europe)	30,720
Spain	1,442,401
Straits Settlements	1,048
United States	129,308
	2,300,821
January-July, 1931	11,144,563
January-July, 1930	8,280,943

CIGARS: Shipments to the United States continue to increase, being already about 5% higher than for the corresponding 1930 period. However, this increase consists mostly of low priced cigars which leave the factories only a very close margin. Comparative figures for the trade with the United States follow here:

Period	*Cigars*
July, 1931, about	17,000,000
January-July, 1931, about	86,750,000
January-July, 1930	82,157,698

THE RICE INDUSTRY

By PERCY A. HILL

of Muñoz, Nueva Ecija

Director, Rice Producer's Association

Palay of the ordinary grades is quoted at ₱1.90 to ₱1.95 with rice from ₱4.50 to ₱5.20 according to class, and with Saigon at ₱5.08, duty paid, Manila. The latter continues to fluctuate. Importations have been almost negligible for the last six months.

The coming crop prospects are not hopeful. Due to the delaying of the monsoon rains, the preparation for cropping is retarded to such an extent that it is expected a large area of rice lands in the main rice region in Nueva Ecija and Pangasinan will not be planted. The loss of seedbeds by drought and the difficulty of making new ones due to lack of seasonal moisture, plus the timely preparation of the soil, will lower the volume of the coming crop.

Advices from Japan show that their crop is much less due to adverse weather, and it is expected that the crop of South China is thus affected. Indo-Asia due to the lateness of the monsoon rains will likewise be affected, but not to the extent of more northern regions. At present writing, July 28th, there appears to be no marked depressions in the Pacific which might bring the rains to both the Islands and the Asiatic mainland. The amount of moisture is much less north of Bulacan, than has been noticed since 1915, and lacking these rains irrigation systems function at their lowest. In Bulacan better conditions prevail but as area small this does not greatly affect total volume.

A large portion of the last crop remains available in outside Camarines awaiting a price that seems to be governed by the Indo-Asia stocks. Demand for rice is quiet for the present.

REVIEW OF THE HEMP MARKET

By L. L. SPELLMAN

International Harvester Company of Philippines

This report covers the Manila hemp market for the month of July with statistics up to and including August 3rd, 1931.

U. S. GRADES: The month of July opened up with sellers of Davao F at 7 cents; G, 4-3/8 cents; H, 4 cents; I, 5-3/4 cents; J1, 4-3/4 cents; J2, 4-1/4 cents; K, 4 cents. However, very little business was done and by the middle of the month the market was very quiet, consumers not showing any interest in buying at that time. Sellers' quotations were for hemp from Davao: F, 7-1/16 cents; G, 4-5/16 cents; H, 4-1/8 cents; I, 5-7/8 cents; J1, 4-3/4 cents; S1, 7 cents; S2; 5-3/4 cents; S3, 4-3/4 cents; J2, 4-1/4 cents, K, 4 cents. Housemarks from other provinces were quoted at: E, 8-7/8 cents; F, 7 cents; G, 4-1/4 cents; I, 4-3/4 cents; J1, 4-5/8 cents; J2, 4-1/4 cents; L1, 3-5/8 cents. During the second half of the month sellers offered Davaos at: F, 7 cents; I, 5-3/4 cents; J1, 4-5/8 cents and other province housemarks at: F, 7-1/8 cents; G, 4-1/8 cents; J1, 4-5/8 cents; J2, 4-1/4 cents; K, 4 cents; L1, 3-5/8 cents. At the latter part of the month sellers were making customary offers but there were no buyers. Sellers' prices were: Davao F, 7 cents; G, 4-3/16 cents; H, 4-1/8 cents; I, 6 cents; J1, 4-9/16 cents; S2, 5-7/8 cents; S3, 4-5/8 cents; J2, 4-1/16 cents; K, 4 cents. Other province housemarks offers were: E, 8-5/8 cents; F, 7 cents; G, 4-1/8 cents; I, 5-7/8 cents; J1, 4-5/8 cents; S1, 7 cents; S2, 5-7/8 cents; J2, 4-1/8 cents; L1, 3-1/2 cents. By the end of the month buyers had retired entirely from the market.

Early July Manila prices for U. S. grades were: E, ₱18; F, ₱13.75; G, ₱7.25; H, ₱6.75; I, ₱10.75; J1, ₱8.75; S1, ₱13.75; S2, ₱10.75; S3, ₱8.50. There was practically no change in prices until late in the month when there was a drop of about ₱0.25 per picul on almost all grades. At the end of the month prices were: E, ₱17.75, F, ₱13.50; G, ₱6.50; H, ₱6.25; I, ₱10.50; J1, ₱7.75; S1, ₱13.50; S2, ₱10.50; S3, ₱7.75. The tendency of the market was towards a further decline.

U. K. GRADES: Statistics of Manila hemp on July 1st were:

	Bales
Deliveries to consumers during June	44,000
Stocks in importers' hands on July 1st	19,000
Hemp afloat (including loadings) on July 1st	51,000

The U. K. market was quiet but steady with consumers buying very little during the first part of the month and very little improvement was anticipated due to adverse trade conditions. Nominal quotations were: J2, £18.10; K, £17.10; L1, £15.10; L2, £14.10; M1, £16.10; M2, £14; DL, £14; DM, £13.10. A few sales of K were made at the above mentioned price. At the middle of the month the market was quiet and dealers were holding off and in the absence of business due to the financial depression in Europe, the following prices were nominal: J2, £18; K, £17; L1, £15; L2, £14.5; M1, £16; M2, £13.15; DL, £13.15; DM, £13.5. During the second half of the month the market was exceedingly dull and K was sold at the low price of £15.10 and L1 at £14.5 afloat. Around the end of the month the market was stagnant, business being impracticable. At the end of July the market was unchanged and the following quotations barely obtainable: J2, £17.10; K, £16; L1, £14.5; L2, £13.10; M1, £15.5; M2, £13; DL, £12.15; DM, £12.5.

Early July quotations for Manila U. K. grades were: J2, ₱7.25; K, ₱6.75; L1, ₱5.50; L2, ₱5.25; M1, ₱6.25; M2, ₱5; DL, ₱5; DM, ₱4.50. The market was quiet and these were nominal quotations. Mid-month quotations were: J2, ₱7; K, ₱6.25; L1, ₱5; L2, ₱4.50; M1, ₱5.75; M2, ₱4.25; DL, ₱4.25; DM, ₱4. The market continued quiet through the whole month and nominal quotations at the end of the month were: J2, ₱6.50; K, ₱5.75; L1, ₱4.50; L2, ₱4; M1, ₱5.25; M2, ₱4; DL, ₱4; DM, ₱3.75.

JAPAN: This market has been particularly quiet during the month of July and considering the large stocks of unsold fiber being held by speculators in Japan, there is very little hope of business improving in the near future.

MAGUEY: Early July London quotations were for Cebu Maguey No. 2, £13.10; No. 3, £13.5. Mid-month quotations were: Cebu Maguey No. 2, £13.5; No. 3, £13. Late July quotations were: Cebu Maguey No. 2, £13.5; No. 3, £12.15.

PRODUCTION: The weekly receipts for the month of July were for the first week 25,000 Bs., the second week 16,000 Bs., the third week 19,000 Bs. and the fourth week 22,000 Bs.

FREIGHT RATES: No particular change has been made during the past month although on direct shipment of hemp from Legaspi, the differential has been reduced from 20/- to 10/- per ton of 20 cwt.

STATISTICS: The figures below are for the period ending August 3rd, 1931:

Manila Hemp	*1931 Bs.*	*1930 Bs.*
On January 1st	112,802	195,035
Receipts to date	716,631	837,214
	829,433	1,032,249
Shipments to—		
U. K.	193,982	198,758
Continent	112,538	118,580
U. S.	146,924	338,582
Japan	223,582	176,659
Elsewhere	49,855	60,573
	726,881	893,152

LUMBER REVIEW

By ARTHUR F. FISCHER
Director of Forestry

The lumber and timber exports during the month of April, 1931, decreased 42%, as compared with the same month in 1930. This apparently big decrease in lumber and timber exports would be misleading if no mention is made here of the fact that the recent burning of three important sawmills affected considerably the exports during the month under review but did not influence shipments during the corresponding month last year. It can be seen from the statement of exports below that as compared with March of this year, this month's shipments are not so discouraging as it appears to be for there was an increase of 85%. As a matter of fact the lumber trade has been steadily picking up since February, although prices remained low. From the low mark of 2,476,584 board feet corresponding to the month of February, the export shipments steadily jumped to 6,428,264 board feet for the month under review, while the lumber deliveries from the mills rose from 11,293,892 board feet to 13,646,899 board feet for April, 1931. There was also a steady increase in production from 8,021,638 board feet to 11,374,287 board feet during the above period.

As stated in the last review, the above improvement in the local trade is expected to be only seasonal as the general economic condition of the Islands is still depressed, and whether or not the export trade may continue the favorable trend it has shown during the last three months is uncertain, unless the general economic situation in foreign markets changes for the better.

It is, however, reassuring to know that in the United States, a gradually expanded consumption seems to be slowly starting; that the building trade is showing a little improvement, and new Federal and other public projects are expected to create new demands; and that manufacturers are concentrating vast amount of attention and energy to the program of holding off production for a sufficient time to permit of the disposal of carry-over stocks. In Shanghai and Hongkong construction activities are making for fairly good sales. More or less regular shipments of logs are being made to Japan in spite of the still prevailing industrial and commercial inactivity in that country. In South Africa, which is becoming a steady market for Philippine lumber, it has been reported that lumber demand is strong with no signs of a weakening market. The present economic depression seems to have had very little effect upon construction activities in that country. Shipments to the United Kingdom remained steady. Special demand in this market for Apitong has been noted.

As compared with the previous month, exports to China registered an increase of 29%; to Japan an increase of 49%; to the United States an increase of 59%; and to United Kingdom an increase of 23%.

The following statements show the lumber and timber exports, by countries, and mill production and lumber inventory for the month of April, 1931, as compared with the corresponding month the previous year.

Lumber and Timber Export for April

Destination	1931 Board Feet	1931 Value
Japan	3,878,328	₱ 104,358
United States	1,672,256	158,675
United Kingdom	297,224	33,757
China	295,952	19,654
British Africa	274,328	21,705
Hawaii	9,328	2,207
Spain	848	400
Germany		70
Australia		
Canada		
Netherlands		
Portuguese Africa		
TOTAL	6,428,264	₱ 340,826

Destination	1930 Board Feet	1930 Value
Japan	4,319,712	₱ 166,275
United States	2,821,720	215,191
United Kingdom	1,068,480	81,231
China	1,640,456	99,008
British Africa	97,944	15,719
Hawaii		
Spain		
Germany		
Australia	1,051,096	70,904
Canada	73,352	6,225
Netherlands	8,056	700
Portuguese Africa	848	115
TOTAL	11,081,664	₱ 655,368

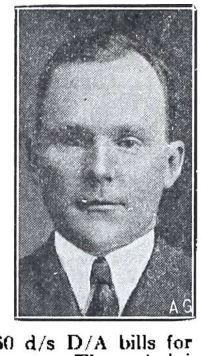
For 43 Mills for the month of April

Month	Lumber Deliveries from Mills	
	1931	1930
April	13,646,899	25,766,363
Month	**Lumber Inventory**	
	1931	1930
April	23,659,933	48,643,621
Month	**Mill Production**	
	1931	1930
April	11,374,287	18,256,304

NOTE:—Board Feet should be used.

REVIEW OF THE EXCHANGE MARKET

By RICHARD E. SHAW
Manager, National City Bank



The market on the whole has been deadly dull. Selling rates during the latter part of the month were slightly on the easy side and several Banks were good sellers of moderate amounts of U. S. Dollar T. T. at 1% pr. Buying rates for T.T. held steady at 3/4% pr. for deliveries to the end of the year. Banks were offering 3/8% pr. for ready O/D credit bills and 1/4% discount for 60 d/s D/A bills for August-December settlements. The underlying tone of the market was firm at the close.

The following purchases of U.S.$ T.T. have been made from the Insular Treasurer since last report:

June 20th to July 3rd	Nil
Week ending July 11th	U.S.$300,000
Week ending July 18th	200,000
Week ending July 25th	425,000

With the sudden drop in the New York London cross-rate about the middle of the month Sterling selling rates were somewhat weaker and Banks would sell T.T. at 2/- 7/16 ready but were not keen buyers at better than 2/- 9/16.

On June 30th the New York-London cross-rate closed at 4.8630, rose to a high of 4.8660 on several occasions during the first half of July, dropped suddenly on July 16th to a low of 4.8350 and was quoted at 4.86 on the last business day of the month.

London Bar Silver stood at 13-3/4 ready and 13-3/4 forward on June 30th. The white metal rose to 13-11/16 ready and 13-11/16 forward on July 6th and gradually receded to 12-11/16 ready and 12-11/16 forward on July 27th. The closing rates were 13-11/16 ready and 13-11/16 forward.

New York Bar Silver was quoted at 29-1/8 on June 30th. On July 6th it had risen to a high for that month of 29-3/4. By July 27th the rate had weakened off to 27-3/8 and finally closed at 28.

Telegraphic transfers on other points were quoted as follows on July 31st:

Paris	12.45
Madrid	93
Singapore	114–1/2
Japan	100–1/2
Shanghai	159–1/4
Hongkong	50–1/4
India	136
Java	122–3/8