

FINANCIAL NEWS AND COMMENT

Trading Continues Confusing, With Much Profit Taking and Shifting.

MARKET IS STILL STRONG

Steel Stocks Are Leaders All Through Session—Motors Make Wide Gains.

Trading in yesterday's stock market was very quiet, and with a good deal of profit taking and shifting around of commitments from one part of the list to another, in the main the underlying feature of strength which characterized the market on the preceding day was still present. The only trouble was that the intervals of weakness were more frequent in yesterday's session than in the day before, on account of the indisposition of traders to remain in any one group of issues for any length of time. This shifting around tended to give the market a very irregular appearance on the surface, but the market always came back very strongly, even in the last hour in face of very high money rates again. The test in the last hour was severe in some stocks and, in the manner in which prices recovered, evoked a good deal of favorable comment at the finish, particularly about the steel stocks, which were the market leaders all day long. Except for the specialties these issues held their strength better than any other group of stocks.

The strength of the steel stocks was not due to the part to the expectation of a very favorable earnings statement from the Steel Corporation at the closing. These expectations were undoubtedly correct, but the statement not only came up to expectations, but in some respects exceeded what Wall Street had been looking forward to. At any rate, it was encouraging after the one stage of the trading as if the selling might go a considerable distance toward undoing what the financial district has accomplished since the setback followed by the recovery to some extent was checked and most stocks finished the day strong at or near the highest prices, a circumstance which suggested that most of the troubles in connection with the money market were over, at least the decline in the rate for call from 16 to 6 per cent. at the finish suggested this.

The spectacular feature of the session was furnished by the motor group in General Motors, which rose to nearly 400. After the initial spurt the motor, however, heavy under the leadership of Studebaker, followed the motor concerning the new financing for Studebaker. Trading then turned into the steel and equipment, which enjoyed a further substantial rise under the leadership of Republic and Lackawanna, the former going to a new high record for all time, but receding later. The rest of the market followed the lead to some extent, but, as on the preceding day, there was a cautious disposition. The majority of traders seem to believe that, although the market is in a much better technical position than it was during the early part of last week, the daily setbacks of money and other considerations indicate that prices cannot be pushed just as easily as they can be advanced. This view is confined entirely to the trading element and to a few commission houses, but nevertheless is prominent in all quarters yesterday was more cautious than it has been for some time back.

The high for call money yesterday was 16 per cent. due to the same considerations which were pointed out in the preceding day; namely, withdrawals on the part of the Government from banks in this district, and also withdrawal of the Federal Reserve Bank of New York. Out of town banks sent considerable funds here several days ago to meet the high money rates, but when money declined to 12 per cent. the money was withdrawn, with the result that local banks yesterday were taxed to the utmost. It is understood, however, that the market is in a much better technical position than it was during the early part of last week, the daily setbacks of money and other considerations indicate that prices cannot be pushed just as easily as they can be advanced. This view is confined entirely to the trading element and to a few commission houses, but nevertheless is prominent in all quarters yesterday was more cautious than it has been for some time back.

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MONEY AND EXCHANGE

Table with columns for CALL MONEY, Mixed Collateral, and LOANS, showing various rates and values.

COMMERICAL PAPER

Table with columns for Sixty days, Ninety days, and Twelve months, showing rates for various commercial papers.

CLEARING HOUSE STATEMENT

Table with columns for New York, Boston, Philadelphia, and St. Louis, showing clearing house statements.

DOMESTIC EXCHANGE

Table with columns for New York, Boston, Philadelphia, and St. Louis, showing domestic exchange rates.

FOREIGN EXCHANGE

Table with columns for Sterling, Demand, Cable, and other foreign exchange rates.

NEW YORK STOCK EXCHANGE PRICES

Large table listing various stocks such as Adams Express, Advance Rummy, and others, with columns for price, change, and volume.

GOSSIP OF WALL STREET

Shifting the speculative tide. Several more conservative Wall Street commission houses, particularly those customers of which have piled up huge profits in highly speculative motors and oils, have started a firm campaign to shift these accounts into more conservative shares of the steel group.

Surprise in Steel Earnings. Announcement that the United States Steel Corporation had earned \$4,017,723 net after taxes in the third quarter of the year, made yesterday, gave the financial district the first real constructive surprise that it has had this week.

Another Money Flurry. It's a poor day whose low descending sun sees no money flurry on the Stock Exchange. It is getting to be the regular thing for the market to be a little nervous nothing except that somebody has had to pay a very tall price for accommodation. Marketwise, it is getting so common to see a market that is a little nervous nothing except that somebody has had to pay a very tall price for accommodation.

General Motors. W. C. Durant and the Du Ponts, directing what has come to be known in Wall Street as the "General Motors crowd" have the district under their thumb by the ears as to exactly what is going on in General Motors. Wall Street thinks there is something brewing and thinks that it will be paid out with the proceeds of the sale of the new issue being offered. The other is Saturday's maturity of \$25,000,000 in French Cities notes.

The Second Guess. Wall Street is literally full of people who cannot look at the current situation in General Motors with the least bit of a blush of shame and a sigh of regret. They are the I-knew-it-when people who remember, without any great stretch of imagination, that the "General Motors crowd" was a long time ago in Wall Street looking for money and his stock was a drug on the market, offered at your own price, with trading stamps freely distributed on a regular basis. But the reason for most of the headaches is that when a note issue was floated several years ago in Wall Street it was necessary to give a bonus. The so-called "bonus" was their choice of preferred or common. The outsiders got no choice.

Studebaker Corporation. It is practically a certainty, according to information received yesterday in authoritative circles, that the Studebaker dividend will be increased at its directors' meeting next Tuesday from a 4 to a 7 per cent. basis. The new financing, which includes retirement of \$15,000,000 in 7 per cent. serial gold notes, has been completed practically, according to announcement made yesterday. The current year, according to authoritative reports, is the best from the standpoint of dollars and cents that the corporation has experienced. On its present basis of production it is highest year was \$2,000,000, but the profit on every car this year will be sufficiently large to offset the discrepancy. Studebaker is said to be in a position to pay a dividend of \$100 per car, since 1914 and about 30 since the armistice was signed.

BONDS IN NEW YORK STOCK EXCHANGE

Table listing various bonds such as U.S. Government, Liberty Bonds, and others, with columns for price, yield, and volume.

COCHRANE HARPER & CO. 111 Broadway NEW YORK 60 State St. BOSTON

Invincible Oil Corporation. Information on Request. Telephone Rector 86.13

New York Stock Exchange Stocks. Complete facilities for execution of orders in 100 share lots Odd lots

Hartshorne, Fales & Co. Members N. Y. Stock Exchange 71 Broadway New York Telephone 7610 Bowling Green

Dafoe-Eustice Company, Inc. A dividend-paying Industrial yielding approximately 15% on the investment.

Cohen & Hess. Members New York Stock Exchange 67 Exchange Pl., New York

The Oil Industry. The current issue of our monthly Oil Circular contains a special "Shell Transport" Send for Copy B-1

E. W. Wagner & Co. Established 1887, Chicago. Members N. Y. Stock Exchange

THOMSON AND McKINNON. 402 S. La Salle St., Chicago. Fletcher-Amer. Nat'l Bldg., Indianapolis

Texas Pacific Coal & Oil. J.K. Rice, Jr. & Co. Phone 1000 to 1010 John St. Wall St., N. Y.

Adams Express Co. 48, 1947. FREDERIC H. HATCH & CO. Phone Rector 6350. 74 E. W. 4th St. Private telephones to Boston and Washington

NATIONAL CITY BANK. Bonds Tax-Free in State of New York. Territory of Hawaii Gold 4 1/2% Bonds Due 1949 (Optional, 1939). Exempt from all Federal Income Taxes and state taxation.

An Investment Strongly Safeguarded Yielding 7 1/2%. Cities Service Co. in addition to being one of the world's largest producers of oil, controls and operates 84 public utility properties in the United States and Canada.

Henry L. Doherty & Company Bond Department 60 Wall Street, New York

SPICER MFG. CORP. Serial 6's 1920-23. Net tangible assets nearly 2 1/2 times amount of Notes. Average earnings for past three years 16 times interest.

Merrill, Lynch & Co. Investments Commercial Paper 120 Broadway New York Members New York Stock Exchange

J. K. Rice, Jr. & Co. Buy & Sell. Air Reduction Stock, Amer. Chicle Com. & Pfd., Amer. Exchange Nat'l Bank Stock, Amer. Hawaiian S. Stock, Amer. Finance Com. & Pfd., Bankers Trust Co. Stock, B. W. Miles Com., Chase Nat'l Bank Stock, Del. Lack. & Western Coal Equitable Trust Co. Stock, Farmers Loan & Trust Co. Stock, General Baking Com. & Pfd., Great American Ins., Guaranty Trust Co. Stock, Home Insurance Stock, Humble Oil & Refining, Kirby Lumber Com. & Pfd., Lehigh Valley Coal Sales, Metropolitan Trust Co. Stock, Nat'l Liberty Ins., Nichols Copper, Niles-Invest-Pond Com., Fruit, Coal & Coke, Pyrene Manufacturing, R. J. Reynolds Tobacco Stock, Savannah Sugar, Singer Mfg., Texas Pacific Coal & Oil, Valley Trifling Machine Stock, White Rock Water Com. & Pfd.

W. F. Ladd & Co. Investment Securities New York

Studebaker 7s 1921-1929. Morton Lachenbruch & Co. PHILADELPHIA NEW YORK 42 Broad St. Tel. Spruce 31

NOBLE & CORWIN 55 Broad St. New York National City Curtis Aero Ptd. Citizens Nat. Phelps Dodge. Telephone 1111 Broad.