

### Section 3.—Index Numbers of Security Prices

Security prices have long been utilized in statistical measurements related to economic phenomena and are, generally, sensitive to changing business conditions, although this valuable characteristic is sometimes overshadowed by the fact that their movements may be influenced greatly by speculative interest very remotely associated with underlying economic conditions. Thus, in 1928 and 1929, common-stock prices advanced far beyond levels indicated by business profits and prospects. Security-price trends also have been at variance with other business indexes during World Wars I and II.

**Common Stocks.**—Common stock prices advanced substantially during 1951 despite two major intermediate declines. From a level of 146.3 for December 1950, the composite index for 105 industrial, utility and bank stocks moved up to 166.5 by February 1951. A drop to 160.7 in June ensued, followed by another sharp rise to a 22-year monthly peak of 183.3 by October. The final level for the year of 177.3 in December was an increase of 21.2 p.c. over the same month of 1950. In January 1952, the composite index opened on a firm note at 181.7 but subsequent weakness developed, coinciding with lower commodity prices, to reduce the index to 163.6 by October.

#### 8.—Investors Index Numbers of Common Stocks, by Months, 1951, and from January to October 1952

(1935-39=100)

Year and Month	Types of Stocks									
	Industrials									
	Machinery and Equipment	Pulp and Paper	Milling	Oils	Textiles and Clothing	Food and Allied Products	Beverages	Building Materials	Industrial Mines	Industrials, Total
<b>1951</b>										
January.....	401.9	481.6	104.7	110.1	359.3	125.6	442.4	244.8	118.1	154.8
February.....	422.2	531.6	110.5	126.9	399.6	127.8	463.4	259.7	125.6	168.0
March.....	411.1	513.3	107.1	133.6	383.0	124.4	441.2	251.6	117.1	165.0
April.....	415.8	568.3	106.1	138.2	369.0	123.4	445.4	260.9	118.3	169.1
May.....	406.4	579.2	104.7	138.9	363.0	121.0	436.3	264.2	117.2	168.3
June.....	396.4	562.2	104.1	134.1	359.8	117.9	425.6	257.6	117.0	164.4
July.....	405.0	568.1	111.3	135.1	355.5	115.2	421.8	264.6	118.1	165.8
August.....	419.2	588.5	117.7	145.3	366.6	118.4	419.9	277.8	127.1	174.5
September.....	445.4	609.8	124.0	156.6	371.6	119.7	436.5	308.8	135.4	185.4
October.....	462.5	595.5	122.6	162.6	346.3	114.2	445.9	305.8	141.0	189.5
November.....	431.7	562.3	121.9	150.8	314.1	110.9	425.2	284.7	136.6	178.8
December.....	430.4	573.6	119.3	154.7	308.2	108.5	405.9	290.0	140.2	180.6
<b>1952</b>										
January.....	452.0	582.8	118.5	161.0	301.2	111.8	396.5	295.3	148.1	186.7
February.....	450.3	563.7	120.4	159.8	285.7	111.8	371.8	293.3	151.3	185.2
March.....	443.3	546.1	120.9	162.8	277.1	110.4	371.7	286.4	143.2	182.6
April.....	417.6	510.8	120.1	172.7	261.2	107.8	352.0	274.0	137.8	180.5
May.....	414.9	488.9	117.8	160.9	258.9	102.5	343.3	264.5	131.5	172.4
June.....	420.2	506.5	121.6	157.4	268.2	101.5	357.9	268.4	138.7	174.8
July.....	422.5	518.4	135.5	158.7	272.7	104.6	367.5	281.4	143.9	178.6
August.....	441.8	519.9	152.3	153.4	297.2	107.5	375.6	299.4	145.0	179.8
September.....	434.7	499.1	145.4	146.6	286.8	109.7	363.8	290.7	141.2	174.3
October.....	407.5	471.9	143.4	138.1	271.9	110.2	350.4	277.5	132.2	164.9