

8.—Index Numbers of Retail Prices in Canada and Other Countries, 1955-57

(BASE: 1953=100. SOURCE: *United Nations Monthly Bulletin of Statistics*, November 1957 and 1958.)

Country	1955	1956	1957	Country	1955	1956	1957
Belgium.....	101	104	107	Iran.....	122	130	139
Brazil.....	142	173	206	Israel.....	119	127	135
Canada	101	102	106	Korea, South.....	231	284	350
Chile.....	302	471	627	Netherlands.....	106	108	114
Denmark.....	107	113	116	New Zealand.....	107	111	113
Dominican Republic.....	98	99	104	Norway.....	105	109	112
Egypt.....	96	98	102	Sweden.....	104	109	113
France (Paris).....	101	103	106	Switzerland.....	102	103	105
Germany (Western).....	102	105	106	Turkey.....	119	136	152
Greece.....	122	126	129	United Kingdom.....	106	112	116
India.....	90	99	104	United States.....	100	102	105

Section 3.—Index Numbers of Security Prices

Investors price indexes for common stocks are calculated on the 1935-39 base and published weekly and monthly for a sample of issues, broadly classified under the headings: industrials, public utilities and banks. Within the first category the sample is further classified by industries for which indexes are available. Weekly and monthly indexes of mining stocks including both golds and base metals are calculated and published separately, as are monthly indexes of preferred stocks.

For purposes of index calculation, Thursday closing prices are used for the issues of companies listed on either or both the Montreal and Toronto stock exchanges. Weights are applied to each issue on the basis of the number of shares currently outstanding. The list of stocks included in the various security series, currently totalling 95 for the investors index and 27 for the mining stocks index, are revised annually so that issues which have become important in stock market activity may be included and those of declining interest removed. Provision is also made for stock splits, mergers and the exercise of 'rights'. The indexes are designed to reflect weekly and monthly changes of interest to the investor rather than day-to-day changes of more speculative interest. For that reason the historical record of indexes dating back to January 1914 on a monthly basis* is of significance in any analysis of the degree of fluctuation in stock prices through time.

Investors Index.—A continuation of the strong upward trend inaugurated with the inception of the bull market in December 1953 culminated in an all-time peak in the investors total index of 291.8 in August 1956; the September 1929 peak was 197.8. Subsequent sharp declines, which brought the level to 262.3 by November 1956, were reversed in December and by May 1957 losses had been largely recouped. Prices broke sharply in mid-summer, however, and by December the composite index had reacted to 216.2 for a net loss of 19.3 p.c. over the year. The index opened 1958 at 215.4, at the bottom of a seven-month downward slide from 287.6 in May 1957. Rapid recovery in subsequent months lifted the level to 262.1 by October 1958, however, and the index closed the year at 259.1. Among major groups the January-December gains were: banks 40.6 p.c. from 233.3 to 328.0, industrials 20.1 p.c. from 222.2 to 266.8, and utilities 9.9 p.c. from 178.1 to 195.8. Sub-group advances were led by milling, foods, pulp and paper, beverages, textiles and clothing, and building materials.

* Available on request from Prices Division, Dominion Bureau of Statistics.
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