

CLOSING MARKET HAD STRONG TONE

Week's Uncertain Drift Suggests Temporary Basket Impending

New York, Dec. 10.—Today's stock market developed pronounced strength after an irregular opening, and with it came an appreciable increase in the volume of dealings. The copper for a time held the foremost attention, but the improving tendency was of a progressive type, gradually extending out to the other industries. The copper, independent steel shares and some of the equipment were given a large share of attention, but the character of the movement suggested a temporary basket of the short interest all through the industrial list. The announcement of the proposed further reduction in wages group were still sluggish, which, these higher range of quotations invited a good deal of profit-taking, the market retained a strong tone up to the closing. The uncertain drift of the week's market was not all surprising in light of the substantial recoveries secured from the low level of the year, and more especially because the recent recovery in the security markets had been on its basis the easier money conditions rather than reflecting any material change in business activity. The prudent attitude in this situation will deny the constructive character of recent developments both as regards the foreign as well as domestic conditions. The facts that the market has been overestimated, as there is not the slightest doubt but that foundations are being carefully and scientifically laid for a permanent and substantial industrial prosperity on a safer, sounder and more substantial basis than we ever had before. While this is certain to be productive of a general feeling of optimism, yet on the other hand, as the week's market operations disclosed, there is a general recognition on the part of the more conservative observers of the possibility of speculative enthusiasm outrunning the progress of the reconstruction program.

In other words, a close and careful consideration of the recent movement would suggest the market was approaching or nearly approaching what the street is pleased to call an "overbought" condition. It is not necessary to remain based upon past experience, that in the average advance of 10 points in the price level a certain amount of a weak reaction is to be expected. This view is strengthened in observable fact by the trend of security returns, demonstrations and the lacking enthusiasm over the revamped oil combination yards centered in such widely separated industries as coal mining, independent steel companies and moving pictures. It would not be surprising, measured from a technical standpoint alone, that a fair-sized setback is in the offing. In other words, quite a number of recognized competent observers firmly believe that what has long been known as healthy reaction is now overdone, and a new impeding. This does not imply any possibility of the control of the market situation reverting to bear operators, who for so many months dominated the trend of security values, but it does mean the elimination of the weaker superstructure preparatory to a general evening up of accounts over the year's end.

PRESSURE AGAINST PENNSY WITHDRAWN

Number of Local Stocks Made High for Year During the Week

The smart rally in Pennsylvania Railroad to 33 1/2 and the strength of Electric Storage, which advanced 2 points to 123, equal to the year's high record, were the outstanding features of the strong local market today. While the trading in general was quiet, prices were well maintained. Philadelphia Rapid Transit was offered a little more freely, but only lost 1/4 in yielding to 18 1/4. U. I. and the Philadelphia Electric issues, on the other hand, were firm with little price change. Small odd lots raised Lehigh Navigation a point to 68. A number of local stocks reached the highest prices of the year this week, influenced to a large extent by improvement in condition as well as outlook in the affairs of such of the companies. This is not necessarily important, but was likewise significant because it must be accepted as further convincing testimony of the marked change in the fundamentals of the general financial situation. Convincing proof was given in the great success of the Philadelphia Electric bond sales and other recent new issues. The re-orienting confidence, on the part of the investor, however, found further reflection in the higher quotations registered by several inactive issues, which are regarded in the category of secondary investment shares.

The recent liquidation of Pennsylvania was an offsetting influence, although it exerted little direct effect upon the course of the general list. The weakness, nevertheless, of this old favorite was disconcerting and created undigested uneasiness. Whether many of the fears are warranted, or whether there is foundation for much of talk heard nowadays, remains to be determined. From information obtained from usually well-informed quarters there is little fear at this time concerning the dividend. A good business revival could work a sharp transformation in the company's position as to earnings and some of the officials believe this insight, there are reasons for believing that a considerable amount of the recent selling of the stock represented shifting by investors from stocks to bonds. Dividend-paying stocks, however, it and it applies to many other corporations besides the Pennsylvania.

Financial Briefs

The average price of twenty active industrial stocks advanced 0.80 per cent yesterday to 74.80, with 14 advanced and 6.33 per cent higher at 74.52. Sales in November of the Schulte Retail Stores Corporation were \$1,929,621, against \$1,260,000 in November, 1920. The increase of about 50 per cent over last year's sales is a record for the company. Charles L. Cooper and Charles E. Pechin have been associated with Schibler, Manning & Co. in their sales organization. The Harrison, Smith & Co. syndicate managers for Philadelphia and Camden, Pa., have placed \$1,200,000 Commonwealth of Pennsylvania 4 1/2 per cent bonds have been sold. Bank Island's gross business for first seven days of December amounted to \$2,248,544, an increase of \$201,144 over last year's sales. Leonard P. Allen has become associated with the bond department of Stroud & Co.

NEW YORK STOCK EXCHANGE TRANSACTIONS

Table of New York Stock Exchange transactions including columns for Div., High, Low, Today's Close, and Net Change. Lists various stocks like Adams Express, Advance Rumely, and others.

Philadelphia Stocks

Table of Philadelphia Stocks including columns for High, Low, Close, and Net Change. Lists stocks like All Insur, Am Gas, and others.

NEW YORK CURB MARKET

Table of New York Curb Market including columns for High, Low, Last, and Bid. Lists various commodities like Acme Coal, Am Gas, and others.

Raw Sugar Market

New York, Dec. 10.—The raw sugar market was quiet and unchanged with a few prices quoted. The local refined market was unchanged with the local refined market 2 per cent for cash.

STEEL BOOKINGS DECLINE

New York, Dec. 10.—The monthly tonnage report of the United States Steel Corporation, made public today, showed a 2,550,742 tons of unfilled orders, an increase of 36,287 tons from October's unfilled orders, which totaled 4,286,820 tons.

NEW YORK BANK STATEMENT

Heavy Contraction in Loans and Deposits—Excess Reserve Reduced. Loans and discounts of the New York Clearing House institutions were reduced \$38,507,000 last week. While liabilities were also cut down by a shrinkage of \$20,653,000 in demand deposits, the reserve credit at the Federal Reserve Bank was decreased \$11,249,000. As a result the reserve in excess of legal requirements was cut down \$17,254,000, leaving a surplus of \$10,283,010.

GARRISON & CO. WIDENER BLDG.

MEMBERS—NEW YORK AND PHILADELPHIA STOCK EXCHANGE. STOCK EXCHANGE SERVICE. LAWRENCE E. BROWN & CO. 1850 REAL ESTATE TRUST BLDG.

C. S. PATTON & CO. 3D & CHESTNUT STS.

BANKERS. SINKING FUND NOTES. \$4,000,000. Tobacco Products Corporation. Ten-Year Sinking Fund 7% Notes.

Large advertisement for Tobacco Products Corporation. Features a \$4,000,000 Sinking Fund 7% Note. Text describes the company's history, business, and financial strength. Includes a table of earnings for five years ended December 31, 1920.

STERLING JUMPS TO 4.1334

Succession of New High Records Made in Market for Exchange. New York, Dec. 10.—The foreign exchange market this morning noted a succession of new high records on the movement for sterling and francs. Lire were fairly steady, but marked ahead nearly a point from the best. Sterling cables were 4.1334, demand 4.1314; franc cables 7.83, demand 7.82; lire cables 4.44, checks 4.43 and marks 5.4.

Philadelphia Markets

WHAT.—Receipts, 269,250 bushels. Market quiet. Late decline. Cash quotations: No. 2 red winter, \$1.10; No. 3 red winter, \$1.05; No. 4 red winter, \$1.00; No. 1 yellow, \$1.15; No. 2 yellow, \$1.10; No. 3 yellow, \$1.05; No. 4 yellow, \$1.00. CORN.—Receipts, 593 bushels. Market steady. Cash quotations: No. 2, \$1.05; No. 3, \$1.00; No. 4, \$0.95. OATS.—Receipts, 5700 bushels. Quiet and unchanged. Cash quotations: No. 1, \$1.00; No. 2, \$0.95; No. 3, \$0.90. WHEAT.—Receipts, 500 bushels and 1,000 bushels. Market steady. Cash quotations: No. 2, \$1.10; No. 3, \$1.05; No. 4, \$1.00. RYE.—Receipts, 100 bushels. Market steady. Cash quotations: No. 1, \$1.20; No. 2, \$1.15; No. 3, \$1.10.

LIVESTOCK QUOTATIONS

When, as and if issued and received by us subject to approval of counsel. It is expected that delivery of temporary Notes will be made about December 20, 1920. All legal data relating to this issue will be passed upon for the bankers by Messrs. Stetson, Jennings and Russell, and for the Corporation by Messrs. White and Case.

PHILADELPHIA MARKETS

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