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A REVIVAL OF CONFIDENCE.

The revival of confidence in the securities markets has engaged the attention of Montreal and Toronto financial circles in the past week. Those who have been cheered by the action of the market are not so foolish as to expect that a grand bull demonstration is to ensue. It is recognized in all responsible quarters that conditions are not as yet favorable to a sustained campaign of expansion. In spite of the well defined hopes of easier money about the year end, the stringency is still to be reckoned with; and at present the banks have no funds to spare for purposes of agressive speculation. However, the sharp rise in quotations served as an intimation to buyers and prospective investors that the long period in which they have had everything to suit them might be drawing to a close. Probably the army of investors who have been waiting for further breaks or fresh low records in which to make purchases of stocks or bonds are not now so confident that the expected exceptional opportunities will materialize. And it is safe enough to presume that many of them will eventually buy at prices well above the low records of the past few months.

OUTSIDE CONFIDENCE.

The marked improvement in prices and sentiment at the great international centres naturally had some effect in brightening up our own markets. The sharp rise in Canadian Pacific at New York and London had an especially good effect on Montreal and Toronto. The willingness of outside investors and speculators to buy this security at advancing prices clearly indicated confidence in the Canadian situation. If the financial experts in London were not fairly well convinced that Canada had passed through the worst of her troubles it would not have been an easy matter to push up the quotations for C.P.R. stock as was done. Again, there is no doubt that the crop situation in Western Canada proved a potent factor in improving the prices quoted for C.P.R. and in strengthening confidence as to Canada's immediate future.

The money markets were not greatly affected by the increased activity in stock dealings. Call loans are quoted at 5½ to 6 per cent., and the rates applying to commercial lines of credit range from 6 to 7 p.c.

EUROPEAN MONEY SITUATION.

The African gold available in London at the beginning of the week amounted to $4,800,000. Most of it—about $3,800,000—was taken by Germany; and India secured the remaining $1,000,000. In the London market rates for money and discounts were firmly held. Call money is 2 to 2½ p.c.; short bills are 3⅞ p.c.; and three months' bills, 3¾ p.c. Bank rate is maintained at 4½.

At Paris the Bank of France quotes 4 and the private rate is 3¾ p.c. And at Berlin the Imperial Bank of Germany quotes 6, while the private rate is 4½.

IMPROVED SENTIMENT.

Improved sentiment has been in evidence at all of the European centres. The diplomatic questions following the conclusion of the fighting in the Balkans are receiving the most careful attention, and presumably arrangements will be made in due time by which the belligerants will have to abide—for a decade or two at any rate. The general opinion now is that the financial operations arising out of the war and arising out of the development of comparatively new countries can be carried through without extraordinary strain. And there is a growing probability that Canada will be able to place a moderate amount of new securities in London during the fall.

NEW YORK POSITION.

At New York call loans are quoted 2¾ to 3 p.c. Time money is in stronger demand—rates being: Sixty days, 4¼ to 4½ p.c.; ninety days, 4½ to 4¾; and six months, 5 p.c. In their weekly statement on Saturday the clearing house institutions, banks and