

In the more volatile market conditions from July 1955 onward, following the tailing off of the prolonged upward movement in the market, rather wide variations occurred in the funds net purchases of the sample stocks as a percentage of aggregate net stock purchases. A full analysis will be given below of the monthly changes in the funds' trading in the individual stocks during the varying phases of the market throughout the 1955-58 fluctuations. It is noted at present, however, that the funds were net sellers of the stocks as a group in only four quarterly periods: Third quarter 1955, first quarter 1956, fourth quarter 1957, and first quarter 1958. Each of these periods was marked by rather uncertain stock market movements, the last two quarters mentioned having witnessed a readjustment of values following a sharp fall and preceding a firmer upward movement. In both these last-mentioned quarters, moreover, the funds' aggregate net stock purchases fell sharply below their level in the immediately preceding quarters.

In many months, as indicated in table IV-86, the change in the net purchases of the 30 stocks as a percentage of aggregate net purchases was quite sharp, showing significant changes in the pattern of the funds' trading activity. Despite these marked variations, net purchases of these 30 stocks by the funds changed in the same direction as total net stock acquisitions in 25 of the 38 months between August 1955 and September 1958. The fact that fluctuations in the funds' trading were more violent in the 30 stocks than in all stocks combined is shown by the correspondence between the direction of changes in the percentage of aggregate net purchases attributed to the 30 stocks and the direction of changes in the dollar value of net purchases in those issues. In only 5 of 38 months did they move in opposite directions.

Despite the close agreement between the direction of change transactions in the 30 stocks and the changes in total stock transactions, the changes in the sample stock purchases, unlike the changes in total stock purchases, were not associated with either similar or opposite changes in the average market price level, as measured by the Dow-Jones industrial average monthly closing quotations. The two moved in the same direction in 18 of 38 months and in opposite directions in 20.

TRANSACTIONS IN 30 STOCKS BY SIZES OF INVESTMENT FUNDS

The relative importance of trading in the sample stocks for funds of differing size classes is summarized in table IV-87. For the three size classes of funds indicated, as for the investment funds as a whole, the relative importance of the sample stocks was, with one single exception, lower in 1958 than in 1953, on both a percentage of gross purchases and a percentage of net purchases basis. In the case of the smallest size class of funds the relative importance of the 30 stocks on a gross purchases basis declined between 1953 and 1958 from 12.5 percent to 10.7 percent. The largest two size classes of funds recorded much the same pattern of change as recorded by the funds as a whole, instancing again the predominant importance of these larger funds in determining patterns of market behavior for the investment fund industry as a whole. Following a large decline between 1953 and the second half of 1955, the 30 stocks became increasingly important as a

share of total purchases in both these larger size classes of funds. In 1958 the largest size class of funds effected almost as large a percentage of total gross purchases in these stocks as in 1953 (22.3 percent as against 23.9 percent), and the second largest class of funds had increased the percentage slightly above the 1953 level (17.1 percent as against 16.3 percent).

TABLE IV-87.—*Investment fund portfolio transactions in sample 30 stocks and in all common stocks, by size¹ of fund, January 1953 to September 1958*

Year	Total purchases of 30 stocks as percent of fund total common stock purchases			
	All funds	Size (a) and (b)	Size (c)	Size (d)
1953.....	18.3	12.5	16.3	23.9
1955 (2d half).....	11.8	13.2	9.0	16.3
1956.....	13.2	13.6	8.9	19.9
1957.....	14.5	11.7	12.6	20.6
1958 (9 months).....	17.1	10.7	17.1	22.3

Year	Net purchases of 30 stocks as percent of fund net common stock purchases			
	All funds	Size (a) and (b)	Size (c)	Size (d)
1953.....	26.7	12.0	21.1	36.7
1955 (2d half).....	-1.7	18.0	-3.0	-12.3
1956.....	11.4	20.7	-1.0	28.0
1957.....	8.2	5.3	6.0	14.8
1958 (9 months).....	16.8	6.5	12.5	35.1

¹ Size as of September 1958.

See the following:

- (a) = Assets less than \$10,000,000.
- (b) = Assets \$10,000,000 and less than \$50,000,000.
- (c) = Assets \$50,000,000 and less than \$300,000,000.
- (d) = Assets over \$300,000,000.

Much more variation in the percentage relations for the differing size classes of funds is apparent when the comparison is made on a net purchases basis. The negative percentage figures in the second half of table IV-87 should be interpreted to mean that the relevant classes of funds were net sellers of the stocks in the time periods indicated and that their net sales represented the stated percentages of their aggregate net purchases of all common stocks. From the variations involved, however, there emerges the same threefold conclusion as for the gross purchases relationship. Firstly, the pattern of change for the investment fund industry as a whole is largely determined by the heavy influence of the largest funds. Secondly, the importance of the sample stocks for the funds' total stock transactions for the two large-size classes of funds declined during the first part of the study, but increased during the later years. And, thirdly, the relative importance of the sample stocks in total transactions appears to be positively related to investment fund size.

The significance of these relationships based on investment fund size should again be qualified by indicating that the choice of stocks for inclusion was influenced by the large holdings in certain stocks by the very large and moderately large funds. Balanced against this factor is the tendency for the large funds toward lower turnover rates.

INVESTMENT FUNDS' TRANSACTIONS IN SAMPLE 30 STOCKS IN RELATION
TO NEW YORK STOCK EXCHANGE ACTIVITY

The more important questions for the present analysis, and for the significance of the funds' trading in selected securities, relate to the same two issues previously examined on a total portfolio activity basis: firstly, the relation between the funds' transactions in these 30 stocks and the relevant total market volumes;⁶⁷ and, secondly, the relation between changes in the funds' transactions in these securities and changes in their average market price levels.

Table IV-88 instances the fact that not only did trading in the sample stocks become an increasingly significant part of the funds' total trading in the last 3 years of the study period, but their trading in the stocks also became an increasingly important part of total market activity. The monthly and quarterly figures in table IV-88 show again the fluctuations noted in the earlier analysis of aggregate dollar values, but in no quarter since the beginning of 1957 did the funds' total gross purchases of the stocks fall below 4 percent of the market's total transactions. In the 1958 market rise the sharp increase in the funds' transactions in the stocks caused a sharp increase also in their share of the total market activity. In the third quarter of 1958 the funds' share of the market's gross purchases (11.3 percent) was virtually double their average share for the preceding year. While the funds were net sellers of these stocks as a group in the last quarter of 1957 and the first quarter of 1958 the table indicates that in the second and third quarters of 1958 their share of the market on a net purchases basis showed a sharp increase, to reach 6.6 percent, the highest level at which it stood in any quarter during the 1953-58 period.

⁶⁷ In each case the total value of market activity used in this analysis relates to round lot transactions on the New York Stock Exchange and was obtained by multiplying the share volume of the stock traded during a given month by the monthly average price of the stock. The latter value was obtained by taking the average of the open, close, high, and low price quotations in the stock during the month. Appropriate adjustments were made in those instances in which there were stock dividends and stock splits. For purposes of direct comparison the acquisitions of stock by the funds are shown on a net open market operations basis, net of acquisitions by the exercise of rights to new issues of stock and by the exercise of conversion options attaching to other securities.

TABLE IV-88.—Open-end investment fund transactions in the sample 30 stocks combined as a percentage of total purchases of the same stocks on the New York Stock Exchange, by size ¹ of fund, January 1953–September 1958

[In percent]

Date	All funds			Funds with assets \$50,000,000 and less than \$300,000,000			Funds with assets over \$300,000,000			All funds with assets over \$50,000,000		
	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases
1953—January	7.6	2.5	5.2	3.9	1.4	2.5	3.2	0.9	2.4	7.1	2.2	4.9
February	7.3	1.9	5.5	3.2	.6	2.7	3.4	.7	2.7	6.6	1.2	5.4
March	8.8	2.0	6.7	3.4	.3	3.1	4.1	.7	3.4	7.5	1.0	6.5
April	6.7	1.1	5.6	2.0	.6	1.4	3.5	.1	3.5	5.5	.7	4.9
May	6.1	1.9	4.2	3.4	1.1	2.3	1.7	.3	1.4	5.1	1.5	3.7
June	3.5	1.9	1.6	1.2	.4	.9	1.6	1.1	.5	2.8	1.5	1.4
July	7.1	3.3	3.7	2.8	.7	2.1	3.5	2.0	1.5	6.3	2.7	3.6
August	5.9	2.2	3.7	2.3	.9	1.4	3.1	.5	2.7	5.5	1.4	4.1
September	4.1	2.1	2.0	2.0	1.3	.7	1.3	.3	1.0	3.3	1.6	1.7
October	5.6	3.4	2.2	2.1	2.1	0	2.9	.8	2.1	5.0	2.9	2.1
November	5.2	4.3	.9	1.5	2.0	-.6	3.0	.4	2.6	4.5	2.5	2.1
December	5.3	3.0	2.3	2.2	1.9	.2	2.4	.4	2.0	4.5	2.3	2.2
1955—July	2.3	4.5	-2.2	1.4	1.8	-.4	.4	2.2	-1.8	1.8	4.0	-2.2
August	3.8	3.0	.7	1.3	.5	.8	1.9	2.1	-.2	3.3	2.6	.7
September	2.6	2.7	-.2	.8	1.4	-.7	1.0	.9	0	1.8	2.4	-.6
October	3.0	2.5	.5	1.0	1.5	-.5	1.0	.6	.4	2.1	2.1	-.1
November	2.2	2.6	-.5	.7	1.2	-.5	.9	1.0	.1	1.6	2.2	-.6
December	2.9	2.0	.9	1.4	.7	.7	.8	.8	0	2.2	1.5	.7
1956—January	4.2	4.8	-.6	2.0	3.0	-.1	1.4	1.0	.4	3.4	4.0	-.6
February	3.3	3.4	-.1	1.1	1.5	-.5	1.5	1.7	-.2	2.6	3.3	-.7
March	4.4	4.3	.1	2.2	1.6	.5	1.5	2.2	-.7	3.7	3.9	-.2
April	4.5	3.8	.7	1.2	1.6	-.3	2.2	1.0	1.2	3.4	2.6	.9
May	6.4	2.8	3.6	2.4	1.9	.5	2.8	.4	2.5	5.2	2.2	3.0
June	4.0	2.2	1.8	1.4	1.7	-.3	1.2	.1	1.2	2.6	1.8	.9
July	5.3	3.6	1.7	1.2	2.4	-1.2	3.3	.7	2.6	4.5	2.1	2.5
August	3.4	2.9	.6	1.2	1.4	-.2	4.5	.6	3.8	5.7	2.0	3.6
September	1.4	2.9	1.5	1.3	1.4	-.2	1.2	1.1	.1	2.4	2.5	-.1
October	2.7	1.3	1.4	1.3	.5	.8	1.5	.5	1.1	1.8	1.0	.7
November	3.9	1.3	2.6	1.3	.4	1.0	2.1	.3	1.7	3.4	2.7	.7
December	3.1	2.7	.5	.9	1.1	-.2	1.6	1.2	.3	2.5	2.3	.2
1957—January	5.8	5.0	.8	2.9	1.4	1.5	2.6	2.8	-.3	5.1	4.2	.9
February	10.8	3.8	7.0	5.5	1.3	4.2	3.6	1.4	2.2	9.1	2.7	6.4
March	6.5	3.8	2.8	3.7	2.2	1.5	1.9	.9	1.0	5.5	2.1	3.4
April	5.0	3.0	2.1	3.2	1.6	1.6	1.9	.8	1.1	4.1	2.4	1.7
May	5.8	4.5	1.3	1.8	2.2	-.5	3.0	1.4	1.6	4.8	2.7	2.1
June	5.8	4.7	1.0	2.9	2.3	.6	3.0	1.8	1.1	4.8	4.1	.8
July	7.0	7.1	-.1	3.5	4.2	-.7	2.1	1.7	.4	5.6	3.8	1.8
August	7.2	4.3	2.9	3.3	1.7	1.7	2.8	1.3	1.5	6.2	3.0	3.2
September	4.0	3.2	1.8	2.3	1.2	1.1	1.4	1.0	.5	3.7	2.0	1.6
October	4.3	3.2	1.1	1.8	1.2	.6	1.4	1.4	.5	3.3	2.6	.7
November	3.9	5.7	-1.8	.9	2.8	1.9	1.8	1.8	.0	2.7	1.8	1.0
December	3.7	5.0	-1.3	1.5	2.7	-1.1	1.2	1.1	.1	2.7	3.7	-1.0

¹ Size as of September 1958.

TABLE IV-88.—Open-end investment fund transactions in the sample 30 stocks combined as a percentage of total purchases of the same stocks on the New York Stock Exchange, by size ¹ of fund, January 1953–September 1958—Continued

[In percent]

Date	All funds			Funds with assets \$50,000,000 and less than \$300,000,000			Funds with assets over \$300,000,000			All funds with assets over \$50,000,000		
	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases	Purchases	Sales	Net purchases
1958—January.....	3.1	6.5	-3.3	1.1	3.7	-2.7	1.1	1.8	-0.8	2.2	5.6	-3.4
February.....	7.0	5.3	1.7	2.0	2.9	-0.8	4.0	1.4	2.6	6.0	4.3	1.8
March.....	6.7	6.8	-1.1	1.7	5.0	-3.3	4.0	1.0	3.0	5.8	6.0	-0.3
April.....	7.4	5.2	2.2	3.0	2.0	1.0	3.6	2.2	1.5	6.6	4.2	2.5
May.....	9.7	7.3	2.4	5.5	5.8	-0.2	2.9	.8	2.2	8.4	6.5	1.9
June.....	10.9	4.9	6.0	8.4	3.7	4.7	1.3	.4	.9	9.7	4.1	5.6
July.....	13.1	2.7	10.4	9.3	1.4	7.8	2.4	.8	1.6	11.6	2.2	9.4
August.....	11.7	5.9	5.7	6.0	3.4	2.6	4.2	.9	3.3	10.2	4.3	5.9
September.....	9.4	5.7	3.6	5.6	3.7	1.9	2.8	1.2	1.6	8.4	4.9	3.5
SUMMARY												
1953—1st quarter.....	8.0	2.1	5.8	3.5	0.9	2.6	3.6	0.7	2.9	7.1	1.7	5.4
2d quarter.....	5.5	1.6	4.0	2.2	.7	1.5	2.4	.5	1.9	4.6	1.1	3.4
3d quarter.....	5.7	2.5	3.1	2.4	1.0	1.4	2.6	.9	1.7	5.0	1.9	3.1
4th quarter.....	5.4	3.5	1.8	1.9	2.0	-1.1	2.8	.5	2.2	4.7	2.6	2.1
Year.....	6.2	2.4	3.7	2.5	1.2	1.4	2.9	.7	2.2	5.4	1.8	3.6
1955—3d quarter.....	2.9	3.4	-0.5	1.1	1.3	-0.1	1.1	1.7	-0.6	2.2	2.9	-0.7
4th quarter.....	2.7	2.4	.3	1.0	1.2	-0.1	.9	.8	-1	1.9	2.0	.0
2d half.....	2.8	2.9	-0.1	1.1	1.2	-0.1	1.0	1.3	-0.3	2.1	2.5	-0.4
1956—1st quarter.....	4.0	4.2	-0.2	1.7	2.0	-0.3	1.5	1.7	-0.2	3.2	3.7	-0.5
2d quarter.....	5.1	3.0	2.1	1.7	1.7	.0	2.2	.5	1.7	3.9	2.2	1.7
3d quarter.....	5.0	3.1	1.9	1.2	1.7	-0.5	3.0	.8	2.2	4.2	2.5	1.7
4th quarter.....	3.3	1.7	1.6	1.2	6.3	-5.1	1.4	.7	.7	2.6	7.0	-4.4
Year.....	4.3	3.0	1.3	1.5	1.5	-0.1	2.0	.9	1.1	3.5	2.5	1.0
1957—1st quarter.....	7.7	4.3	3.4	3.8	1.6	2.3	2.8	1.8	.9	6.6	3.4	3.2
2d quarter.....	5.5	4.1	1.4	2.3	2.1	.2	2.3	1.4	.9	4.6	3.4	1.2
3d quarter.....	6.4	4.9	1.5	3.1	2.3	.7	2.1	1.3	.8	5.2	3.7	1.5
4th quarter.....	4.0	4.4	-0.4	1.5	2.1	-0.6	1.5	1.4	.1	3.0	3.5	-0.5
Year.....	5.8	4.4	1.4	2.6	2.0	.5	2.1	1.5	.7	4.7	3.5	1.2
1958—1st quarter.....	5.4	6.2	-0.8	1.6	3.9	-2.3	2.9	1.4	1.4	4.4	5.3	-0.9
2d quarter.....	9.4	5.7	3.6	5.7	3.8	1.9	2.6	1.1	1.5	8.3	4.9	3.4
3d quarter.....	11.4	4.7	6.7	7.0	2.8	4.2	3.0	1.0	2.1	10.1	3.7	6.3
9 months.....	8.9	5.5	3.4	4.9	3.4	1.5	2.8	1.2	1.7	7.8	4.6	3.2
Total, 51 months.....	5.6	3.8	1.8	2.5	1.9	.7	2.2	1.1	1.0	4.7	3.1	1.6

¹ Size as of September 1958.

It is of interest to observe also that the funds' net purchases of the sample stocks as a percentage of the total market transactions in the stocks moved in a direction opposite the change of the market's average price level in 22 of the 38 months since August 1955 if the comparison is made with the Dow-Jones monthly closing averages, but in only 20 months if the comparison is made with the average monthly quotations. The evidence is certainly not strong, but might be considered consistent with the previous suggestion that fund trading may constitute a contramarket pressure. The data in the present analysis do not permit any firm conclusions with respect to the behavior of the funds during sustained market movements, although there is a slight suggestion that they reinforce such movements.

It is noteworthy also, on the level of the funds' portfolio operations in the 30 stocks combined, that the small group of 7 very large funds (those holding assets in excess of \$300 million at September 1958) have accounted for a large portion of the funds' combined share of the market's activity in the stocks. The manner in which these largest funds, and also the 43 funds whose assets were between \$50 and \$300 million at September 1958, influence the pattern of the market impact of the funds' overall operations is also indicated on a monthly basis in table IV-88.

In 1953, for example, the seven largest funds accounted for 2.2 percent out of the investment fund industry's 3.7 percent of net share of market activity in the stocks. The largest and second largest size classes of funds combined (all those holding assets over \$50 million as of September 1958) accounted for 3.6 percent, or almost the total, of the funds' 3.7 percent share of market activity. During the fourth quarter of 1955, the funds made net purchases equal to only 0.3 percent of the New York Stock Exchange volume in these 30 stocks and the purchases and sales of the 2 largest size classes of funds were almost equal during this period. For the remainder of the study period these large funds were extremely important in the activity of all funds combined, whether a comparison is made on a gross or net purchase basis. In 1956, for example, the seven largest funds accounted for almost half (2 percent out of 4.3 percent) of the funds' total share of gross purchases in the market, though their relative weight on the sales side of the market was not as great (0.9 percent of the market total out of the funds' total of 3 percent). The 50 larger funds together in 1956 accounted for 81 percent of the funds' total share of market purchases (3.5 percent out of 4.3 percent) and for 83 percent of the funds' share of market transactions on the sales side (2.5 percent out of 3 percent). On a net purchases basis, these 50 funds accounted for 77 percent of the aggregate for all funds. In 1957 comparable relationships obtained, and the 50 larger funds accounted for 81 percent of the funds' total share of market activity on the purchases side, 80 percent on the sales side and 86 percent of net purchases. In 1958 the same 50 funds' combined relative importance increased to 88 percent of the funds' total share on the purchases side, to 84 percent on the sales side, and to 94 percent of net purchases. It was found that in only 3 of the 38 months since July 1955 did the direction of change of the share of the total market on a net purchases basis differ for the 50 larger funds from that for all investment funds combined.

INVESTMENT FUNDS' SHARE OF TOTAL MARKET ACTIVITY IN EACH OF
30 STOCKS

The recent tendency for the funds' share of total market volume to increase in this sample of larger, "blue chip" stocks, is subject to numerous modification when the corresponding data for each of the 30 stocks are examined separately. A summary of such an analysis is presented in table IV-89, showing, for each of the quarters since July 1955, the percentage share of the market trading in each of the stocks, represented by (a) the funds' purchases plus their sales, and (b) the funds' net purchases (or net sales, as indicated by the minus percentage quantities in the table). It is desirable at this point to consider the former of these statistics as well as the latter, for it cannot be known to what extent the investment funds appear on both the buying and selling sides of particular market transactions. If the funds always sold to and purchased from nonfund operators in the market, then it would be necessary to add their purchase and sale activity in order to obtain a true measure of the extent of their participation in the market. If, on the other hand, the funds always bought from and sold to each other via the market, the true measure of their combined share of the market would be given by taking simply the value of their purchases or sales, which would in such a case be identical. In the present analysis, therefore, the addition of the funds' purchases and sales provides a maximum statistic, lying at the upper range of the potential market share of the funds' trading in a particular stock in any given time period. The use in the table of the relation between the funds' net purchases and total market volume actually provides a statistic rather lower than the funds' probable actual share of the market. For even if the funds' trading were confined as far as possible to purchasing from and selling to each other, and such transactions were always effected on the New York Stock Exchange, the minimum share of the market which they could be said to have accounted for would be given by the larger of their purchases or sales.

TABLE IV-89.—Open-end investment fund transactions in each of the sample 30 stocks as a percentage of New York Stock Exchange total transactions in those stocks and direction of change in total number of shares traded on the New York Stock Exchange, by quarters, August 1955 to September 1958

Stock	1955						1956					
	3d quarter		4th quarter		1st quarter		2d quarter		3d quarter		4th quarter	
	P+S	P-S	P+S	P-S	P+S	P-S	P+S	P-S	P+S	P-S	P+S	P-S
Aluminum Ltd.....	9.6	6.7	6.1	-1.0	15.6	14.4	13.4	12.2	13.4	4.4	8.2	3.4
Amerada.....	2.0	.0	9.9	.9	9.7	0.7	10.3	9.6	11.6	4.4	6.3	4.2
American Telephone & Telegraph.....	7.7	7.3	1.1	3	4.9	2.2	2.5	4.2	2.7	11.5	1.6	3.3
Arco Steel.....	11.1	7.3	15.0	10.8	13.6	9.1	14.9	4.2	21.4	14.5	16.5	-3.9
Atchafalaya, Speke & Santa Fe.....	5.0	1.2	2.7	1.3	23.8	-11.8	12.6	-9.9	21.4	19.3	4.0	-2.9
Bethlehem Steel.....	5.9	-1.2	2.7	3.1	9.1	-4.8	17.2	9	22.0	5.5	2.3	7.1
Central & South West.....	8.4	4.6	27.7	3.1	30.7	2.6	27.0	27.0	24.1	9.4	2.3	1.1
Continental Oil.....	4.4	4.6	5.3	-2.2	7.6	4.7	24.8	22.3	9.9	-5.5	14.3	13.7
Du Pont.....	18.1	-4.0	3.3	7.0	6.8	4.7	9.7	-7.7	26.2	19.1	2.7	4.4
Fresno Electric.....	5.4	-4.0	1.8	-3.8	7.0	1.0	18.1	8.1	9.9	19.1	6.1	3.9
General Motors.....	3.5	-5.9	4.5	-4.1	1.0	6	3.0	1.1	2.6	9	8.7	-2.9
General Public Utilities.....	22.0	1.6	14.6	7.1	9.0	-8.8	7.4	-2	7.3	-5	6.6	2.9
Goodrich.....	11.1	-16.0	26.5	-8.6	41.1	-19.2	17.3	2.7	12.2	13.2	14.0	-6.5
Goodyear.....	7.5	5.4	10.1	8.0	9.4	3.0	19.9	14.2	15.5	7.6	3.4	13.8
Gulf Oil.....	11.1	3.1	9.3	6	17.1	-6	6.1	1.1	4.8	1.7	11.1	1.7
IBM.....	7.5	3.1	8.8	8.7	8.8	4	10.8	4.0	10.9	7.6	4.3	1.8
International Paper.....	11.4	-11.1	12.3	-6.3	7.6	-2.0	8.0	5.9	18.5	-9.2	3.1	-1.7
Kennecott Copper.....	33.6	2.1	8.5	-5.7	13.7	9.1	16.1	7.1	17.4	3.0	7.1	-2.7
National Lead.....	10.2	-5.6	6.3	4.9	6.7	3.1	15.9	7.1	8.4	3.0	5.3	3.1
Phillips Petroleum.....	15.5	-1.4	6.8	6.2	6.8	6.4	8.3	19.0	11.4	10.1	14.7	7.1
Shell Oil.....	21.8	-13.6	5.8	5.2	6.7	-5.0	3.1	-2.7	14.5	8.8	9.9	6.0
Standard Oil.....	7.2	2.2	8.3	6.9	13.7	-8	7.6	-5.8	11.2	-1.2	5.6	4.6
California.....	2.2	.6	4.1	4.1	12.0	12.9	10.2	9.1	16.6	10.0	8.0	7.6
Indiana.....	3.5	1.2	2.4	2	1.3	-1.1	2.6	-1.8	3.8	1.7	4.7	3.3
New Jersey.....	11.7	11.7	3.2	3.1	7.4	5.2	6.3	4.8	7.7	4.7	6.8	6.2
Texas Company.....	1.9	-1.1	8.6	6.8	10.3	-1.3	12.8	4.8	5.7	-1.8	4.9	-2.9
Union Carbide.....	3.5	-5.5	3.7	1.5	5.1	-1.0	6.4	3.8	8.9	8.7	4.8	1.9
United States Steel.....	8.6	-5.2	5.6	-2.4	6.3	-6.1	6.1	1.7	7.2	1.1	2.2	1.3
Westinghouse.....												

[In percent]

TABLE IV-89.—Open-end investment fund transactions in each of the sample 30 stocks as a percentage of New York Stock Exchange total transactions in those stocks and direction of change in total number of shares traded on the New York Stock Exchange, by quarters, August 1955 to September 1958—Continued

Stock	1957						1958											
	1st quarter		2d quarter		3d quarter		4th quarter		1st quarter		2d quarter		3d quarter					
	P+S	P-S	NYSE volume	P+S	P-S	NYSE volume	P+S	P-S	NYSE volume	P+S	P-S	NYSE volume	P+S	P-S	NYSE volume			
Aluminum Ltd.	4.1	0.5	(-)	12.4	-8.6	(+)	15.0	3.2	(+)	8.1	4.2	(+)	9.5	-1.4	(-)	12.1	-9.1	(+)
Amerasia	10.6	5.4	(-)	9.6	8.3	(+)	7.2	7.1	(-)	10.0	-3	(+)	6.9	-1.4	(-)	16.1	11.9	(+)
American Telephone & Telegraph	4.4	-3.3	(+)	8.7	-4.4	(+)	12.3	-8.5	(+)	7.1	-3.1	(+)	6.6	3.1	(+)	17.1	2.3	(+)
Armco Steel	28.4	23.4	(+)	18.9	-3.0	(-)	20.9	12.4	(-)	11.5	5.0	(+)	23.7	-4.8	(-)	33.0	11.6	(+)
Atchafson, Topeka & Santa Fe	9.4	3.5	(-)	27.7	-11.3	(+)	10.8	-7.0	(-)	16.1	-14.5	(+)	10.1	-2.4	(-)	24.3	-4	(+)
Bethlehem Steel	4.0	-1.0	(-)	3.8	-2.6	(+)	8.0	-5.3	(-)	5.1	-3.8	(+)	7.2	-1.7	(-)	6.4	-1.0	(+)
Central & South West	74.7	53.3	(+)	8.0	7.7	(+)	18.3	8.0	(+)	10.8	9.8	(+)	14.2	-10.4	(-)	23.5	-3.1	(+)
Continental Oil	16.9	12.5	(+)	7.9	-7.7	(+)	20.3	8.4	(+)	28.5	-12.4	(+)	33.9	-12.1	(-)	37.4	8.7	(+)
Du Pont	22.2	19.3	(+)	6.7	5.2	(+)	18.2	13.7	(+)	4.9	3.2	(+)	7.7	-1.5	(-)	12.7	-1.6	(+)
Firestone	31.2	6.8	(+)	25.3	24.8	(+)	31.6	11.1	(+)	96.5	6.3	(+)	44.3	26.6	(+)	36.5	16.2	(+)
General Electric	19.5	-9.3	(+)	6.4	2.1	(+)	7.4	-1.4	(+)	7.7	-2.1	(+)	5.2	-3.5	(-)	18.5	-8.1	(+)
General Motors	13.2	-11.7	(+)	4.2	2.3	(+)	22.4	6.2	(+)	8.5	-6.0	(+)	11.8	5.7	(+)	7.5	5.3	(+)
General Public Utilities	12.6	10.9	(+)	8.4	8.0	(+)	12.3	2.7	(+)	12.5	10.7	(+)	36.3	-3.1	(-)	41.2	-18.2	(+)
Goodrich	18.1	6.2	(+)	16.7	6.3	(+)	23.7	2.7	(+)	33.9	8.7	(+)	31.8	8.0	(+)	28.0	16.6	(+)
Goodyear	24.2	6.0	(+)	15.4	7.3	(+)	11.9	6.9	(+)	10.8	2.2	(+)	9.9	4.5	(+)	21.0	3.8	(+)
Gulf Oil	7.6	7.3	(+)	15.6	10.3	(+)	12.0	-1.2	(-)	6.3	2.7	(+)	19.0	4.5	(+)	18.0	10.8	(+)
IBM	34.3	17.9	(+)	15.0	-8.5	(+)	10.1	1.1	(-)	10.1	7.4	(+)	3.5	-5	(-)	8.8	4.7	(+)
International Paper	17.4	2.3	(+)	12.1	-9.1	(+)	6.5	-3.3	(-)	11.6	-5.3	(+)	11.0	-7.8	(-)	13.7	-1.6	(+)
Keenecott Copper	13.1	-10.3	(+)	10.7	3.6	(+)	14.1	8.4	(+)	5.5	3.2	(+)	27.4	-16.0	(-)	14.2	-3.4	(+)
National Lead	11.9	10.7	(+)	13.0	-11.2	(+)	10.5	-8.5	(-)	3.2	2.4	(+)	10.3	-7.3	(-)	21.0	12.3	(+)
Phillips Petroleum	6.7	-5.5	(+)	12.4	-9.4	(+)	8.2	-7.7	(-)	7.1	-3.1	(+)	16.2	-2.6	(-)	7.3	-1.3	(+)
Shell Oil	24.3	-5.2	(+)	6.4	1.5	(+)	11.8	-4.8	(-)	14.1	-7.3	(+)	9.9	-3.7	(-)	36.6	11.8	(+)
Socony Mobil	28.9	26.6	(+)	2.0	.4	(+)	17.1	6.3	(+)	6.8	3.0	(+)	13.7	-9.3	(-)	20.5	-2.5	(+)
Standard Oil: California	8.0	6.6	(+)	7.6	-5.0	(+)	3.7	-5	(-)	3.1	2.5	(+)	12.2	11.0	(+)	18.1	15.3	(+)
Standard Oil: Indiana	5.5	-2.7	(+)	4.2	1.4	(+)	4.0	-1.3	(-)	4.0	2.4	(+)	7.7	-3.3	(-)	25.3	24.6	(+)
Standard Oil: New Jersey	4.1	2.7	(+)	8.0	6.5	(+)	13.6	10.9	(+)	10.5	1.8	(+)	35.1	-4.9	(-)	10.3	6.4	(+)
Texas Co.	22.1	20.3	(+)	6.5	-5.1	(+)	8.9	-6.0	(-)	8.5	-6.8	(+)	16.5	-10.5	(-)	30.5	27.3	(+)
Union Carbide	6.5	-1.1	(+)	8.1	1.8	(+)	12.3	8.5	(+)	6.1	1.4	(+)	9.8	7.0	(+)	28.5	18.0	(+)
United States Steel	7.4	-6	(+)	15.0	8.7	(+)	15.4	14.2	(+)	18.3	-6.5	(+)	12.5	-5.8	(-)	8.6	6.8	(+)
Westinghouse	5.3	5.3	(+)			(+)			(+)			(+)			(+)			(+)

NOTE.—See the following:
 P+S: Dollar purchases plus dollar sales by investment funds divided by total New York Stock Exchange transactions.
 P-S: Dollar purchases minus dollar sales by investment funds divided by total New York Stock Exchange transactions.
 NYSE volume: Direction of change in number of shares traded on the New York Stock Exchange.
 + = increase.
 - = decrease.

If, however, all such interfund transactions were effected in markets other than the New York Stock Exchange, then the percentage shown here on the net purchases basis would become an actual statistic. The data are presented in the form shown in table IV-89, therefore, as there are no grounds for concluding, on the basis of the data available for the present study, what, in actual fact, may be the best approximation to the investment fund industry's share of the market activity in the stocks under discussion.⁶⁸

For purposes of examining the changes in the funds' total purchases and sales transactions in the stocks, it will be convenient to consider solely purchases plus sales as a percentage of New York Stock Exchange transactions (col. 1 for each quarter). Thus the funds' operations in Aluminium, Ltd. stock exceeded 5 percent of the market activity in each of the 13 quarters examined, except in the first quarter of 1957, and in 6 of the 13 quarters the relevant percentage exceeded 10 percent. For purposes of assessing the significance of changes in the funds' share of market activity in a particular stock it is necessary to inquire whether the funds' share of the market increased when the total market activity was rising or when total market activity was falling. In table IV-89, therefore, the direction of change of the share volume of stock traded in each quarter has been indicated.⁶⁹ In the case of the Aluminium, Ltd. stock which has just been referred to, it can be seen that in five out of the six quarters in which the funds' share of the market was above 10 percent the total share volume traded on the New York Stock Exchange was higher than that traded in the preceding quarter.

⁶⁸ It should be remembered also that as in the earlier phases of the market comparisons in this chapter, the data being examined are designed to indicate relative orders of magnitude as to trading and market volumes, rather than direct measures of the actual importance of the funds' trading in any particular market. This precaution is necessary in the interpretation of the data and of the relationships established, as it has not been possible to obtain full information on the distribution of all fund transactions over the various market channels.

⁶⁹ Share volume here means round lot reported volume on the New York Stock Exchange.

TABLE IV-90.—Number of quarters in which investment fund trading exceeded 10 percent of market volume for each of sample 30 stocks, August 1955–September 1958

Stock	Number of quarters out of possible 13 in which funds' share of market activity exceeded 10 percent	Number of those quarters in which total market volume—	
		Increased	Decreased
Armco Steel.....	12	5	7
Goodrich.....	12	6	6
Goodyear.....	12	5	7
Central & South West.....	10	4	6
Firestone.....	10	6	4
International Paper.....	10	4	6
Kennecott Copper.....	10	6	4
Shell Oil.....	10	5	5
Atchison Topeka & Santa Fe.....	9	6	3
Continental Oil.....	9	5	4
General Public Utilities.....	8	4	4
National Lead.....	8	2	6
International Business Machines.....	7	2	5
Socony Mobil.....	7	4	3
Texas Co.....	7	3	4
Aluminium Ltd.....	6	5	1
Gulf Oil.....	6	4	2
Phillips Petroleum.....	6	2	4
Standard Oil (California).....	6	2	4
Standard Oil (Indiana).....	6	2	4
Amerada.....	5	1	4
Westinghouse Electric.....	5	2	3
Du Pont.....	4	1	3
Union Carbide.....	4	2	2
American Telephone & Telegraph.....	3	2	1
General Electric.....	3	3	0
General Motors.....	3	2	1
Bethlehem Steel.....	1	1	0
Standard Oil (New Jersey).....	1	0	1
United States Steel.....	1	1	0
Total.....	201	97	104

In table IV-90 a summary is presented of the number of quarters in which the funds' share of the trading rose above 10 percent of the market volume. The funds' share of market trading rose above 10 percent in at least one quarter for each of the 30 stocks. Consistently high shares of market trading volumes were attained by the funds in three stocks, Armco, Goodrich, and Goodyear, in which the funds' share was more than 10 percent of market volume in 12 out of the possible 13 quarters. In five other stocks, Central & South West, Firestone, International Paper, Kennecott Copper, and Shell Oil, the funds accounted for more than 10 percent of the market volume in 10 out of the possible 13 quarters. It is noteworthy that each of the three rubber industry stocks included in the sample, Firestone, Goodrich, and Goodyear, were among the stocks in which the funds were consistently responsible for a high percentage of the market transactions.

It is of interest to compare this analysis with the earlier analysis of the funds' portfolio turnover rates for the sample 30 stocks. The funds had turnover rates in excess of 10 percent in seven stocks in the 1956-57 period (see tables IV-75 and IV-76 and the relevant text above). Only one, Kennecott Copper, appeared on the list of stocks in which the funds acquired more than 10 percent of the market volume for 10 or more quarters out of 13. In the case of the other six