

# Government of Canada Securities

A Publication of the Department of Finance

July 2007

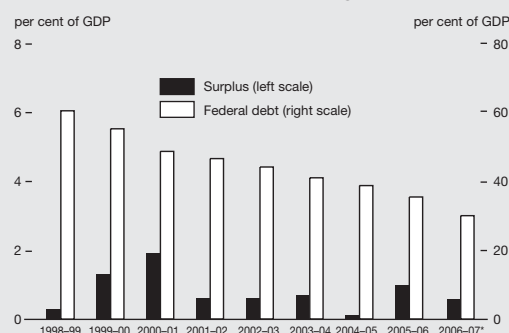
## Canadian Economy

### Selected Canadian economic statistics

	2006				2007
	Q1	Q2	Q3	Q4	Q1
<b>Annualized growth rates</b> (per cent)					
Real gross domestic product	3.8	2.0	1.3	1.5	3.7
Final domestic demand	5.6	3.7	4.0	3.7	3.2
Employment growth	1.6	2.9	0.6	2.4	3.9
<b>Other</b>					
Unemployment rate	6.4	6.2	6.4	6.2	6.1
Current account balance (percentage of GDP)	2.9	1.4	1.6	1.3	1.7

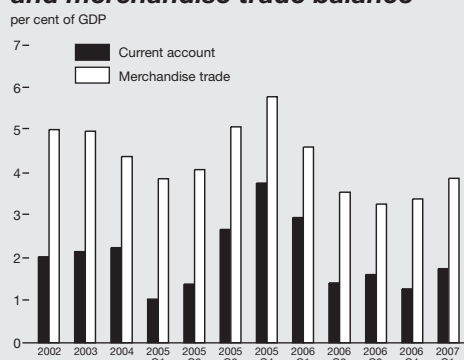
Source: Statistics Canada.

### Government of Canada federal debt (accumulated deficit) and budgetary balance



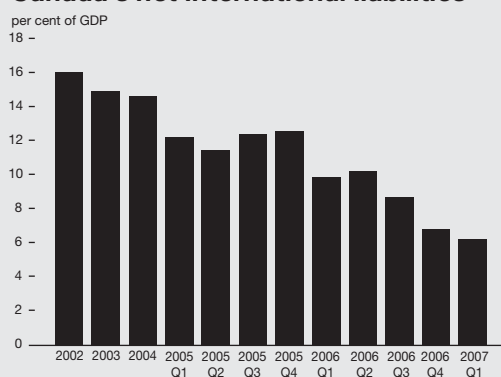
\*Estimate (*The Budget Plan 2007*).  
Source: Department of Finance.

### Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

### Canada's net international liabilities



Source: Statistics Canada.

### Upcoming economic data releases of interest

#### July

June CPI  
(July 18)

May GDP  
(July 31)

#### August

July Labour Force Survey  
(August 10)

July CPI  
(August 21)

July GDP  
(August 31)

National and Economic Accounts  
April-June 2007  
(August 31)

#### September

August Labour Force Survey  
(September 7)

August CPI  
(September 19)

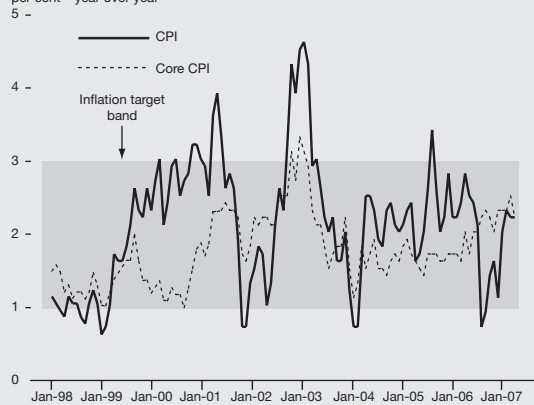
July GDP  
(September 28)

# Government of Canada Securities

## Canadian Economy

### Consumer Price Index

per cent – year over year



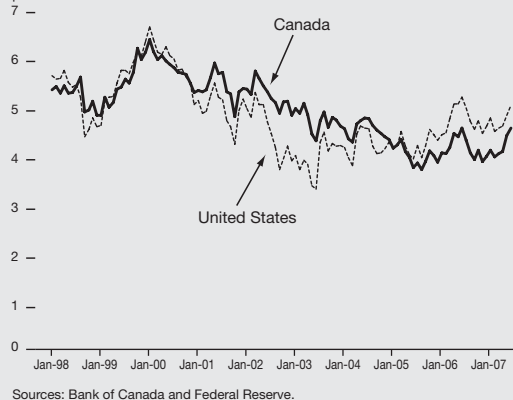
### 3-month treasury bill rates

per cent



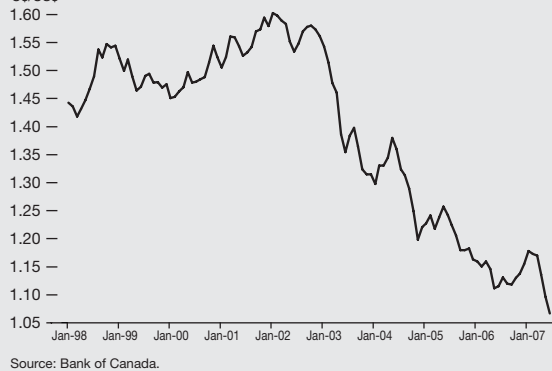
### 10-year government bond rates

per cent



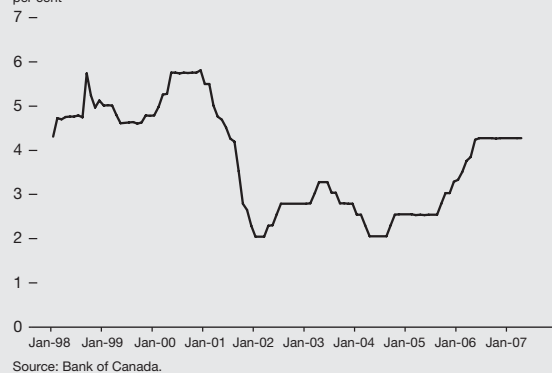
### Exchange rate

C\$/US\$



### Overnight money market rate

per cent



### Canadian monetary aggregates

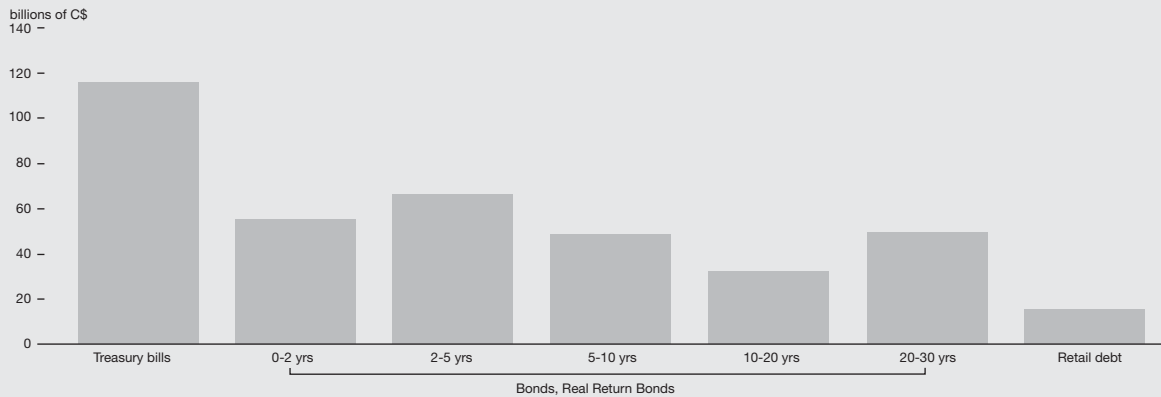
per cent change – year over year (unadjusted)



# Government of Canada Securities

## Primary Market

### Outstanding Government of Canada treasury bills, bonds (by term to maturity) and retail debt



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage**	Tail***
	(years)		(%)	(millions of dollars)		(%)		(basis points)
April 18, 2007	10	June 1, 2017	4	2,600	98.456	4.192	2.43	0.3
May 2, 2007	5	June 1, 2012	3.75	2,000	98.173	4.153	2.34	0.3
May 23, 2007	2	December 1, 2009	4.25	3,500	99.553	4.440	2.43	0.4
May 30, 2007	30	December 1, 2041	2*	650	99.752	2.010	2.80	n.a.

\* Real Return Bond.

\*\* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*\*\* Tail is defined as the high accepted yield minus the average yield.

Source: Bank of Canada.

### Government of Canada bond auctions

Type of issue	Auction date (2007)	Further details of issue (2007)	Dated and delivered (2007)	Amount maturing*
				(millions of dollars)
30-year	July 18	July 12	July 23	0
10-year	August 1	July 26	August 7	0
5-year	August 15	August 9	August 20	0
Real Return Bond	August 29	August 23	September 4	0
5-year	September 19	September 13	September 21	0

Note: In addition this quarter, five operations are planned under the Government of Canada bond repurchase program. Four repurchase operations are being held in conjunction with each nominal bond auction, and one switch repurchase operation is taking place on September 12 in the 10-year sector. Further details are released on the Thursday prior to these operations. The target amount for the repurchase this quarter is \$1.7 billion.

\* Maturity of \$7.5 billion on September 1, 2007.

Source: Bank of Canada.

# Government of Canada Securities

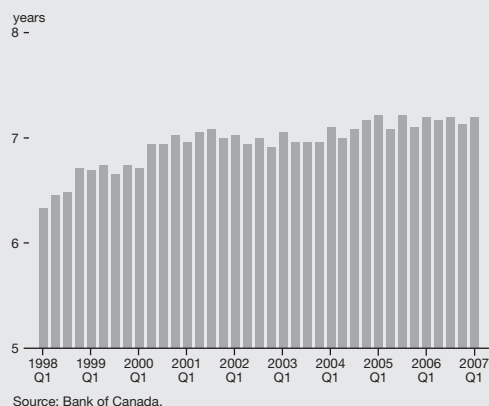
## Primary Market

### Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (June 29, 2007)
		(%)	(millions of dollars)	(%)
<b>Fixed-coupon</b>				
2-year	June 1, 2009	3.75	3,500	4.58
5-year	September 1, 2011	3.75	9,328	4.55
10-year	June 1, 2016	4.00	10,300	4.55
30-year	June 1, 2033	5.75	13,410	4.48
<b>Real return</b>				
30-year	December 1, 2036	3	5,850	2.11

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



### Upcoming Government of Canada marketable bond maturities

July-September 2007	October-December 2007	January-March 2008	April-June 2008
(millions of dollars)			
7,517	7,219	578	11,046

### Outstanding Government of Canada foreign currency debt

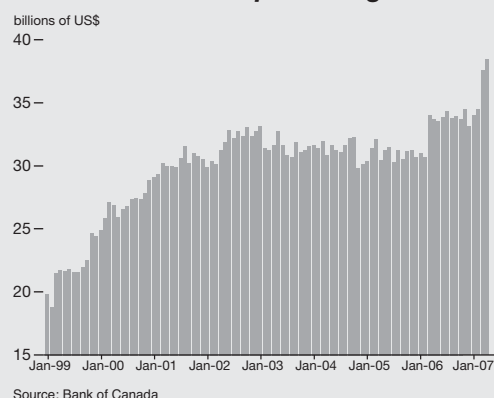
	(C\$ millions)*
Canada bills	1,663
Canada notes	438
Outstanding under EMTN program	1,510
6% NZ\$ bonds maturing October 3, 2007	412
4% EUR bonds maturing July 7, 2008**	2,949
5% US\$ bonds maturing November 5, 2008	2,664

\* At par value, adjusted for exchange rates as of June 29, 2007.

\*\* Original issue in Deutsche marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

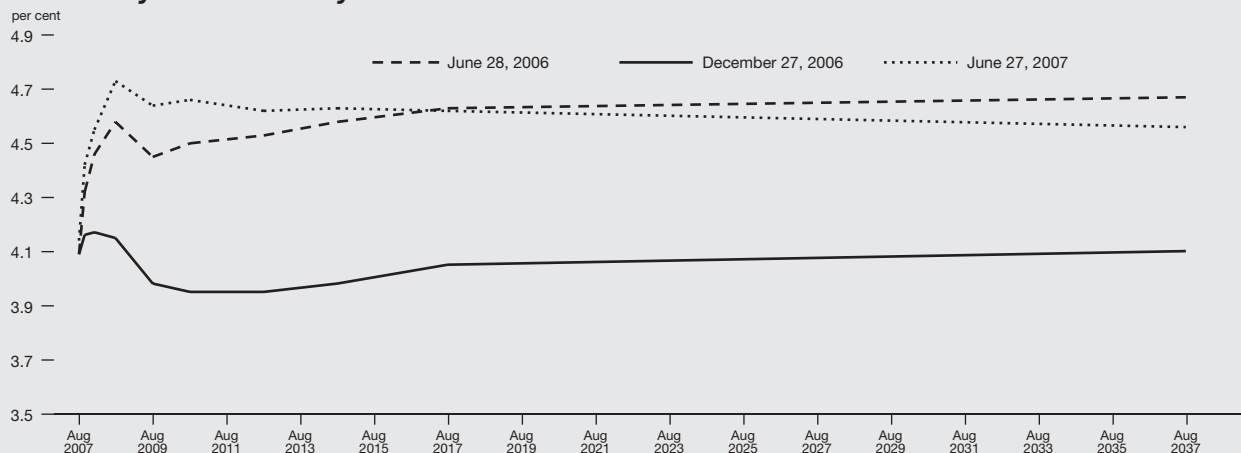
### Canada's level of liquid foreign reserves



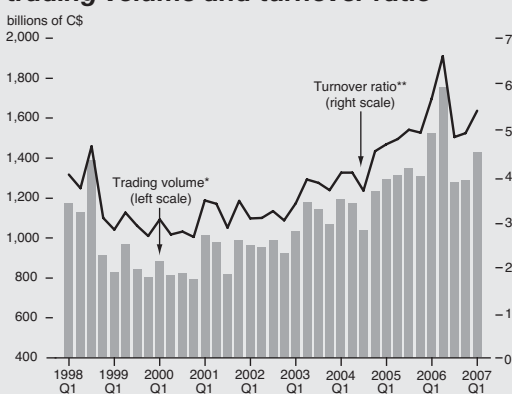
# Government of Canada Securities

## Secondary Market

### Canadian yield-to-maturity curve



### Government of Canada bonds trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government of Canada treasury bills trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

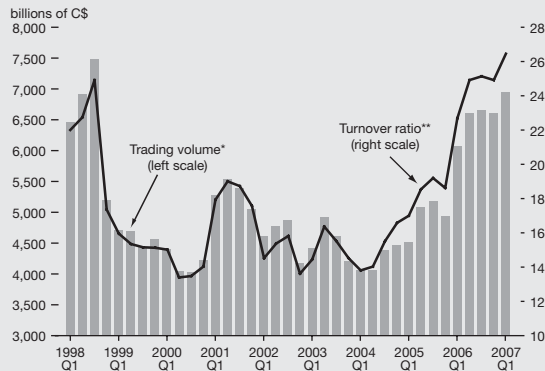
### Government securities distributors

- |  |   |
|--|---|
| ■ Bank of Montreal (treasury bills only)                   | ■ HSBC Bank Canada (treasury bills only)                |
| ■ Beacon Securities Limited                                | ■ HSBC Securities (Canada) Inc. (marketable bonds only) |
| ■ BMO Nesbitt Burns Inc. (marketable bonds only)           | ■ Laurentian Bank Securities Inc.                       |
| ■ Canaccord Capital Corp.                                  | ■ Merrill Lynch Canada Inc.                             |
| ■ Canadian Imperial Bank of Commerce (treasury bills only) | ■ J.P. Morgan Securities Canada Inc.                    |
| ■ Casgrain & Company Limited                               | ■ National Bank Financial Inc.                          |
| ■ CIBC World Markets Inc. (marketable bonds only)          | ■ Ocean Securities Inc.                                 |
| ■ CTI Capital Inc.   | ■ Odium Brown Limited                                   |
| ■ Desjardins Securities                                    | ■ RBC Dominion Securities Inc.                          |
| ■ Deutsche Bank Securities Limited                         | ■ Scotia Capital Inc.                                   |
| ■ Dundee Securities Corporation                            | ■ The Toronto-Dominion Bank                             |
| ■ Gateway Securities Inc.                                  |   |

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## Secondary Market

### Government of Canada bond repos trading volume and turnover ratio



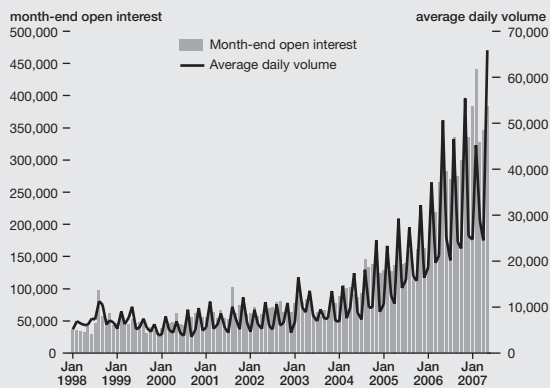
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### Government of Canada treasury bill repos trading volume and turnover ratio

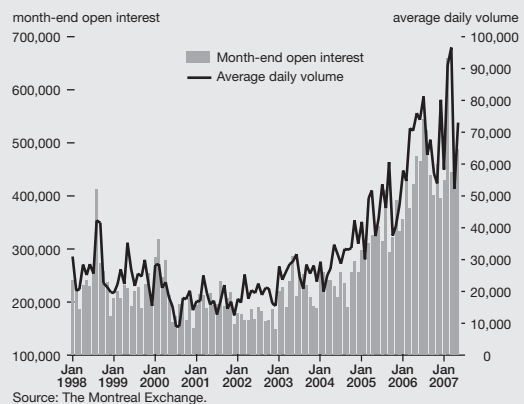


\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.

### 10-year Government of Canada bond futures



### 3-month bankers acceptance futures



### Government of Canada long-term credit ratings

	Standard & Poor's	Moody's Investors Service	Dominion Bond Rating Service
	Current	Current	Current
<b>Domestic debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
– Trend	Stable	Stable	Stable
<b>Foreign debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
– Trend	Stable	Stable	Stable

This publication is also available on the Internet at [www.fin.gc.ca](http://www.fin.gc.ca).  
 Except as noted, the information in *Government of Canada Securities* is based upon data available as of July 3, 2007.  
 For further information, contact Ian Blachford at 613-992-6386.  
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