



The Daily

Statistics Canada

Thursday, July 23, 1998

For release at 8:30 a.m.

MAJOR RELEASES

- **Canada's international transactions in securities, May 1998** 2
In May, foreign investors acquired a small amount of Canadian securities following the major disinvestment in April. Foreign investors bought a significant amount of bonds and stocks but sold money market paper. Meanwhile, Canadian residents added further to their holdings of foreign stocks, mainly U.S. equities.

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MAJOR RELEASES

Canada's international transactions in securities

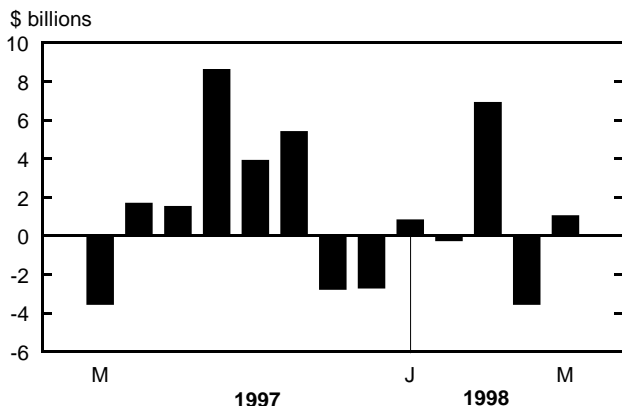
May 1998

In May, foreign investors acquired a small amount of Canadian securities following the major disinvestment in April. Foreign investors bought a significant amount of bonds and stocks but sold money market paper. Meanwhile, Canadian residents added further to their holdings of foreign stocks, mainly U.S. equities.

Foreign investors bought Canadian bonds and stocks but sold money market paper

After selling a record \$6.1 billion of Canadian bonds in April, foreigners returned to Canadian bonds with purchases of \$2.4 billion in May. Most of this activity was in new Canadian bonds (\$3.0 billion) as retirements fell to a four month low. Corporations and federal government enterprises accounted for all of the new bonds issued in foreign markets. After selling \$5.9 billion of mainly outstanding federal issues in April, foreigners bought \$0.3 billion in May. In May, the differential on Canadian and U.S. long-term federal bonds was virtually unchanged at 25 basis points, continuing to favour investment in the United States.

Foreign investment in Canadian securities*



* Includes bonds, stocks and money market paper.

Foreigners bought a further \$1.2 billion of Canadian stocks in May, bringing to \$5.6 billion their investment for the first five months of 1998. Some two-thirds of May's investment represented the issuance of new

Related market information

Interest rates

The differential between Canadian and U.S. short-term rates rose to 50 basis points in May, after narrowing to a two year low of a mere 25 basis points in April. In May, the differential on long-term bond rates went virtually unchanged at 25 basis points, also favouring investment in the United States.

Stock prices

Canadian stock prices (as measured by the TSE 300 composite index) recorded a small 1.0% decline in May, following five straight months of gains totalling 16.5%. U.S. stock prices also declined in May (-1.9%), after gaining 21.6% over the previous six months (as measured by the Standard and Poors 500 index).

Canadian dollar

The Canadian dollar fell a full US 1.25 cents in May to close the month at US 68.63 cent — a record low monthly close relative to the U.S. dollar.

shares, as a major Canadian acquisition in the United States was financed in part with treasury shares. Foreigners also purchased \$0.4 billion of outstanding Canadian shares in the secondary market, well below the purchases of the previous three months. Canadian stock prices (as measured by the TSE 300 composite index) declined 1.0% in May after climbing for five straight months and gaining 16.5%.

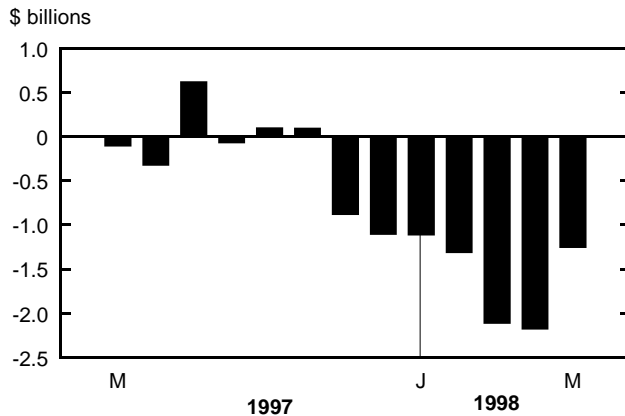
After two months of investing \$2.0 billion in Canadian short-term paper, foreigners sold \$2.6 billion in May — almost entirely federal government treasury bills. The selling was widespread, led by American and European investors. After shrinking to a two-year low in April, the differential on short-term instruments favouring investment in the United States rose marginally to 50 basis points in May.

Canadians continued to add to their holdings of foreign stocks

Canadian residents added a further \$1.2 billion to their holdings of foreign stocks in May, a slightly slower pace than the average of the first four months of the year. Some three-quarters of the investment in May went to U.S. equities, with the balance going into overseas stocks. The \$8.0 billion invested in the first five months of 1998 was roughly split between U.S. and overseas stocks. This is a shift from the entire year of 1997, when the investment was directed mostly

overseas. Meanwhile, for a second month in a row, Canadian residents sold off a small amount of U.S. treasury bonds.

Canadian investment in foreign stocks



Available on CANSIM: matrices 2328-2330, 2378-2380 and 4195.

The May 1998 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176) will be available in August. See *How to order publications*.

For further information on this release, contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division. □

Canada's international transactions in securities

	Feb. 1998	March 1998	April 1998	May 1998	Jan. to May 1997	Jan. to May 1998
\$ millions						
Foreign investment in Canadian securities, total	-215	6,872	-3,510	1,021	3,145	4,966
Bonds (net)	360	3,852	-6,090	2,360	5,416	231
Outstanding	-2,476	4,453	-5,905	253	-2,527	-5,009
New Issues	5,972	4,534	2,926	2,964	13,736	18,282
Retirements	-3,188	-4,745	-3,342	-1,633	-6,995	-13,960
Change in interest payable ¹	52	-390	232	776	1,201	918
Money market paper (net)	-1,352	784	1,199	-2,581	-1,363	-831
Government of Canada	-1,246	-225	1,239	-2,400	-2,548	-2,936
Other paper	-106	1,009	-40	-180	1,185	2,105
Stocks (net)	778	2,236	1,381	1,241	-908	5,566
Outstanding (net)	772	2,218	1,114	376	-1,792	4,338
New Issues (net)	6	19	267	865	884	1,228
Canadian investment in foreign securities, total	-1,286	-2,744	-1,457	-978	-4,329	-8,803
Bonds (net)	19	-636	715	268	-1,393	-865
Stocks (net)	-1,305	-2,108	-2,172	-1,246	-2,936	-7,938

¹ Interest accrued less interest paid.

Note: A minus sign (-) indicates an outflow of money from Canada; i.e., a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.



OTHER RELEASES

Steel primary forms

Week ending July 18, 1998 (preliminary)

Steel primary forms production for the week ending July 18, 1998, totalled 293 416 metric tonnes, down 5.5% from the week-earlier 310 613 tonnes and up 15.5% from the year-earlier 253 940 tonnes. The cumulative total at the end of the week was 8 973 029 tonnes, a 7.5% increase compared with 8 343 509 tonnes for the same period in 1997.

For further information on this release, contact Huguette Montcalm (613-951-9827; monthug@statcan.ca), Manufacturing, Construction and Energy Division. ■

Mineral wool including fibrous glass insulation

June 1998

Manufacturers shipped 3 168 919 square metres of R12 factor (RSI 2.1) mineral wool batts in June, up 32.5% from 2 391 951 square metres a year earlier and up 61.4% from 1 962 947 (revised) square metres a month earlier.

Year-to-date shipments to the end of June 1998 totalled 15 820 688 (revised) square metres, a 38.3% increase from the same period in 1997.

Available on CANSIM: matrices 40 and 122 (series 32 and 33).

The June 1998 issue of *Mineral wool including fibrous glass insulation* (44-004-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Roland Joubert (613-951-3527; rjoubert@statcan.ca), Manufacturing, Construction and Energy Division. ■

Sawmills and planing mills

May 1998

Sawmills produced 5 254.5 thousand cubic metres of lumber and ties in May 1998, down 4.7% from 5 516.4 thousand cubic metres (after revisions) produced in May 1997.

January-to-May 1998 production was 27 429.7 thousand cubic metres, down 1.6% from 27 878.4 thousand cubic metres (after revisions) produced over the same period in 1997.

Available on CANSIM: matrices 53 and 122 (series 2).

The May 1998 issue of *Sawmills and planing mills* (35-003-XPB, \$12/\$114) will be available shortly. See *How to order publications*.

For detailed information on this release, contact Don Grant (613-951-5998), Manufacturing, Construction, and Energy Division. ■

PUBLICATIONS RELEASED

Waste Management Industry Survey: Government sector, 1994

Catalogue number 16F0002XIE

(Canada: \$ Free; outside Canada: US\$ Free).

Waste Management Industry Survey: Business sector, 1995

Catalogue number 16F0003XIE

(Canada: \$ Free; outside Canada: US\$ Free).

Environmental protection expenditures in the business sector, 1995

Catalogue number 16F0006XIE

(Canada: \$ Free; outside Canada: US\$ Free).

Electric lamps (light tubes and tubes), June 1998

Catalogue number 43-009-XPB

(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

Private and public investment in Canada, revised intentions 1998

Catalogue number 61-206-XIB

(Canada: \$33; outside Canada: US\$33).

All prices exclude sales tax.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; and -XPB or -XPE denote a paper version.

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Statistics Canada

Thursday, June 3, 1997
For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 200 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was noticeably weak again in 1995, accompanied by sluggish gains in employment and slow increases in growth during the year.

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