



# The Daily

Statistics Canada

Wednesday, June 23, 1999

For release at 8:30 a.m.

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## MAJOR RELEASES

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In April, foreign investors acquired \$3.3 billion of Canadian securities, mainly stocks, marking the first monthly investment in 1999. For their part, Canadian investors sold a small amount of foreign securities in April, after having acquired \$14 billion of these between November and March.
- **Composite Index, May 1999** 4  
The leading indicator grew 0.4% in May, slightly below April's revised 0.6% gain but in line with the 0.5% average posted so far this year.

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## MAJOR RELEASES

### Canada's international transactions in securities

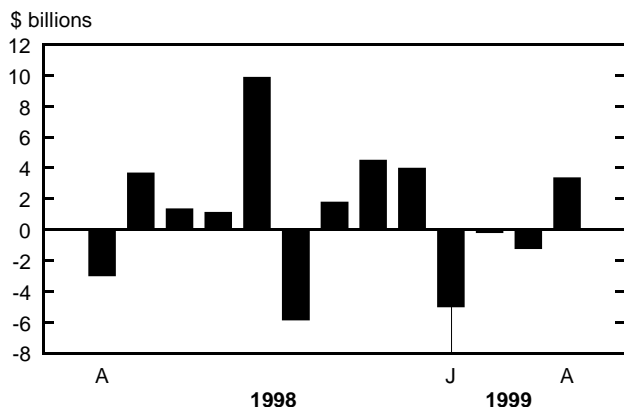
April 1999

Foreign investors acquired \$3.3 billion of Canadian securities in April, largely stocks, marking the first monthly investment in 1999. For their part, Canadian investors sold a small amount of foreign securities in April, after having acquired \$14 billion of these between November and March.

#### Foreign investors' demand for Canadian securities, mainly stocks, heats up

Against a backdrop of strong Canadian stock prices for a second consecutive month, U.S. investors acquired Canadian stocks, accounting for all of the \$2.6 billion purchased in April. Activity was concentrated in acquisitions of outstanding issues in the secondary market. The buying was broadly based industrially, led by investment in the Canadian banking sector. Notably, U.S. investors have accounted for all of the foreign demand for Canadian equities in 1999. In fact, over the first four months of this year, American investors acquired \$4.1 billion of Canadian equities while European and Asian investors sold \$2.2 billion.

Foreign investment in Canadian securities\*



\* Includes bonds, stocks and money market paper.

Foreign investment in Canadian bonds was a modest \$0.8 billion in April following three consecutive months of smaller reductions. Activity in April was concentrated in non-resident purchases of outstanding

#### Related market information

##### Interest rates

In April, the differential on short-term government instruments, which favours investment in Canada, declined marginally to about 25 basis points. The differential on long-term government instruments favoured investment in the United States (15 to 20 basis points) for a third consecutive month.

##### Stock prices

Canadian stock prices (TSE 300 composite index) recorded a robust 6.3% gain in April, after surging 4.5% in March. For the second month in a row, Canadian stock prices have outperformed U.S. stock prices (Standard & Poor's 500 index), which added 3.8% in April to the 3.9% in March. Canadian stock prices have kept pace with their U.S. counterparts in 1999, which has not been the case in recent years.

##### Canadian dollar

After settling at the US66.25 level for three consecutive months, the Canadian dollar jumped just over two cents in April to close the month at US68.63. This was the highest close against the U.S. dollar since May 1998.

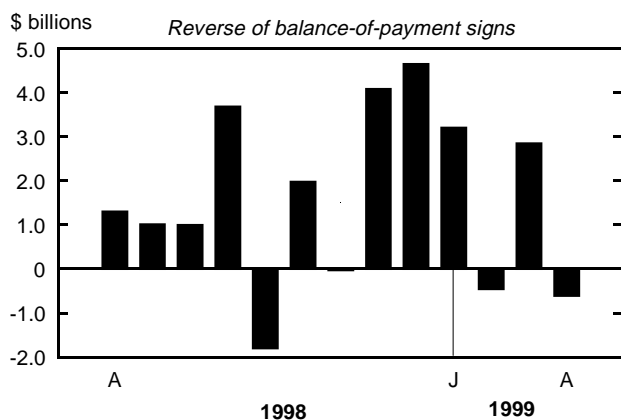
corporate bonds, as new issues of Canadian bonds in foreign markets dipped to their lowest level in over a year.

Foreign investors reduced their holdings of Canadian money market instruments, a continuation of the overall disinvestment seen so far in 1999. The declines in April were entirely directed to federal treasury bills, in contrast with the previous three months where the focus was with other government and corporate short-term paper. Short-term interest rates in both Canada and the United States have remained steady from January to April, with the differential continuing to favour investment in Canada by a narrow margin.

#### Canadian investors' demand for foreign securities cools

In April, Canadian investors sold a modest \$0.7 billion of foreign bonds, which was only partly offset by the acquisition of a small amount of foreign stocks. This small disinvestment followed strong demand in January and March for foreign securities, mainly stocks.

### Canadian investment in foreign securities\*



\* Includes bonds and stocks.

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

The April 1999 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176) will be available in July.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division.

### Canada's international transactions in securities

	Jan. 1999	Feb. 1999	March 1999	April 1999	Jan. to April 1998	Jan. to April 1999
\$ millions						
<b>Foreign investment in Canadian securities</b>	<b>-4,944</b>	<b>-139</b>	<b>-1,183</b>	<b>3,315</b>	<b>4,886</b>	<b>-2,950</b>
Bonds (net)	-731	-702	-59	846	-94	-645
Outstanding	-382	222	842	908	-4,856	1,590
New issues	1,509	4,077	3,506	1,343	16,357	10,434
Retirements	-2,012	-4,951	-4,185	-1,695	-11,689	-12,843
Change in interest payable <sup>1</sup>	154	-49	-222	290	94	173
Money market paper (net)	-4,390	803	-402	-143	850	-4,133
Government of Canada	-3,297	1,626	1,842	-966	-535	-795
Other paper	-1,093	-823	-2,244	822	1,385	-3,338
Stocks (net)	177	-240	-722	2,612	4,130	1,828
Outstanding (including retirement)	160	-533	-1,055	2,479	3,767	1,052
New issues	17	293	333	133	363	776
<b>Canadian investment in foreign securities</b>	<b>-3,200</b>	<b>453</b>	<b>-2,841</b>	<b>605</b>	<b>-7,700</b>	<b>-4,983</b>
Bonds (net)	-1,869	797	-526	749	-2,062	-848
Stocks (net)	-1,332	-344	-2,315	-144	-5,639	-4,135

<sup>1</sup> Interest accrued less interest paid.

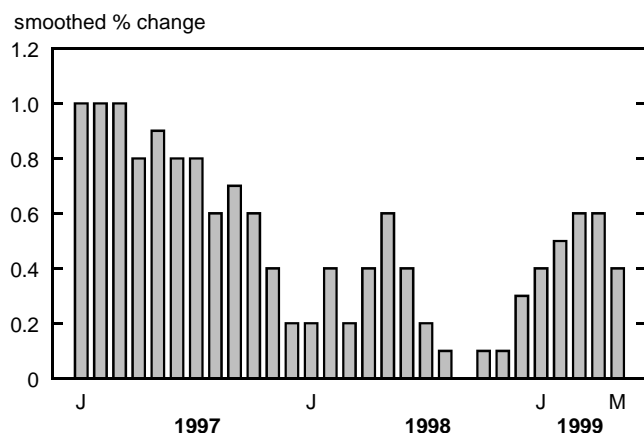
**Note:** A minus sign indicates an outflow of money from Canada (i.e. a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad).

## Composite Index

May 1999

The leading indicator grew 0.4% in May, slightly below the revised 0.6% gain in April but in line with the 0.5% average posted so far this year. Export and household demand continued to be the main pillars of growth, while business spending was the major brake on the overall index.

Composite Index



New orders posted their eighth straight increase, the longest string of gains since 1997. Export

industries, which have dominated growth since the turn of the year, were reinforced by an acceleration in the consumer-related sector. Business investment industries have turned down after large gains last year, and also led the second drop in three months for the average workweek. The ratio of shipments to inventories rose for the fifth consecutive month, partly because firms continue to keep a tight grip on stocks of finished goods. Elsewhere, restraint by firms also led to the first dip in employment in two years.

The U.S. leading indicator continued to improve, which is an encouraging sign for a recovery of Canadian exports after a drop in April. The stock market and the average workweek were the most important sources of growth.

In Canada, households stepped up their outlays despite weak income growth. With interest rates low, spending on durable goods has accelerated to 1% from a standstill five months ago. The housing index also accelerated for the third consecutive month, to 1.6%, reversing a downward trend over the previous two years. Existing house sales led this growth.

**Available on CANSIM: matrix 191.**

For more information, the June issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available.

For more information, or to enquire about the concepts, methods, or data quality of this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group. □

## Composite Index

	Dec. 1998	Jan. 1999	Feb. 1999	March 1999	April 1999	May 1999	Last month of data available
							% change
<b>Composite leading indicator (1981=100)</b>	<b>208.7</b>	<b>209.6</b>	<b>210.7</b>	<b>211.9</b>	<b>213.1</b>	<b>214.0</b>	<b>0.4</b>
Housing index (1981=100) <sup>1</sup>	125.4	124.5	124.4	125.4	127.1	129.1	1.6
Business and personal services employment ('000)	2,299	2,316	2,332	2,341	2,347	2,347	0.0
TSE 300 stock price index (1975=1,000)	6,231	6,247	6,265	6,321	6,446	6,573	2.0
Money supply, M1 (\$ millions, 1981) <sup>2</sup>	41,615	41,515	41,488	41,714	41,709	41,577	-0.3
U.S. composite leading indicator (1967=100) <sup>3</sup>	225.9	226.3	226.8	227.4	227.9	228.4	0.2
<b>Manufacturing</b>							
Average workweek (hours)	38.7	38.8	38.8	38.7	38.7	38.6	-0.3
New orders, durables (\$ millions, 1981) <sup>4</sup>	15,853	16,062	16,245	16,436	16,733	16,886	0.9
Shipments/inventories of finished goods <sup>4</sup>	1.59	1.60	1.61	1.63	1.64	1.66	0.02 <sup>5</sup>
<b>Retail trade</b>							
Furniture and appliance sales (\$ millions, 1981) <sup>4</sup>	1,385.6	1,390.1	1,396.9	1,408.1	1,417.4	1,424.5	0.5
Other durable goods sales (\$ millions, 1981) <sup>4</sup>	4,604.9	4,609.3	4,619.1	4,647.6	4,686.7	4,732.6	1.0
Unsmoothed composite	212.3	212.5	213.2	215.6	215.1	214.6	-0.2

<sup>1</sup> Composite index of housing starts (units) and house sales (multiple listing service).

<sup>2</sup> Deflated by the Consumer Price Index for all items.

<sup>3</sup> The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.

<sup>4</sup> The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for two preceding months.

<sup>5</sup> Difference from previous month.

## OTHER RELEASES

**Employment Insurance**

April 1999 (preliminary)

An estimated 513,450 Canadians received regular Employment Insurance (EI) benefits in April, down 1.6% from March. Eight provinces and the Yukon reported decreases while increases were observed in Alberta (+2.4%), Northwest Territories and Nunavut (+1.8%) and Newfoundland (+0.6%). Claims received decreased 4.9% to 216,300 and regular benefit payments remained relatively unchanged in April at \$666.4 million.

**Number of beneficiaries receiving regular benefits**

	April 1999	March to April 1999
seasonally adjusted		
		% change
<b>Canada</b>	<b>513,450</b>	<b>-1.6</b>
Newfoundland	35,670	0.6
Prince Edward Island	8,100	-3.3
Nova Scotia	26,830	-4.3
New Brunswick	34,320	-1.9
Quebec	175,090	-2.0
Ontario	102,350	-2.2
Manitoba	12,950	-3.6
Saskatchewan	12,810	-1.0
Alberta	40,190	2.4
British Columbia	66,120	-1.1
Yukon	1,010	-12.2
Northwest Territories and Nunavut	1,250	1.8

**Note:** The number of beneficiaries is a measure of all persons who received EI benefits for the week containing the 15th of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month. These different reference periods must be considered when comparisons are done between the series. The *Employment Insurance Act* allows each province or administrative region of Human Resource Development Canada to have certain autonomy in the application of administrative procedures regarding renewal claims. Data users must take into consideration that movements in levels from month to month may be affected by different administrative procedures regarding renewal claims from one province or region to another.

**Employment Insurance statistics**

	March 1999	April 1999	March to April 1999
seasonally adjusted			
			% change
Regular beneficiaries	522,060 <sup>P</sup>	513,450 <sup>P</sup>	-1.6
Regular payments (\$ millions)	666.2	666.4	0.0
Claims received ('000)	227.4	216.3	-4.9
	April 1998	April 1999	April 1998 to April 1999
unadjusted			
			% change
All beneficiaries ('000)	835.6	799.3 <sup>P</sup>	-4.3
Regular beneficiaries ('000)	639.5	606.0 <sup>P</sup>	-5.2
Claims received ('000)	185.6	172.2	-7.2
Payments (\$ millions)	1,174.2	1,097.3	-6.6
Year-to-date (January to April)			
	1998	1999	1998 to 1999
			% change
Claims received ('000)	901.1	871.8	-3.2
Payments (\$ millions)	4,831.8	4,657.4	-3.6

<sup>P</sup> Preliminary figures.**Note:** All beneficiaries includes all claimants paid regular benefits (e.g., due to layoff) or special benefits (e.g., due to illness).

**Available on CANSIM: matrices 26 (series 1.6), 5700-5717, 5735 and 5736.**

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Gilles Groleau (613-951-4090; fax: 613-951-4087; [labour@statcan.ca](mailto:labour@statcan.ca)), Labour Division. ■

**Railway carloadings**

Seven-day period ending June 7, 1999

Non-intermodal traffic loaded during the seven-day period ending June 7, 1999 decreased 1.2% to 4.7 million tonnes compared with the same period in 1998. The number of cars loaded increased 0.8%.

Intermodal traffic tonnage totalled 367 000 tonnes, a 6.1% increase from the same period of last year. The year-to-date figures increased 12.2%.

Total traffic decreased 0.7% during the period. This brought the year-to-date total to 110.1 million tonnes, a 2.5% decrease from the previous year.

All year-to-date figures have been revised.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; [laroque@statcan.ca](mailto:laroque@statcan.ca)), Transportation Division. ■




### **Canada's preparedness for the Year 2000 computer problem: final report**

The final report for the National Survey on Preparedness for the Year 2000 is now available.

The survey was conducted by Statistics Canada in February and March 1999 to study how public and private sector organizations were dealing with the Year 2000 computer problem.

*Canada's preparedness for the Year 2000 computer problem* (61F0057MIE) is available free from Statistics Canada's Web site, [www.statcan.ca](http://www.statcan.ca), under *Products and services*, then *Downloadable publications (free)*, followed by *Business enterprises* and *Business and trade statistics - special survey reports*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Tony Labillois (613-951-1478; fax: 613-951-1572; [labiton@statcan.ca](mailto:labiton@statcan.ca)), Small Business and Special Surveys Division. ■

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Statistics Canada	
Thursday, June 3, 1999	
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<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1995</b> Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 40 trips on some form of urban transit, the lowest level in the past 25 years.	2
• <b>Productivity, hourly compensation and unit labour cost, 1995</b> Growth in productivity among Canadian businesses was notably weak again in 1995, accompanied by sluggish gains in employment and slow nominal growth during the year.	4
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