



# The Daily

Statistics Canada

Thursday, September 23, 1999

For release at 8:30 a.m.

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In July, foreign investors increased their holdings of Canadian securities by \$2.3 billion through purchases of bonds and stocks. For their part, Canadian investors made a major \$5.1 billion investment in foreign stocks.

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### Canadian economic observer

September 1999

The September issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses current economic conditions, summarizes the major economic events that occurred in August and presents a feature article on productivity growth in Canada and the United States. A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The September 1999 issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order publications*.

For more information, contact Cyndi Bloskie (613-951-3634; [ceo@statcan.ca](mailto:ceo@statcan.ca)), Current Economic Analysis Group.



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## MAJOR RELEASES

### Canada's international transactions in securities

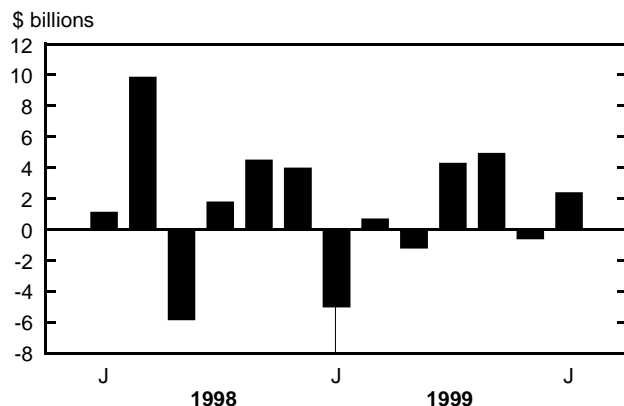
July 1999

In July, foreign investors increased their holdings of Canadian securities by \$2.3 billion through purchases of bonds and stocks. For their part, Canadian investors made a major \$5.1 billion investment in foreign stocks.

#### Foreign holdings of Canadian securities increased

Foreigners increased their holdings of Canadian bonds by \$2.4 billion in July, the result of strengthening demand for federal bonds in the secondary market. This demand arose mainly from American and European investors, as the Canadian dollar lost ground against most major foreign currencies in July, including a full two cents against the U.S. dollar.

Foreign investment in Canadian securities\*



\* Includes bonds, stocks and money market paper.

Non-resident investors continued to buy Canadian stocks (\$1.3 billion in July) for a total of \$7.6 billion in the first seven months of 1999. U.S. investors accounted for the major portion of this activity. However, for the first time this year, European investors made a sizable acquisition of Canadian stocks. The strong demand for Canadian corporate shares comes against a backdrop of rising Canadian stock prices, as they outperformed their U.S. counterparts in 1999 through July.

Foreigners, mainly American and Asian investors, reduced their holdings of Canadian money market paper by a further \$1.4 billion in July, bringing their

#### Related market information

##### Interest rates

In July, the differential on short-term government instruments shifted back to favouring investment in Canada by a small amount. For two months, the differential had favoured investment in the United States by up to a quarter of a percentage point. However, the differential on long-term government instruments continued to favour investment in the United States in July and increased marginally to the 35-40 basis-points range.

##### Stock prices

In July, while U.S. stock prices declined, Canadian stock prices (TSE 300 composite index) added a further 1.0% to their 2.5% gain in June. For the year-to-date, Canadian stocks have outperformed their U.S. counterparts by advancing 9.2% compared with 8.1% for U.S. stock prices (Standard & Poor's 500 index).

##### Canadian dollar

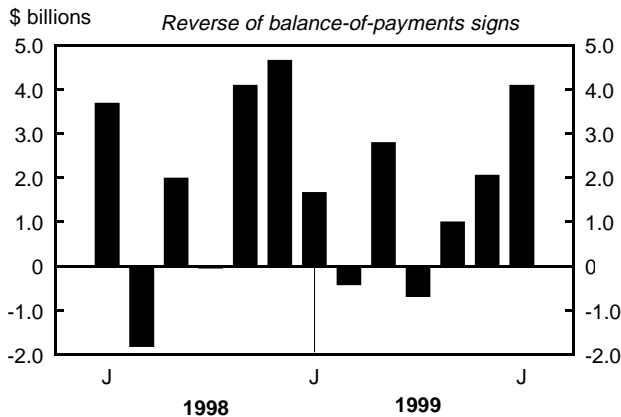
The Canadian dollar lost two full cents against the U.S. dollar in July, erasing the entire gain of the previous three months. The Canadian dollar closed in July at US66.39 cents, only marginally higher than the level experienced over the first three months of 1999.

year-to-date divestment to over \$9 billion. The reduction in July was exclusively the result of the reduced supply of Canada bills (federal government paper denominated in U.S. dollars).

#### Canadian investors acquired foreign stocks

Canadians increased their holdings of foreign stocks by \$5.1 billion in July. Some three-quarters of this activity came as Canadian investors exchanged their shares in a Canadian company for shares in an American firm after the two had merged. The remaining \$1.2 billion represented purchases of existing shares on the secondary market, mostly overseas stocks. Offsetting these acquisitions was a \$1 billion reduction in holdings of foreign bonds, continuing a trend away from these securities in 1999 and bringing the reductions this year to \$2.5 billion.

### Canadian investment in foreign securities\*



\* Includes bonds and stocks.

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

The July 1999 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176; 67-002-XIB, \$14/\$132) will be available in October. See *How to order publications*.

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

	April 1999	May 1999	June 1999	July 1999	Jan. to July 1998	Jan. to July 1999
\$ millions						
<b>Foreign investment in Canadian securities</b>	<b>4,231</b>	<b>4,888</b>	<b>-552</b>	<b>2,327</b>	<b>10,882</b>	<b>5,393</b>
Bonds (net)	1,302	4,057	119	2,410	11,076	7,112
Outstanding	917	1,218	448	1,655	-5,083	4,919
New issues	1,791	4,075	1,604	3,503	32,195	20,761
Retirements	-1,693	-1,957	-913	-2,627	-16,250	-18,337
Change in interest payable <sup>1</sup>	287	722	-1,019	-121	215	-231
Money market paper (net)	-136	-804	-2,974	-1,416	-5,920	-9,271
Government of Canada	-966	-686	-271	-1,470	-5,230	-3,221
Other paper	830	-119	-2,702	53	-690	-6,050
Stocks (net)	3,065	1,635	2,302	1,334	5,727	7,552
Outstanding (including retirements)	2,457	1,359	2,069	498	2,803	4,955
New issues	608	276	233	835	2,923	2,596
<b>Canadian investment in foreign securities</b>	<b>669</b>	<b>-984</b>	<b>-2,040</b>	<b>-4,073</b>	<b>-13,370</b>	<b>-10,452</b>
Bonds (net)	1,261	-77	323	1,037	-2,391	2,504
Stocks (net)	-591	-908	-2,363	-5,110	-10,978	-12,956

<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).

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## OTHER RELEASES

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### Steel primary forms

Week ending September 18, 1999 (preliminary)

Steel primary forms production for the week ending September 18, 1999 totalled 328 906 tonnes, up 3.3% from the week-earlier 318 444 tonnes and up 5.8% from the year-earlier 310 860 tonnes. The cumulative total at the end of the week was 11 529 036 tonnes, a 1.3% decrease compared with 11 676 267 tonnes for the same period in 1998.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Greg Milsom (613-951-7093; [milsomg@statcan.ca](mailto:milsomg@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### StatCan: CANSIM disc

September 1999

The *StatCan: CANSIM disc* is a valuable source of socio-economic information about Canada. It contains a comprehensive collection of almost 700,000 time series of current and historical data. The CD-ROM includes the CANSIM Time Series Directory, a guide to the data in the CANSIM time series database. It also contains the latest version of the Statistics Canada

thesaurus and the Statistical Data Documentation System (SDDS), a database of the surveys and statistical programs used in Statistics Canada.

Finding information in this Windows version of the *StatCan: CANSIM disc* is easier than ever. Specially designed dialogue boxes guide users through the most typical searches. An entire CANSIM matrix or SDDS survey can be searched as a single entity. When searching the CANSIM Time Series Directory, you can limit the search to include only active series or those with a specific security level. There are hyperlinks between the CANSIM matrices and the SDDS surveys that allow quick access to more detail for both. You can link directly to the Beyond 20/20™ browser included on the CD-ROM to retrieve and view the CANSIM time series and to graph and export them to other popular software packages.

The September 1999 edition of the *StatCan: CANSIM disc* (10F0007XCB) is now available. This CD-ROM is released twice a year. A single issue costs \$1,995. A subscription, which may begin at any time and consists of two issues, is \$2,995. Discounts for educational institutions are available.

For more information, contact your nearest Statistics Canada Regional Reference Centre. ■

## PUBLICATIONS RELEASED

**Canadian economic observer**, September 1999  
**Catalogue number 11-010-XPB**  
(Canada: \$23/\$227; outside Canada: US\$23/US\$227).

**Gross domestic product by industry**, June 1999  
**Catalogue number 15-001-XPB**  
(Canada: \$15/\$145; outside Canada: US\$15/US\$145).

**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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Simplify your data search with the *Statistics Canada Catalogue* (11-204-XPE, \$16; outside Canada: US\$16).

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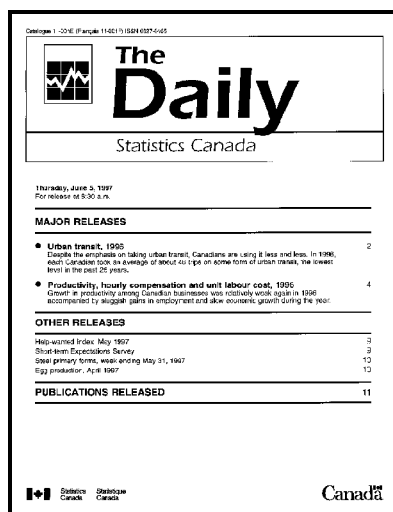
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### Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to [listproc@statcan.ca](mailto:listproc@statcan.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

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