



The Daily

Statistics Canada

Monday, September 25, 2000

For release at 8:30 a.m.

MAJOR RELEASES

- **Canada's international transactions in securities, July 2000** 2
Canadian investors continued to acquire foreign securities in July, increasing their holdings by \$3.2 billion. At the same time, foreign investment in Canadian securities slipped marginally, as purchases of Canadian stocks were more than offset by reductions in holdings of Canadian debt instruments.

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MAJOR RELEASES

Canada's international transactions in securities

July 2000

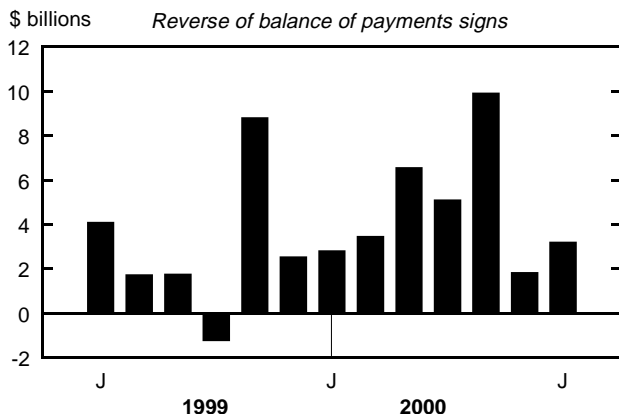
Canadian investors continued to acquire foreign securities in July, increasing their holdings by \$3.2 billion. Investors acquired both foreign stocks and bonds; the \$32.7 billion Canadian investment in foreign securities during the first seven months of the year is nearly \$10 billion higher than any previous annual accumulation.

At the same time, foreign investment in Canadian securities slipped marginally, as purchases of Canadian stocks were more than offset by reductions in holdings of Canadian debt instruments. Foreign investment in Canadian stocks moderated to \$2.2 billion, following a record inflow in June.

Canadian investors kept buying foreign equities

Canadian investors showed no sign of easing their demand for foreign equities, adding a further \$2.8 billion worth in July. This brought their investment to \$30.8 billion so far this year, far surpassing any previous year's total. In July, investors favoured U.S. equities over overseas equities by a three-to-one margin, although over the year to date they have evenly split their purchases between the two markets.

Canadian investment in foreign securities¹



¹ Includes bonds and stocks.

Related market information

Interest rates

The short-term interest rate differential between Canadian and U.S. government paper rose 10 basis points to 40 basis points by the end of July, favouring investment in the United States. For the fourth consecutive month, the differential has generally fluctuated in the 20- to 40-point-range. The differential for long-term government bonds, which also favours investment in the United States, shrank by about 10 basis points to sit at 25 basis points at the end of July.

Stock prices

Canadian stock prices (measured by the TSE 300 Composite Index) added 2.1% in July to their strong 10.2% gain in June. These advances again exceeded the performance of American stock prices (Standard & Poor's 500 Index), which lost 1.6% in July after gaining 2.4% in June.

Canadian dollar

After gaining almost three-quarters of a cent against the U.S. dollar in June, the Canadian dollar declined nearly three-tenths of a cent in July. Since falling almost one and a half cents in April, the monthly closings for the Canadian dollar have been in a very narrow range.

After divesting some of their holdings in June, Canadian investors returned to foreign bonds. July's investment went entirely to U.S. treasuries; the year-to-date investment in foreign bonds was nearly \$2 billion.

Foreigners continued investing in Canadian equities but reduced holdings of debt instruments

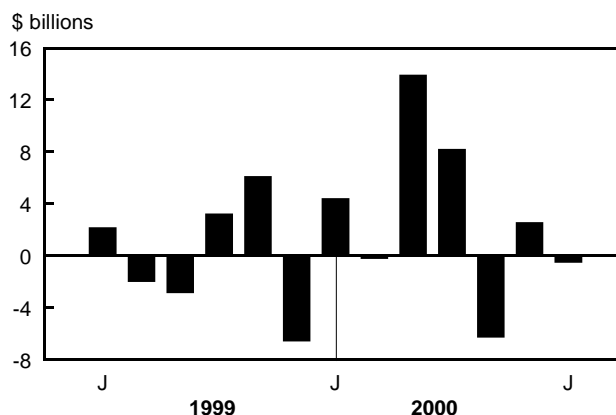
Foreigners invested a more modest \$2.2 billion in Canadian equities in July, while continuing to reduce their holdings of both Canadian bonds and money market instruments. July's investment in Canadian equities was well below the \$10 billion seen in June, when large issuances of new shares of Canadian companies were exchanged in the acquisition of foreign companies. American investors accounted for all the foreign buying of Canadian shares in July. The major portion was directed to existing Canadian shares, particularly technology shares. In July, Canadian stock prices added 2.1% to June's 10.2% gain.

Foreign holdings of Canadian bonds fell a further \$1.6 billion in July, for a year-to-date total reduction of \$13.6 billion. Foreign investors purchased \$1.0 billion worth of new and outstanding issues of Canadian bonds

in July, but this was more than offset by retirements of \$2.4 billion. With most governments posting surpluses, new issues of bonds in foreign markets were down more than \$11 billion from same period of 1999, and retirements were up almost \$8 billion.

Foreign investors reduced their holdings of Canadian money market paper for the third consecutive month. July's \$1.1 billion drop brought the total divestment over the May-to-July period to \$4.0 billion. This almost completely eliminated the \$4.5 billion foreigners accumulated in the four months previous to May. As in June, the foreign divestment in July was concentrated in corporate paper and, to a lesser extent, federal treasury bills, as both American and European investors continued to reduce their holdings. The short-term interest rate differential between Canadian and U.S. government paper rose 10 basis points to 40 basis points by the end of July, favouring investment in the United States.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

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

The July 2000 issue of *Canada's international transactions in securities* (67-002-XIB, \$14/\$132; 67-002-XPB, \$18/\$176) will be available in October. See *How to order products*.

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

Canada's international transactions in securities

	April 2000	May 2000	June 2000	July 2000	January to July 1999	January to July 2000
\$ millions						
Foreign investment in Canadian securities	8,128	-6,221	2,478	-455	7,370	21,958
Bonds (net)	3,065	-2,127	-5,672	-1,568	9,144	-13,599
Outstanding	3,662	-221	-329	598	4,839	1,414
New issues	2,381	510	119	372	22,113	10,562
Retirements	-3,244	-3,067	-4,263	-2,443	-17,662	-25,324
Change in interest payable ¹	267	651	-1,200	-96	-146	-250
Money market paper (net)	1,243	-1,061	-1,883	-1,090	-9,582	499
Government of Canada	889	-557	-922	-393	-3,212	396
Other paper	354	-504	-961	-697	-6,370	102
Stocks (net)	3,820	-3,033	10,033	2,204	7,809	35,058
Outstanding (including retirements)	1,897	-3,166	3,451	1,905	4,922	12,804
New issues	1,923	133	6,582	298	2,887	22,254
Canadian investment in foreign securities	-5,076	-9,875	-1,796	-3,173	-9,375	-32,677
Bonds (net)	-191	-677	1,247	-404	2,542	-1,921
Stocks (net)	-4,884	-9,198	-3,043	-2,768	-11,917	-30,755

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

Deliveries of major grains

August 2000

Data on August grain deliveries are now available.

Available on CANSIM: matrix 976-981.

The August issue of *Cereals and oilseeds review* (22-007-XIB, \$11/\$112; 22-007-XPB, \$15/\$149) will be available in November. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Agriculture Division. ■

NEW PRODUCTS

Retail trade, July 2000

Catalogue number 63-005-XIB (\$16/\$155).

Canadian international merchandise trade, July 2000

Catalogue number 65-001-XIB (\$14/\$141).

Canadian international merchandise trade, July 2000

Catalogue number 65-001-XPB (\$19/\$188).

Imports by commodity, July 2000

Catalogue number 65-007-XMB (\$37/\$361).

Imports by commodity, July 2000

Catalogue number 65-007-XPB (\$78/\$773).

Canada's balance of international payments,

Second quarter 2000

Catalogue number 67-001-XIB (\$29/\$93).

Canada's balance of international payments,

Second quarter 2000

Catalogue number 67-001-XPB (\$38/\$124).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCD are electronic versions on compact disc.

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Statistics Canada	
Thursday, June 5, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1995 Despite the emphasis on taking urban transit, Canadians are getting it less and less. In 1995, about 10 million took an average of about 10 trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses was relatively weak again in 1995, accompanied by sluggish gains in employment and slow economic growth during the year.	4
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