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No. 1

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

January, 1944.

The import of capital into Canada arising from net sales of securities was slightly less in January than in preceeding months. Net sales to all countries of \$6.1 million in January compared with \$7.8 million in December and \$6.4 million in November. Net sales of \$7.8 million to the United States in January were partly offset by repurchases of securities from the United Kingdom.

The principal source of the import of capital continued to be the trade in Canadian bonds with the United States, net sales of these amounting to \$6.3 million. Each group of Canadian bonds was sold on balance and there was less concentration of the sales in the Dominion and Dominion guaranteed groups than in former months. While net sales of Canadian stocks were relatively light the sales of United States stocks continued to be substantial, amounting to \$2.0 million.

Net repurchases from the United Kingdom amounted to \$2.1 million. Purchases of Canadian bonds accounted for \$1.6 million and repurchases of Canadian stocks made up the remaining \$0.5 million.

Although still relatively light, net sales of securities to other countries of \$0.4 million were larger than in preceeding months.

Each of the index numbers of common stock prices in Canada and the United States shown in Table 5 registered increases in January. The prices of the government bonds shown in Table 4 continued to be stable. The official buying and selling rates for foreign exchange remained at the levels fixed in September 1939.

The international trade in securities shown by statistics in this bulletin was carried on through the medium of the investment dealers, stock exchanges, banks, Canadian branches of United States houses and other agencies in Canada. It should be noted that certain types of international security transactions are not included in these statistics. Besides some transactions carried on directly outside of Canada independently of the reporting agencies the most important groups of security transactions not included are the redemption of called or matured Canadian bonds owned abroad and official repatriation operations. For a period of years, retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts. Statistics of these capital movements are included in the annual reports of the Canadian Balance of International Payments.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

Table 1.

(in millions of dollars to nearest hundred thousand)

Year and Month	Total Transactions			United States			United Kingdom			Other Countries		
	Sales	Pur- chases from	Net Sales + Purch.-	Sales to	Pur- chases from	Net Sales + Purch.-	Sales to	Pur- chases from	Net Sales + Purch.-	Sales to	Pur- chases from	Net Sales + Purch.-
1942												
TOTAL	167.0	61.5	+ 105.5	165.1	56.0	+ 109.1	0.1	4.3	- 4.2	1.8	1.2	+ 0.6
February ..	5.3	3.5	+ 1.8	5.2	3.1	+ 2.1	(1)	0.3	- 0.3	0.1	0.1	-
March	28.9	5.9	+ 23.0	28.8	5.2	+ 23.6	(1)	0.6	- 0.6	0.1	0.1	-
April	18.6	4.8	+ 13.8	18.5	4.3	+ 14.2	(1)	0.4	- 0.4	0.1	0.1	-
May	14.0	6.3	- 7.7	13.7	5.6	+ 8.1	(1)	0.3	- 0.3	0.4	0.4	-
June	10.8	4.5	+ 6.3	10.5	4.2	+ 6.3	(1)	0.2	- 0.2	0.3	0.1	+ 0.2
July	13.3	6.5	+ 6.8	13.2	6.1	+ 7.1	(1)	0.4	- 0.4	0.1	(1)	+ 0.1
August	9.5	3.7	+ 5.8	9.4	3.3	+ 6.1	(1)	0.3	- 0.3	0.1	0.1	-
September ..	10.8	4.0	+ 6.8	10.8	3.7	+ 7.1	(1)	0.3	- 0.3	(1)	(1)	-
October ...	20.2	4.8	+ 15.4	20.1	4.4	+ 15.7	(1)	0.4	- 0.4	0.1	(1)	+ 0.1
November ..	9.5	4.3	+ 5.2	9.4	3.9	+ 5.5	(1)	0.3	- 0.3	0.1	(1)	+ 0.1
December ..	13.5	5.7	+ 7.8	13.3	5.1	+ 8.2	-	0.4	- 0.4	0.3	0.2	+ 0.1
1943												
TOTAL	267.9	95.7	+ 172.2	264.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.8	1.9	+ 1.9
January ...	19.2	7.9	+ 11.3	18.9	7.4	+ 11.5	(1)	0.5	- 0.5	0.3	(1)	+ 0.3
February ..	22.2	7.2	+ 15.0	21.7	6.6	+ 15.1	(1)	0.5	- 0.5	0.4	0.1	+ 0.3
March	25.5	12.1	+ 13.4	25.1	11.1	+ 14.0	(1)	0.7	- 0.7	0.4	0.3	+ 0.1
April	28.7	7.5	+ 21.2	28.6	6.9	+ 21.7	(1)	0.4	- 0.4	0.2	0.3	- 0.1
May	17.6	7.5	+ 10.1	17.3	6.6	+ 10.7	(1)	0.6	- 0.6	0.2	0.2	-
June	35.2	7.3	+ 27.9	34.8	6.1	+ 28.7	(1)	0.9	- 0.9	0.4	0.3	+ 0.1
July	31.7	9.7	+ 22.0	31.1	8.2	+ 22.9	(1)	1.2	- 1.2	0.6	0.3	+ 0.3
August	20.5	7.3	+ 13.2	20.2	6.2	+ 14.0	(1)	1.0	- 1.0	0.3	0.1	+ 0.2
September ..	10.2	7.6	+ 2.6	9.8	5.3	+ 4.5	(1)	2.2	- 2.2	0.3	0.1	+ 0.2
October ...	27.9	6.8	+ 21.1	27.8	6.0	+ 21.8	(1)	0.7	- 0.7	0.1	0.1	-
November ..	12.1	5.7	+ 6.4	12.0	5.0	+ 7.0	(1)	0.6	- 0.6	0.1	0.1	-
December ..	17.0	9.2	+ 7.8	16.7	7.7	+ 9.0	(1)	1.4	- 1.4	0.3	0.1	+ 0.2
1944												
TOTAL	16.6	10.5	+ 6.1	15.7	7.9	+ 7.8	(1)	2.1	- 2.1	0.9	0.5	+ 0.4
January ...	16.6	10.5	+ 6.1	15.7	7.9	+ 7.8	(1)	2.1	- 2.1	0.9	0.5	+ 0.4

(1) Less than 0.05.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES January, 1944.

Table 2

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Bonds & Debentures, Total	10,708,106	6,301,182	9,929,063	4,234,585	26,656	1,646,905	752,387	419,692
Canadian New Issues	59,548	-	8,048	-	-	-	51,500	-
Canadian Outstanding Issues								
Dominion	3,318,978	2,009,709	2,646,565	1,687,851	26,656	3,535	645,757	318,323
Provincial	2,090,126	1,107,511	2,090,126	332,370	-	775,141	-	-
Municipal	1,119,028	570,583	1,119,028	45,570	-	525,013	-	-
Guaranteed by the Dominion	1,248,831	9,880	1,248,831	9,880	-	-	-	-
Railway, Other	724,676	168,809	724,676	152,363	-	16,446	-	-
Other Corporations	1,017,421	666,298	962,494	256,762	-	309,953	54,927	99,583
United States New Issues .								
Government	-	2,000	-	2,000	-	-	-	-
Other	-	24,965	-	24,965	-	-	-	-
United States Outstanding Issues .								
Government	142,306	656,598	142,306	656,598	-	-	-	-
Other	421,100	345,611	421,100	343,825	-	-	-	1,786 ¹
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	4,864	-	4,864	-	-	-	-	-
Other	137,453	142,153	137,453	136,946	-	5,207	-	-
Other Countries New Issues	-	27,645	-	16,035	-	11,610	-	-
Other Countries Outstanding Issues	132,157	24,441	131,954	24,441	-	-	203	-
Unspecified Bonds & Debentures	291,618	544,979	291,618	544,979	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	2,646,588	2,838,990	2,550,030	2,293,762	2,738	505,704	93,820	39,524
United States	3,015,852	977,261	3,015,852	977,261	-	-	-	-
United Kingdom	-	13,537	-	-	-	13,537	-	-
Short-Term Securities (1 Yr. or Less)	242,225	396,006	242,225	394,954	-	1,052	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	16,612,771	10,526,976	15,737,170	7,900,562	29,394	2,167,198	846,207	459,216

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

BY NATIONALITY AND CLASS OF SECURITY. (Summary Table)

January, 1944

Table 3

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Canadian Securities, Total	12,225,196	7,371,780	11,349,798	4,778,558	29,394	2,135,792	346,004	457,430
Bonds & Debentures	9,578,608	4,532,790	8,799,768	2,484,796	26,656	1,630,088	752,184	417,906
Common & Preference Stocks	2,646,588	2,838,990	2,550,030	2,293,762	2,738	505,704	93,820	39,524
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total ..	3,579,258	2,006,435	3,579,258	2,004,649	-	-	-	1,786
Bonds & Debentures	563,406	1,029,174	563,406	1,027,388	-	-	-	1,786
Common & Preference Stocks	3,015,852	977,261	3,015,852	977,261	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total ..	142,317	155,690	142,317	136,946	-	18,744	-	-
Bonds & Debentures	142,317	142,153	142,317	136,946	-	5,207	-	-
Common & Preference Stocks	-	13,537	-	-	-	13,537	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	132,157	52,086	131,954	40,476	-	11,610	203	-
Bonds & Debentures	132,157	52,086	131,954	40,476	-	11,610	203	-
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Yr. or Less)	242,225	396,006	242,225	394,954	-	1,052	-	-
Unspecified Bonds & Debentures ...	291,618	544,979	291,618	544,979	-	-	-	-
Grand Total	16,612,771	10,526,976	15,737,170	7,900,562	29,394	2,167,198	846,207	459,216

BID PRICE AND YIELD FOR DOMESTIC GOVERNMENT BONDS IN UNITED KINGDOM,

UNITED STATES AND CANADA

Table 4.

Date	United Kingdom		United States			Dominion of Canada			
	3 $\frac{1}{2}$ % War Loan Callable on or after Dec. 1, 1952 ⁺		3% of Sept. 15, 1955, callable on or after Sept. 15, 1951			4 $\frac{1}{2}$ % of Nov. 1 1958, callable on or after Nov. 1, 1948		3% of June 1 1955, callable on or after June 1, 1950	
	Price	Yield	Price	Yield	Tax Equiv. ^x	Price	Yield	Price	Yield
<u>1942</u>									
January, 14 .	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.63	3.03
February, 18	103.99	3.06	108.97	1.97	2.91	108.75	3.05	99.38	3.06
March, 18	104.72	2.96	110.59	1.78	2.72	108.75	3.03	99.25	3.07
April, 16	105.08	2.94	110.69	1.76	2.70	109.00	2.98	99.38	3.06
May, 13	104.87	2.96	110.47	1.78	2.72	108.75	3.00	99.50	3.05
June, 17	104.91	2.95	110.78	1.73	2.67	108.63	3.00	99.75	3.02
July, 15	105.52	2.88	110.53	1.75	2.69	108.25	3.05	99.75	3.02
August, 12	105.19	2.91	110.44	1.75	2.69	108.38	3.01	99.75	3.02
September, 16	105.04	2.93	110.28	1.76	2.70	108.13	3.03	99.50	3.05
October, 14	105.03	2.92	110.22	1.76	2.70	108.00	3.04	99.50	3.05
November, 18	104.37	2.99	110.25	1.74	2.68	108.00	3.02	99.50	3.05
December, 16	104.24	3.00	110.00	1.76	2.70	108.38	2.94	99.63	3.04
<u>1943</u>									
January, 13	105.03	2.91	110.16	1.73	2.67	108.63	2.87	99.63	3.04
February, 17	104.56	2.96	110.19	1.72	2.66	109.00	2.78	100.00	3.00
March, 17	104.48	2.97	110.06	1.72	2.66	109.00	2.76	100.13	2.98
April, 14	104.35	2.98	110.38	1.67	2.61	108.88	2.76	100.00	3.00
May, 12	103.63	3.06	111.06	1.58	2.52	108.88	2.74	100.00	3.00
June, 16	103.24	3.10	111.50	1.51	2.45	108.75	2.74	100.13	2.98
July, 14	103.53	3.06	112.06	1.43	2.37	108.63	2.74	100.25	2.96
August, 18	102.88	3.14	111.75	1.45	2.39	109.13	2.61	100.38	2.94
September, 15	102.74	3.16	111.72	1.44	2.38	109.13	2.59	100.38	2.94
October, 13	103.53	3.05	111.66	1.44	2.38	108.88	2.61	100.38	2.94
November, 17	103.44	3.06	111.34	1.46	2.40	108.88	2.58	100.38	2.94
December, 15	103.18	3.09	111.03	1.49	2.43	109.00	2.53	100.50	2.92
<u>1944</u>									
January, 19	103.16	3.09	111.06	1.47	2.41	109.00	2.50	100.88	2.85

+ All prices are quoted on an "and interest" basis. The price of the United Kingdom War Loan has been adjusted from the "flat" basis on which it is quoted in London.

x Yield on a comparable taxable security which would give an equivalent net return to holders who were subject to income tax at the flat corporation rates. This rate was 16 $\frac{1}{2}$ p.c. to December 31, 1939; 18% to June, 1940; and 20.9 p.c. in July, August and September; and 24 p.c. in October and thereafter.



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INDEX NUMBERS OF COMMON STOCKS PRICES IN CANADA
AND THE UNITED STATES,
(1935-39=100)

Table 5

	C A N A D A Dominion Bureau of Statistics			United States (402) (Standard & Poor's Corp.) (354 Industrials 20 Railroads 28 Utilities)
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks		
		Gold Stocks (22)	Composite Mining Index (25)	
<u>1942</u>				
January	66.8	50.5	61.9	72.6
February	64.7	45.4	57.5	69.9
March	62.3	40.1	51.9	66.0
April	61.1	37.5	49.3	63.3
May	62.0	39.6	51.7	63.2
June	62.8	42.6	53.2	66.1
July	62.4	39.3	50.6	68.2
August	61.6	38.0	49.4	68.3
September	62.6	38.4	49.7	69.4
October	65.0	33.3	46.2	74.2
November	67.6	40.7	51.6	75.2
December	71.3	44.7	54.7	74.7
<u>1943</u>				
January	76.3	50.1	60.0	79.7
February	78.7	52.0	61.5	84.8
March	79.1	55.6	65.0	88.2
April	82.6	59.0	68.6	91.3
May	83.7	56.6	66.9	95.2
June	86.3	59.1	68.4	96.7
July	91.0	62.3	71.5	98.5
August	88.9	66.4	75.1	94.4
September	89.3	71.9	79.2	95.6
October	86.4	68.5	77.2	94.8
November	79.6	65.9	72.9	91.4
December	80.5	68.5	74.9	91.8
<u>1944</u>				
January	81.5	72.2	78.5	94.6