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No. 5

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

May, 1944.

Net sales of securities by Canada to other countries increased in May to \$18.7 million, the highest level of any month since October 1943. This compares with \$8.6 million in April and \$10.7 million in March.

Sales of Canadian bonds to the United States were again the principal element in the inflow of capital. Net sales of Canadian bonds to the United States amounted to \$17.1 million. These were most heavily concentrated in Dominions and provincials, net sales of these groups being \$5.2 million and \$7.7 million respectively. There were net sales of each of the other groups of Canadian bonds as well. United States bonds and stocks were also sold on balance while transactions in Canadian stocks were close to equilibrium.

Net repurchases of \$1.1 million from the United Kingdom were distributed between stocks and most groups of Canadian bonds.

Net sales to other countries amounted to \$0.1 million.

In the first five months of 1944 net sales of securities to all countries were \$49.7 million compared with \$71.0 million in the corresponding period of 1943. Reduced sales of Canadian bonds amounting to \$43.7 million in 1944 compared with \$55.0 million in 1943 are the chief factor in this decline. In the same period of 1944 there were repurchases of Canadian stocks of \$3.3 million on balance compared with net sales of \$1.1 million in the same months of 1943. Sales of United States securities amounted to \$8.8 million in the five months of 1944 compared with \$12.9 million in the corresponding months of 1943.

The index numbers of common stocks prices in the United States and Canada, shown in Table 5, continued to increase in May with the exception of the index numbers of mining stocks which receded slightly. Only negligible changes were recorded in the mid-month prices of the government bonds shown in Table 4. 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 group of security transactions not included are new issues of Canadian securities floated abroad, 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.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
(in millions of dollars to nearest hundred thousand)

Table 1.

Year and Month.	Total Transactions			United States			United Kingdom			Other Countries		
	Sales to	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.-
<u>1942</u>												
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
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
<u>1943</u>												
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
<u>1944</u>												
TOTAL	93.0	43.3	+ 49.7	89.9	34.9	+ 55.0	0.1	6.8	- 6.7	3.0	1.6	+ 1.4
January ...	16.6	10.5	+ 6.1	15.7	7.9	+ 7.8	(1)	2.1	- 2.1	0.9	0.5	+ 0.4
February ..	16.1	8.6	+ 7.5	15.6	6.6	+ 9.0	(1)	1.9	- 1.9	0.5	0.1	+ 0.4
March	20.4	9.7	+ 10.7	19.3	7.9	+ 11.4	(1)	1.2	- 1.2	1.1	0.6	+ 0.5
April	12.9	6.3	+ 6.6	12.8	5.8	+ 7.0	(1)	0.5	- 0.4	0.1	(1)	(1)
May (x)....	26.9	8.2	+ 18.7	26.5	6.8	+ 19.7	(1)	1.1	- 1.1	0.4	0.3	+ 0.1

(1) Less than 0.05.

(x) Subject to revision.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- MAY, 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	20,509,018	3,129,032	20,152,012	2,281,459	-	577,098	357,006	270,475
Canadian New Issues	117,100	-	107,500	-	-	-	9,600	-
Canadian Outstanding Issues								
Dominion	6,174,347	930,649	6,000,974	799,544	-	26,679	173,373	104,426
Provincial	7,784,271	156,300	7,784,271	91,913	-	64,387	-	-
Municipal	1,435,071	391,030	1,434,579	14,875	-	370,181	492	5,974
Guaranteed by the Dominion ..	1,581,723	219,669	1,581,723	186,695	-	-	-	32,974
Railway, Other	923,215	114,861	923,215	28,990	-	30,880	-	54,991
Other Corporations	763,818	412,556	671,404	258,575	-	84,971	92,414	69,010
United States New Issues								
Government	-	32,085	-	32,085	-	-	-	-
Other	-	472	-	472	-	-	-	-
United States Outstanding Issues								
Government	1,050,808	393,041	1,050,808	393,041	-	-	-	-
Other	210,781	150,790	210,781	150,640	-	-	-	150
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	15,920	-	15,920	-	-	-	-	-
Other	2,962	-	2,962	-	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	231,092	74,977	149,965	72,027	-	-	81,127	2,950
Unspecified Bonds & Debentures .	217,910	252,602	217,910	252,602	-	-	-	-
Common & Preference Stocks								
Canadian	3,113,986	3,337,154	3,056,300	2,820,396	-	507,879	57,686	58,879
United States	3,266,621	1,682,292	3,264,925	1,659,391	-	20,930	1,696	1,971
United Kingdom	33,409	-	33,336	-	-	-	73	-
Other Countries	2,322	1,120	1,048	-	-	-	1,274	1,120
Short-Term Securities (1 Year or Less)	8,800	-	8,800	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	26,934,156	8,199,598	26,516,421	6,761,246	-	1,105,907	417,735	332,445

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- FIVE MONTHS ENDING MAY, 1944.

Table 2A.

	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	\$ 66,096,158	\$ 21,846,048	\$ 63,413,143	\$ 16,115,857	\$ 26,656	\$ 4,405,278	\$ 2,656,359	\$ 1,324,913
Canadian New Issues	223,666	-	157,566	-	-	-	66,100	-
Canadian Outstanding Issues								
Dominion	17,855,443	5,654,766	15,976,591	4,873,389	26,656	31,089	1,852,196	750,288
Provincial	17,860,490	2,071,301	17,857,700	703,389	-	1,357,687	2,790	10,225
Municipal	6,434,546	2,339,521	6,434,054	346,097	-	1,980,876	492	12,548
Guaranteed by the Dominion ..	5,176,375	280,966	5,171,375	229,251	-	-	5,000	51,715
Railway, Other	5,104,612	2,339,588	4,989,312	2,011,921	-	198,148	115,300	129,519
Other Corporations	6,345,286	2,574,142	5,950,824	1,418,318	-	816,092	394,462	339,732
United States New Issues								
Government	-	66,546	-	66,546	-	-	-	-
Other	-	25,437	-	25,437	-	-	-	-
United States Outstanding Issues								
Government	2,258,151	2,734,723	2,258,151	2,734,723	-	-	-	-
Other	1,768,578	1,343,784	1,768,578	1,341,848	-	-	-	1,936
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	20,784	-	20,784	-	-	-	-	-
Other	252,675	143,466	144,175	138,259	-	5,207	108,500	-
Other Countries New Issues	-	27,645	-	16,035	-	11,610	-	-
Other Countries Outstanding Issues	1,027,530	337,392	916,011	303,873	-	4,569	111,519	28,950
Unspecified Bonds & Debentures	1,768,022	1,906,771	1,768,022	1,906,771	-	-	-	-
Common & Preference Stocks								
Canadian	11,589,505	14,933,606	11,219,572	12,316,747	24,403	2,353,764	345,530	263,095
United States	15,047,441	6,129,758	15,030,417	6,106,696	14,643	20,930	2,381	2,132
United Kingdom	38,729	28,752	38,656	-	-	28,752	73	-
Other Countries	2,322	1,120	1,048	-	-	-	1,274	1,120
Short-Term Securities (1 Year or Less)	251,025	396,006	251,025	394,954	-	1,052	-	-
Other Securities								
Canadian	-	5,804	-	5,804	-	-	-	-
United States	158	-	158	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	93,025,338	43,341,094	89,954,019	34,940,058	65,702	6,809,776	3,005,617	1,591,260

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES - BY NATIONALITY
AND CLASS OF SECURITY. (SUMMARY TABLE) MAY, 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	21,893,531	5,612,219	21,559,966	4,200,988	-	1,084,977	333,565	326,254
Bonds & Debentures	18,779,545	2,225,065	18,503,666	1,380,592	-	577,098	275,879	267,375
Common & Preference Stocks ..	3,113,986	3,387,154	3,056,300	2,820,396	-	507,879	57,686	58,879
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	4,528,210	2,258,680	4,526,514	2,235,629	-	20,930	1,696	2,121
Bonds & Debentures	1,261,589	576,388	1,261,589	576,238	-	-	-	150
Common & Preference Stocks ..	3,266,621	1,682,292	3,264,925	1,659,391	-	20,930	1,696	1,971
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	52,291	-	52,218	-	-	-	73	-
Bonds & Debentures	18,882	-	18,882	-	-	-	-	-
Common & Preference Stocks ..	33,409	-	33,336	-	-	-	73	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	233,414	76,097	151,013	72,027	-	-	82,401	4,070
Bonds & Debentures	231,092	74,977	149,965	72,027	-	-	81,127	2,950
Common & Preference Stocks ..	2,322	1,120	1,048	-	-	-	1,274	1,120
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less)	8,800	-	8,800	-	-	-	-	-
Unspecified Bonds & Debentures .	217,910	252,602	217,910	252,602	-	-	-	-
GRAND TOTAL	26,934,156	8,199,598	26,516,421	6,761,246	-	1,105,907	417,735	332,445

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY.

Table 3A.

For the five months ending May, 1944.

	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 ..	70,589,923	30,189,694	67,756,994	21,904,916	51,059	6,737,656	2,781,870	1,557,122
Bonds & Debentures	59,000,418	15,260,284	56,537,422	9,582,365	26,656	4,383,892	2,436,340	1,294,027
Common & Preference Stocks	11,589,505	14,933,606	11,219,572	12,316,747	24,403	2,353,764	345,530	263,095
Other Securities	-	5,804	-	5,804	-	-	-	-
United States Securities,								
Total	19,074,328	10,300,248	19,057,304	10,275,250	14,643	20,930	2,381	4,068
Bonds & Debentures	4,026,729	4,170,490	4,026,729	4,168,554	-	-	-	1,936
Common & Preference Stocks	15,047,441	6,129,758	15,030,417	6,106,696	14,643	20,930	2,381	2,132
Other Securities	158	-	158	-	-	-	-	-
United Kingdom Securities,								
Total	312,188	172,218	203,615	138,259	-	33,959	108,573	-
Bonds & Debentures	273,459	143,466	164,959	138,259	-	5,207	108,500	-
Common & Preference Stocks	38,729	28,752	38,656	-	-	28,752	73	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	1,029,852	366,157	917,059	319,908	-	16,179	112,793	30,070
Bonds & Debentures	1,027,530	365,037	916,011	319,908	-	16,179	111,519	28,950
Common & Preference Stocks	2,322	1,120	1,048	-	-	-	1,274	1,120
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less)	251,025	396,006	251,025	394,954	-	1,032	-	-
Unspecified Bonds & Debentures	1,768,022	1,906,771	1,768,022	1,906,771	-	-	-	-
GRAND TOTAL	93,025,338	43,341,094	89,954,019	34,940,058	65,702	6,809,776	3,005,617	1,591,260

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		
	3½% War Loan Callable on or after Dec. 1, 1952 +		3% of Sept. 15, 1955, callable on or after Sept. 15, 1951		3% of June 1 1955, callable on or after June 1, 1950		
	Price	Yield	Price	Yield	Tax Equiv. x	Price	Yield
1942							
March 18 ..	104.72	2.96	110.59	1.78	2.72	99.25	3.07
April 16 ..	105.08	2.94	110.69	1.76	2.70	99.38	3.06
May 13 ..	104.87	2.96	110.47	1.78	2.72	99.50	3.05
June 17 ..	104.91	2.95	110.78	1.73	2.67	99.75	3.02
July 15 ..	105.52	2.88	110.53	1.75	2.69	99.75	3.02
August 16 ..	105.04	2.93	110.28	1.76	2.70	99.50	3.05
September 14 ..	105.03	2.92	110.22	1.76	2.70	99.50	3.05
October 14 ..	105.30	2.92	110.22	1.76	2.70	99.50	3.05
November 18 ..	104.37	2.99	110.25	1.74	2.68	99.50	3.05
December 16 ..	104.24	3.00	110.00	1.76	2.70	99.63	3.04
1943							
January 13 ..	105.03	2.91	110.16	1.73	2.67	99.63	3.04
February 17 ..	104.56	2.96	110.19	1.72	2.66	100.00	3.00
March 17 ..	104.48	2.97	110.06	1.72	2.66	100.13	2.98
April 14 ..	104.35	2.98	110.38	1.67	2.61	100.00	3.00
May 12 ..	103.63	3.06	111.06	1.58	2.52	100.00	3.00
June 16 ..	103.24	3.10	111.50	1.51	2.45	100.13	2.98
July 14 ..	103.53	3.06	112.06	1.43	2.37	100.25	2.96
August 18 ..	102.88	3.14	111.75	1.45	2.39	100.38	2.94
September 15 ..	102.74	3.16	111.72	1.44	2.38	100.38	2.94
October 13 ..	103.53	3.05	111.66	1.44	2.38	100.38	2.94
November 17 ..	103.44	3.06	111.34	1.46	2.40	100.38	2.94
December 15 ..	103.18	3.09	111.03	1.49	2.43	100.50	2.92
1944							
January 19 ..	103.16	3.09	111.06	1.47	2.41	100.88	2.85
February 16 ..	103.14	3.09	111.16	1.44	2.38	101.25	2.78
March 15 ..	102.93	3.11	111.34	1.40	2.34	101.38	2.76
April 19 ..	102.91	3.11	111.31	1.39	2.33	101.25	2.78
May 17 ..	103.33	3.05	111.25	1.43	2.37	101.25	2.77

- * 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 16½% to December 31, 1939; 18% to June, 1940; and 20.9% in July, August and September; and 24% 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			United States (402) (Standard & Poor's Corp.) (354 Industrials 20 Railroads 28 Utilities)	
	Dominion Bureau of Statistics		Mining Stocks		
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Gold Stocks (22)			
<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	62.8	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	
February	82.0	71.3	77.5	94.4	
March	81.5	70.1	76.0	96.6	
April	79.3	70.4	78.0	95.1	
May	79.9	69.2	77.5	97.2	