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OF STATISTICS

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No. 6

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

June, 1944.

Net sales of securities by Canada to other countries were \$10.2 million in June compared with \$18.7 million in May and \$6.6 million in April. The general character of this inflow of capital was the same as formerly with sales of Canadian bonds remaining the dominant element.

There were net sales of each group of Canadian bonds in the trade with the United States. Some concentration occurred in the trade in Dominions, net sales of which constituted \$3.3 million out of the total net sales of Canadian bonds to the United States of \$8.4 million. While the volume of trading in Canadian stocks was greater than in any earlier month of the year, there was only a negligible balance of sales in these securities. The liquidation of Canadian holdings of United States stocks of \$1.4 million was comparable to the level of preceding months. There were also some sales of United States bonds.

Net repurchases from the United Kingdom of \$1.3 million were distributed between Canadian bonds and stocks.

Trading with other countries produced net sales of \$0.1 million.

In the first half of 1944 the balance of sales to all countries was \$59.9 million compared with \$99.0 million in the first half of 1943. Most of this decline occurred in the trade in Canadian bonds, net sales of which were \$51.5 million in this period of 1944 and \$79.5 million in 1943. Repurchases of Canadian stocks of \$1.0 million in 1944 compare with net sales of the same amount in the first half of 1943. Sales of United States securities, amounting to \$10.6 million in 1944, compare with \$16.2 million in 1943.

Considerable increases in common stock prices in Canada and the United States were recorded by each of the index numbers shown in Table 5, while the prices of the government bonds shown in Table 4 remained 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 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.

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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.-
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
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	113.6	53.7	+ 59.9	110.3	43.9	+ 66.4	0.1	8.1	- 8.0	3.2	1.7	+ 1.5
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	26.9	8.2	+ 18.7	26.5	6.8	+ 19.7	(1)	1.1	- 1.1	0.4	0.3	+ 0.1
June (x) ..	20.5	10.3	+ 10.2	20.4	9.0	+ 11.4	(1)	1.3	- 1.3	0.2	0.1	+ 0.1

(1) Less than 0.05.

(x) Subject to revision.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- JUNE, 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	13,362,622	4,086,978	13,253,445	3,355,819	-	708,041	109,177	23,118
Canadian New Issues	8,156	-	3,374	-	-	-	4,782	-
Canadian Outstanding Issues								
Dominion	5,040,470	1,724,383	4,998,510	1,700,769	-	3,233	41,960	20,381
Provincial	1,773,958	52,478	1,773,958	21,284	-	31,194	-	-
Municipal	747,567	437,085	747,567	54,729	-	382,356	-	-
Guaranteed by the Dominion ..	1,076,984	93,811	1,076,984	93,811	-	-	-	-
Railway, Other	1,042,456	137,636	1,042,456	137,636	-	-	-	-
Other Corporations	1,274,950	726,662	1,212,515	432,667	-	291,258	62,435	2,737
United States New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	594,945	362,624	594,945	362,624	-	-	-	-
Other	387,525	211,865	387,525	211,865	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	1,650	-	1,650	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	1,536	-	1,536	-	-	-	-	-
Other Countries New Issues.....	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	217,717	31,920	217,717	31,920	-	-	-	-
Unspecified Bonds & Debentures..	1,196,358	306,864	1,196,358	306,864	-	-	-	-
Common & Preference Stocks								
Canadian	3,648,037	4,115,300	3,575,320	3,500,287	17,203	566,329	55,514	48,684
United States	3,540,453	2,100,182	3,540,453	2,099,147	-	-	-	1,035
United Kingdom	-	34,064	-	34,064	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	650	19	650	-	-	-	-	19
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	20,551,762	10,336,543	20,369,868	8,989,317	17,203	1,274,370	164,691	72,856

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- SIX MONTHS ENDING JUNE, 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 . . .	79,458,780	25,933,026	76,666,588	19,471,676	26,656	5,113,319	2,765,536	1,348,031
Canadian New Issues	231,822	-	160,940	-	-	-	70,882	-
Canadian Outstanding Issues								
Dominion	22,895,913	7,379,149	20,975,101	6,574,158	26,656	34,322	1,894,156	770,669
Provincial	19,634,446	2,123,779	19,631,658	724,673	-	1,388,881	2,790	10,225
Municipal	7,182,113	2,776,606	7,181,621	400,826	-	2,363,232	492	12,548
Guaranteed by the Dominion	6,253,359	374,777	6,248,359	323,062	-	-	5,000	51,715
Railway, Other	6,147,068	2,477,224	6,031,768	2,149,557	-	198,148	115,300	129,519
Other Corporations	7,620,236	3,300,804	7,163,339	1,850,985	-	1,107,350	456,897	342,469
United States New Issues								
Government	-	66,546	-	66,546	-	-	-	-
Other	-	25,437	-	25,437	-	-	-	-
United States Outstanding Issues								
Government	2,853,096	3,097,347	2,853,096	3,097,347	-	-	-	-
Other	2,156,103	1,555,649	2,156,103	1,553,713	-	-	-	1,936
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	1,650	-	1,650	-	-	-	-
United Kingdom Outstanding Issues								
Government	20,784	-	20,784	-	-	-	-	-
Other	254,211	143,466	145,711	138,259	-	5,207	108,500	-
Other Countries New Issues . . .	-	27,645	-	16,035	-	11,610	-	-
Other Countries Outstanding Issues	1,245,247	369,312	1,133,728	335,793	-	4,569	111,519	28,950
Unspecified Bonds & Debentures	2,964,380	2,213,635	2,964,380	2,213,635	-	-	-	-
Common & Preference Stocks								
Canadian	15,237,542	19,048,906	14,794,892	15,817,034	41,606	2,920,093	401,044	311,779
United States	18,587,894	8,229,940	18,570,870	8,205,843	14,643	20,930	2,381	3,167
United Kingdom	38,729	62,816	38,656	34,064	-	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	650	5,823	650	5,804	-	-	-	19
United States	158	-	158	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	113,577,100	53,677,637	110,323,887	43,929,375	82,905	8,084,146	3,170,308	1,664,116

Table 3. SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES - BY NATIONALITY AND CLASS OF SECURITY. (SUMMARY TABLE) JUNE, 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	14,613,228	7,287,374	14,431,334	5,941,183	17,203	1,274,370	164,691	71,821
Bonds & Debentures	10,964,541	3,172,055	10,855,364	2,440,896	-	708,041	109,177	23,118
Common & Preference Stocks ...	3,648,037	4,115,300	3,575,320	3,500,287	17,203	566,329	55,514	48,684
Other Securities	650	19	650	-	-	-	-	19
United States Securities, Total .	4,522,923	2,674,671	4,522,923	2,673,636	-	-	-	1,035
Bonds and Debentures	982,470	574,489	982,470	574,489	-	-	-	-
Common & Preference Stocks ...	3,540,453	2,100,182	3,540,453	2,099,147	-	-	-	1,035
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total.	1,536	35,714	1,536	35,714	-	-	-	-
Bonds & Debentures	1,536	1,650	1,536	1,650	-	-	-	-
Common & Preference Stocks ...	-	34,064	-	34,064	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	217,717	31,920	217,717	31,920	-	-	-	-
Bonds & Debentures	217,717	31,920	217,717	31,920	-	-	-	-
Common & Preference Stocks ...	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures ..	1,196,358	306,864	1,196,358	306,864	-	-	-	-
GRAND TOTAL	20,551,762	10,336,543	20,369,868	8,989,317	17,203	1,274,370	164,691	72,856

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

BY NATIONALITY AND CLASS OF SECURITY.

Table 3A.

For the six months ending June, 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 ..	85,203,151	37,487,068	82,188,328	27,846,099	68,262	8,012,026	2,946,561	1,628,943
Bonds & Debentures	69,964,959	18,452,339	67,392,786	12,023,261	26,656	5,091,933	2,545,517	1,317,145
Common & Preference Stocks.	15,237,542	19,048,906	14,794,892	15,817,034	41,606	2,920,093	401,044	311,779
Other Securities	650	5,823	650	5,804	-	-	-	19
United States Securities, Total	23,597,251	12,974,919	23,580,227	12,948,886	14,643	20,930	2,381	5,103
Bonds & Debentures	5,009,199	4,744,979	5,009,199	4,743,043	-	-	-	1,936
Common & Preference Stocks.	18,587,894	8,229,940	18,570,870	8,205,843	14,643	20,930	2,381	3,167
Other Securities	158	-	158	-	-	-	-	-
United Kingdom Securities,								
Total	313,724	207,932	205,151	173,973	-	33,959	108,573	-
Bonds & Debentures	274,995	145,116	166,495	139,909	-	5,207	108,500	-
Common & Preference Stocks.	38,729	62,816	38,656	34,064	-	28,752	73	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	1,247,569	398,077	1,134,776	351,828	-	16,179	112,793	30,070
Bonds & Debentures	1,245,247	396,957	1,133,728	351,828	-	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	-	1,052	-	-
Unspecified Bonds & Debentures	2,964,380	2,213,635	2,964,380	2,213,635	-	-	-	-
GRAND TOTAL	113,577,100	53,677,637	110,323,887	43,929,375	82,905	8,084,146	3,170,308	1,664,116

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		3% of Sept. 15,			3% of June 1,	
	Callable on or after Dec. 1, 1952 +		1955, callable on or after Sept. 15, 1951			1955, callable on or after June 1, 1950	
	Price	Yield	Price	Yield	Tax Equiv. x	Price	Yield
<u>1942</u>							
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
<u>1943</u>							
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
<u>1944</u>							
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	1.38	2.34	101.25	2.77
June 14 ..	103.19	3.07	111.13	1.38	2.34	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			
	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	62.8	71.5	98.5
August	83.9	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
June	83.7	74.1	82.2	101.5