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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

January, 1945.

Net sales of securities by Canada to other countries increased to \$9.7 million in January compared with \$2.9 million in December and \$4.0 million in November.

Net sales of securities to the United States of \$11.7 million were higher than in most months of 1944, but a larger part arose from sales of United States securities than usual. Sales of Canadian bonds to the United States accounted for \$6.5 million of the total. These sales were distributed among each group of bonds, the largest concentrations were in provincials and other corporations. Net sales of provincials being \$1.9 million and of other corporations \$2.7 million. Canadian stocks were sold on balance. The liquidation of Canadian holdings of United States stocks was much larger than in preceding months amounting to \$4.7 million. Sales of United States bonds amounted to \$0.7 million.

Net repurchases from the United Kingdom of \$2.2 million were distributed between Canadian bonds and stocks.

There were net sales of \$0.2 million to other countries.

Each of the index numbers of common stocks prices in Canada and the United States shown in Table 5 registered sharp increases in January. The prices of the government bonds shown in Table 4 remained relatively 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.

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 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>1943</u>												
TOTAL	267.9	95.7	+ 172.2	264.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.3	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	27.3	6.0	+ 21.3	(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	213.0	116.0	+ 97.0	208.3	93.4	+ 112.9	0.5	19.2	- 18.7	6.1	3.3	+ 2.8
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	20.5	10.3	+ 10.2	20.4	9.0	+ 11.4	(1)	1.3	- 1.3	0.2	0.1	+ 0.1
July	20.8	11.1	+ 9.7	20.0	9.7	+ 10.3	0.3	1.2	- 0.9	0.5	0.2	+ 0.3
August	18.5	10.1	+ 8.4	18.0	8.9	+ 9.1	0.1	1.0	- 0.9	0.4	0.2	+ 0.2
September ..	11.6	8.2	+ 3.4	11.1	6.1	+ 5.0	(1)	1.9	- 1.9	0.5	0.2	+ 0.5
October ...	16.1	7.9	+ 8.2	15.9	6.4	+ 9.5	(1)	1.4	- 1.4	0.2	0.1	+ 0.3
November ..	13.5	9.5	+ 4.0	13.0	7.3	+ 5.7	(1)	1.9	- 1.9	0.5	0.3	+ 0.2
December ..	18.1	15.2	+ 2.9	17.3	10.9	+ 6.4	(1)	3.5	- 3.5	0.8	0.8	-
<u>1945</u>												
TOTAL	26.0	16.3	+ 9.7	25.5	13.8	+ 11.7	(1)	2.2	- 2.2	0.5	0.3	+ 0.2
January (x)	26.0	16.3	+ 9.7	25.5	13.8	+ 11.7	(1)	2.2	- 2.2	0.5	0.3	+ 0.2

(1) Less than 0.05.

(x) Subject to revision

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES JANUARY, 1945

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	13,013,459	8,432,603	12,567,536	6,917,835	-	1,268,990	445,923	245,778
Canadian New Issues	93,705	-	985	-	-	-	92,720	-
Canadian Outstanding Issues								
Dominion	2,225,277	1,668,195	1,878,426	1,531,811	-	76,583	346,851	59,801
Provincial	2,472,397	842,343	2,472,397	596,527	-	244,528	-	1,288
Municipal	837,642	104,935	837,642	32,805	-	72,130	-	-
Guaranteed by the Dominion	492,360	273,237	486,008	232,884	-	-	6,352	40,353
Railway, Other	558,599	33,186	558,599	21,151	-	12,035	-	-
Other Corporations	3,676,959	1,982,840	3,676,959	976,685	-	861,819	-	144,336
United States New Issues								
Government	-	11,081	-	11,081	-	-	-	-
Other	-	464,734	-	464,734	-	-	-	-
United States Outstanding issues								
Government	513,991	642,192	513,991	642,192	-	-	-	-
Other	1,167,201	350,790	1,167,201	350,790	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	2,197	28,530	2,197	28,530	-	-	-	-
Other	10,856	4,589	10,856	2,694	-	1,995	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	525,949	925,349	525,949	925,349	-	-	-	-
Unspecified Bonds & Debentures ...	436,326	1,100,602	436,326	1,100,602	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	5,594,054	5,207,755	5,512,818	4,174,503	2,000	984,893	79,236	48,359
United States	7,416,696	2,694,604	7,416,696	2,694,604	-	-	-	-
United Kingdom	17,188	995	17,188	-	-	995	-	-
Other Countries	2,343	47	2,343	47	-	-	-	-
Short-Term Securities (1 Yr. or less)	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	26,043,740	16,336,004	25,516,581	13,786,989	2,000	2,254,878	525,159	294,137

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

BY NATIONALITY AND CLASS OF SECURITY. (Summary Table)

January, 1945

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	15,950,993	10,112,491	15,423,834	7,566,366	2,000	2,251,988	525,159	294,137
Bonds & Debentures	10,356,939	4,904,736	9,911,016	3,391,863	-	1,267,095	445,923	245,778
Common & Preference Stocks	5,594,054	5,207,755	5,512,818	4,174,503	2,000	984,893	79,236	48,359
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total .	9,097,888	4,163,401	9,097,888	4,163,401	-	-	-	-
Bonds & Debentures	1,681,132	1,468,797	1,681,132	1,468,797	-	-	-	-
Common & Preference Stocks	7,416,696	2,694,604	7,416,696	2,694,604	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total.	30,241	34,114	30,241	31,224	-	2,890	-	-
Bonds & Debentures	13,053	33,119	13,053	31,224	-	1,895	-	-
Common & Preference Stocks	17,188	995	17,188	-	-	995	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	528,292	925,396	528,292	925,396	-	-	-	-
Bonds & Debentures	525,949	925,349	525,949	925,349	-	-	-	-
Common & Preference Stocks	2,343	47	2,343	47	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures ..	436,326	1,100,602	436,326	1,100,602	-	-	-	-
TOTAL	26,043,740	16,336,004	25,516,581	13,786,989	2,000	2,254,878	525,159	294,137

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

Table 4.

		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
<u>1942</u>								
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 ..	104.43	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
July	19 ..	103.10	3.08	111.19	1.36	2.32	101.25	2.77
August	16 ..	103.02	3.08	111.09	1.35	2.31	101.38	2.74
September	13 ..	103.31	3.04	110.56	1.42	2.38	101.50	2.71
October	18 ..	103.42	3.02	110.53	1.40	2.36	101.38	2.73
November	15 ..	104.09	2.93	110.38	1.40	2.36	101.38	2.73
December	13 ..	103.88	2.95	110.63	1.35	2.31	101.75	2.65
<u>1945</u>								
January	17 ..	104.11	2.91	111.28	1.23	2.19	101.75	2.64

+ 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; 13% to June, 1940; and 20.9% to 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			
	Inventors' Price Index (95) (68 Industrials 19 Utilities 3 Banks)	Mining Stocks		
		Gold Stocks (22)	Composite Mining Index (25)	
<u>1942</u>				
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	84.3
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	63.4	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
June	83.7	74.1	82.2	101.5
July	87.5	80.0	87.3	104.3
August	86.8	78.4	85.3	102.7
September	85.0	77.4	84.9	100.7
October	86.2	75.6	84.1	103.5
November	86.0	75.9	83.1	102.7
December	86.6	74.4	80.6	104.7
<u>1945</u>				
January	89.4	80.5	85.6	108.4