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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

JUNE, 1945

The net inflow of capital to Canada in June from the trade in outstanding securities reached the unprecedented high level of \$35.1 million compared with net sales of \$18.9 million in May and \$14.1 million in April. In addition to the heavy American demand for Canadian bonds there were unusually large sales of both Canadian and United States stocks. The record net sales of \$43.3 million to the United States were partly offset by \$8.2 million of repurchases of Canadian securities from the United Kingdom, a much larger amount than usual. Included in the latter total were large repurchases of railway stocks which were later resold in the United States.

Net sales of securities to the United States of \$43.3 million were larger than the amount reported in any other single month during the period since 1933 when the trade was first regularly reported. Sales of Canadian bonds accounted for \$28.7 million, the main concentration of \$18.8 million being in Dominion issues. Net sales of provincials were \$3.3 million, Dominion guarantees \$2.8 million, and other corporations \$2.3 million. Net sales of Canadian stocks to the United States reached the exceptionally high level of \$7.0 million, and net sales of United States stocks were \$5.9 million.

Net repurchases of securities from the United Kingdom of \$8.2 million were also at an exceptionally high level. Repurchases of Canadian stocks accounted for \$7.5 million of this total, the remainder being divided between the different issues of Canadian bonds.

The trade with other countries was small and practically in equilibrium.

In the half year ending June 1945 net sales of securities to all countries were \$99.0 million compared with ~~\$66.3~~ ^{57.8} million in the first half of 1944. This increase is due to increased sales of Canadian stocks of \$6.1 million in 1945, compared with repurchases of \$3.8 million in 1944, and to an increase of \$10.5 million in net sales of United States stocks in 1945 over the same period of 1944 as well as larger sales of Canadian bonds.

The index numbers of common stocks prices in Canada and the United States all increased over the high levels established in May. The prices of Government bonds shown in table 4 reflected only very minor changes. 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.-
<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
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	213.0	113.0	+ 97.0	206.3	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	197.9	98.9	+ 99.0	195.3	77.9	+ 117.4	(1)	19.4	- 19.4	2.5	1.5	+ 1.0
January	26.0	16.3	+ 9.7	25.5	13.8	+ 11.7	(1)	2.2	- 2.2	0.5	0.3	+ 0.2
February	27.2	15.9	+ 11.3	26.3	13.0	+ 13.3	(1)	2.3	- 2.3	0.9	0.6	+ 0.3
March	20.6	10.6	+ 10.0	20.0	9.3	+ 10.7	(1)	1.2	- 1.2	0.6	0.1	+ 0.5
April	25.8	11.7	+ 14.1	25.6	9.3	+ 16.3	(1)	2.3	- 2.3	0.2	0.1	+ 0.1
May	30.7	11.8	+ 18.9	30.5	8.5	+ 22.0	(1)	3.1	- 3.1	0.2	0.2	-
June (x)	67.5	32.4	+ 35.1	67.2	23.9	+ 43.3	(1)	8.2	- 8.2	0.2	0.2	-

(1) Less than 0.05.

(x) Subject to revision.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, JUNE 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	46,119,370	16,438,289	45,988,836	15,578,535	-	713,478	130,534	146,276
Canadian New Issues	40,890	-	40,890	-	-	-	-	-
Canadian Outstanding Issues								
Dominion	32,800,251	14,045,305	32,670,792	13,854,150	-	171,288	129,459	19,947
Provincial	3,315,723	174,199	3,315,723	32,071	-	142,128	-	-
Municipal	1,593,570	955,783	1,593,570	723,982	-	231,801	-	-
Guaranteed by the Dominion	2,827,151	141,683	2,827,151	8,720	-	11,764	-	121,199
Railway, Other	594,956	55,840	594,956	55,840	-	-	-	-
Other Corporations	2,468,461	290,498	2,467,386	162,391	-	122,977	1,075	5,130
United States New issues								
Government	-	-	-	-	-	-	-	-
Other	-	9,511	-	9,511	-	-	-	-
United States Outstanding Issues								
Government	461,932	87,011	461,932	87,011	-	-	-	-
Other	617,271	217,127	617,271	217,127	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	389,184	87,312	389,184	53,792	-	33,520	-	-
Unspecified Bonds & Debentures ...	1,009,981	373,940	1,009,981	373,940	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	12,911,191	13,386,875	12,829,997	5,795,735	4,950	7,524,348	76,244	60,742
United States	8,406,041	2,574,216	8,307,772	2,545,464	-	-	18,269	23,752
United Kingdom	-	633	-	633	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	6,167	-	6,167	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	67,442,769	32,400,063	67,212,772	23,920,467	4,950	8,237,326	225,047	241,770

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, SIX MONTHS ENDING JUNE 1945

Table 2 A

	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	113,770,359	41,538,763	111,535,198	35,935,294	13,395	4,547,348	2,171,766	1,106,126
Canadian New Issues	274,493	-	49,475	-	-	-	225,018	-
Canadian Outstanding Issues								
Dominion	51,450,993	21,340,216	49,551,592	20,886,759	-	271,804	1,899,401	181,653
Provincial	15,718,329	2,982,216	15,717,845	1,557,097	-	1,369,581	434	55,538
Municipal	5,528,319	1,946,106	5,528,319	1,359,530	-	586,576	-	-
Guaranteed by the Dominion ..	8,553,252	834,708	8,546,900	263,206	-	28,355	6,352	538,147
Railway, Other	4,066,238	828,804	4,063,343	623,496	2,895	202,308	-	-
Other Corporations	14,238,450	4,695,937	14,214,310	2,357,462	-	2,023,336	24,140	315,139
United States New Issues								
Government	-	363,602	-	363,602	-	-	-	-
Other	-	477,103	-	477,103	-	-	-	-
United States Outstanding Issues								
Government	3,491,098	2,564,274	3,491,098	2,564,274	-	-	-	-
Other	4,235,537	1,641,667	4,235,537	1,627,471	-	9,690	-	4,506
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	132,706	23,530	122,206	28,530	10,500	-	-	-
Other	26,888	23,910	26,888	16,404	-	12,506	-	-
Other Countries New Issues ...	-	36,032	-	36,032	-	-	-	-
Other Countries Outstanding Issues	1,614,629	1,071,139	1,598,258	1,016,304	-	43,192	16,371	11,143
Unspecified Bonds & Debentures	4,439,427	2,749,524	4,439,427	2,749,524	-	-	-	-
Common & Preference Stocks								
Canadian	45,762,557	39,616,176	45,395,377	24,648,124	12,483	14,601,953	354,697	366,099
United States	38,267,660	17,412,198	38,249,391	17,353,298	-	19,194	18,269	34,706
United Kingdom	56,855	228,777	56,855	683	-	228,094	-	-
Other Countries	2,408	4,555	2,408	2,235	-	1,135	-	1,135
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	9,667	-	9,667	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	197,869,506	98,850,474	195,298,896	77,944,684	25,878	19,397,724	2,544,732	1,508,066

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
(SUMMARY TABLE) JUNE 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 ...	56,552,193	29,050,283	56,340,465	20,632,939	4,950	8,204,306	206,778	213,018
Bonds & Debentures	43,641,002	15,663,383	43,510,468	14,837,154	-	679,958	130,534	146,276
Common & Preference Stocks ..	12,911,191	13,386,875	12,829,997	5,795,785	4,950	7,524,348	76,244	66,742
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	9,491,411	2,387,365	9,473,142	2,359,113	-	-	18,269	28,752
Bonds & Debentures	1,079,203	313,649	1,079,203	313,649	-	-	-	-
Common & Preference Stocks ..	8,406,041	2,574,216	8,387,772	2,545,464	-	-	18,269	28,752
Other Securities	6,167	-	6,167	-	-	-	-	-
United Kingdom Securities, Total	-	683	-	683	-	-	-	-
Bonds & Debentures	-	-	-	-	-	-	-	-
Common & Preference Stocks ..	-	683	-	683	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	389,184	87,312	389,184	53,792	-	33,520	-	-
Bonds & Debentures	389,184	87,312	389,184	53,792	-	33,520	-	-
Common & Preference Stocks ..	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	1,009,981	373,940	1,009,981	373,940	-	-	-	-
TOTAL	67,442,769	32,400,063	67,212,772	23,920,467	4,950	8,237,826	225,047	241,770

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
FOR THE SIX MONTHS ENDING JUNE, 1945

Table 3 A

	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.	145,592,631	72,244,163	145,067,161	51,703,674	15,378	19,083,913	2,510,092	1,456,576
Bonds & Debentures	99,830,074	32,627,937	97,671,784	27,055,550	2,895	4,481,960	2,155,395	1,090,477
Common & Preference Stocks	45,762,557	39,616,176	45,395,377	24,648,124	12,483	14,601,953	354,697	366,099
Other Securities	-	-	-	-	-	-	-	-
United States Securities,								
Total	46,003,962	22,453,844	45,985,693	22,390,748	-	28,884	18,269	39,212
Bonds & Debentures	7,726,635	5,046,646	7,726,635	5,052,450	-	9,690	-	4,506
Common & Preference Stocks	38,267,660	17,412,198	38,249,391	17,358,298	-	19,194	18,269	34,706
Other Securities	9,667	-	9,667	-	-	-	-	-
United Kingdom Securities,								
Total	216,449	286,217	205,949	45,617	10,500	240,600	-	-
Bonds & Debentures	159,594	57,440	149,094	44,934	10,500	12,506	-	-
Common & Preference Stocks	56,855	228,777	56,855	683	-	228,094	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	1,617,037	1,111,726	1,600,666	1,055,121	-	44,327	16,371	12,278
Bonds & Debentures	1,614,629	1,107,171	1,598,258	1,052,836	-	43,192	16,371	11,143
Common & Preference Stocks	2,408	4,555	2,408	2,285	-	1,135	-	1,135
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ..	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	4,439,427	2,749,524	4,439,427	2,749,524	-	-	-	-
TOTAL	197,869,506	98,850,474	195,298,896	77,944,684	25,878	19,397,724	2,544,732	1,508,066

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>1943</u>								
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
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
February	14	104.28	2.88	111.53	1.18	2.14	102.00	2.59
March	14	104.01	2.92	111.97	1.09	2.05	102.25	2.54
April	18	104.18	2.89	111.91	1.07	2.03	102.38	2.50
May	16	103.90	2.92	111.66	1.09	2.05	102.38	2.50
June	13	103.69	2.95	111.56	1.08	2.04	102.85	2.39

+ 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% to July, August and September; and 24% in October and thereafter.

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

Table 5.

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>					
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
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
February	...	92.9	87.3	91.7	113.0
March	93.2	84.7	89.8	111.8
April	94.2	85.3	90.5	114.4
May	97.2	90.6	94.3	118.2
June	102.5	92.2	96.5	120.7



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Table 2

1942		1943		1944		1945	
Province	Value	Province	Value	Province	Value	Province	Value
Alberta	10.2	Alberta	10.2	Alberta	10.2	Alberta	10.2
Saskatchewan	10.2	Saskatchewan	10.2	Saskatchewan	10.2	Saskatchewan	10.2
Manitoba	10.2	Manitoba	10.2	Manitoba	10.2	Manitoba	10.2
Ontario	10.2	Ontario	10.2	Ontario	10.2	Ontario	10.2
Quebec	10.2	Quebec	10.2	Quebec	10.2	Quebec	10.2
Atlantic	10.2	Atlantic	10.2	Atlantic	10.2	Atlantic	10.2
Total	10.2	Total	10.2	Total	10.2	Total	10.2