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INTERNATIONAL PAYMENTS BRANCH

Dominion Statisticians

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Vol. II

No. 9

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

SEPTEMBER, 1945

Net sales of securities by Canada to other countries were lower in September than in any earlier month during the year. Net sales of \$6.6 million for September compare with \$20.4 million in August and \$21.7 million in July. Sharply reduced sales of Dominion issues accompanied by an increase in purchases account for most of the decline in net sales during September. Sales of United States stocks made up \$3.6 million of the inflow of capital and Canadian bonds accounted for most of the remaining \$3.0 million.

The trend of trading with the United States was characteristic of the trading with all countries. Net sales of securities of \$7.2 million represents the major part of trade with all countries. Sales of Canadian bonds accounted for \$2.6 million. Sales of municipals were \$0.8 million, provincials \$0.7 million and other corporations \$0.5 million. Net sales of Canadian stocks to the United States were \$0.5 million and net sales of United States stocks were \$3.6 million.

Net repurchases of securities from the United Kingdom were \$1.0 million divided equally between Canadian bonds and stocks.

There were net sales of securities to other countries of \$0.4 million.

In the nine months ending September, 1945, net sales of securities to all countries were \$147.8 million compared with \$81.3 million in the corresponding period of 1944. This increase in capital inflow arises mainly from net sales of Canadian bonds which were \$39.1 million larger than in the same period of 1944. The remainder of the increase results chiefly from increased sales of Canadian stocks of \$4.9 million in 1945 compared with repurchases of \$5.3 million in 1944 and from net sales of United States stocks of \$28.2 million in 1945, an increase of \$14.8 million over the same period of 1944.

In table 5 showing the index numbers of common stocks prices in Canada and the United States all sections showed appreciable gains with United States industrials reaching a new high level with an advance of 8.2 points. The prices of 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	3.8	1.9	+ 1.9
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	116.0	+ 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)	-
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	17.5	10.9	+ 6.4	(1)	3.5	- 3.5	0.8	0.8	-
<u>1945</u>												
TOTAL	278.7	130.9	+ 147.8	273.9	104.4	+ 169.5	0.1	23.7	- 23.6	4.7	2.8	+ 1.9
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	67.5	32.4	+ 35.1	67.2	23.9	+ 43.3	(1)	8.2	- 8.2	0.2	0.2	-
July	31.8	10.1	+ 21.7	30.5	6.6	+ 25.9	(1)	2.6	- 2.6	1.3	0.9	+ 0.4
August	29.3	8.9	+ 20.4	28.9	8.0	+ 20.9	(1)	0.6	- 0.6	0.4	0.3	+ 0.1
September(x)	19.6	13.0	+ 6.6	19.1	11.9	+ 7.2	(1)	1.0	- 1.0	0.5	0.1	+ 0.4

(1) Less than 0.05

(x) Subject to revision.

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

Table 2

	Total Purchases	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total	\$ 9,496,234	\$ 6,416,257	\$ 9,060,008	\$ 5,794,637	\$ 3,865	\$ 524,197	\$ 432,361	\$ 97,423
Canadian New Issues	205,561	-	190,470	-	-	-	15,091	-
Canadian Outstanding Issues								
Dominion	3,755,237	3,842,347	3,343,824	3,449,979	-	350,167	411,413	42,201
Provincial	983,872	291,611	983,872	253,165	-	28,512	-	9,934
Municipal	944,961	159,755	944,961	114,788	-	44,967	-	-
Guaranteed by the Dominion	243,197	16,587	243,197	4,653	-	10,088	-	1,846
Railway, Other	151,285	9,200	151,285	8,227	-	973	-	-
Other Corporations	1,369,616	970,948	1,369,616	840,206	-	89,490	-	41,252
United States New Issues								
Government	-	69,609	-	69,609	-	-	-	-
Other	-	292,805	-	292,805	-	-	-	-
United States Outstanding Issues								
Government	100,033	305,968	100,033	305,968	-	-	-	-
Other	1,286,339	106,556	1,286,339	104,366	-	-	-	2,190
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	3,865	-	-	-	3,865	-	-	-
Other	110,880	-	110,880	-	-	-	-	-
Other Countries New Issues.....	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues.	133,848	28,990	127,991	28,990	-	-	5,857	-
Unspecified Bonds & Debentures	207,540	321,881	207,540	321,881	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	4,379,308	4,337,867	4,293,943	3,782,782	41,219	515,912	44,146	39,173
United States	5,752,738	2,190,694	5,752,738	2,190,599	-	-	-	95
United Kingdom	4,742	10,794	-	8,762	4,742	-	-	2,032
Other Countries	10,159	-	10,159	-	-	-	-	-
Short-Term Securities (1 year or less)	-	91,228	-	91,228	-	-	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	19,643,181	13,046,840	19,116,848	11,868,008	49,826	1,040,109	476,507	138,723

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, NINE MONTHS ENDING SEPTEMBER, 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	\$ 169,097,894	\$ 54,096,779	\$ 164,968,955	\$ 45,941,814	\$ 29,145	\$ 5,876,067	\$ 4,099,794	\$ 2,278,898
Canadian New Issues	1,141,218	-	239,945	-	-	-	901,273	-
Canadian Outstanding Issues								
Dominion	88,127,779	28,416,869	85,027,708	26,986,275	-	623,630	3,100,071	806,964
Provincial	20,183,365	3,638,452	20,180,880	1,992,688	-	1,576,172	2,483	69,592
Municipal	7,493,842	2,219,234	7,493,842	1,487,997	-	731,237	-	-
Guaranteed by the Dominion ..	11,274,983	1,192,706	11,268,631	279,854	-	38,443	6,352	874,409
Railway, Other	4,988,912	872,221	4,986,017	665,940	2,895	206,281	-	-
Other Corporations	17,643,123	6,542,880	17,565,964	3,419,940	11,165	2,634,916	65,994	488,024
United States New Issues								
Government	-	433,211	-	433,211	-	-	-	-
Other	-	773,478	-	773,478	-	-	-	-
United States Outstanding Issues								
Government	4,133,733	3,384,265	4,133,733	3,384,265	-	-	-	-
Other	6,184,826	1,982,410	6,184,574	1,948,214	-	9,690	252	24,506
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	136,571	69,784	122,206	69,784	14,365	-	-	-
Other	320,462	28,910	319,742	16,404	720	12,506	-	-
Other Countries New Issues ...	-	45,700	-	45,700	-	-	-	-
Other Countries Outstanding Issues	2,039,745	1,167,039	2,016,378	1,108,444	-	43,192	23,367	15,403
Unspecified Bonds & Debentures	5,429,335	3,329,620	5,429,335	3,329,620	-	-	-	-
Common & Preference Stocks								
Canadian	57,980,378	53,100,482	57,348,691	35,011,998	71,233	17,620,701	560,454	467,783
United States	51,521,691	23,365,241	51,478,560	23,300,062	10,938	19,625	32,193	45,554
United Kingdom	69,813	264,462	57,255	9,445	4,742	252,985	7,816	2,052
Other Countries	12,567	4,555	12,567	2,285	-	1,135	-	1,135
Short-Term Securities (1 year or less)	-	91,228	-	91,228	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	9,667	-	9,667	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	278,692,010	130,922,747	273,875,695	104,356,832	116,058	23,770,513	4,700,257	2,795,402

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
(SUMMARY TABLE) SEPTEMBER 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	12,033,037	9,628,315	11,521,168	8,453,800	41,219	1,040,109	470,650	134,406
Bonds & Debentures	7,653,729	5,290,448	7,227,225	4,671,018	-	524,197	426,504	95,233
Common & Preference Stocks ...	4,379,308	4,337,867	4,293,943	3,782,782	41,219	515,912	44,146	39,173
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	7,139,110	2,965,632	7,139,110	2,963,347	-	-	-	2,285
Bonds & Debentures	1,386,372	774,938	1,386,372	772,748	-	-	-	2,190
Common & Preference Stocks ...	5,752,738	2,190,694	5,752,738	2,190,599	-	-	-	95
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	119,487	10,794	110,880	8,762	8,607	-	-	2,032
Bonds & Debentures	114,745	-	110,880	-	3,865	-	-	-
Common & Preference Stocks ...	4,742	10,794	-	8,762	4,742	-	-	2,032
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	144,007	28,990	138,150	28,990	-	-	5,857	-
Bonds & Debentures	133,848	28,990	127,991	28,990	-	-	5,857	-
Common & Preference Stocks ...	10,159	-	10,159	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	91,228	-	91,228	-	-	-	-
Unspecified Bonds & Debentures	207,540	321,881	207,540	321,881	-	-	-	-
TOTAL	19,643,181	13,046,840	19,116,848	11,868,008	49,826	1,040,109	476,507	158,723

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
FOR THE NINE MONTHS ENDING SEPTEMBER, 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..	208,833,600	95,982,844	204,111,678	69,844,692	85,293	23,431,380	4,636,629	2,706,772
Bonds & Debentures	150,853,222	42,882,362	146,762,987	34,832,694	14,060	5,810,679	4,076,175	2,238,989
Common & Preference Stocks.	57,980,378	53,100,482	57,348,691	35,011,998	71,233	17,620,701	560,454	467,783
Other Securities	-	-	-	-	-	-	-	-
United States Securities,								
Total	61,649,917	29,938,605	61,806,534	29,839,230	10,938	29,315	32,445	70,060
Bonds & Debentures	10,318,559	6,573,364	10,318,307	6,539,168	-	9,690	252	24,506
Common & Preference Stocks.	51,521,691	23,365,241	51,478,560	23,300,062	10,938	19,625	32,193	45,554
Other Securities	9,667	-	9,667	-	-	-	-	-
United Kingdom Securities,								
Total	526,846	363,156	499,203	95,633	19,827	265,491	7,816	2,032
Bonds & Debentures	457,033	98,694	441,948	86,188	15,085	12,506	-	-
Common & Preference Stocks.	69,813	264,462	57,255	9,445	4,742	252,985	7,816	2,032
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	2,052,312	1,217,294	2,028,945	1,156,429	-	44,327	23,367	16,538
Bonds & Debentures	2,039,745	1,212,739	2,016,378	1,154,144	-	43,192	23,367	15,403
Common & Preference Stocks.	12,567	4,555	12,567	2,285	-	1,135	-	1,135
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	91,228	-	91,228	-	-	-	-
Unspecified Bonds & Debentures ...	5,429,335	3,329,620	5,429,335	3,329,620	-	-	-	-
TOTAL	278,692,010	130,922,747	273,875,695	104,356,832	116,058	23,770,513	4,700,257	2,795,402

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	
1943								
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	1.38	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
1945								
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	111.56	1.09	2.05	102.38	2.50
June	13 ...	103.69	2.95	111.56	1.08	2.04	102.85	2.39
July	18 ...	103.55	2.96	111.66	1.04	2.00	103.20	2.30
August	15 ...	103.73	2.93	111.13	1.10	2.06	103.25	2.28
September	19 ...	103.51	2.96	110.56	1.17	2.13	103.35	2.25

* 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.



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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	Composite Mining Index (25)		
1943					
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	
1944					
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	
1945					
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	
July	100.5	88.0	93.1	118.4	
August	99.6	89.7	93.7	117.9	
September	102.0	91.2	94.5	126.1	