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INTERNATIONAL PAYMENTS BRANCH

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
FEBRUARY, 1946

Net sales of securities by Canada to other countries were \$34.9 million in February as compared with \$17.7 million in January and \$11.6 million in December. Net sales of Dominion bond issues accounted for \$30.5 million of this total and were at the highest level since tabulations of these statistics have been recorded. Trading in Canadian and United States stocks continued heavy. Net sales of Canadian stocks to the United States were \$3.3 million but were offset by repurchases of \$3.9 million from the United Kingdom.

Net sales of securities to the United States of \$39.2 million were exceptionally high, exceeded only by net sales of \$43.3 million in June, 1945. Sales of Canadian bonds to the United States amounted to \$35.5 million on balance. Sales of Dominions were \$30.5 million, provincials \$3.0 million and other corporations \$0.7 million. Net sales of Canadian stocks to the United States were \$3.3 million. There were also net sales of United States stocks of \$2.2 million but purchases of United States bonds offset these.

Net repurchases from the United Kingdom were \$4.3 million; \$3.8 million repurchases of Canadian stocks, the remainder divided between municipal and other corporation bonds.

The trade with other countries was small and in equilibrium.

During the first two months of 1946, net sales of securities to all countries amounted to \$52.6 million compared with \$21.0 million for the same period of 1945. The increase resulted chiefly from higher net sales of Canadian bonds which were \$48.2 million in 1946 compared with \$10.9 million in 1945. Net sales of Canadian stocks were \$3.0 million lower in the two months of 1946 while net sales of United States stocks were \$1.3 million lower for the same period.

In table 5, showing the index numbers of common stocks prices in Canada and the United States, the Canadian mining stocks advanced moderately, while Canadian and United States industrials declined slightly.

In table 4, showing quotations and yields for domestic government bonds in Canada, the United Kingdom and the United States, prices for each issue showed marked increases, as they did in January.

The official buying and selling rates for foreign exchange remained unchanged.

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

Table 1. (In millions of dollars to nearest hundred thousand)

Year and Month	Total Transactions			United States			United Kingdom			Other Countries		
	Sales to	Purchases from	Net Sales + Purch.	Sales to	Purchases from	Net Sales + Purch.	Sales to	Purchases from	Net Sales + Purch.	Sales to	Purchases from	Net Sales + Purch.
1944												
TOTAL	213.0	116.0	+ 97.0	206.3	95.4	+ 112.9	0.5	19.2	- 18.7	6.1	5.3	+ 2.8
February	16.1	8.6	+ 7.5	15.6	6.5	+ 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	5.6	+ 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	-
1945												
TOTAL	386.4	195.4	+ 191.0	380.1	158.0	+ 222.1	0.4	33.9	- 33.5	5.9	3.5	+ 2.4
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	+ 23.9	(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	19.6	13.0	+ 6.6	19.1	11.9	+ 7.2	(1)	1.0	- 1.0	0.5	0.1	+ 0.4
October	28.7	16.2	+ 12.5	28.3	14.6	+ 13.7	0.1	1.4	- 1.3	0.4	0.3	+ 0.1
November	43.0	23.8	+ 19.2	42.7	19.7	+ 23.0	0.1	3.9	- 3.8	0.1	0.1	-
December	36.0	24.4	+ 11.6	35.3	19.3	+ 16.0	0.1	4.8	- 4.7	0.6	0.3	+ 0.3
1946												
TOTAL	116.7	64.1	+ 52.6	115.1	51.2	+ 63.9	0.3	11.7	- 11.4	1.2	1.1	+ 0.1
January	50.9	33.2	+ 17.7	50.0	25.3	+ 24.7	0.1	7.2	- 7.1	0.8	0.7	+ 0.1
February (x)	65.8	30.9	+ 34.9	65.1	25.9	+ 39.2	0.2	4.5	- 4.3	0.4	0.4	-

(1) Less than 0.05

(x) Subject to revision.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, FEBRUARY, 1946

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	44,528,554	11,326,164	44,147,402	10,500,968	213,446	572,959	167,706	252,237
Canadian New Issues	7,067	-	6,011	-	-	-	1,056	-
Canadian Outstanding Issues -								
Dominion	36,993,606	6,465,784	36,906,239	6,413,481	-	5,848	87,367	46,455
Provincial	3,103,329	131,352	3,054,921	69,701	831	54,575	47,577	7,076
Municipal	817,213	190,577	817,213	16,069	-	174,508	-	-
Guaranteed by the Dominion	410,416	101,196	410,416	38,167	-	20,240	-	42,789
Railway, Other	197,243	41,981	197,243	38,123	-	3,858	-	-
Other Corporations	1,338,489	832,900	1,112,071	402,190	199,500	313,830	26,918	116,880
United States New Issues -								
Government	-	2,404,570	-	2,404,570	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues -								
Government	84,719	430,904	84,719	430,904	-	-	-	-
Other	1,039,306	488,723	1,039,306	470,527	-	-	-	18,196
United Kingdom New Issues -								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues -								
Government	11,765	-	-	-	11,765	-	-	-
Other	66,606	1,822	65,256	1,722	1,350	100	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues.	66,497	49,467	61,709	28,626	-	-	4,788	20,841
Unspecified Bonds & Debentures	392,298	186,888	392,298	186,888	-	-	-	-
Common & Preference Stocks								
Canadian	12,735,699	13,242,911	12,450,912	9,159,184	7,837	3,882,671	276,950	201,056
United States	7,389,088	5,234,472	7,389,088	5,217,526	-	10,410	-	6,536
United Kingdom	16,800	39,238	16,800	39,238	-	-	-	-
Other Countries	5,326	4,150	5,326	2,116	-	-	-	2,034
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	1,581	7,083	1,581	7,083	-	-	-	-
United States	1,111,118	1,025,246	1,111,118	1,025,246	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	65,788,166	30,879,264	65,122,227	25,951,361	221,283	4,466,040	444,656	461,863

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, TWO MONTHS ENDING FEBRUARY, 1946

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	66,380,014	19,661,730	65,446,993	17,639,950	272,253	1,447,253	660,768	524,527
Canadian New Issues	55,293	-	37,387	-	-	-	17,906	-
Canadian Outstanding Issues -								
Dominion	50,991,419	11,718,605	50,536,896	11,551,311	-	16,640	454,523	150,354
Provincial	5,425,793	1,047,382	5,337,424	304,531	831	683,128	87,538	59,723
Municipal	1,043,859	348,204	1,043,859	50,342	-	297,862	-	-
Guaranteed by the Dominion ..	1,099,074	103,132	1,099,074	39,517	-	20,826	-	42,789
Railway, Other	569,087	143,701	569,087	142,843	-	3,858	-	-
Other Corporations	3,776,505	1,447,348	3,480,992	838,114	199,500	400,596	96,013	209,138
United States New Issues -								
Government	-	2,404,570	-	2,404,570	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	424,886	650,850	424,886	650,850	-	-	-	-
Other	1,467,472	605,400	1,467,472	581,486	-	-	-	23,914
United Kingdom New Issues -								
Government	-	370,422	-	370,422	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	136,717	-	70,148	-	66,569	-	-	-
Other	77,103	3,541	71,750	3,441	5,353	100	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	230,598	327,807	225,810	264,955	-	24,243	4,788	38,609
Unspecified Bonds & Debentures.	1,082,208	487,268	1,082,208	487,268	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	29,747,601	29,851,594	29,089,318	19,017,283	81,430	10,186,097	576,853	648,214
United States	19,441,155	13,518,184	19,441,155	13,476,128	-	35,520	-	6,536
United Kingdom	16,800	39,238	16,800	39,238	-	-	-	-
Other Countries	5,326	6,750	5,326	4,716	-	-	-	2,034
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian	3,831	7,083	3,831	7,083	-	-	-	-
United States	1,111,118	1,025,246	1,111,118	1,025,246	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	116,705,845	64,109,825	115,114,541	51,259,644	353,683	11,668,370	1,237,621	1,181,311

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
(SUMMARY TABLE) FEBRUARY, 1946

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 ...	55,604,643	21,013,784	54,956,607	16,143,998	208,168	4,455,530	439,868	414,256
Bonds & Debentures	42,867,363	7,763,790	42,504,114	6,977,731	200,331	572,859	162,918	213,200
Common & Preference Stocks ..	12,735,699	13,242,911	12,450,912	9,159,184	7,837	3,882,671	276,950	201,056
Other Securities	1,581	7,083	1,581	7,083	-	-	-	-
United States Securities,								
Total	9,624,231	9,583,915	9,624,231	9,548,773	-	10,410	-	24,732
Bonds & Debentures	1,124,025	3,324,197	1,124,025	3,306,001	-	-	-	18,196
Common & Preference Stocks ..	7,389,088	5,234,472	7,389,088	5,217,526	-	10,410	-	6,536
Other Securities	1,111,118	1,025,246	1,111,118	1,025,246	-	-	-	-
United Kingdom Securities,								
Total	95,171	41,060	82,056	40,960	13,115	100	-	-
Bonds & Debentures	78,371	1,822	65,256	1,722	13,115	100	-	-
Common & Preference Stocks ..	16,800	39,238	16,800	39,238	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	71,823	53,617	67,035	30,742	-	-	4,788	22,875
Bonds & Debentures	66,497	49,467	61,709	28,626	-	-	4,788	20,841
Common & Preference Stocks ..	5,326	4,150	5,326	2,116	-	-	-	2,034
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	392,298	186,838	392,298	186,838	-	-	-	-
TOTAL	65,788,166	30,879,264	65,122,227	25,951,361	221,283	4,466,040	444,656	461,863

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
FOR THE TWO MONTHS ENDING FEBRUARY, 1946

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 ..	92,712,462	44,670,549	91,197,868	31,951,324	281,761	11,609,007	1,232,833	1,110,218
Bonds & Debentures	62,961,030	14,811,872	62,104,719	12,926,958	200,331	1,422,910	655,980	462,004
Common & Preference Stocks ..	29,747,601	29,851,594	29,089,318	19,017,283	81,430	10,186,097	576,853	648,214
Other Securities	3,831	7,083	3,831	7,083	-	-	-	-
United States Securities,								
Total	22,444,631	18,204,250	22,444,631	18,138,280	-	35,520	-	30,450
Bonds & Debentures	1,892,358	3,660,820	1,892,358	3,636,906	-	-	-	23,914
Common & Preference Stocks ..	19,441,155	13,518,184	19,441,155	13,476,128	-	35,520	-	6,536
Other Securities	1,111,118	1,025,246	1,111,118	1,025,246	-	-	-	-
United Kingdom Securities,								
Total	230,620	413,201	158,698	413,101	71,922	100	-	-
Bonds & Debentures	213,820	373,963	141,898	373,863	71,922	100	-	-
Common & Preference Stocks ..	16,800	39,238	16,800	39,238	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	235,924	334,557	231,136	269,671	-	24,243	4,788	40,643
Bonds & Debentures	230,598	327,807	225,810	264,955	-	24,243	4,788	38,609
Common & Preference Stocks ..	5,326	6,750	5,326	4,716	-	-	-	2,034
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	1,082,208	487,268	1,082,208	487,268	-	-	-	-
TOTAL	116,705,845	64,109,825	115,114,541	51,259,644	353,683	11,668,870	1,237,621	1,181,311

QUOTATION AND YIELD FOR DOMESTIC GOVERNMENT BONDS
IN CANADA, THE UNITED KINGDOM AND UNITED STATES

Table 4

	CANADA		UNITED KINGDOM		UNITED STATES	
	3% due Feb. 1, 1959-62		3% due April 15, 1959-69		U. S. Treasury 2 $\frac{1}{2}$ % due Dec. 15, 1963-68	
	Price	Yield	Price	Yield	Price	Yield
<u>1945</u>						
January	99.88	3.01	100.21	2.98	100.97	2.44
February	99.88	3.01	100.53	2.95	101.81	2.38
March	99.97	3.00	100.83	2.93	101.47	2.40
April	99.94	3.01	100.79	2.93	101.47	2.40
May	99.94	3.01	100.42	2.96	101.59	2.39
June	100.10	2.99	100.36	2.97	102.22	2.35
July	100.38	2.97	100.39	2.97	102.47	2.33
August	100.38	2.97	100.39	2.97	102.26	2.35
September ...	100.38	2.97	100.68	2.94	102.03	2.36
October	100.38	2.97	100.82	2.93	102.30	2.34
November	100.56	2.95	100.79	2.93	102.37	2.34
December	101.53	2.86	100.58	2.95	102.45	2.33
<u>1946</u>						
January	102.74	2.75	101.94	2.82	104.69	2.18
February	104.19	2.62	103.08	2.72	106.23	2.08

The above prices are the averages of business days during each month.



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INDEX NUMBERS OF COMMON STOCKS PRICES IN CANADA AND

THE UNITED STATES

Table 5

(1935-1939=100)

	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)	
1939 - December	101.2	105.0	142.4	94.2
1940 - December	77.1	88.2	115.0	80.4
1941 - December	67.2	52.2	63.2	71.8
1942 - December	71.3	44.7	54.7	74.7
1943 - December	80.5	68.5	74.9	91.8
1944				
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
October	104.2	96.2	98.8	132.0
November	107.2	102.3	105.5	136.9
December	112.5	104.0	108.2	139.7
1946				
January	123.5	107.2	114.9	144.8
February	121.8	111.6	116.9	143.3