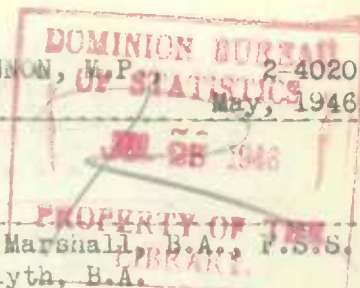


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No. 5

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

Net sales of securities by Canada to other countries amounted to \$10.5 million in May as compared with \$13.0 million in April and \$20.2 million in March. While sales of Canadian bonds declined, trading in Canadian and United States stocks continued heavy, net sales of Canadian stocks to all countries of \$3.0 million being unusually high. Net sales of United States stocks were \$3.8 million and sales of Dominion issues declined to \$1.8 million.

Net sales of securities to the United States were \$13.2 million compared with \$39.2 million in February, the month of heaviest sales. Sales of Canadian bonds to the United States amounted to \$4.1 million. Sales of Dominions were \$1.9 million and other corporations \$1.1 million. Net sales of Canadian stocks to the United States were high at \$5.4 million but were partly offset by repurchases of \$2.3 million from the United Kingdom. The remainder was composed principally of United States stocks.

Net repurchases of securities from the United Kingdom were \$2.6 million; \$2.3 million repurchases of Canadian stocks, \$0.2 million other corporation bonds and \$0.1 million municipal bonds.

The trade with other countries was small with net purchases of \$0.1 million.

During the first five months of 1946 net sales of securities to all countries amounted to \$96.3 million as compared with \$64.0 million in the corresponding period of 1945. The increase results chiefly from higher net sales of Canadian bonds which were \$78.5 million in 1946 as compared with \$39.2 million in 1945. During this period of 1946 net sales of Canadian stocks to all countries were \$3.0 million lower than in the same period of 1945 and net sales of United States securities were \$3.6 million lower than in 1945.

In Table 4 showing quotations and yields of domestic government bonds in Canada, the United Kingdom and the United States, the Canadian issue remained relatively stable while the United States issue declined.

In Table 5 showing the index numbers of common stocks prices in Canada and the United States, the United States industrials advanced moderately while Canadian mining stocks declined moderately, and there was a slight decline in Canadian industrials.

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>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
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	0.3	-
<u>1945</u>												
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
<u>1946</u>												
TOTAL	223.6	127.3	+ 96.3	220.0	102.7	+117.3	1.1	22.5	- 21.4	2.5	2.1	+ 0.4
January ...	50.9	33.2	+ 17.7	50.0	25.3	+ 24.7	0.1	7.2	- 7.1	0.3	0.7	+ 0.1
February ...	65.8	30.9	+ 34.9	65.1	25.9	+ 39.2	0.2	4.5	- 4.3	0.4	0.4	-
March	39.0	18.3	+ 20.2	38.4	15.3	+ 23.1	0.1	3.3	- 3.2	0.5	0.2	+ 0.3
April	37.9	24.9	+ 13.0	37.1	20.0	+ 17.1	0.2	4.4	- 4.2	0.6	0.5	+ 0.1
May (x) ...	30.0	19.5	+ 10.5	29.4	16.2	+ 13.2	0.5	3.1	- 2.6	0.1	0.2	- 0.1

(1) Less than 0.05.

(x) Subject to revision.

Table 2

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

	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	8,120,874	4,455,375	7,664,317	3,698,576	444,883	728,979	11,674	27,820
Canadian New Issues	27,026	-	27,026	-	-	-	-	-
Canadian Outstanding Issues -								
Dominion	4,020,550	2,182,432	4,013,088	2,137,053	2,118	30,723	5,344	14,656
Provincial	533,707	192,374	531,043	104,321	2,664	86,983	-	1,070
Municipal	544,755	151,722	544,755	18,783	-	131,397	-	1,042
Guaranteed by the Dominion ..	244,252	53,719	244,147	53,719	-	-	105	-
Railway, other	119,990	199,525	119,990	121,658	-	77,867	-	-
Other Corporations	1,530,643	659,237	1,299,980	248,222	224,438	399,963	6,225	11,052
United States New Issues -								
Government	-	11,016	-	11,016	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues -								
Government	122,276	631,894	122,276	631,894	-	-	-	-
Other	371,808	109,537	371,808	109,537	-	-	-	-
United Kingdom New Issues -								
Government	-	1,061	-	-	-	1,061	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues-								
Government	213,753	96,778	228	96,778	213,525	-	-	-
Other	2,705	-	567	-	2,138	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	142,611	144,986	142,611	144,501	-	485	-	-
Unspecified Bonds & Debentures ..	246,798	21,094	246,798	21,094	-	-	-	-
Common & Preference Stocks								
Canadian	13,017,919	9,992,472	12,885,936	7,489,190	16,194	2,330,570	115,789	172,712
United States	8,782,946	5,000,598	8,782,946	4,988,143	-	12,353	-	102
United Kingdom	51,719	2,656	51,719	2,656	-	-	-	-
Other Countries	-	472	-	-	-	472	-	-
Short-Term Securities(1 yr. or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	3,516	-	3,516	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	4,400	-	4,400	-	-	-	-	-
TOTAL	29,981,374	19,451,573	29,392,834	16,178,565	461,077	3,072,374	127,463	200,634

Table 2A ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, FIVE MONTHS ENDING MAY, 1946.

	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 ..	116,756,730	39,476,045	114,449,738	33,058,489	840,437	5,384,238	1,466,555	1,033,318
Canadian New Issues	1,471,641	-	1,347,828	-	-	-	123,813	-
Canadian Outstanding Issues-								
Dominion	84,406,099	21,574,590	83,311,612	21,118,880	2,118	206,332	1,092,369	249,378
Provincial	7,925,003	1,538,741	7,807,730	618,206	28,600	857,136	88,673	63,399
Municipal	3,991,939	1,617,178	3,991,939	415,152	-	1,200,984	-	1,042
Guaranteed by the Dominion	1,785,407	339,350	1,785,302	261,056	-	20,826	105	57,468
Railway, Other	967,951	541,955	967,951	421,972	-	119,983	-	-
Other Corporations	8,884,932	5,295,206	8,244,751	1,758,261	483,374	2,953,088	156,807	583,857
United States New Issues -								
Government	-	3,002,731	-	3,002,731	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues -								
Government	1,487,387	2,386,793	1,487,387	2,386,793	-	-	-	-
Other	2,763,788	1,063,591	2,763,788	1,029,558	-	-	-	34,033
United Kingdom New Issues -								
Government	-	371,483	-	370,422	-	1,061	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues -								
Government	389,230	96,778	70,376	96,778	318,854	-	-	-
Other	80,086	3,541	72,595	3,441	7,491	100	-	-
Other Countries New Issues ..	-	-	-	-	-	-	-	-
Other Countries Outstanding								
Issues	642,933	693,853	638,145	624,984	-	24,728	4,788	44,141
Unspecified Bonds & Debentures	1,960,334	950,255	1,960,334	950,255	-	-	-	-
Common & Preference Stocks								
Canadian	62,491,200	58,912,689	61,181,038	40,843,137	227,045	17,009,244	1,083,117	1,060,308
United States	43,102,397	27,703,760	43,098,564	27,636,228	-	47,873	3,833	19,659
United Kingdom	106,419	157,113	106,419	157,113	-	-	-	-
Other Countries	5,326	7,518	5,326	5,012	-	472	-	2,034
Short-Term Securities(1 yr. or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	11,002	11,136	11,002	7,148	-	3,988	-	-
United States	1,160,521	1,025,246	1,160,521	1,025,246	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	10,505	-	10,505	-	-	-	-	-
TOTAL	228,644,100	127,293,507	220,023,113	102,732,373	1,067,482	22,445,815	2,553,505	2,115,319

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY

Table 3

(SUMMARY TABLE) MAY, 1946

	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 ...	20,042,358	13,431,481	19,669,481	10,172,946	245,414	3,058,003	127,463	200,532
Bonds & Debentures	7,020,923	3,439,009	6,780,029	2,683,756	229,220	727,433	11,674	27,820
Common & Preference Stocks ..	13,017,919	9,992,472	12,885,936	7,489,190	16,194	2,330,570	115,789	172,712
Other Securities	3,516	-	3,516	-	-	-	-	-
United States Securities, Total.	9,277,030	5,753,045	9,277,030	5,740,590	-	12,353	-	102
Bonds & Debentures	494,084	752,447	494,084	752,447	-	-	-	-
Common & Preference Stocks ..	8,782,946	5,000,598	8,782,946	4,988,143	-	12,353	-	102
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	268,177	100,495	52,514	99,434	215,663	1,061	-	-
Bonds & Debentures	216,458	97,839	795	96,778	215,663	1,061	-	-
Common & Preference Stocks ..	51,719	2,656	51,719	2,656	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	147,011	145,458	147,011	144,501	-	957	-	-
Bonds & Debentures	142,611	144,986	142,611	144,501	-	485	-	-
Common & Preference Stocks ..	-	472	-	-	-	472	-	-
Other Securities	4,400	-	4,400	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures .	246,798	21,094	246,798	21,094	-	-	-	-
TOTAL	29,981,374	19,451,573	29,392,834	16,178,565	461,077	3,072,374	127,463	200,634

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
FOR THE FIVE MONTHS ENDING MAY, 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..	171,935,174	89,830,845	168,649,153	65,443,812	741,137	22,371,581	2,544,884	2,015,452
Bonds & Debentures	109,432,972	30,907,020	107,457,113	24,593,527	514,092	5,358,349	1,461,767	955,144
Common & Preference Stocks	62,491,200	58,912,689	61,181,038	40,845,137	227,045	17,009,244	1,083,117	1,060,308
Other Securities	11,002	11,136	11,002	7,148	-	3,988	-	-
United States Securities,								
Total	48,514,093	35,182,121	48,510,260	35,080,556	-	47,873	3,833	53,692
Bonds & Debentures	4,251,175	6,453,115	4,251,175	6,419,082	-	-	-	34,033
Common & Preference Stocks	43,102,397	27,703,760	43,098,564	27,636,228	-	47,873	3,833	19,659
Other Securities	1,160,521	1,025,246	1,160,521	1,025,246	-	-	-	-
United Kingdom Securities,								
Total	575,735	628,915	249,390	627,754	326,345	1,161	-	-
Bonds & Debentures	469,316	471,802	142,971	470,641	326,345	1,161	-	-
Common & Preference Stocks	106,419	157,113	106,419	157,113	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	658,764	701,371	653,976	629,996	-	25,200	4,788	46,175
Bonds & Debentures	642,933	693,853	638,145	624,984	-	24,728	4,788	44,141
Common & Preference Stocks	5,326	7,518	5,326	5,012	-	472	-	2,034
Other Securities	10,505	-	10,505	-	-	-	-	-
Short-Term Securities								
(1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds &								
Debentures	1,960,334	950,255	1,960,334	950,255	-	-	-	-
TOTAL	223,644,100	127,293,507	220,023,113	102,732,373	1,067,482	22,445,815	2,553,505	2,115,319

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 2½% 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
March	104.89	2.55	103.51	2.68	106.77	2.04
April	104.91	2.55	105.12	2.54	106.93	2.03
May	104.75	2.56			105.24	2.14

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

(1935-1939=100)

Table 5

	C A N A D A Dominion Bureau of Statistics			United States (402) (Standard & Poor's Corp.) (354 Industrials 20 Railroads 28 Utilities)
	Investor's 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
<u>1944</u>				
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
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
<u>1946</u>				
January	123.5	107.2	114.9	144.8
February ...	121.8	111.6	116.9	143.3
March	119.2	101.3	108.4	141.8
April	125.1	99.8	110.0	151.7
May	124.4	94.2	107.0	154.3