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Dominion Statistician:	Herbert Marshall
Chief International Payments Branch:	C.D. Blyth
Statistician:	W.R. Miller

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No. 2

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

February, 1948

The increase in volume in international sales and purchases of securities which was evident in December and January did not continue into February. Total transactions in February were 20 per cent less than in January and were equivalent to an average month in the latter part of 1947. Sales and purchases each decreased by the same amount, \$3.5 million, with the result that the purchase balance in February was the same as in January, \$2.5 million.

Sales to the United States in February declined more than purchases, resulting in a larger outflow of capital to that country than in January. The purchase balance with the United States of \$2.7 million in February was due principally to repurchases of Dominion bonds and Canadian stocks.

In trade with the United Kingdom, net sales of United Kingdom stocks practically balanced net purchases of Canadian bonds, resulting in a purchase balance of less than \$0.1 million.

Transactions with other countries were somewhat lighter than in January, and a purchase balance of \$0.1 million in that month was replaced by a sales balance of \$0.2 million in February.

During the first two months of 1948 net purchases from all countries totalled \$5 million. The corresponding period in 1947 produced a sales balance of \$3.2 million, but that was contrary to the general trend of the year which resulted in a net outward movement of \$18 million. Transactions in January and February followed a common pattern in which repurchases of Dominion bonds and Canadian stocks were prominent features.

In table 4 showing quotations and yields for representative government bonds in Canada, the United Kingdom and the United States, the price of the Canadian issue continued the decline which commenced in September, while the United Kingdom and United States issues were practically unchanged.

February brought the sharpest drop in Canadian stocks with the exception of mines, and in United States stocks in general, since September 1946. Canadian golds were stable and other mines eased slightly.

Statistics in this bulletin cover transactions reported by investment firms, stock exchanges and other security dealers in Canada. Not included are: new issues of Canadian securities floated abroad, redemptions of called or matured Canadian bonds owned abroad, and some transactions by other than the reporting agencies. Complete statistics regarding capital movements are included in the annual reports on 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	Pur- chases	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>1946</u>												
TOTAL (12 mos.)	415.8	281.2	+ 134.6	405.0	234.8	+ 170.2	4.2	39.6	- 33.4	6.5	6.7	- 0.2
February .....	65.8	30.9	+ 34.9	65.1	25.9	+ 39.2	0.2	4.5	- 4.3	0.4	0.4	0.0
March .....	39.0	18.8	+ 20.2	38.4	15.3	+ 23.1	0.2	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 .....	30.0	19.5	+ 10.5	29.4	16.2	+ 13.2	0.5	3.1	- 2.6	0.1	0.2	- 0.1
June .....	41.4	19.1	+ 22.3	39.3	15.1	+ 24.2	0.8	2.9	- 2.1	1.3	1.1	+ 0.2
July .....	28.0	19.7	+ 8.3	27.0	17.4	+ 9.6	0.3	1.8	- 1.5	0.7	0.5	+ 0.2
August .....	23.7	19.6	+ 4.1	23.1	16.2	+ 6.9	0.1	1.8	- 1.7	0.5	1.6	- 1.1
September ....	32.0	32.4	- 0.4	30.9	27.1	+ 3.8	0.8	4.8	- 4.0	0.4	0.5	- 0.1
October .....	22.7	20.9	+ 1.8	21.7	18.2	+ 3.5	0.5	2.3	- 1.8	0.4	0.3	+ 0.1
November .....	21.7	16.7	+ 5.0	21.0	15.1	+ 5.9	0.5	1.5	- 1.0	0.2	0.1	+ 0.1
December .....	22.7	25.5	- 2.8	22.1	23.1	- 1.0	0.2	1.9	- 1.7	0.4	0.5	- 0.1
<u>1947</u>												
TOTAL (12 mos.)	193.8	211.8	- 18.0	182.3	192.8	- 10.5	4.2	13.3	- 9.1	7.3	5.7	+ 1.6
January .....	28.3	25.1	+ 3.2	24.9	22.6	+ 2.3	0.8	1.3	- 0.5	2.6	1.2	+ 1.4
February .....	24.9	24.9	0.0	23.4	22.5	+ 0.9	0.3	1.3	- 1.0	1.2	1.1	+ 0.1
March .....	24.1	32.3	- 8.2	22.7	30.7	- 8.0	0.4	0.9	- 0.5	0.9	0.7	+ 0.2
April .....	12.5	12.5	0.0	11.9	11.2	+ 0.7	0.2	0.8	- 0.6	0.4	0.5	- 0.1
May .....	16.0	17.3	- 1.3	15.2	15.9	- 0.7	0.2	1.1	- 0.9	0.6	0.3	+ 0.3
June .....	11.0	12.2	- 1.2	10.8	11.3	- 0.5	0.1	0.6	- 0.5	0.1	0.3	- 0.2
July .....	11.5	11.2	+ 0.3	10.7	9.4	+ 1.3	0.6	1.7	- 1.1	0.3	0.1	+ 0.2
August .....	10.9	13.2	- 2.3	10.6	11.9	- 1.4	0.1	1.2	- 1.1	0.2	0.1	+ 0.1
September ....	13.4	15.9	- 2.5	12.5	13.2	- 0.7	0.7	2.1	- 1.5	0.2	0.6	- 0.3
October .....	14.7	15.1	- 0.4	14.1	13.9	+ 0.2	0.2	0.7	- 0.5	0.4	0.5	- 0.1
November .....	12.1	13.7	- 1.6	11.4	12.8	- 1.4	0.4	0.7	- 0.3	0.3	0.2	+ 0.1
December .....	14.3	18.4	- 4.1	14.0	17.3	- 3.3	0.2	0.9	- 0.7	0.1	0.2	- 0.1
<u>1948</u>												
TOTAL (2 mos.)	29.5	34.5	- 5.0	27.5	32.2	- 4.7	0.5	1.1	- 0.6	1.4	1.3	+ 0.1
January .....	16.5	19.0	- 2.5	15.6	17.6	- 2.0	0.1	0.7	- 0.6	0.7	0.8	- 0.1
February .....	13.0	15.5	- 2.5	11.9	14.6	- 2.7	0.4	0.4	0.0	0.7	0.5	+ 0.2

N. B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, FEBRUARY, 1948

Table 2.

( In thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<u>Bonds and Debentures, Total</u> .....	6,944	8,264	6,447	7,644	36	225	463	396
Canadian New Issues .....	25	-	-	-	-	-	25	-
Canadian Outstanding Issues .....								
Dominion .....	2,371	4,939	2,148	4,779	-	19	223	141
Provincial .....	188	604	128	489	-	115	60	-
Municipal .....	382	131	382	81	-	50	-	-
Guaranteed by the Dominion .....	378	62	350	15	-	-	29	48
Railway, Other .....	470	51	469	43	1	8	-	-
Other Corporations .....	910	768	866	623	-	16	44	129
United States New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	15	-	15	-	-	-	-
United States Outstanding Issues .....								
Government .....	1,083	939	1,083	939	-	-	-	-
Other .....	219	277	219	277	-	-	-	-
United Kingdom New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues .....								
Government .....	33	-	-	-	33	-	-	-
Other .....	-	3	-	3	-	-	-	-
Other Countries New Issues .....								
Other Countries Outstanding Issues .....	174	170	91	75	2	17	82	78
Unspecified Bonds and Debentures .....	711	305	711	305	-	-	-	-
<u>Common &amp; Preference Stocks</u> .....								
Canadian .....	4,545	5,462	4,137	5,184	209	208	198	69
United States .....	1,347	1,768	1,343	1,748	4	-	-	20
United Kingdom .....	132	-	-	-	132	-	-	-
Other Countries .....	-	-	-	-	-	-	-	-
<u>Short-Term Securities (1 year or less)</u> .....	-	26	-	26	-	-	-	-
<u>Other Securities</u> .....								
Canadian .....	22	5	22	5	-	-	-	-
United States .....	-	-	-	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
Other Countries .....	-	-	-	-	-	-	-	-
<b>TOTAL</b> .....	<b>12,990</b>	<b>15,525</b>	<b>11,949</b>	<b>14,607</b>	<b>381</b>	<b>433</b>	<b>661</b>	<b>485</b>

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

## ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, TWO MONTHS ENDING FEBRUARY, 1948

Table 2A

(In thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<b>Bonds and Debentures, Total</b> .....	15,362	18,289	14,217	16,746	101	485	1,044	1,061
Canadian New Issues .....	246	-	-	-	-	-	246	-
Canadian Outstanding Issues .....								
Dominion .....	4,354	10,052	4,127	9,579	-	22	227	452
Provincial .....	538	1,046	478	902	-	144	60	-
Municipal .....	1,284	401	1,282	213	2	188	-	-
Guaranteed by the Dominion .....	618	174	588	106	-	-	31	69
Railway, Other .....	1,132	398	1,131	365	1	34	-	1
Other Corporations .....	1,381	1,253	1,057	848	-	35	323	371
United States New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	116	-	116	-	-	-	-
United States Outstanding Issues .....								
Government .....	1,897	2,154	1,897	2,151	-	2	-	-
Other .....	2,143	1,196	2,143	1,196	-	-	-	-
United Kingdom New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues .....								
Government .....	91	23	-	-	91	23	-	-
Other .....	-	3	-	3	-	-	-	-
Other Countries New Issues .....	-	10	-	10	-	-	-	-
Other Countries Outstanding Issues .....	381	401	217	195	7	37	157	168
Unspecified Bonds and Debentures .....	1,297	1,062	1,297	1,062	-	-	-	-
<b>Common &amp; Preference Stocks</b>								
Canadian .....	8,775	10,809	8,208	10,137	240	490	326	181
United States .....	5,088	5,341	5,072	5,199	4	121	12	21
United Kingdom .....	177	1	-	-	177	1	-	-
Other Countries .....	9	-	9	-	-	-	-	-
Short-Term Securities (1 year or less) .....	-	128	-	128	-	-	-	-
<b>Other Securities</b>								
Canadian .....	33	6	33	6	-	-	-	-
United States .....	-	-	-	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
Other Countries .....	-	-	-	-	-	-	-	-
<b>TOTAL</b> .....	<b>29,444</b>	<b>34,574</b>	<b>27,539</b>	<b>32,216</b>	<b>522</b>	<b>1,097</b>	<b>1,382</b>	<b>1,263</b>

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

Table 3

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES  
BY NATIONALITY AND CLASS OF SECURITY  
SUMMARY TABLE, FEBRUARY, 1948  
(In thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<u>Canadian Securities, Total</u> .....	9,291	12,022	8,502	11,219	210	416	579	387
Bonds and Debentures .....	4,724	6,555	4,343	6,030	1	208	381	318
Common and Preference Stocks .....	4,545	5,462	4,137	5,184	209	208	198	69
Other Securities .....	22	5	22	5	-	-	-	-
<u>United States Securities, Total</u> .....	2,649	2,999	2,645	2,979	4	-	-	20
Bonds and Debentures .....	1,302	1,231	1,302	1,231	-	-	-	-
Common and Preference Stocks .....	1,347	1,768	1,343	1,748	4	-	-	20
Other Securities .....	-	-	-	-	-	-	-	-
<u>United Kingdom Securities, Total</u> .....	165	3	-	3	165	-	-	-
Bonds and Debentures .....	33	3	-	3	33	-	-	-
Common and Preference Stocks .....	132	-	-	-	132	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Other Countries Securities, Total</u> .....	174	170	91	75	2	17	82	78
Bonds and Debentures .....	174	170	91	75	2	17	82	78
Common and Preference Stocks .....	-	-	-	-	-	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Short-Term Securities (1 year or less).</u>	-	26	-	26	-	-	-	-
<u>Unspecified Bonds and Debentures</u> .....	711	305	711	305	-	-	-	-
<u>TOTAL</u> .....	12,990	15,525	11,949	14,607	381	433	661	485

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

Table 3A

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES  
BY NATIONALITY AND CLASS OF SECURITY  
FOR THE TWO MONTHS ENDING FEBRUARY, 1948  
(In thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<u>Canadian Securities, Total</u> .....	18,361	24,139	16,904	22,156	243	913	1,213	1,074
Bonds and Debentures .....	9,553	13,324	8,663	12,013	3	423	887	893
Common and Preference Stocks .....	8,775	10,809	8,208	10,137	240	490	326	181
Other Securities .....	33	6	33	6	-	-	-	-
<u>United States Securities, Total</u> .....	9,128	8,807	9,112	8,662	4	123	12	21
Bonds and Debentures .....	4,040	3,466	4,040	3,463	-	2	-	-
Common and Preference Stocks .....	5,088	5,341	5,072	5,199	4	121	12	21
Other Securities .....	-	-	-	-	-	-	-	-
<u>United Kingdom Securities, Total</u> .....	268	27	-	3	268	24	-	-
Bonds and Debentures .....	91	26	-	3	91	23	-	-
Common and Preference Stocks .....	177	1	-	-	177	1	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Other Countries Securities, Total</u> ...	390	411	226	205	7	37	157	168
Bonds and Debentures .....	381	411	217	205	7	37	157	168
Common and Preference Stocks .....	9	-	9	-	-	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Short-Term Securities (1 year or less)</u>	-	128	-	128	-	-	-	-
<u>Unspecified Bonds and Debentures</u> .....	1,297	1,062	1,297	1,062	-	-	-	-
<u>TOTAL</u> .....	29,444	34,574	27,539	32,216	522	1,097	1,382	1,263

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

QUOTATIONS AND YIELDS FOR DOMESTIC GOVERNMENT BONDS  
IN CANADA, THE UNITED KINGDOM AND UNITED STATES

Table 4

	Canada		United Kingdom		United States	
	3% due Sept. 1, 1961-66		3% due April 15, 1959-69		U. S. Treasury 2½% due Dec. 15, 1963-68	
	Price	Yield	Price	Yield	Price	Yield
<u>1946</u>						
January .....	102.47	2.80	101.94	2.82	104.69	2.18
February .....	104.14	2.67	103.08	2.72	106.23	2.08
March .....	104.96	2.61	103.51	2.68	106.77	2.04
April .....	104.99	2.60	105.12	2.54	106.93	2.03
May .....	104.68	2.63	105.11	2.53	105.24	2.14
June .....	104.81	2.61	104.62	2.57	105.65	2.11
July .....	104.83	2.61	104.93	2.54	105.18	2.14
August .....	104.75	2.62	105.06	2.53	104.40	2.19
September .....	104.75	2.61	105.83	2.46	103.63	2.24
October .....	104.75	2.61	106.58	2.39	103.99	2.22
November .....	104.79	2.61	108.46	2.22	104.09	2.21
December .....	104.77	2.61	108.35	2.22	104.19	2.20
<u>1947</u>						
January .....	104.76	2.61	108.54	2.20	104.68	2.17
February .....	104.83	2.60	107.65	2.28	104.78	2.16
March .....	104.85	2.60	105.54	2.47	105.07	2.14
April .....	104.75	2.60	106.01	2.42	105.04	2.14
May .....	104.89	2.59	106.47	2.38	104.97	2.14
June .....	105.00	2.58	105.84	2.43	104.58	2.17
July .....	105.00	2.58	103.27	2.67	104.18	2.20
August .....	104.85	2.59	99.86	3.01	104.21	2.19
September .....	104.86	2.58	100.11	2.99	104.35	2.18
October .....	104.81	2.59	101.87	2.81	103.84	2.22
November .....	104.75	2.59	102.44	2.75	102.44	2.32
December .....	104.75	2.59	100.82	2.92	101.99	2.35
<u>1948</u>						
January .....	102.25	2.80	100.92	2.90	101.03	2.42
February .....	101.85	2.83	100.98 (x)	2.90 (x)	101.03	2.42

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

(x) Subject to revision.



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INDEX NUMBERS OF COMMON STOCK PRICES IN CANADA AND  
THE UNITED STATES  
(1935-1939=100)

Table 5

	C A N A D A (Dominion Bureau of Statistics)			UNITED STATES (Standard and Poor's Trade Securities)  (Industrials, Railroads and Utilities)
	Investors' Price Index	Mining Stocks		
		(Industrials Utilities Banks)	Gold Stocks	
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 .....	71.5	44.7	54.7	74.7
1943 - December .....	80.5	68.5	74.9	91.8
1944 - December .....	86.0	74.4	80.6	104.7
1945 - December .....	112.5	104.0	108.2	139.7
<u>1946</u>				
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
June .....	123.3	92.0	104.0	153.2
July .....	119.1	81.7	93.0	149.6
August .....	116.9	77.6	89.7	146.4
September .....	104.4	71.1	81.6	125.4
October .....	101.8	70.1	80.3	122.3
November .....	102.5	73.1	83.5	120.6
December .....	106.4	70.9	83.7	125.5
<u>1947</u>				
January .....	106.2	74.1	86.6	125.2
February .....	109.4	75.7	88.8	128.7
March .....	106.4	73.8	85.7	123.7
April .....	104.8	73.0	84.1	119.3
May .....	104.4	72.3	83.0	115.2
June .....	105.3	76.6	86.9	119.1
July .....	107.4	75.6	85.8	126.0
August .....	105.5	77.3	87.0	124.5
September .....	104.1	80.1	88.0	123.1
October .....	105.5	78.9	87.6	125.1
November .....	107.3	79.5	89.9	123.6
December .....	106.2	74.8	86.6	122.4
<u>1948</u>				
January .....	107.5	71.6	84.8	120.1
February .....	102.2	71.8	83.3	114.2