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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIESJuly, 1948

International transactions in securities between Canada and other countries in July resulted in a sales balance for the first time in 12 months. The balance, amounting to \$1.7 million, was due principally to net sales of common and preference stocks and to sales of New Canadian bond issues floated in Canada. Total volume of transactions, which had increased each month from a low of \$28.5 million in February to a high of \$60.0 million in June, dropped to \$34.9 million in July.

Transactions with the United States resulted in a sales balance of \$2.2 million, contrasting with a purchase balance of \$3.0 million in the preceding month. In trade with the United States, net sales of Canadian stocks increased from \$0.5 million in June to \$2.2 million in July, and net purchases of United States stocks valued at \$2.5 million were replaced by net sales valued at \$0.6 million. Transactions in bonds produced a purchase balance of \$0.3 million in spite of sales of new Canadian issues valued at \$2.0 million.

Trade with the United Kingdom in July totalled \$0.9 million. The purchase balance of \$0.5 million was largely due to repurchases of Canadian stocks.

In trade with other countries net sales of stocks were practically balanced by net purchases of bonds. The aggregate volume of transactions during the month was \$0.6 million.

Transactions with all countries in the first seven months of 1948 resulted in a purchase balance of \$14.1 million. The same periods in 1947 and 1946 produced respectively a purchase balance of \$7.2 million and a sales balance of \$126.9 million. Total volume of trade in the first seven months of the current year was only slightly larger than the corresponding figure in 1947. Repurchase of Dominion bonds from holders in the United States was the most prominent type of transaction in the 1948 trade.

In Table 4, showing quotations and yields for representative government bonds in Canada, the United Kingdom and the United States, the prices of the Canadian and United Kingdom issues advanced fractionally while the United States issue eased half a point.

During July stock prices lost some of their recent gains. Minor declines were recorded by Canadian mining stocks, and losses by stocks of other Canadian companies and of United States companies brought prices close to those of May.

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.

	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.-	
1946													
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	
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	
1947													
TOTAL (12 mons.)...	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	
1948													
TOTAL (7 mons.)....	130.2	144.3	- 14.1	125.6	137.2	- 11.6	1.9	4.7	- 2.8	2.8	2.4	+0.4	
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	
March	15.6	15.6	0.0	15.1	14.5	+ 0.6	0.4	0.9	- 0.5	0.2	0.2	0.0	
April	19.0	20.4	- 1.4	18.1	19.7	- 1.6	0.3	0.5	- 0.2	0.6	0.2	+0.4	
May	19.5	25.3	- 5.8	19.1	24.2	- 5.1	0.3	1.0	- 0.7	0.1	0.1	0.0	
June	28.3	31.7	- 3.4	27.9	30.9	- 3.0	0.2	0.4	- 0.2	0.2	0.4	-0.2	
July.....	18.3	16.6	+ 1.7	17.8	15.6	+ 2.2	0.2	0.7	- 0.5	0.3	0.3	0.0	

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, JULY, 1948

Table 2

(In thousands of dollars)

	Total	Total	United States		United Kingdom		Other Countries	
	Sales	Purchases	Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds and Debentures, Total	6,579	7,216	6,371	6,738	89	250	118	229
Canadian New Issues	2,032	-	2,032	-	-	-	-	-
Canadian Outstanding Issues								
Dominion.....	1,755	1,950	1,653	1,872	-	4	102	74
Provincial.....	669	116	669	77	-	39	-	-
Municipal	107	1,046	107	954	-	92	-	-
Guaranteed by the Dominion.....	73	878	73	878	-	-	-	-
Railway, other	38	111	38	26	-	4	-	82
Other Corporations	87	340	74	285	-	-	13	55
United States New Issues								
Government	-	707	-	707	-	-	-	-
Other	-	180	-	180	-	-	-	-
United States Outstanding Issues.....								
Government	763	611	763	611	-	-	-	-
Other	233	174	233	174	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2
United Kingdom Outstanding Issues.....								
Government	86	37	7	-	78	37	-	-
Other	11	-	-	-	11	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues.....	123	95	120	3	-	74	3	18
Unspecified Bonds and Debentures.....	602	971	602	971	-	-	-	-
Common & Preference Stocks								
Canadian	8,202	6,225	7,899	5,747	112	434	191	44
United States	3,469	2,902	3,469	2,901	-	1	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less ..	50	236	50	236	-	-	-	-
Other Securities								
Canadian	-	22	-	20	-	2	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	25	-	25	-	-	-	-	-
TOTAL.....	18,325	16,601	17,814	15,642	201	687	309	273

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, SEVEN MONTHS ENDING JULY, 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
Bonds and Debentures, Total	56,352	65,435	53,587	61,719	964	1,916	1,800	1,801
Canadian New Issues	3,701	-	3,427	-	-	-	274	-
Canadian Outstanding Issues								
Dominion.....	20,507	30,012	19,595	29,192	138	49	774	771
Provincial.....	3,626	2,708	3,394	2,127	173	575	60	6
Municipal.....	2,634	2,196	2,597	1,533	12	655	25	6
Guaranteed by the Dominion.....	1,053	1,343	1,021	1,271	-	3	33	70
Railway, other	2,026	1,354	2,016	1,173	9	100	-	83
Other Corporations	3,100	4,172	2,573	3,273	84	252	442	649
United States New Issues								
Government	-	1,667	-	1,667	-	-	-	-
Other	-	458	-	458	-	-	-	-
United States Outstanding Issues.....								
Government	8,398	8,465	8,390	8,462	8	2	-	-
Other	3,946	2,304	3,946	2,253	-	51	-	1
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues.....								
Government	707	104	247	23	459	81	-	-
Other	35	3	-	3	35	-	-	-
Other Countries New Issues	-	20	-	20	-	-	-	-
Other Countries Outstanding Issues	990	1,990	752	1,625	46	148	192	216
Unspecified Bonds and Debentures	5,629	8,639	5,629	8,639	-	-	-	-
Common & Preference Stocks								
Canadian	48,605	49,290	46,972	46,118	661	2,585	971	587
United States	24,756	28,906	24,739	26,762	4	122	13	22
United Kingdom.....	309	8	80	2	229	6	-	-
Other Countries	9	4	9	1	-	-	-	3
Short-Term Securities (1 year or less)	94	604	93	574	-	30	-	-
Other Securities								
Canadian	65	39	65	37	-	2	-	-
United States	2	-	2	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	25	-	25	-	-	-	-	-
TOTAL.....	130,217	144,286	125,572	137,213	1,858	4,661	2,784	2,413

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

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

Table 3

	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>	12,963	10,688	12,545	9,859	112	575	306	255
Bonds and Debentures	4,761	4,441	4,646	4,092	-	139	115	211
Common and Preference Stocks	3,202	6,225	7,899	5,747	112	434	191	44
Other Securities	-	22	-	20	-	2	-	-
<u>United States Securities, Total.....</u>	4,465	4,574	4,465	4,573	-	1	-	-
Bonds and Debentures	996	1,672	996	1,672	-	-	-	-
Common and Preference Stocks.....	3,469	2,902	3,469	2,901	-	1	-	-
Other Securities	-	-	-	-	-	-	-	-
<u>United Kingdom Securities, Total.....</u>	97	37	7	-	89	37	-	-
Bonds and Debentures	97	37	7	-	89	37	-	-
Common and Preference Stocks.....	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	5
<u>Other Countries Securities, Total.....</u>	148	95	145	3	-	74	3	18
Bonds and Debentures	123	95	120	3	-	74	3	18
Common and Preference Stocks.....	-	-	-	-	-	-	-	-
Other Securities	25	-	25	-	-	-	-	-
<u>Short-Term Securities (1 year or less.....</u>	50	236	50	236	-	-	-	-
<u>Unspecified Bonds and Debentures.....</u>	602	971	602	971	-	-	-	-
<u>TOTAL</u>	18,325	16,601	17,814	15,642	201	687	309	273

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

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
FOR THE SEVEN MONTHS ENDING JULY, 1948

(In thousands of dollars)

Table 3A

	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>	85,317	91,114	81,660	84,724	1,077	4,221	2,579	2,172
Bonds and Debentures	36,647	41,785	34,623	38,569	416	1,634	1,608	1,585
Common and Preference Stocks.....	48,605	49,290	46,972	46,118	661	2,585	971	587
Other Securities	65	39	65	37	-	2	-	-
<u>United States Securities, Total</u>	37,102	41,800	37,077	41,602	12	175	13	23
Bonds and Debentures	12,344	12,894	12,336	12,840	8	53	-	1
Common and Preference Stocks.....	24,756	28,906	24,739	28,762	4	122	13	22
Other Securities	2	-	2	-	-	-	-	-
<u>United Kingdom Securities, Total</u>	1,051	115	327	28	723	87	-	-
Bonds and Debentures	742	107	247	26	494	81	-	-
Common and Preference Stocks.....	309	8	80	2	229	6	-	-
Other Securities	-	-	-	-	-	-	-	0
<u>Other Countries Securities, Total</u>	1,024	2,014	786	1,646	46	148	192	219
Bonds and Debentures	990	2,010	752	1,645	46	148	192	216
Common and Preference Stocks.....	9	4	9	1	-	-	-	3
Other Securities	25	-	25	-	-	-	-	-
<u>Short-Term Securities (1 year or less)</u>	94	604	93	574	-	30	-	-
<u>Unspecified Bonds and Debentures</u>	5,629	8,639	5,629	8,639	-	-	-	-
<u>TOTAL</u>	130,217	144,286	125,572	137,213	1,858	4,661	2,784	2,414

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 $2\frac{1}{2}\%$ due Dec. 15, 1963-68	
	Price	Yield	Price	Yield	Price	Yield
1946						
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
1947						
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
1948						
January	102.25	2.80	100.92	2.30	101.03	2.42
February	101.85	2.83	101.00	2.30	101.03	2.42
March	100.27	2.98	101.30	2.86	101.10	2.42
April	100.37	2.97	99.71	3.02	101.16	2.41
May	100.73	2.93	100.82	2.91	101.46	2.39
June	100.63	2.94	100.98	2.89	101.59	2.38
July	100.72	2.93	101.04	2.89	101.10	2.41

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



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

Table 5

	CANADA			UNITED STATES (Standard and Poor's Trade Securities)	
	(Dominion Bureau of Statistics)		Composite Mining Index		
	Investors' Price Index	Mining Stocks			
	(Industrials Utilities Banks)	Gold Stocks		(Industrials, Railroads and Utilities)	
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>					
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	
March	101.5	71.1	82.2	116.4	
April	109.1	66.2	81.6	124.6	
May	116.5	66.9	84.1	130.2	
June	120.3	62.7	81.1	135.1	
July	116.3	60.3	78.8	131.9	