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No. 1

Sales and Purchases of Securities Between Canada  
and Other Countries  
January, 1936

The international trade in securities between Canada and other countries in January was the largest of any month during which this trade has been recorded. The volume of transactions between Canada and the United States was also the largest on record and that between Canada and the United Kingdom has not been exceeded since March 1934. The unusually large volume of transactions was almost all the result of the greatly augmented sales. An outstanding characteristic of the month's transactions was, therefore, the large credit balance of nearly \$24 million which they produced. A large net balance of sales was also a feature of the trade between both Canada and the United States and Canada and the United Kingdom. Although there was some gain in the international trade in stocks during the month, the bulk of the increased trade was in bonds. This trade in securities between Canada and other countries was carried on through the medium of the investment dealers, stock exchanges, banks, insurance companies, trust and mortgage companies, United States branch houses, and other agencies. It constitutes one of the most important invisible items in Canada's international transactions.

In January, 1936, sales to the United States were \$45,260,642 as compared with \$16,001,508 in January, 1935, and \$14,231,545 in January, 1934. Purchases from the United States were \$28,974,654 in January, 1936, \$23,044,678 in January, 1935, and \$26,544,836 in January, 1934. Sales to Great Britain were \$11,112,761 in January, 1936, compared with \$4,263,321 in January, 1935, and \$16,577,137 in January, 1934. Purchases from Great Britain expanded to \$3,092,797 from \$2,460,766 in January, 1935, and \$880,262 in January, 1934. It should be noted that the new public issues of Dominion Government bonds, \$76,000,000 in August, 1935, and \$48,000,000 in January, 1936, sold to syndicates in New York, and the two \$20,000,000 short-term banking credits arranged in New York in September and December, 1935, for the Dominion Government and the \$40,000,000 three-year notes dated January 2, 1936, sold in New York to a group of Canadian and American banks have not been included in these figures.

Tables showing exchange quotations, the index numbers of common stock prices, and quotations and yields on representative government bonds in Great Britain, the United States and Canada are included in this bulletin. The premiums on New York and sterling funds as quoted at Montreal in January continued to decline slightly. There was a small increase in the yield of the United Kingdom 3½% War Loan, while the movements of the yield on the other securities shown were downward. The United Kingdom War Loan yielded 3.07 per cent; the United States 3% Treasury Bonds of 1951-55, 2.76 per cent; the Dominion of Canada 4½% Conversion Loan 1948-58 yielded 3.74 per cent; and the yield on the 3's June 1, 1950-55, was 3.14 per cent.





I

	Sales to United States			Purchases from United States		
	1934	1935	1936	1934	1935	1936
January <sup>x</sup>	14,231,545	16,001,508	45,260,642	26,544,836	23,044,678	28,974,654

II

	Sales to Great Britain			Purchases from Great Britain		
	1934	1935	1936	1934	1935	1936
January <sup>x</sup>	16,577,137	4,263,321	11,112,761	880,262	2,460,766	3,092,797

III

	Sales to Other Countries			Purchases from Other Countries		
	1934	1935	1936	1934	1935	1936
January <sup>x</sup>	429,933	210,842	155,938	267,062	263,481	485,588

IV

	Total Sales to All Countries			Total Purchases from All Countries		
	1934	1935	1936	1934	1935	1936
January <sup>x</sup>	31,238,615	20,475,671	56,529,341	27,692,160	25,768,925	32,553,039

<sup>x</sup>Subject to revision.



Monthly Average of Daily Quotations and Premiums  
or Discounts for New York Funds and Sterling  
Montreal, 1934-1936

Month	1934		1935		1936	
	New York Funds at Montreal	Premium + Discount - %	New York Funds at Montreal	Premium + Discount - %	New York Funds at Montreal	Premium + Discount - %
January ....	1.0047	+0.47	.9986	-0.14	1.0005	+0.05
February ...	1.0084	+0.84	1.0013	+0.13		
March .....	1.0022	+0.22	1.0097	+0.97		
April .....	.9979	-0.21	1.0049	+0.49		
May .....	.9982	-0.18	1.0015	+0.15		
June .....	.9922	-0.78	1.0014	+0.14		
July .....	.9883	-1.17	1.0022	+0.22		
August .....	.9769	-2.31	1.0027	+0.27		
September ..	.9714	-2.86	1.0080	+0.80		
October ....	.9791	-2.09	1.0141	+1.41		
November ...	.9761	-2.39	1.0105	+1.05		
December ...	.9878	-1.22	1.0093	+0.93		
Year .....	.9902	-0.98	1.0054	+0.54		

Month	1934		1935		1936	
	Sterling at Montreal	Premium + Discount - %	Sterling at Montreal	Premium + Discount - %	Sterling at Montreal	Premium + Discount - %
January ....	5.0702	+4.20	4.8870	+0.43	4.9657	+2.03
February ...	5.0777	+4.35	4.8833	+0.36		
March .....	5.1065	+4.94	4.8247	-0.85		
April .....	5.1476	+5.79	4.8622	-0.08		
May .....	5.1002	+4.81	4.8958	+0.61		
June .....	5.0122	+3.00	4.9426	+1.57		
July .....	4.9851	+2.45	4.9674	+2.08		
August .....	4.9509	+1.74	4.9850	+2.45		
September ..	4.8551	-0.22	4.9701	+2.14		
October ....	4.8431	-0.47	4.9778	+2.28		
November ...	4.8724	+0.13	4.9776	+2.28		
December ...	4.8865	+0.42	4.9755	+2.24		
Year .....	4.9926	+2.60	4.9293	+1.29		





Bid Price and Yield for Domestic Government  
Bonds in Canada, United Kingdom and United States

Date	United Kingdom		United States		Dominion of Canada			
	3½% War Loan Callable Dec.1, 1952, or after <sup>x</sup>		3% of Sept.15, 1955, callable on or after Sept.15, 1951.		4½% of Nov.1, 1958, callable on or after Nov. 1, 1948.		3% of June 1, 1955, callable on or after June 1, 1950.	
	Price	Yield	Price	Yield	Price	Yield	Price	Yield
<u>1933</u>								
January 18 .....	98.03	3.57	97.26	3.17	97.50	4.67	-	-
February 15 ...	98.51	3.55	97.24	3.17	98.50	4.60	-	-
March 15 .....	98.24	3.56	97.10	3.18	96.50	4.74	-	-
April 12 .....	Unquoted	-	96.15	3.24	98.00	4.64	-	-
May 17 .....	99.63	3.51	98.12	3.12	98.25	4.62	-	-
June 14 .....	98.87	3.54	98.25	3.11	99.60	4.53	-	-
July 12 .....	97.85	3.58	99.50	3.03	99.65	4.53	-	-
August 15 .....	99.02	3.55	98.14	3.12	100.35	4.47	-	-
September 13 ..	99.49	3.52	99.30	3.04	100.00	4.50	-	-
October 18 ....	99.66	3.51	98.22	3.11	99.75	4.52	-	-
November 15 ...	100.41	3.47	95.15	3.31	99.50	4.53	-	-
December 13 ...	100.37	3.47	95.00	3.32	98.25	4.62	-	-
<u>1934</u>								
January 17 .....	100.79	3.44	96.00	3.26	99.00	4.57	-	-
February 14 ...	101.27	3.41	97.18	3.18	99.75	4.52	-	-
March 14 .....	102.48	3.32	98.29	3.11	103.00	4.22	-	-
April 18 .....	103.15	3.27	99.24	3.05	104.50	4.09	-	-
May 16 .....	102.90	3.29	100.23	2.98	105.15	4.03	-	-
June 13 .....	102.25	3.34	101.00	2.93	105.00	4.04	-	-
July 18 .....	103.66	3.23	102.10	2.84	105.85	3.96	-	-
August 14 .....	103.78	3.22	100.12	2.99	106.85	3.87	-	-
September 12 ..	103.88	3.22	98.18	3.12	107.25	3.83	-	-
October 17 ....	104.42	3.18	100.50	2.96	106.00	3.94	-	-
November 14 ...	107.66	2.95	99.26	3.05	107.00	3.85	-	-
December 12 ...	107.13	2.98	100.15	2.99	110.75	3.51	-	-
<u>1935</u>								
January 16 .....	108.67	2.88	102.50	2.81	110.25	3.55	-	-
February 13 ...	105.78	3.08	103.00	2.77	108.00	3.74	-	-
March 13 .....	105.76	3.08	102.23	2.83	108.85	3.67	-	-
April 17 .....	106.55	3.02	103.19	2.76	109.25	3.63	-	-
May 15 .....	106.79	3.00	103.28	2.75	109.85	3.57	-	-
June 12 .....	105.13	3.12	103.24	2.75	108.75	3.66	97.50	3.17
July 17 .....	106.30	3.03	104.40	2.66	109.00	3.64	99.05	3.06
August 14 .....	106.03	3.05	103.17	2.76	110.00	3.54	100.00	3.00
September 18 ..	102.70	3.29	101.30	2.88	104.25	4.08	98.25	3.12
October 16 ....	102.68	3.29	102.59	2.80	107.25	3.79	99.13	3.06
November 13 ...	105.17	3.11	102.59	2.80	107.75	3.74	98.10	3.13
December 18 .....	105.82	3.06	102.41	2.81	107.13	3.79	97.75	3.16
<u>1936</u>								
January 15 .....	105.63	3.07	103.06	2.76	107.63	3.74	97.88	3.14

<sup>x</sup> 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.







Index Numbers of Common Stocks Prices in Canada, Great  
Britain and United States, 1934-1936

(1926 = 100)

Month	Canada (121) (Dominion Bureau of Statistics)	England (92) (London and Cambridge Economic Service <sup>x</sup> )	United States (421) (Standard Statistics Co. Inc.)
<u>1934</u>			
January .....	81.6	102.6	75.6
February .....	86.5	100.9	80.5
March .....	88.0	106.1	77.1
April .....	90.7	107.8	79.6
May .....	88.6	110.5	71.8
June .....	87.2	107.9	73.5
July .....	81.3	107.9	71.4
August .....	83.8	108.7	67.8
September .....	83.8	110.5	67.0
October .....	85.2	111.4	67.3
November .....	86.0	114.9	69.4
December .....	86.2	113.9	69.2
<u>1935</u>			
January .....	88.6	119.2	69.7
February .....	87.8	115.7	67.8
March .....	84.4	113.1	63.9
April .....	86.4	113.9	67.5
May .....	93.6	119.2	73.1
June .....	93.8	122.6	76.0
July .....	92.4	122.6	79.4
August .....	94.7	128.8	83.3
September .....	93.6	122.6	85.0
October .....	96.1	120.9	86.1
November .....	105.8	129.6	94.2
December .....	107.4	127.9	95.7
<u>1936</u>			
January .....	112.9	134.0	101.7

<sup>x</sup> London and Cambridge Economic Service indexes have been converted from their original base to a 1926 base so as to render easier comparison with other series.

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