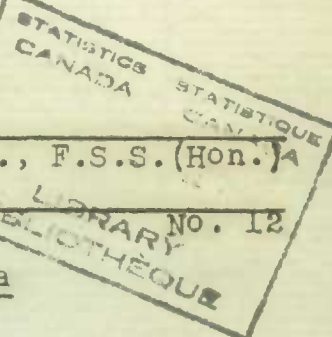


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Vol. 2



Sales and Purchases of Securities Between Canada
and Other Countries

December, 1936.

The trade in securities between Canada and other countries in December, although less than in November, continued at an unusually high level. The principal decline in December was in sales, purchases remaining about the same. As a result, there was a balance of purchases by Canada of over \$6 million contrasted with a large balance of sales in the preceding month. The considerable balance of Canadian purchases in the trade with the United States was partly offset by net sales to the United Kingdom and other countries.

Sales to the United States dropped from \$56,817,932 in November to \$35,998,458 in December, while purchases only declined from \$47,616,566 to \$43,711,150. Sales to the United Kingdom at \$11,046,507 were only slightly higher than the \$10,231,534 recorded in November, but purchases increased from \$7,479,795 to \$10,991,618.

During the calendar year 1936 sales to all countries were \$419,632,808 and purchases were \$411,757,989, making a total trade of over \$831 million. This represents a much heavier international trade in securities in 1936 than in 1935 when the total trade amounted to about \$552 million, although the general increase in the prices of securities, particularly of common stocks, during the past year accounts for part of this expansion. The balance of the year's transactions is a small excess of sales as contrasted with a balance of over \$50 million sales in 1935.

The changes in the trade between Canada and individual countries have been even more pronounced. In 1936 Canadian purchases from the United States exceeded sales by over \$8 million, compared with a balance of sales to that country of over \$67 million in 1935 and a balance of purchases in 1934 of about \$68 million.

There were also quite appreciable changes in the trade with the United Kingdom. The revival of sales to the United Kingdom was an outstanding development. These were particularly large in the latter months of the year. Purchases from Great Britain were greater than in any previous year in which this trade in securities has been recorded. The trade between Canada and countries other than the United Kingdom and the United States also developed in 1936 especially during the three last months of the year. As with the trade with the United Kingdom, this trade was characterized by a balance of sales.

During the latter part of 1936 the trade in Canadian and United States common and preference stocks formed a larger proportion of the total trade than in the first part of the year when the trade in bonds and debentures was a larger percentage of the whole.

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 discount on New York funds at Montreal was slightly less than in the previous month, while the premium on sterling increased. The index numbers of common stock prices in Canada, England and the United States each declined, as did the yield on each of the government bonds shown with the exception of the United Kingdom 3½% War Loan which increased.

The international security transactions shown in this bulletin were carried on through the medium of the investment dealers, stock exchanges, banks, United States branch houses and other agencies. It should be noted, however, that the sales of new issues of Canadian securities outside of Canada are not included in these figures, such as the new issue of Dominion of Canada bonds of \$48,000,000 sold in January, 1936, to a syndicate in New York. The redemption of called or matured Canadian securities abroad or of British and foreign securities owned in Canada are not included among the transactions recorded either.

Table 1.

I

Month	Sales to United States			Purchases from United States		
	1934	1935	1936	1934	1935	1936
January	14,231,545	16,001,508	45,260,642	26,544,836	23,044,678	28,974,654
February	13,678,043	14,691,217	36,260,759	26,106,450	11,969,013	28,329,794
March	18,137,073	27,046,720	24,403,261	24,382,427	12,050,506	20,041,317
April	23,015,121	22,834,736	16,853,198	19,121,847	13,935,444	15,371,360
May	17,450,321	22,057,755	12,075,199	21,759,197	10,976,937	15,246,883
June	17,470,866	16,359,575	17,317,821	16,450,606	8,499,061	19,240,228
July	17,348,983	18,120,727	18,811,327	19,396,713	10,513,211	25,417,735
August	23,636,938	23,057,940	21,530,362	33,368,764	25,526,842	29,555,781
September	15,483,299	21,748,633	24,080,465	26,393,230	15,831,450	27,351,749
October	21,967,108	28,416,408	25,829,499	23,051,235	25,573,669	42,800,329
November	16,545,462	27,714,098	56,817,932	19,931,263	18,490,740	47,616,566
December*	16,981,784	30,207,777	35,998,458	27,655,996	24,282,408	43,711,150
Total, 12 months	215,946,543	268,257,094	335,238,923	284,162,564	200,693,959	343,657,546

II

Month	Sales to Great Britain			Purchases from Great Britain		
	1934	1935	1936	1934	1935	1936
January	16,577,137	4,263,321	11,112,761	880,262	2,460,766	3,092,797
February	15,329,851	1,560,990	5,993,537	1,103,952	2,817,360	3,540,208
March	15,532,035	1,820,261	4,136,831	1,614,296	5,586,692	4,554,205
April	7,427,210	1,085,282	2,685,742	1,488,030	5,587,232	3,353,340
May	7,427,874	1,362,195	4,446,213	2,731,998	2,929,576	5,721,795
June	10,284,990	1,426,544	2,474,323	2,449,435	1,834,231	2,474,113
July	3,746,970	2,691,479	1,869,735	1,397,213	2,481,793	3,492,336
August	5,290,921	2,204,573	1,573,986	2,197,539	2,333,535	2,648,315
September	3,304,565	2,816,503	5,331,130	1,229,079	5,225,269	6,175,718
October	4,534,646	3,056,239	10,886,018	2,960,556	5,646,187	6,170,885
November	8,244,740	2,501,749	10,231,534	2,050,084	4,065,207	7,479,795
December*	4,411,256	6,202,128	11,046,507	3,654,875	3,160,645	10,991,618
Total, 12 months	102,112,195	30,991,264	71,788,317	23,757,319	44,128,493	59,695,125

III

Month	Sales to Other Countries			Purchases from Other Countries		
	1934	1935	1936	1934	1935	1936
January	429,933	210,842	155,938	267,062	263,481	485,588
February	236,817	182,902	264,844	241,558	491,935	173,778
March	278,768	145,869	647,802	222,682	1,676,263	349,362
April	382,524	238,226	699,177	466,830	452,857	961,034
May	299,032	339,835	471,946	207,003	414,054	731,932
June	223,907	284,556	567,493	944,968	183,075	781,820
July	124,561	261,852	1,034,339	341,122	208,540	313,160
August	249,100	136,460	771,771	260,646	175,066	439,917
September	323,614	99,498	1,070,718	242,138	575,276	684,826
October	256,310	245,937	2,167,123	301,091	596,388	1,398,654
November	141,731	328,209	2,562,847	481,641	510,094	1,080,889
December*	166,453	107,358	2,191,570	360,531	394,205	1,004,358
Total, 12 months	3,112,750	2,581,544	12,605,568	4,337,272	5,941,234	8,405,318

IV

Month	Sales to All Countries			Purchases from All Countries		
	1934	1935	1936	1934	1935	1936
January	31,238,615	20,475,671	56,529,341	27,692,160	25,768,925	32,553,039
February	29,244,711	16,435,109	42,519,140	27,451,960	15,278,308	32,043,780
March	33,947,876	29,012,850	29,187,894	26,219,405	19,313,461	24,944,884
April	30,824,855	24,158,244	20,238,117	21,076,707	19,975,533	19,685,734
May	25,177,227	23,759,785	16,993,358	24,698,198	14,320,567	21,700,610
June	27,979,763	18,070,675	20,359,637	19,845,009	10,516,367	22,496,161
July	21,220,514	21,074,058	21,715,401	21,135,048	13,203,544	29,223,231
August	29,176,959	25,398,973	23,876,119	35,826,949	28,035,443	32,644,013
September	19,111,478	24,664,634	30,482,313	27,864,447	21,631,995	34,212,293
October	26,758,064	31,718,584	38,882,640	26,312,882	31,816,244	50,369,868
November	24,931,933	30,544,056	69,612,313	22,462,988	23,066,041	56,177,250
December*	21,559,493	36,517,263	49,236,535	31,671,402	27,837,258	55,707,126
Total, 12 months	321,171,488	301,829,902	419,632,808	312,257,155	250,763,686	411,757,989

*Subject to revision.

Table 1: Summary of Data					
Category	Item 1	Item 2	Item 3	Item 4	Item 5
Group A	100	200	300	400	500
	150	250	350	450	550
	200	300	400	500	600
	250	350	450	550	650
	300	400	500	600	700
Group B	120	220	320	420	520
	170	270	370	470	570
	220	320	420	520	620
	270	370	470	570	670
	320	420	520	620	720
Total					
Group A	1000	2000	3000	4000	5000
Group B	1200	2200	3200	4200	5200
Total	2200	4200	6200	8200	10200

Table 2: Detailed Data					
Category	Item 1	Item 2	Item 3	Item 4	Item 5
Group A	100	200	300	400	500
	150	250	350	450	550
	200	300	400	500	600
	250	350	450	550	650
	300	400	500	600	700
Group B	120	220	320	420	520
	170	270	370	470	570
	220	320	420	520	620
	270	370	470	570	670
	320	420	520	620	720
Total					
Group A	1000	2000	3000	4000	5000
Group B	1200	2200	3200	4200	5200
Total	2200	4200	6200	8200	10200

Table 3: Summary of Data					
Category	Item 1	Item 2	Item 3	Item 4	Item 5
Group A	100	200	300	400	500
	150	250	350	450	550
	200	300	400	500	600
	250	350	450	550	650
	300	400	500	600	700
Group B	120	220	320	420	520
	170	270	370	470	570
	220	320	420	520	620
	270	370	470	570	670
	320	420	520	620	720
Total					
Group A	1000	2000	3000	4000	5000
Group B	1200	2200	3200	4200	5200
Total	2200	4200	6200	8200	10200

Table 4: Detailed Data					
Category	Item 1	Item 2	Item 3	Item 4	Item 5
Group A	100	200	300	400	500
	150	250	350	450	550
	200	300	400	500	600
	250	350	450	550	650
	300	400	500	600	700
Group B	120	220	320	420	520
	170	270	370	470	570
	220	320	420	520	620
	270	370	470	570	670
	320	420	520	620	720
Total					
Group A	1000	2000	3000	4000	5000
Group B	1200	2200	3200	4200	5200
Total	2200	4200	6200	8200	10200

Table 2.

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	.9986	-0.14
March	1.0022	+0.22	1.0097	+0.97	1.0013	+0.13
April .....	.9979	-0.21	1.0049	+0.49	1.0047	+0.47
May .....	.9982	-0.18	1.0015	+0.15	1.0018	+0.18
June .....	.9922	-0.78	1.0014	+0.14	1.0026	+0.26
July .....	.9883	-1.17	1.0022	+0.22	1.0008	+0.08
August .....	.9769	-2.31	1.0027	+0.27	1.0001	+0.01
September .....	.9714	-2.86	1.0080	+0.80	.9997	-0.03
October .....	.9791	-2.09	1.0141	+1.41	.9997	-0.03
November .....	.9761	-2.39	1.0105	+1.05	.9986	-0.14
December .....	.9878	-1.22	1.0093	+0.93	.9993	-0.07
Year .....	.9902	-0.98	1.0054	+0.54	1.0006	+0.06

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	4.9940	+2.62
March	5.1065	+4.94	4.8247	-0.85	4.9783	+2.29
April	5.1476	+5.79	4.8622	-0.08	4.9673	+2.07
May	5.1002	+4.81	4.8958	+0.61	4.9798	+2.32
June	5.0122	+3.00	4.9426	+1.57	5.0328	+3.41
July	4.9851	+2.45	4.9674	+2.08	5.0269	+3.29
August	4.9509	+1.74	4.9850	+2.45	5.0265	+3.28
September	4.8551	-0.22	4.9701	+2.14	5.0390	+3.54
October	4.8431	-0.47	4.9778	+2.28	4.8972	+0.63
November	4.8724	+0.13	4.9776	+2.28	4.8817	+0.31
December	4.8865	+0.42	4.9755	+2.24	4.9042	+0.77
Year	4.9926	+2.60	4.9293	+1.29	4.9749	+2.22

Table 3. 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 ^x		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
1933								
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	3.53	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	-	-
1934								
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	-	-
1935								
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
1936								
January 15	105.63	3.07	103.06	2.76	107.63	3.74	97.88	3.14
February 19	106.35	3.07	103.56	2.72	109.60	3.55	97.75	3.16
March 18	105.20	3.10	103.91	2.69	109.75	3.54	98.00	3.14
April 15	106.25	3.02	104.19	2.66	110.13	3.50	98.63	3.10
May 13	106.37	3.01	104.47	2.64	110.50	3.46	99.30	3.05
June 17	105.46	3.07	104.34	2.65	112.00	3.31	99.85	3.01
July 15	105.81	3.04	104.56	2.63	112.48	3.26	101.00	2.91
August 12	105.86	3.04	104.72	2.62	113.63	3.15	102.75	2.76
September 16 ...	106.34	3.00	105.13	2.59	113.88	3.12	101.60	2.86
October 14	106.95	2.95	104.97	2.60	111.63	3.32	99.88	3.01
November 12	106.73	2.97	105.94	2.52	112.00	3.28	100.10	2.99
December 16	105.73	3.04	106.28	2.49	112.75	3.20	101.13	2.90

^x 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.

Table 4.

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) ^x	United States (419) (Standard Statistics Co. Inc.) ^{xx}
<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
February	120.7	138.3	106.7
March	117.4	134.8	108.7
April	115.9	139.2	108.9
May	112.8	134.0	101.0
June	113.8	134.0	105.6
July	114.3	136.6	109.2
August	114.7	143.5	113.0
September	119.5	144.4	114.1
October	126.9	147.9	118.7
November	131.8	147.0	124.2
December	129.2	145.2	123.1

^x 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.

^{xx} Revised index.

