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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

MARCH 1971

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MARCH 1971

International portfolio security transactions during the first quarter resulted in inflows in long-term forms of \$159 million, compared with an outflow of \$12 million in the fourth quarter of 1970. On a geographical basis, inflows of \$118 million emanated from the United States, \$2 million from the United Kingdom, \$38 million from other European countries and \$1 million from all other countries.

Borrowing abroad by provincial governments and their agencies increased as deliveries of direct and guaranteed provincial issues rose to \$197 million from \$18 million in the fourth quarter of 1970. The inflow from corporate issues was down to \$68 million from the fourth quarter estimate of \$169 million. However, the fourth quarter figure included refinancing of a large outstanding bank debt by a bond issue, and resulted in an offsetting effect with no net movement of funds in the balance of payments. Access of Canadian borrowers to United States capital markets under existing arrangements was continued by the maintenance of an exemption for Canadian new issues when the Interest Equalization Tax legislation was extended in March.

(1) These figures include an adjustment to the statistics already published in the "Quarterly Estimates of the Canadian Balance of International Payments", (DBS Catalogue No. 67-001). The adjustment, amounting to \$25 million, has the effect of increasing the net outflow from trading in outstanding Canadian bonds (item D3.1) and reduces the outflow in item D17.5 by the same amount.

Net sales (+) or purchases (-) by Canadians	1969	1970 ^P				1971 ^P
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
<u>Canadian securities</u>						
Outstanding issues - Bonds, etc.	+ 3	+ 4	- 26	- 17	- 1	- 31
Stocks	- 24	- 4	- 83	- 37	- 31	- 43
New issues	+ 370	+ 535	+ 208	+ 304	+ 222	+ 278
Retirements	- 135	- 87	- 239	- 49	- 99	- 87
<u>Foreign securities</u>						
Outstanding issues	+ 105	+ 116	+ 82	- 20	- 101	+ 49
New issues	- 6	- 5	- 5	- 10	- 5	- 10
Retirements	+ 3	+ 2	+ 2	+ 2	+ 3	+ 3
Totals - All securities	+ 316	+ 561	- 61	+ 173	- 12	+ 159

B. Preliminary figures.

held by non-residents, totalling \$87 million in the first quarter of 1971 as against \$99 million in the fourth quarter of 1970.

Transactions in foreign securities resulted in net long-term inflows of \$42 million, after net outflows of \$103 million in the fourth quarter of 1970. Trading in outstanding issues accounted for \$49 million of total inflows, a swing of \$150 million from the net outflow in the previous quarter. Canadian purchases of new issues of foreign securities gave rise to an outflow of \$10 million, while inflows for the retirement of foreign securities held by Canadians were estimated at \$3 million.

Trading in outstanding securities - March 1971

Net outflows of \$43 million resulted from international trading in outstanding securities in March, compared with a net inflow of \$6 million in February. Geographically, there were net outflows of \$23 million to the United States, \$17 million to the United Kingdom, \$2 million to other European countries and \$1 million to all other countries. Purchases of Canadian issues accounted for a net outflow of \$23 million, of which \$14 million was from trading in debt issues and \$9 million from transactions in equities. Trading in foreign securities resulted in net outflows of almost \$20 million, mainly due to net purchases of United States equities totalling almost \$18 million.

International transactions in selected Canadian money market instruments

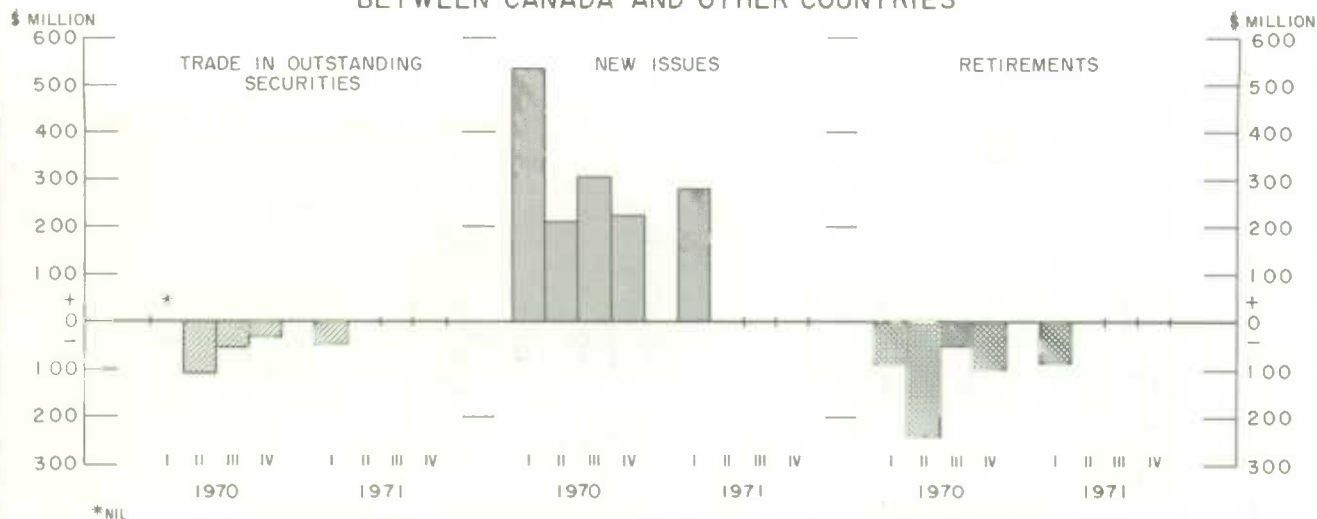
Foreign investment in Canadian money market paper fell by \$136 million in the first quarter of 1971, a swing of \$289 million from the fourth quarter inflow of \$153 million. This reduction followed a substantial build-up of non-resident investment in these instruments which started in the spring of 1970 when the premium on the forward Canadian dollar helped to encourage inward arbitrage movements. Interest rates dipped sharply during the quarter as the Bank rate was lowered in two stages from 6 per cent to 5 1/4 per cent, while the yield on Government of Canada 91-day treasury bills fell to 2.99 per cent in mid-March, the lowest level in over nine years. A downward trend in interest rates also occurred in the United States, and on an unhedged basis short-term yields there were generally lower than in Canada. This differential was, for most of the quarter, slightly more than offset by a discount on the forward Canadian dollar and in the absence of any positive inducement to non-residents to engage in arbitrage transactions, was consistent with the run-down of foreign investment. Uncertainty about some foreign currencies was an additional factor affecting the international movement of funds. A temporary reversal of the trend towards lower interest rates in Canada occurred in February, increasing the hedged return on investment in Canada and coinciding with inflows during the month from net sales of Canadian paper to non-residents.

Non-resident holdings of Government of Canada treasury bills increased by \$1 million during the quarter, after a reduction of \$14 million in the fourth quarter of 1970. Although the value of securities traded in most classes of paper was down from the previous year's levels, the decline in treasury bills was especially marked: gross sales of \$31 million in the first quarter of 1971 compared with an average quarterly rate of approximately \$200 million in 1970.

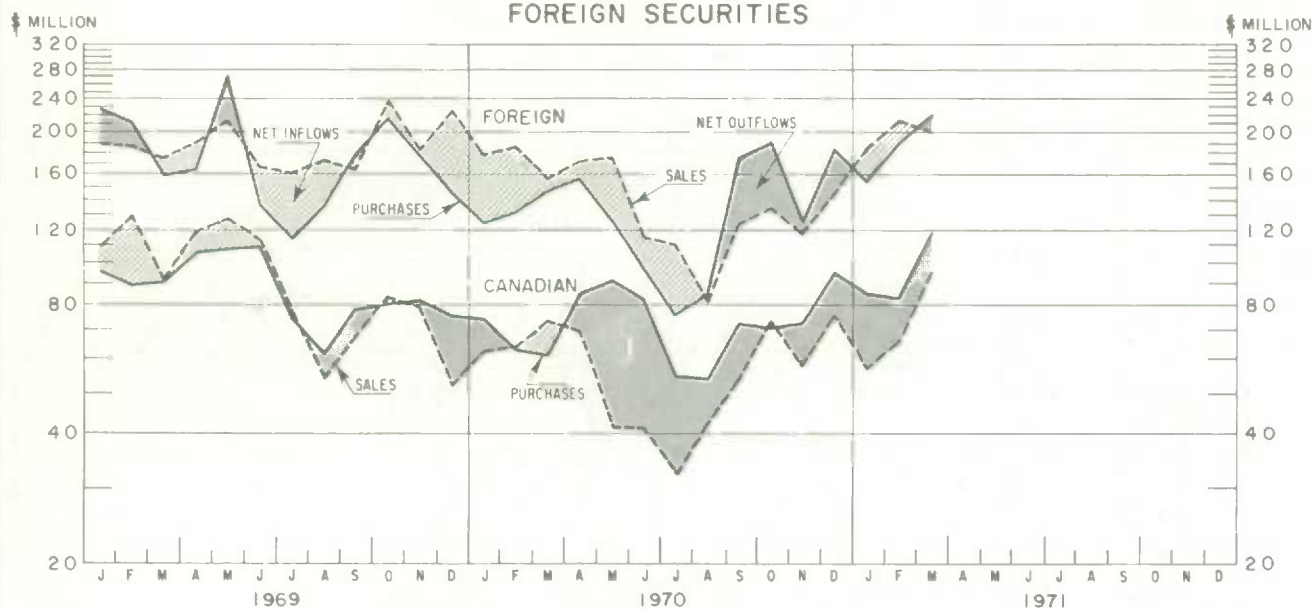
Transactions in finance company paper resulted in a net outflow of \$57 million, compared with a net inflow of \$34 million in the fourth quarter of 1970. The United States was the recipient of \$22 million of the outflow, the United Kingdom of \$9 million, and other countries (including international institutions) of \$26 million.

Substantial inflows in the fourth quarter of 1970 resulting from unusually heavy trading in commercial paper and "Other" short-term paper (including notes of banks, mortgage loan companies, and junior levels of government) were only partially reversed in the first quarter of 1971. First quarter outflows of \$37 million for the net re-purchase or redemption of commercial paper compared with net sales of \$72 million in the previous period, while a net outflow of \$43 million in "Other" short-term paper was again significantly less than the \$61 million net inflow in the fourth quarter of 1970.

PORTFOLIO TRANSACTIONS IN CANADIAN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES



INTERNATIONAL TRANSACTIONS IN OUTSTANDING CANADIAN AND FOREIGN SECURITIES



STOCK PRICE INDEXES

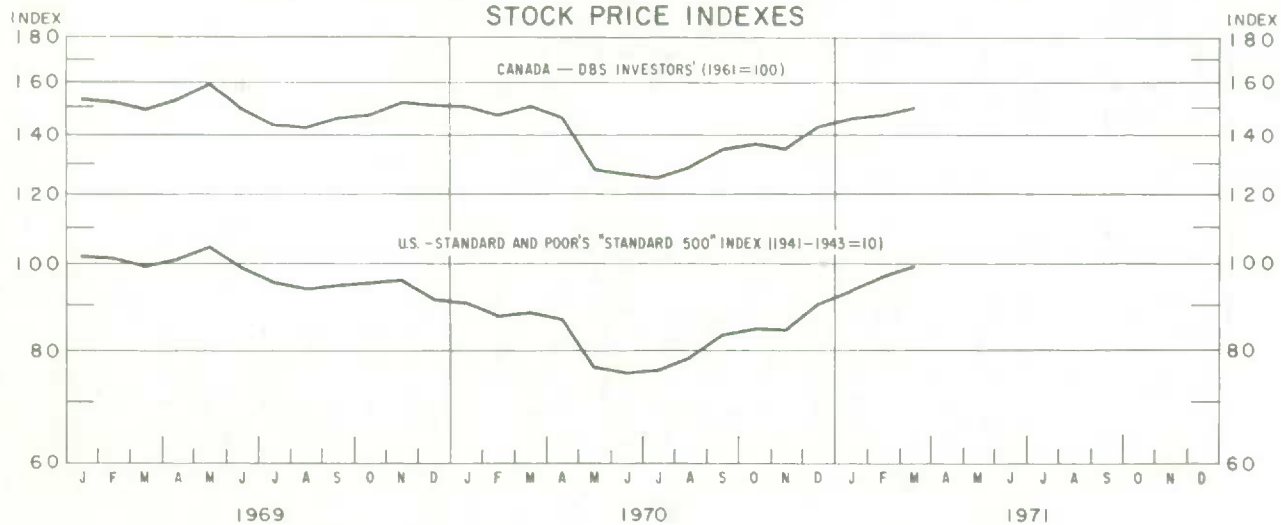


TABLE 1. Trade in Outstanding Canadian Securities between Canada and Other Countries

Period	Total transactions			United States			United Kingdom			Other Europe			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.-	Sales to	Pur-chases from	Net sales + purch.-
millions of dollars															
1969 - Year	1,103.9	1,049.1	+ 54.8	468.6	494.4	- 25.8	271.0	244.9	+ 26.0	275.2	241.3	+ 33.9	89.1	68.4	+ 20.7
1970 - Year	688.4	883.2	- 194.8	262.8	409.9	- 147.1	182.9	220.3	- 37.4	199.1	214.8	- 15.7	43.6	38.2	+ 5.4
1971 - 3 months	218.2	291.8	- 73.6	85.0	118.1	- 33.1	35.1	78.0	- 42.9	76.3	77.3	- 1.0	21.8	18.4	+ 3.4
1970 - January	62.0	74.8	- 12.8	23.8	35.0	- 11.2	17.8	17.4	+ 0.4	18.2	19.4	- 1.2	2.2	3.0	- 0.8
February	63.5	63.3	+ 0.2	16.2	24.8	- 8.6	23.5	18.5	+ 5.0	20.6	16.3	+ 4.3	3.2	3.7	- 0.5
March	74.0	61.1	+ 12.9	31.9	26.2	+ 5.7	16.4	14.3	+ 2.1	23.4	18.7	+ 4.7	2.3	1.9	+ 0.4
1st quarter	199.5	199.2	+ 0.3	71.9	86.0	- 14.1	57.7	50.2	+ 7.5	62.2	54.4	+ 7.8	7.7	8.6	- 0.9
April	69.5	86.5	- 17.0	29.3	42.2	- 12.9	17.5	24.1	- 6.6	19.1	17.1	+ 2.0	3.6	3.1	+ 0.5
May	41.5	92.2	- 50.7	12.6	36.5	- 23.9	14.9	17.7	- 2.8	11.5	35.4	- 23.9	2.5	2.6	- 0.1
June	41.4	83.3	- 41.9	16.2	44.7	- 28.5	12.9	21.7	- 8.8	9.5	13.7	- 4.2	2.8	3.2	- 0.4
2nd quarter	152.4	262.0	- 109.6	58.1	123.4	- 65.3	45.3	63.5	- 18.2	40.1	66.2	- 26.1	8.9	8.9	-
July	32.5	54.6	- 22.1	9.6	30.7	- 21.1	9.9	11.0	- 1.1	10.3	10.7	- 0.4	2.7	2.2	+ 0.5
August	42.0	54.5	- 12.5	17.1	28.4	- 11.3	10.0	11.8	- 1.8	10.1	11.5	- 1.4	4.8	2.8	+ 2.0
September	53.8	72.7	- 18.9	19.6	31.8	- 12.2	16.4	25.4	- 9.0	13.3	12.9	+ 0.4	4.5	2.6	+ 1.9
3rd quarter	128.3	181.8	- 53.5	46.3	90.9	- 44.6	36.3	48.2	- 11.9	33.7	35.1	- 1.4	12.0	7.6	+ 4.4
October	74.1	70.4	+ 3.7	32.8	32.9	- 0.1	16.2	16.5	- 0.3	19.8	17.7	+ 2.1	5.3	3.3	+ 2.0
November	57.8	73.3	- 15.5	30.0	38.0	- 8.0	9.6	15.6	- 6.0	15.5	16.0	- 0.5	2.7	3.7	- 1.0
December	76.3	96.5	- 20.2	23.7	38.7	- 15.0	17.8	26.3	- 8.5	27.8	25.4	+ 2.4	7.0	6.1	+ 0.9
4th quarter	208.2	240.2	- 32.0	86.5	109.6	- 23.1	43.6	58.4	- 14.8	63.1	59.1	+ 4.0	15.0	13.1	+ 1.9
1971 - January ^r	56.7	89.0	- 32.3	20.6	43.7	- 23.1	6.7	16.7	- 10.0	22.3	22.1	+ 0.2	7.1	6.5	+ 0.6
February ^r	66.2	84.0	- 17.8	22.9	28.3	- 5.4	9.6	24.9	- 15.3	27.6	26.4	+ 1.2	6.1	4.4	+ 1.7
March	95.3	118.8	- 23.5	41.5	46.1	- 4.6	18.8	36.4	- 17.6	26.4	28.8	- 2.4	8.6	7.5	+ 1.1
1st quarter	218.2	291.8	- 73.6	85.0	118.1	- 33.1	35.1	78.0	- 42.9	76.3	77.3	- 1.0	21.8	18.4	+ 3.4
April															
May															
June															
2nd quarter															
July															
August															
September															
3rd quarter															
October															
November															
December															
4th quarter															

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.

As figures are rounded, totals may not equal sum of component parts.

^r Revised figures.

TABLE 2. Trade in Outstanding Foreign Securities between Canada and Other Countries

Period	Total transactions			United States			United Kingdom			Other Europe			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.-	Sales to	Pur-chases from	Net sales + purch.-
millions of dollars															
1969 - Year	2,287.3	2,172.8	+ 114.5	2,223.2	2,108.9	+ 114.3	34.7	32.8	+ 1.9	17.7	17.6	+ 0.2	11.7	13.5	- 1.9
1970 - Year	1,706.2	1,629.3	+ 76.9	1,634.6	1,564.2	+ 70.4	38.2	34.1	+ 4.1	14.6	17.2	- 2.6	18.8	13.8	+ 5.0
1971 - 3 months	614.0	564.9	+ 49.1	587.2	538.0	+ 49.2	9.2	10.7	- 1.5	9.6	8.2	+ 1.4	8.0	8.0	-
1970 - January	177.6	124.8	+ 52.8	172.2	119.9	+ 52.3	3.8	2.7	+ 1.1	0.9	1.7	- 0.8	0.7	0.5	+ 0.2
February	186.8	131.0	+ 55.8	182.9	127.4	+ 55.5	2.3	2.3	-	1.2	0.7	+ 0.5	0.4	0.6	- 0.2
March	155.9	148.3	+ 7.6	150.2	146.0	+ 4.2	4.1	1.0	+ 3.1	0.9	1.0	- 0.1	0.7	0.3	+ 0.4
1st quarter	520.3	404.1	+ 116.2	505.3	393.3	+ 112.0	10.2	6.0	+ 4.2	3.0	3.4	- 0.4	1.8	1.4	+ 0.4
April	170.8	158.2	+ 12.6	163.4	153.0	+ 10.4	4.6	1.8	+ 2.8	2.0	2.4	- 0.4	0.8	1.0	- 0.2
May	175.9	127.5	+ 48.4	171.1	119.0	+ 52.1	2.6	0.8	+ 1.8	0.7	1.8	- 1.1	1.5	5.9	- 4.4
June	115.4	97.0	+ 18.4	109.2	94.3	+ 14.9	3.0	1.3	+ 1.7	0.7	0.9	- 0.2	2.5	0.5	+ 2.0
2nd quarter	464.5	382.7	+ 81.8	446.1	366.3	+ 79.8	10.2	3.9	+ 6.3	3.4	5.1	- 1.7	4.8	7.4	- 2.6
July	110.2	76.4	+ 33.8	107.0	72.8	+ 34.2	1.3	2.5	- 1.2	0.4	0.7	- 0.3	1.5	0.4	+ 1.1
August	80.5	85.6	- 5.1	75.0	81.9	- 6.9	1.5	1.9	- 0.4	0.8	1.2	- 0.4	3.2	0.6	+ 2.6
September	124.8	176.9	- 52.1	117.3	172.3	- 55.0	5.1	3.4	+ 1.7	0.8	1.0	- 0.2	1.6	0.2	+ 1.4
3rd quarter	319.5	339.6	- 20.1	303.3	327.7	- 24.4	7.9	7.8	+ 0.1	2.0	2.9	- 0.9	6.3	1.2	+ 5.1
October	134.7	191.3	- 56.6	127.5	180.8	- 53.3	4.7	7.2	- 2.5	1.8	2.0	- 0.2	0.7	1.3	- 0.6
November	116.0	125.0	- 9.0	111.8	117.0	- 5.2	2.7	5.4	- 2.7	0.7	1.2	- 0.5	0.8	1.4	- 0.6
December	147.5	183.7	- 36.2	136.9	176.2	- 39.3	2.5	3.8	- 1.3	3.7	2.6	+ 1.1	4.4	1.1	+ 3.3
4th quarter	401.9	502.9	- 101.0	379.9	476.9	- 97.0	9.9	16.4	- 6.5	6.2	5.8	+ 0.4	5.9	3.8	+ 2.1
1971 - January	187.6	153.5	+ 34.1	182.4	147.3	+ 35.1	1.1	3.5	- 2.4	2.1	1.6	+ 0.5	2.0	1.1	+ 0.9
February	214.4	190.3	+ 24.1	202.6	180.2	+ 22.4	4.2	3.8	+ 0.4	3.9	3.7	+ 0.2	3.7	2.6	+ 1.1
March	200.1	219.9	- 19.8	191.0	209.5	- 18.5	3.5	3.4	+ 0.1	3.3	2.8	+ 0.5	2.3	4.2	- 1.9
1st quarter	614.0	564.9	+ 49.1	587.2	538.0	+ 49.2	9.2	10.7	- 1.5	9.6	8.2	+ 1.4	8.0	8.0	-
April															
May															
June															
2nd quarter															
July															
August															
September															
3rd quarter															
October															
November															
December															
4th quarter															

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.
As figures are rounded, totals may not equal sum of component parts.

TABLE 3. Trade in Outstanding Securities between Canada and Other Countries

March 1971

Type of issue	Total sales	Total purchases	Net sales + purch. -	United States			United Kingdom			Other Europe			Other Countries		
				Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -
millions of dollars															
<u>Grand total, Canadian and foreign securities ..</u>	295.4	338.7	- 43.3	232.5	255.6	- 23.1	22.3	39.8	- 17.5	29.7	31.6	- 1.9	10.9	11.7	- 0.8
<u>Canadian securities, total</u>	95.3	118.8	- 23.5	41.5	46.1	- 4.6	18.8	36.4	- 17.6	26.4	28.8	- 2.4	8.6	7.5	+ 1.1
Bonds and debentures	20.4	34.4	- 14.0	7.7	13.9	- 6.2	7.8	14.4	- 6.6	2.8	3.8	- 1.0	2.1	2.3	- 0.2
Common and pref'd stock	74.9	84.4	- 9.5	33.8	32.2	+ 1.6	11.0	22.0	- 11.0	23.6	25.0	- 1.4	6.5	5.2	+ 1.3
Other securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Foreign securities, total</u>	200.1	219.9	- 19.8	191.0	209.5	- 18.5	3.5	3.4	+ 0.1	3.3	2.8	+ 0.5	2.3	4.2	- 1.9
United States issues:															
Bonds and debentures	17.1	18.3	- 1.2	14.3	16.3	- 2.0	1.4	0.8	+ 0.6	1.2	0.9	+ 0.3	0.2	0.3	- 0.1
Common and pref'd stock	179.0	196.8	- 17.8	176.4	192.8	- 16.4	0.4	1.0	- 0.6	0.7	0.6	+ 0.1	1.5	2.4	- 0.9
United Kingdom issues:															
Bonds and debentures	0.2	0.3	- 0.1	-	-	-	-	-	-	0.2	0.3	- 0.1	-	-	-
Common and pref'd stock	0.2	0.3	- 0.1	-	-	-	0.2	0.3	- 0.1	-	-	-	-	-	-
Other countries issues:															
Bonds and debentures	2.3	1.6	+ 0.7	-	-	-	1.3	0.9	+ 0.4	0.9	0.6	+ 0.3	0.1	0.1	-
Common and pref'd stock	1.2	2.4	- 1.2	0.2	0.2	-	0.2	0.4	- 0.2	0.3	0.4	- 0.1	0.5	1.4	- 0.9
Other foreign securities ..	0.1	0.2	- 0.1	0.1	0.2	- 0.1	-	-	-	-	-	-	-	-	-
<u>Analysis of bonds and debentures</u>															
Canadian issues:															
Gov't of Canada - Direct	7.5	19.2	- 11.7	1.1	6.9	- 5.8	5.3	10.3	- 5.0	0.6	1.7	- 1.1	0.5	0.3	+ 0.2
- Guar.	1.0	2.2	- 1.2	0.1	0.8	- 0.7	0.8	0.1	+ 0.7	0.1	0.5	- 0.4	-	0.8	- 0.8
Provincial - Direct	1.8	2.5	- 0.7	0.9	1.4	- 0.5	0.2	0.7	- 0.5	0.5	0.2	+ 0.3	0.2	0.2	-
- Guar.	2.8	3.5	- 0.7	0.8	1.5	- 0.7	0.4	1.2	- 0.8	0.7	0.4	+ 0.3	0.9	0.4	+ 0.5
Municipal	1.7	0.9	+ 0.8	1.6	0.8	+ 0.8	0.1	0.1	-	-	-	-	-	-	-
Corporations	5.6	6.1	- 0.5	3.2	2.5	+ 0.7	1.0	2.0	- 1.0	0.9	1.0	- 0.1	0.5	0.6	- 0.1
United States issues:															
Government	0.9	0.5	+ 0.4	0.9	0.5	+ 0.4	-	-	-	-	-	-	-	-	-
Eurobond	1.8	1.6	+ 0.2	0.2	0.2	-	1.1	0.5	+ 0.6	0.3	0.7	- 0.4	0.2	0.2	-
Other	14.4	16.2	- 1.8	13.2	15.6	- 2.4	0.3	0.3	-	0.9	0.2	+ 0.7	-	0.1	- 0.1

TABLE 4. Trade in Outstanding Securities between Canada and Other Countries

Three months ending March 31, 1971

Type of issue	Total sales	Total purchases	Net sales + purch. -	United States			United Kingdom			Other Europe			Other Countries		
				Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -
millions of dollars															
<u>Grand total, Canadian and foreign securities ..</u>	832.2	856.7	- 24.5	672.2	656.1	+ 16.1	44.3	88.7	- 44.4	85.9	85.5	+ 0.4	29.8	26.4	+ 3.4
<u>Canadian securities, total</u>	218.2	291.8	- 73.6	85.0	118.1	- 33.1	35.1	78.0	- 42.9	76.3	77.3	- 1.0	21.8	18.4	+ 3.4
Bonds and debentures	44.5	75.5	- 31.0	15.4	30.9	- 15.5	13.0	25.6	- 12.6	10.2	12.9	- 2.7	5.9	6.1	- 0.2
Common and pref'd stock	173.7	216.3	- 42.6	69.6	87.2	- 17.6	22.1	52.4	- 30.3	66.1	64.4	+ 1.7	15.9	12.3	+ 3.6
Other securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Foreign securities, total</u>	614.0	564.9	+ 49.1	587.2	538.0	+ 49.2	9.2	10.7	- 1.5	9.6	8.2	+ 1.4	8.0	8.0	-
United States issues:															
Bonds and debentures	64.6	53.6	+ 11.0	55.3	47.4	+ 7.9	3.9	3.1	+ 0.8	3.8	2.2	+ 1.6	1.6	0.9	+ 0.7
Common and pref'd stock	533.3	497.2	+ 36.1	528.5	489.0	+ 39.5	0.6	2.1	- 1.5	1.5	2.4	- 0.9	2.7	3.7	- 1.0
United Kingdom issues:															
Bonds and debentures	0.8	0.5	+ 0.3	-	-	-	0.4	-	+ 0.4	0.4	0.5	- 0.1	-	-	-
Common and pref'd stock	3.0	2.6	+ 0.4	2.7	-	+ 2.7	0.3	2.4	- 2.1	-	-	-	-	0.2	- 0.2
Other countries issues:															
Bonds and debentures	7.5	4.6	+ 2.9	-	-	-	3.4	2.5	+ 0.9	3.0	1.8	+ 1.2	1.1	0.3	+ 0.8
Common and pref'd stock	4.6	5.9	- 1.3	0.5	1.1	- 0.6	0.6	0.6	-	0.9	1.3	- 0.4	2.6	2.9	- 0.3
Other foreign securities ..	0.2	0.5	- 0.3	0.2	0.5	- 0.3	-	-	-	-	-	-	-	-	-
<u>Analysis of bonds and debentures</u>															
Canadian issues:															
Gov't of Canada - Direct	13.1	33.8	- 20.7	2.2	12.4	- 10.2	7.3	13.5	- 6.2	2.7	5.0	- 2.3	0.9	2.9	- 2.0
- Guar.	2.0	4.6	- 2.6	0.2	1.1	- 0.9	1.0	0.8	+ 0.2	0.8	1.4	- 0.6	-	1.3	- 1.3
Provincial - Direct	4.1	7.2	- 3.1	1.7	4.2	- 2.5	0.7	1.3	- 0.6	1.3	1.1	+ 0.2	0.4	0.6	- 0.2
- Guar.	11.6	13.3	- 1.7	2.9	6.5	- 3.6	1.9	5.1	- 3.2	3.0	1.3	+ 1.7	3.8	0.4	+ 3.4
Municipal	2.0	2.7	- 0.7	1.7	2.5	- 0.8	0.1	0.2	- 0.1	0.1	-	+ 0.1	0.1	-	+ 0.1
Corporations	11.7	13.9	- 2.2	6.7	4.2	+ 2.5	2.0	4.7	- 2.7	2.3	4.1	- 1.8	0.7	0.9	- 0.2
United States issues:															
Government	2.9	1.5	+ 1.4	2.8	1.4	+ 1.4	-	-	-	0.1	0.1	-	-	-	-
Eurobond	6.8	5.0	+ 1.8	0.4	0.4	-	3.4	2.5	+ 0.9	2.5	1.5	+ 1.0	0.5	0.6	- 0.1
Other	54.9	47.1	+ 7.8	52.1	45.6	+ 6.5	0.5	0.6	- 0.1	1.2	0.6	+ 0.6	1.1	0.3	+ 0.8

TABLE 5. Trade in Outstanding Canadian Bonds and Debentures and Canadian Common and Preference Stocks between Canada and Other Countries

Period	Canadian bonds and debentures(1)						Canadian common and preference stocks					
	Total transactions			United States			Total transactions			United States		
	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -
millions of dollars												
1969 - Year	223.7	222.1	+ 1.6	75.8	103.6	- 27.8	880.2	827.0	+ 53.2	392.7	390.8	+ 1.9
1970 - Year	192.1	232.4	- 40.3	53.0	121.9	- 68.9	496.3	650.8	- 154.5	209.8	288.0	- 78.2
1971 - 3 months	44.5	75.5	- 31.0	15.4	30.9	- 15.5	173.7	216.3	- 42.6	69.6	87.2	- 17.6
1970 - January	9.0	11.8	- 2.8	1.4	4.8	- 3.4	53.0	63.0	- 10.0	22.4	30.2	- 7.8
February	18.4	14.1	+ 4.3	2.0	3.8	- 1.8	45.1	49.2	- 4.1	14.2	21.0	- 6.8
March	13.0	10.5	+ 2.5	2.3	6.7	- 4.4	61.0	50.6	+ 10.4	29.6	19.5	+ 10.1
1st quarter	40.4	36.4	+ 4.0	5.7	15.3	- 9.6	159.1	162.8	- 3.7	66.2	70.7	- 4.5
April	21.0	25.5	- 4.5	6.9	12.7	- 5.8	48.5	61.0	- 12.5	22.4	29.5	- 7.1
May	16.9	20.2	- 3.3	2.7	9.8	- 7.1	24.6	72.0	- 47.4	9.9	26.7	- 16.8
June	15.2	33.8	- 18.6	2.3	19.1	- 16.8	26.2	49.5	- 23.3	13.9	25.6	- 11.7
2nd quarter	53.1	79.5	- 26.4	11.9	41.6	- 29.7	99.3	182.5	- 83.2	46.2	81.8	- 35.6
July	11.3	17.6	- 6.3	1.6	12.7	- 11.1	21.2	37.0	- 15.8	8.0	18.0	- 10.0
August	14.2	17.5	- 3.3	4.4	11.0	- 6.6	27.8	37.0	- 9.2	12.7	17.4	- 4.7
September	15.4	22.7	- 7.3	3.3	10.2	- 6.9	38.4	50.0	- 11.6	16.3	21.6	- 5.3
3rd quarter	40.9	57.8	- 16.9	9.3	33.9	- 24.6	87.4	124.0	- 36.6	37.0	57.0	- 20.0
October	16.7	17.4	- 0.7	6.2	9.7	- 3.5	57.4	53.0	+ 4.4	26.6	23.2	+ 3.4
November	20.8	21.7	- 0.9	14.8	15.3	- 0.5	37.0	51.6	- 14.6	15.2	22.7	- 7.5
December	20.2	19.6	+ 0.6	5.1	6.1	- 1.0	56.1	76.9	- 20.8	18.6	32.6	- 14.0
4th quarter	57.7	58.7	- 1.0	26.1	31.1	- 5.0	150.5	181.5	- 31.0	60.4	78.5	- 18.1
1971 - January ^r	12.8	21.4	- 8.6	4.2	10.8	- 6.6	43.9	67.6	- 23.7	16.4	32.9	- 16.5
February ^r	11.3	19.7	- 8.4	3.5	6.2	- 2.7	54.9	64.3	- 9.4	19.4	22.1	- 2.7
March	20.4	34.4	- 14.0	7.7	13.9	- 6.2	74.9	84.4	- 9.5	33.8	32.2	+ 1.6
1st quarter	44.5	75.5	- 31.0	15.4	30.9	- 15.5	173.7	216.3	- 42.6	69.6	87.2	- 17.6
April												
May												
June												
2nd quarter												
July												
August												
September												
3rd quarter												
October												
November												
December												
4th quarter												

(1) Includes also minor amounts of "Other" Canadian securities.

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.

As figures are rounded, totals may not equal sum of component parts.

^r Revised figures.

TABLE 6. Transactions in Canadian Securities between Canada and Other Countries

Type of issue	1969		1970					1971
	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter
millions of dollars								
<u>Trade in Outstanding Canadian Securities between Canada and Other Countries</u>								
Bonds and debentures:								
Government of Canada - Direct	+ 7	+ 23	+ 2	- 18	- 4	+ 1	- 19	- 20
- Guaranteed	-	+ 1	-	- 2	- 1	-	- 3	- 3
Provincial government - Direct	- 5	- 26	+ 1	- 2	- 6	- 3	- 10	- 3
- Guaranteed	+ 4	+ 13	+ 2	-	-	+ 4	+ 6	- 2
Municipal government (including institutions)	- 1	- 6	- 1	- 3	- 3	- 1	- 8	- 1
Corporations	- 2	- 3	-	- 1	- 3	- 2	- 6	- 2
Sub-totals, bonds and debentures	+ 3	+ 2	+ 4	- 26	- 17	- 1	- 40	- 31
Common and preference stocks	- 24	+ 53	- 4	- 83	- 37	- 31	- 155	- 43
Totals	- 21	+ 55	-	- 109	- 54	- 32	- 195	- 74
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>								
Bonds and debentures:								
Government of Canada - Direct	4	34	2	8	8	8	26	3
- Guaranteed	-	-	-	-	-	-	-	-
Provincial government - Direct	117	709	164	52	105	3	324	66
- Guaranteed	81	359	95	10	81	15	201	131
Municipal government (including institutions)	48	181	50	20	5	9	84	6
Corporations	102	571	188	110	94	169	561	68
Sub-totals, bonds and debentures	352	1,854	499	200	293	204	1,196	274
Common and preference stocks	18	213	36	8	11	18	73	4
Totals	370	2,067	535	208	304	222	1,269	278
<u>Retirements of Canadian Securities Held by Non-residents</u>								
Bonds and debentures:								
Government of Canada - Direct	25	83	3	126	13	12	154	-
- Guaranteed	-	-	-	-	-	-	-	-
Provincial government - Direct	7	49	15	6	5	17	43	15
- Guaranteed	10	44	16	43	4	5	68	12
Municipal government (including institutions)	49	88	23	17	13	31	84	19
Corporations	44	131	30	47	14	34	125	41
Sub-totals, bonds and debentures	135	395	87	239	49	99	474	87
Common and preference stocks	-	1	-	-	-	-	-	-
Totals	135	396	87	239	49	99	474	87

TABLE 7. Offerings and Deliveries of New Issues of Canadian Bonds and Debentures Sold to Residents of the United States

	1969		1970					1971
	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter
millions of dollars								
Undelivered balance, beginning of period	787	914	771	712	604	512	771	423
Offerings of current period	233	1,145	361	26	189	80	656	55
Sub-total	1,020	2,059	1,132	738	793	592	1,427	478
Deduct:								
Proceeds of offerings of current period	170	938	273	26	186	3	488	55
Proceeds of offerings of prior periods	79	350	147	108	95	166	516	127
Sub-total	249	1,288	420	134	281	169	1,004	182
Undelivered balance, end of period	771	771	712	604	512	423	423	296

TABLE 8. International Transactions in Selected Canadian Short-Term Money Market Instruments(1)

Item	All countries						United States					
	Sales to		Repurchases and maturities		Net sales + repurch. -		Sales to		Repurchases and maturities		Net sales + repurch. -	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
millions of dollars												
<u>Government of Canada Treasury Bills</u>												
First quarter	229	31	238	30	- 9	+ 1	43	11	45	11	- 2	-
Second quarter	243		249		- 6		47		47		-	
Third quarter	223		267		- 44		17		15		+ 2	
Fourth quarter	104		118		- 14		7		11		- 4	
Year	799		872		- 73		114		118		- 4	
<u>Buy-back transactions(2)</u>												
First quarter	-	-	-	-	-	-	-	-	-	-	-	-
Second quarter	14		14		-		-		-		-	
Third quarter	37		37		-		31		31		-	
Fourth quarter	-		-		-		-		-		-	
Year	51		51		-		31		31		-	
<u>Finance company paper</u>												
First quarter	424	566	499	623	- 75	- 57	416	564	497	586	- 81	- 22
Second quarter	901		727		+ 174		810		642		+ 168	
Third quarter	893		818		+ 75		764		742		+ 22	
Fourth quarter	868		834		+ 34		749		742		+ 7	
Year	3,086		2,878		+ 208		2,739		2,623		+ 116	
<u>Commercial paper(3)</u>												
First quarter	287	157	280	194	+ 7	- 37	111	150	104	186	+ 7	- 36
Second quarter	292		299		- 7		185		192		- 7	
Third quarter	139		159		- 20		125		146		- 21	
Fourth quarter	237		165		+ 72		218		147		+ 71	
Year	955		903		+ 52		639		589		+ 50	
<u>Other short-term paper(4)</u>												
First quarter	49	32	50	75	- 1	- 43	47	29	48	74	- 1	- 45
Second quarter	15		44		- 29		13		41		- 28	
Third quarter	49		31		+ 18		40		23		+ 17	
Fourth quarter	137		76		+ 61		135		75		+ 60	
Year	250		201		+ 49		235		187		+ 48	
<u>Totals</u>												
First quarter	989	786	1,067	922	- 78	- 136	617	754	694	857	- 77	- 103
Second quarter	1,465		1,333		+ 132		1,055		922		+ 133	
Third quarter	1,341		1,312		+ 29		977		957		+ 20	
Fourth quarter	1,346		1,193		+ 153		1,109		975		+ 134	
Year	5,141		4,905		+ 236		3,758		3,548		+ 210	

(1) The classification "Other finance company obligations" previously included in this statement, consisting of bank loans and inter-company accounts, can be obtained from the "Quarterly Estimates of the Canadian Balance of International Payments" (DBS Catalogue No. 67-001), where a more comprehensive presentation and analysis on Canada's capital movements in short-term forms is given.

(2) Based on Government of Canada securities having an original term over one year.

(3) Including bankers' acceptances.

(4) Including notes of banks, mortgage loan companies and municipal and provincial governments.

TABLE 9. Selected Capital Market Statistics

Year & month	Stock prices		Selected capital market yields								Premium (+) or dis- count (-) on forward United States dollar(5)
	Canada DBS Investors' price index	United States Standard & Poor's "Standard 500"	Long-term			Short-term					
			Canadian industrials average(1)	Government of Canada average(2)	United States Government average(3) r	Canadian finance company(2)	Euro- dollar(4)	Treasury bills			
								Canadian(2)	United States(2)	U.S. adj. to Canadian quotation basis	
	1961=100	1941-43=10									
1966 - March	131.9	88.88	6.22	5.58	4.57	6.07	N.A.	5.06	4.56	4.68	+ .21
June	128.6	86.06	6.30	5.66	4.59	6.28		5.00	4.44	4.55	+ .14
September	115.1	77.81	6.83	5.75	4.82	6.40		5.01	5.50	5.66	- .29
December	116.5	81.33	6.83	5.76	4.54	6.63		4.96	4.75	4.87	- .33
1967 - March	129.2	89.42	6.65	5.48	4.42	5.39		4.13	4.15	4.25	- .13
June	131.5	91.43	7.07	5.87	4.93	5.54		4.28	3.46	3.54	+ .25
September	136.4	95.81	7.43	6.19	5.04	5.95		4.76	4.63	4.75	+ 1.18
December	130.9	95.30	7.59	6.54	5.35	6.57	6.25	5.95	4.99	5.87	+ .50
1968 - March	118.9	89.09	7.93	6.91	5.42	7.39	6.25	6.98	5.19	5.33	+ 1.91
June	131.5	100.53	8.05	6.62	5.15	7.20	6.75	6.56	5.24	5.38	+ 1.26
September	141.6	101.34	7.82	6.60	5.09	6.19	6.19	5.66	5.15	5.29	+ .90
December	151.9	106.48	8.18	7.27	5.82	6.65	7.06	6.24	6.20	6.39	+ .37
1969 - March	149.2	99.30	8.43	7.22	6.07	7.04	8.44	6.58	5.95	6.12	- .58
June	149.5	99.14	8.89	7.50	6.04	7.82	10.50	7.13	6.52	6.72	- 1.58
September	146.8	94.51	8.91	7.81	6.41	8.43	11.31	7.77	7.16	7.39	- .50
December	156.2	91.11	9.29	8.33	6.92	9.17	10.13	7.81	8.10	8.38	- .06
1970 - March	150.3	88.65	9.24	7.93	6.33	7.89	8.50	7.00	6.25	6.45	+ .08
June	126.1	75.59	9.24	8.09	6.59	7.31	9.00	5.94	6.63	6.84	- 1.40
September	134.6	82.58	9.19	7.88	6.52	6.70	8.38	5.39	5.81	5.98	- .66
December	142.5	90.05	8.83	6.99	6.05	5.57	6.44	4.44	4.83	4.96	- .42
1971 - January	146.3	93.54	8.19	6.67	5.78	5.45	5.81	4.68	4.20	4.30	+ .72
February	146.7	97.11	8.30	6.85	5.92	5.05	5.44	4.06	3.50	3.58	+ 1.03
March	150.1	99.60	8.37	6.76	5.54	3.39	6.25	3.16	3.52	3.60	+ .20
April											
May											
June											
July											
August											
September											
October											
November											
December											

(1) Source: McLeod, Young, Weir and Company Limited. Average term to maturity about 20 years; composition of portfolio available upon request from McLeod, Young, Weir and Company Limited. Wednesday average yield.

(2) Source: Bank of Canada. Treasury bill rates: average of tenders on 90-day bills bid in last week of each month. United States bills,) quoted as percentage of maturity value for 360-day year. Long-term government averages include all issues due) or callable in 10 years or more.

(3) Source: United States Federal Reserve Bulletin. Prime banks' bid for 3 month Euro-dollar deposits in London, at or near end of month.

(4) Source: Morgan Guaranty Trust Company. Rates per annum computed on basis of average 90-day forward spread on the spot noon rates. Average of daily figures.

(5) N.A. Not available.

† Revised figures.

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