

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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 Vol. 4. -----

No. 2.

Sales and Purchases of Securities Between Canada
and Other Countries.

February, 1938.

In Canada's international trade in securities in February, total sales exceeded total purchases for the fourth consecutive month. Net sales to all countries during February were more than \$4 1/2 million, compared with net sales of \$4 million in January, although the volume of the trade was considerably reduced.

In the trade with the United States, the net inflow of capital noted in the three preceding months, continued in diminished volume. The net inflow in February amounted to over \$3 million, compared with \$5 million in January. Transactions in bonds and debentures between Canada and the United States decreased considerably. Purchases of these securities from the United States exceeded sales by \$0.6 million. Net sales of Dominion government bonds were balanced by purchases of Canadian Provincial, Municipal, Railway and Corporation issues and United States Corporation bonds. Net purchases of unspecified issues exceeded \$1/2 million. Total net sales to the United States were concentrated in Canadian securities although Canada sold on balance over \$1 million United States common and preference stocks, the selling principally reflecting the continued United States demand for Canadian stocks. In connection with the decline in the volume of transactions between Canada and the United States in recent months, it is interesting to note that the decline in transactions in United States securities has been much greater than the decline in Canadian securities.

The volume of security transactions between Canada and the United Kingdom declined by over 25% or \$3.8 million, the decline being principally in purchases from the United Kingdom with the result that net purchases of \$2 million in January were converted into a small net sale.

Canada continued to sell on balance Canadian stocks and bonds to countries other than the United Kingdom and the United States. Net sales remained at about \$1 million. The net transactions represented, for the most part, purchases of Canadian stocks by "Other Countries".

In the first two months of 1938, the net movement of capital from the United States to Canada through the purchase and sale of securities was over \$8.7 million, compared with a net movement in the opposite direction of \$8.2 million in the similar period of 1937. During the first two months of 1938 security transactions accounted for a net movement of \$2 million from Canada to the United Kingdom, contrasted with an inflow from the United Kingdom of over \$11.3 million during January and February, 1937. Total volume of transactions declined in the first two months of the year from \$249.6 million in 1937 and \$106.6 million in 1938.

The following changes are indicated in tables 4, 5 and 6: United States funds at Montreal declined to slightly below par, while the premium on sterling at Montreal increased to 3.08 per cent. The prices of all of the government bonds shown were firmer. The index number of common stocks in England declined 6 points, while the Canadian and United States index numbers declined only 0.6 and 0.9 points respectively.

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 in Canada. The sale of new issues of Canadian securities to syndicate members resident outside of Canada are not included in these figures, such as the new issues of \$85,000,000 Dominion of Canada bonds sold in January, 1937, to a syndicate in New York, the \$3,250,000 Province of New Brunswick bonds sold privately in the United States in August and the \$10,000,000 Dominion loan underwritten in London in January 1938. The redemption of called or matured Canadian securities abroad and of British and foreign securities owned in Canada are not included among the transactions recorded.

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Month	Sales to United States			Purchases from United States		
	1936	1937	1938	1936	1937	1938
January.....	45,260,642	42,881,080	26,262,135	28,974,654	54,739,139	21,308,845
February	36,260,759	49,310,107	18,807,277	28,329,794	45,650,662	15,050,244
Total, 2 months	81,521,401	92,191,187	45,069,412	57,304,448	100,389,801	36,359,089

II

Month	Sales to United Kingdom			Purchases from United Kingdom		
	1936	1937	1938	1936	1937	1938
January.....	11,112,761	12,984,542	4,458,753	3,092,797	8,783,183	6,535,435
February.....	5,993,537	16,510,801	4,104,263	3,540,208	9,347,580	4,060,483
Total, 2 months	17,106,298	29,495,343	8,563,016	6,633,005	18,130,763	10,595,918

III

Month	Sales to Other Countries			Purchases from Other Countries		
	1936	1937	1938	1936	1937	1938
January.....	155,938	3,283,360	2,015,911	485,588	1,529,031	905,815
February.....	264,844	3,341,683	1,911,771	173,778	1,213,627	1,171,250
Total, 2 months.....	420,782	6,625,043	3,927,682	659,366	2,742,658	2,077,065

IV

Month	Sales to All Countries			Purchases from All Countries		
	1936	1937	1938	1936	1937	1938
January.....	56,529,341	59,148,982	32,736,799	32,553,039	65,051,353	28,750,095
February.....	42,519,140	69,162,591	24,823,311	32,043,780	56,211,869	20,281,977
Total, 2 months.....	99,048,481	128,311,573	57,560,110	64,596,819	121,263,222	49,032,072

Table 2

Analysis of Trade in Securities Between Canada and Other Countries
February, 1938.

	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.....	8,226,320	7,017,659	5,079,797	5,674,589	2,668,768	970,194	477,755	372,876
Canadian new issues.....	248,792	-	99,009	-	149,783	-	-	-
Canadian outstanding issues--								
Dominion.....	2,304,847	721,534	1,838,758	506,878	242,716	166,228	223,373	48,428
Provincial.....	1,185,563	1,430,032	1,072,247	1,172,984	82,717	159,442	30,599	97,606
Municipal.....	492,801	613,867	155,580	498,753	315,778	115,114	21,443	-
Guaranteed by the Dominion.....	1,183,228	635,753	613,915	537,182	568,213	69,876	1,100	28,695
Railway, Other.....	778,797	629,416	98,256	566,281	674,141	57,435	6,400	4,700
Other Corporations.....	1,186,744	1,370,066	450,607	865,582	555,340	331,166	180,797	174,318
United States new issues--								
Government.....	-	-	-	-	-	-	-	-
Other.....	-	93,257	-	92,654	-	603	-	-
United States outstanding issues--								
Government.....	102	-	102	-	-	-	-	-
Other.....	254,309	455,578	252,378	445,589	1,931	1,716	-	8,273
United Kingdom new issues--								
Government.....	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-
United Kingdom outstanding issues--								
Government.....	46,959	-	-	-	46,959	-	-	-
Other.....	5,172	150	-	-	3,172	150	2,000	-
Other Countries new issues.....	-	-	-	-	-	-	-	-
Other Countries outstanding issues...	140,107	132,696	125,269	84,871	11,593	47,825	3,245	-
Unspecified bonds and debentures.....	398,899	935,310	373,676	903,815	16,425	20,639	8,798	10,856
<u>Common and Preference Stocks</u>								
Canadian.....	10,781,928	8,361,418	7,994,570	4,769,953	1,364,037	2,799,299	1,423,321	792,166
United States.....	5,730,647	4,608,942	5,696,333	4,586,023	23,619	16,711	10,695	6,208
United Kingdom.....	35,212	39,279	29,257	15,000	5,955	24,279	-	-
Other Countries.....	7,320	4,679	7,320	4,679	-	-	-	-
Short-Term Securities (one year or less)	41,884	250,000	-	-	41,884	250,000	-	-
Other Securities--								
Canadian.....	-	-	-	-	-	-	-	-
United States.....	-	-	-	-	-	-	-	-
United Kingdom.....	-	-	-	-	-	-	-	-
Other Countries.....	-	-	-	-	-	-	-	-
GRAND TOTAL OF SALES AND PURCHASES	24,823,311	20,281,977	18,807,277	15,050,244	4,104,263	4,060,483	1,911,771	1,171,250

Table 3

Purchase and Sale of Securities Between Canada and Other Countries, by Nationality
and Class of Security, February, 1938.
(Summary Table)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Canadian Securities, Total	18,162,700	13,762,086	12,322,942	8,917,613	3,952,725	3,698,560	1,887,033	1,145,913
Bonds and Debentures.....	7,380,772	5,400,668	4,326,372	4,147,660	2,588,688	899,261	463,712	353,747
Common and Preference Stocks.....	10,781,928	8,361,418	7,994,570	4,769,953	1,364,037	2,799,299	1,423,321	792,166
Other Securities.....	-	-	-	-	-	-	-	-
United States Securities, Total.....	5,985,058	5,157,777	5,948,813	5,124,266	25,550	19,030	10,695	14,481
Bonds and Debentures.....	254,411	548,835	252,480	538,243	1,031	2,319	-	8,273
Common and Preference Stocks.....	5,730,647	4,608,942	5,696,333	4,586,023	23,619	16,711	10,695	6,208
Other Securities.....	-	-	-	-	-	-	-	-
United Kingdom Securities, Total.....	87,343	39,429	29,257	15,000	56,086	24,429	2,000	-
Bonds and Debentures.....	52,131	150	-	-	50,131	150	2,000	-
Common and Preference Stocks.....	35,212	39,279	29,257	15,000	5,955	24,279	-	-
Other Securities.....	-	-	-	-	-	-	-	-
Other Countries Securities, Total.....	147,427	137,375	132,589	89,550	11,593	47,825	3,245	-
Bonds and Debentures.....	140,107	132,696	125,269	84,871	11,593	47,825	3,245	-
Common and Preference Stocks.....	7,320	4,679	7,320	4,679	-	-	-	-
Other Securities.....	-	-	-	-	-	-	-	-
Short-Term Securities (one year or less).	41,884	250,000	-	-	41,884	250,000	-	-
Unspecified Bonds and Debentures.....	398,899	935,310	373,676	903,815	16,425	20,639	8,798	10,856
GRAND TOTAL	24,823,311	20,281,977	18,807,277	15,050,244	4,104,263	4,060,483	1,911,771	1,171,250

Table 4

Monthly Average of Daily Quotations and Premiums
or Discounts for New York Funds and Sterling.

Montreal, 1936-1938

Month	1936		1937		1938	
	New York Funds at Montreal	Premium + Discount- %	New York Funds at Montreal	Premium + Discount- %	New York Funds at Montreal	Premium + Discount- %
January.....	1.0005	+0.05	1.0003	+0.03	1.0001	+0.01
February.....	.9986	-0.14	1.0002	+0.02	.9997	-0.03
March.....	1.0013	+0.13	.9995	-0.05		
April.....	1.0047	+0.47	.9987	-0.13		
May.....	1.0018	+0.18	.9984	-0.16		
June.....	1.0026	+0.26	1.0005	+0.05		
July.....	1.0008	+0.08	1.0013	+0.13		
August.....	1.0001	+0.01	1.0001	+0.01		
September.....	.9997	-0.03	1.0000	-		
October.....	.9997	-0.03	.9997	-0.03		
November.....	.9986	-0.14	.9992	-0.08		
December.....	.9993	-0.07	1.0004	+0.04		
Year.....	1.0006	+0.06	.9999	-0.01		

Month	1936		1937		1938	
	Sterling at Montreal	Premium + Discount- %	Sterling at Montreal	Premium + Discount- %	Sterling at Montreal	Premium + Discount- %
January.....	4.9557	+2.03	4.9092	+0.87	5.0003	+2.75
February.....	4.9940	+2.62	4.8953	+0.59	5.0165	+3.08
March.....	4.9783	+2.29	4.8824	+0.32		
April.....	4.9573	+2.07	4.9095	+0.88		
May.....	4.9798	+2.32	4.9313	+1.33		
June.....	5.0328	+3.41	4.9380	+1.47		
July.....	5.0269	+3.29	4.9735	+2.20		
August.....	5.0265	+3.28	4.9826	+2.38		
September.....	5.0390	+3.54	4.9532	+1.78		
October.....	4.8972	+0.63	4.9542	+1.80		
November.....	4.8317	+0.31	4.9903	+2.55		
December.....	4.9042	+0.77	4.9985	+2.71		
Year.....	4.9749	+2.22	4.9437	+1.58		

Table 5

-6-

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

Date	United Kingdom		United States		Dominion of Canada			
	3 1/2% War Loan Callable Dec. 1, 1952, or after ^x		3% of Sept. 15, 1955, callable on or after Sept. 15, 1951		4 1/2% 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>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
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
<u>1937</u>								
January 13....	105.02	3.10	106.53	2.47	112.38	3.23	100.63	2.94
February 17...	101.05	3.41	106.38	2.48	109.50	3.50	97.50	3.18
March 17.....	100.78	3.43	104.81	2.60	107.25	3.73	95.00	3.37
April 14.....	101.64	3.36	102.44	2.79	107.88	3.66	95.38	3.34
May 13.....	102.29	3.31	102.09	2.82	108.50	3.59	95.50	3.33
June 16.....	100.79	3.44	102.47	2.79	109.75	3.45	96.00	3.30
July 14.....	99.96	3.50	102.97	2.74	109.75	3.45	96.38	3.27
August 18.....	99.30	3.52	103.16	2.73	110.50	3.37	97.13	3.21
September 15..	99.35	3.52	102.44	2.79	110.50	3.36	97.00	3.22
October 13....	100.21	3.48	102.53	2.78	109.63	3.44	96.25	3.28
November 17...	101.56	3.37	103.06	2.73	110.00	3.40	96.38	3.27
December 15...	101.49	3.37	103.78	2.67	110.13	3.38	97.13	3.22
<u>1938</u>								
January 12....	101.47	3.37	104.31	2.62	111.00	3.28	97.75	3.17
February 16...	102.50	3.29	104.50	2.60	111.38	3.23	98.13	3.14

^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.



Date		Description		Amount	
Jan 1	1890	Balance		100.00	
Jan 5	1890	Received from A. B.		25.00	
Jan 10	1890	Received from C. D.		15.00	
Jan 15	1890	Received from E. F.		10.00	
Jan 20	1890	Received from G. H.		5.00	
Jan 25	1890	Received from I. J.		3.00	
Jan 30	1890	Received from K. L.		2.00	
Feb 1	1890	Received from M. N.		1.00	
Feb 5	1890	Received from O. P.		1.00	
Feb 10	1890	Received from Q. R.		1.00	
Feb 15	1890	Received from S. T.		1.00	
Feb 20	1890	Received from U. V.		1.00	
Feb 25	1890	Received from W. X.		1.00	
Feb 30	1890	Received from Y. Z.		1.00	
Mar 1	1890	Received from A. B.		1.00	
Mar 5	1890	Received from C. D.		1.00	
Mar 10	1890	Received from E. F.		1.00	
Mar 15	1890	Received from G. H.		1.00	
Mar 20	1890	Received from I. J.		1.00	
Mar 25	1890	Received from K. L.		1.00	
Mar 30	1890	Received from M. N.		1.00	
Apr 1	1890	Received from O. P.		1.00	
Apr 5	1890	Received from Q. R.		1.00	
Apr 10	1890	Received from S. T.		1.00	
Apr 15	1890	Received from U. V.		1.00	
Apr 20	1890	Received from W. X.		1.00	
Apr 25	1890	Received from Y. Z.		1.00	
Apr 30	1890	Received from A. B.		1.00	
May 1	1890	Received from C. D.		1.00	
May 5	1890	Received from E. F.		1.00	
May 10	1890	Received from G. H.		1.00	
May 15	1890	Received from I. J.		1.00	
May 20	1890	Received from K. L.		1.00	
May 25	1890	Received from M. N.		1.00	
May 30	1890	Received from O. P.		1.00	
Jun 1	1890	Received from Q. R.		1.00	
Jun 5	1890	Received from S. T.		1.00	
Jun 10	1890	Received from U. V.		1.00	
Jun 15	1890	Received from W. X.		1.00	
Jun 20	1890	Received from Y. Z.		1.00	
Jun 25	1890	Received from A. B.		1.00	
Jun 30	1890	Received from C. D.		1.00	
Jul 1	1890	Received from E. F.		1.00	
Jul 5	1890	Received from G. H.		1.00	
Jul 10	1890	Received from I. J.		1.00	
Jul 15	1890	Received from K. L.		1.00	
Jul 20	1890	Received from M. N.		1.00	
Jul 25	1890	Received from O. P.		1.00	
Jul 30	1890	Received from Q. R.		1.00	
Aug 1	1890	Received from S. T.		1.00	
Aug 5	1890	Received from U. V.		1.00	
Aug 10	1890	Received from W. X.		1.00	
Aug 15	1890	Received from Y. Z.		1.00	
Aug 20	1890	Received from A. B.		1.00	
Aug 25	1890	Received from C. D.		1.00	
Aug 30	1890	Received from E. F.		1.00	
Sep 1	1890	Received from G. H.		1.00	
Sep 5	1890	Received from I. J.		1.00	
Sep 10	1890	Received from K. L.		1.00	
Sep 15	1890	Received from M. N.		1.00	
Sep 20	1890	Received from O. P.		1.00	
Sep 25	1890	Received from Q. R.		1.00	
Sep 30	1890	Received from S. T.		1.00	
Oct 1	1890	Received from U. V.		1.00	
Oct 5	1890	Received from W. X.		1.00	
Oct 10	1890	Received from Y. Z.		1.00	
Oct 15	1890	Received from A. B.		1.00	
Oct 20	1890	Received from C. D.		1.00	
Oct 25	1890	Received from E. F.		1.00	
Oct 30	1890	Received from G. H.		1.00	
Nov 1	1890	Received from I. J.		1.00	
Nov 5	1890	Received from K. L.		1.00	
Nov 10	1890	Received from M. N.		1.00	
Nov 15	1890	Received from O. P.		1.00	
Nov 20	1890	Received from Q. R.		1.00	
Nov 25	1890	Received from S. T.		1.00	
Nov 30	1890	Received from U. V.		1.00	
Dec 1	1890	Received from W. X.		1.00	
Dec 5	1890	Received from Y. Z.		1.00	
Dec 10	1890	Received from A. B.		1.00	
Dec 15	1890	Received from C. D.		1.00	
Dec 20	1890	Received from E. F.		1.00	
Dec 25	1890	Received from G. H.		1.00	
Dec 30	1890	Received from I. J.		1.00	
Total				100.00	

THE ACCOUNTS OF THE YEAR 1890

Table 6

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Index Numbers of Common Stocks Prices in Canada,
United Kingdom and United States, 1936 - 1938.

(1926 = 100)

Month	Canada (96) (Dominion Bureau of Statistics)	England (92) (London and Cambridge Economic Service)*	United States (419) (Standard Statistics Co., Inc.)
<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	122.8
<u>1937</u>			
January.....	137.4	147.0	126.0
February.....	142.4	143.5	129.5
March.....	147.2	135.7	129.9
April.....	136.2	135.7	124.5
May.....	132.2	134.0	116.3
June.....	129.4	128.8	113.6
July.....	133.0	130.5	117.8
August.....	135.2	132.3	120.5
September.....	118.9	127.0	106.4
October.....	105.8	120.9	91.4
November.....	103.1	120.1	82.9
December.....	103.7	115.7	82.2
<u>1938</u>			
January.....	107.7	117.4	81.6
February.....	107.1	111.4	80.7

*

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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