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Vol. 8

No. 1

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

January, 1942

Sales of securities exceeded purchases in January by the substantial margin of \$4.8 million in the international trade in securities between Canada and other countries. This balance compares with \$2.2 million in December and \$5.6 million in November, 1941. Net sales of Canadian securities represented \$3.5 million of the balance and sales of United States securities accounted for \$1.1 million.

In the trade with the United States the net sales were \$5.3 million. Sales of Canadian securities made up about \$4 million. Sales of Canadian bonds exceeded this amount as there were repurchases of Canadian stocks. Net sales of Dominions and Dominion guarantees, \$1.4 million and \$2.0 million respectively, constituted the largest part of the sales of bonds. Provincials and corporation bonds were also sold on balance to the United States while municipals and unguaranteed railway issues were repurchased.

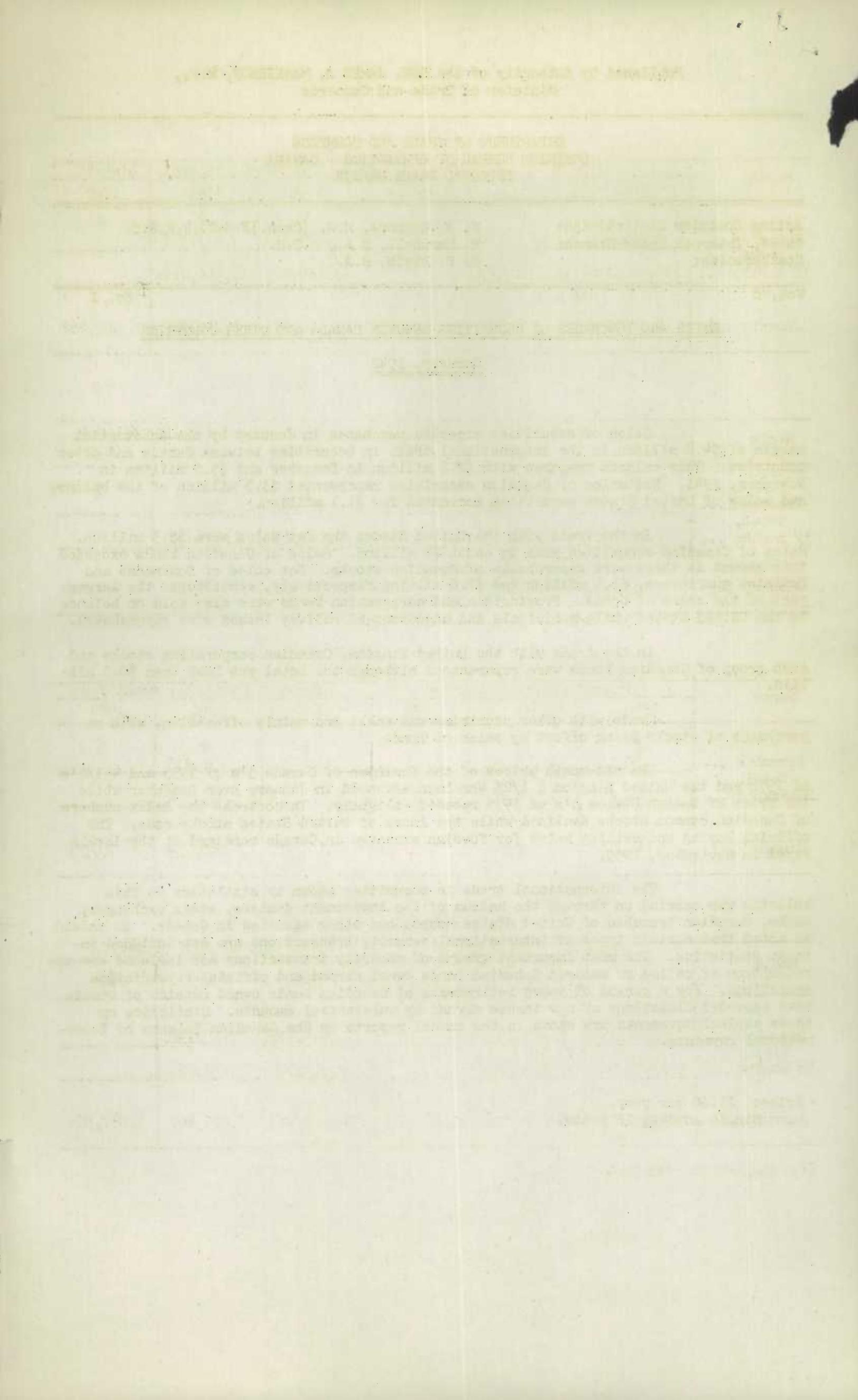
In the trade with the United Kingdom, Canadian corporation stocks and each group of Canadian bonds were repurchased although the total was less than \$0.5 million.

Trade with other countries was small and mainly offsetting, with repurchases of stocks being offset by sales of bonds.

The mid-month prices of the Dominion of Canada 3's of 1955 and 4-1/2's of 1958 and the United Kingdom 3 1/2% War Loan advanced in January over December while the price of United States 3's of 1955 receded slightly. In contrast the index numbers of Canadian common stocks declined while the index of United States stocks rose. The official buying and selling rates for foreign exchange in Canada remained at the levels fixed in September, 1939.

The international trade in securities shown by statistics in this bulletin was carried on through the medium of the investment dealers, stock exchanges, banks, Canadian branches of United States houses and other agencies in Canada. It should be noted that certain types of international security transactions are not included in these statistics. The most important groups of security transactions not included are the redemption of called or matured Canadian bonds owned abroad and official repatriation operations. For a period of years retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts. Statistics on these capital movements are shown in the annual reports on the Canadian Balance of International Payments.

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- I -

Month	Sales to United States			Purchases from United States		
	1940	1941	1942	1940	1941	1942
December ...	\$ 8,012,352	\$ 10,439,347	\$	\$ 6,577,617	\$ 7,671,358	\$
Total, 12 months ...	113,848,794	104,782,865		83,465,221	68,549,710	
January (x)	14,509,985	8,090,799	11,807,489	9,278,902	5,742,699	6,507,262

II

Month	Sales to United Kingdom			Purchases from United Kingdom		
	1940	1941	1942	1940	1941	1942
December ...	\$ 12,431	\$ 307	\$	\$ 417,563	\$ 398,587	\$
Total, 12 months ...	7,032,508	1,788,270		9,597,030	4,880,652	
January (x)	843,347	801,634	3,407	867,435	388,014	484,721

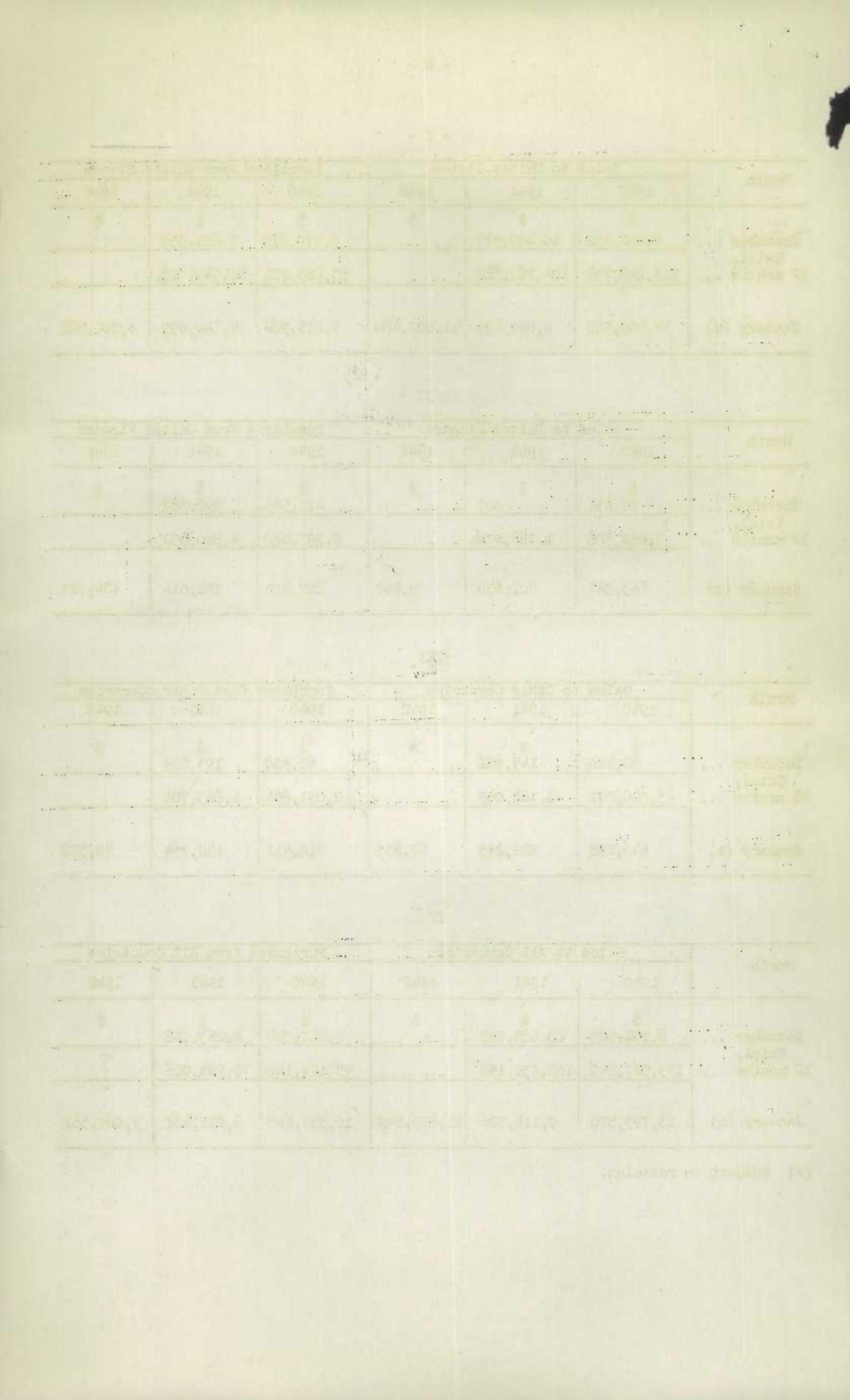
III

Month	Sales to Other Countries			Purchases from Other Countries		
	1940	1941	1942	1940	1941	1942
December ...	\$ 80,120	\$ 145,381	\$	\$ 52,328	\$ 193,253	\$
Total, 12 months ...	3,046,247	1,760,003		2,051,894	1,863,704	
January (x)	440,238	222,293	62,653	212,911	140,754	75,578

IV

Month	Sales to All Countries			Purchases from All Countries		
	1940	1941	1942	1940	1941	1942
December ...	\$ 8,104,903	\$ 10,585,035	\$	\$ 7,047,508	\$ 8,263,198	\$
Total, 12 months ...	123,927,549	108,331,158		95,114,145	75,294,066	
January (x)	15,793,570	9,114,726	11,873,549	10,539,248	6,271,467	7,067,561

(x) Subject to revision.



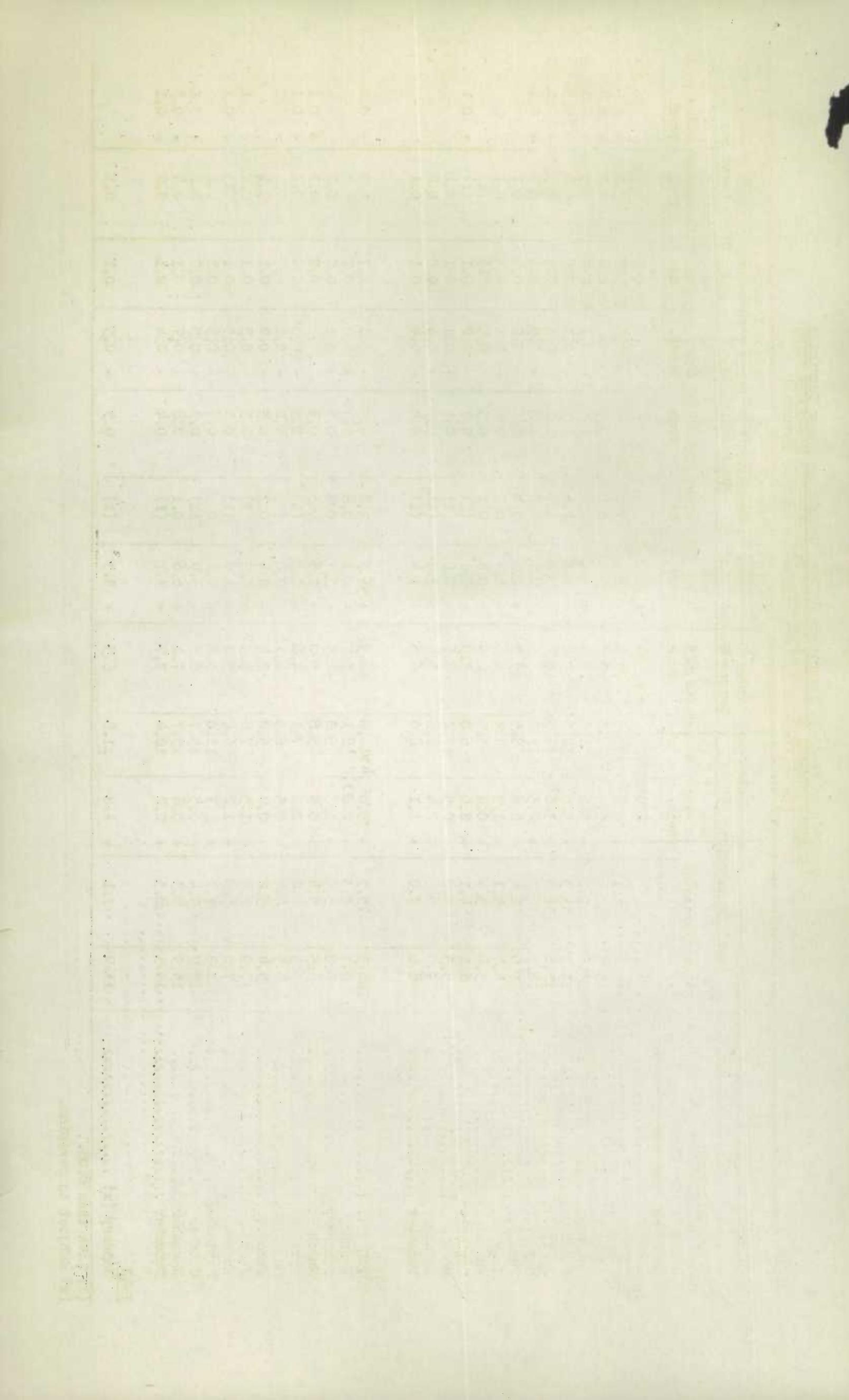
SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
 (In millions of dollars to nearest hundred thousand)

Table I-A

Year and Month	Total Transactions			United States			United Kingdom			Other Countries		
	Sales	Purchases	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
1940												
TOTAL	123.9	95.1	+ 28.8	113.8	83.4	+ 30.4	7.0	9.6	- 2.6	7.1	2.1	+ 1.0
January	15.8	10.4	+ 5.4	14.5	9.3	+ 5.3	0.8	0.9	-	0.4	0.2	+ 0.2
February	13.6	10.0	+ 3.6	11.8	8.4	+ 3.4	1.4	1.3	+ 0.1	0.4	0.2	+ 0.1
March	14.9	11.3	+ 3.6	12.5	9.2	+ 3.3	1.6	1.5	+ 0.1	0.8	0.5	+ 0.3
April	15.6	12.0	+ 3.6	13.5	9.8	+ 3.6	1.7	2.0	- 0.3	0.4	0.3	+ 0.1
May	18.3	16.0	+ 2.3	17.1	14.4	+ 2.7	0.8	1.3	- 0.5	0.4	0.3	+ 0.1
June	9.0	6.4	+ 2.6	8.5	5.7	+ 2.8	0.4	0.6	- 0.2	0.1	0.1	-
July	4.4	3.1	+ 1.3	4.2	2.8	+ 1.4	0.1	0.2	- 0.1	0.1	0.1	-
August	3.8	3.4	+ 0.4	3.7	2.9	+ 0.8	0.1	0.5	- 0.4	(1)	(1)	-
September	6.1	4.1	+ 2.0	6.0	3.9	+ 2.1	(1)	0.2	- 0.2	0.1	(1)	+ 0.1
October	5.3	4.8	+ 0.5	5.2	4.6	+ 0.6	(1)	0.1	- 0.1	0.1	0.1	-
November	9.0	6.6	+ 2.4	8.8	5.8	+ 3.0	(1)	0.6	- 0.6	0.2	0.2	-
December	8.1	7.0	+ 1.1	8.0	6.6	+ 1.4	(1)	0.4	- 0.4	0.1	0.1	-
1941												
TOTAL	108.3	75.3	+ 33.0	104.8	68.5	+ 36.3	1.8	4.9	- 3.1	1.7	1.9	- 0.2
January	9.1	6.3	+ 2.8	8.1	5.7	+ 2.4	0.8	0.4	+ 0.4	0.2	0.2	-
February	6.8	5.0	+ 1.8	6.2	4.5	+ 1.7	0.4	0.3	+ 0.1	0.2	0.2	-
March	6.3	5.4	+ 0.9	5.8	5.0	+ 0.8	0.5	0.3	-	0.2	0.1	+ 0.1
April	7.3	5.2	+ 2.1	7.1	4.8	+ 2.3	(1)	0.3	- 0.3	0.2	0.1	+ 0.1
May	6.9	4.4	+ 2.5	6.9	4.1	+ 2.8	(1)	0.2	- 0.2	(1)	0.1	- 0.1
June	5.4	3.2	+ 2.2	5.2	2.8	+ 2.4	0.1	0.3	- 0.2	0.1	0.1	-
July	7.9	6.4	+ 1.5	7.8	5.9	+ 1.9	(1)	0.3	- 0.3	0.1	0.2	- 0.1
August	7.0	5.8	+ 1.2	6.8	5.2	+ 1.6	(1)	0.5	- 0.5	0.1	(1)	+ 0.1
September	11.2	7.5	+ 3.7	11.0	6.8	+ 4.2	0.7	0.6	- 0.5	0.1	0.1	-
October	15.9	9.4	+ 6.5	15.7	8.8	+ 6.9	(1)	0.5	- 0.5	0.2	0.1	+ 0.1
November	13.9	8.3	+ 5.6	13.7	7.1	+ 6.6	0.1	0.8	- 0.7	0.1	0.4	- 0.3
December	10.5	8.3	+ 2.2	10.4	7.7	+ 2.7	(1)	0.4	- 0.4	0.1	0.2	- 0.1
1942												
January (x)	11.9	7.1	+ 4.8	11.8	6.5	+ 5.3	(1)	0.5	- 0.5	0.1	0.1	-

(1) Less than 0.05.

(x) Subject to revision.

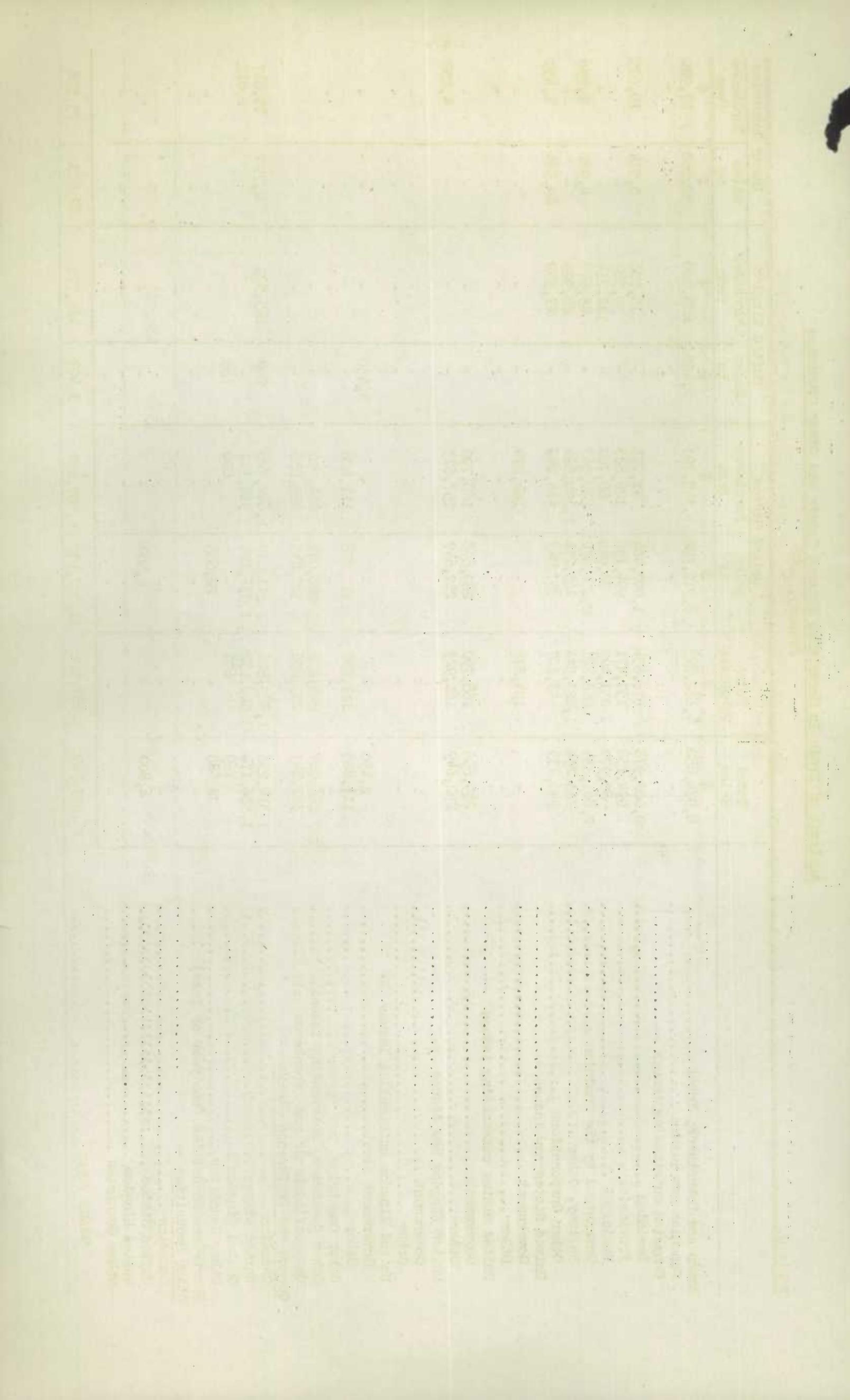


Analysis of Trade-In Securities Between Canada and Other Countries

January, 1942

Table 2.

	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	\$ 8,974,882	\$ 4,662,823	\$ 8,912,592	\$ 4,345,703	\$ 2,430	\$ 289,200	\$ 59,860	\$ 27,920
Canadian new issues	-	-	-	-	-	-	-	-
Canadian outstanding issues --								
Dominion	2,002,978	676,854	1,997,464	641,273	-	15,906	5,514	19,675
Provincial	994,138	157,471	994,138	126,888	-	30,583	-	-
Municipal	80,970	231,423	80,970	88,709	-	142,714	-	-
Guaranteed by the Dominion	2,861,634	886,281	2,856,672	840,067	-	43,678	4,962	2,536
Railway, Other	763,254	1,223,544	763,254	1,194,624	-	28,920	-	-
Other Corporations	946,433	443,107	897,049	414,249	-	27,399	49,384	1,459
United States new issues --								
Government	-	104,274	-	104,274	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States outstanding issues --								
Government	289,698	168,790	289,698	168,790	-	-	-	-
Other	252,649	161,923	252,649	157,673	-	-	-	4,250 F
United Kingdom new issues --								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom outstanding issues --								
Government	2,430	-	-	-	2,430	-	-	-
Other	111,828	111,208	111,828	111,208	-	-	-	-
Other Countries, new issues	-	-	-	-	-	-	-	-
Other Countries, outstanding issues	286,027	244,092	286,027	244,092	-	-	-	-
Unspecified Bonds and Debentures	382,843	253,856	382,843	253,856	-	-	-	-
Common and Preference Stocks --								
Canadian	1,314,236	1,883,896	1,311,235	1,642,728	208	195,521	2,793	45,647
United States	1,556,174	520,152	1,556,174	518,141	-	-	-	2,011
United Kingdom	769	690	-	690	769	-	-	-
Other Countries	22,688	-	22,688	-	-	-	-	-
Short-Term Securities (one year or less)	-	-	-	-	-	-	-	-
Other Securities --								
Canadian	-	-	-	-	-	-	-	-
United States	4,800	-	4,800	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	11,873,549	7,067,561	11,807,489	6,507,262	3,407	484,721	62,653	75,578

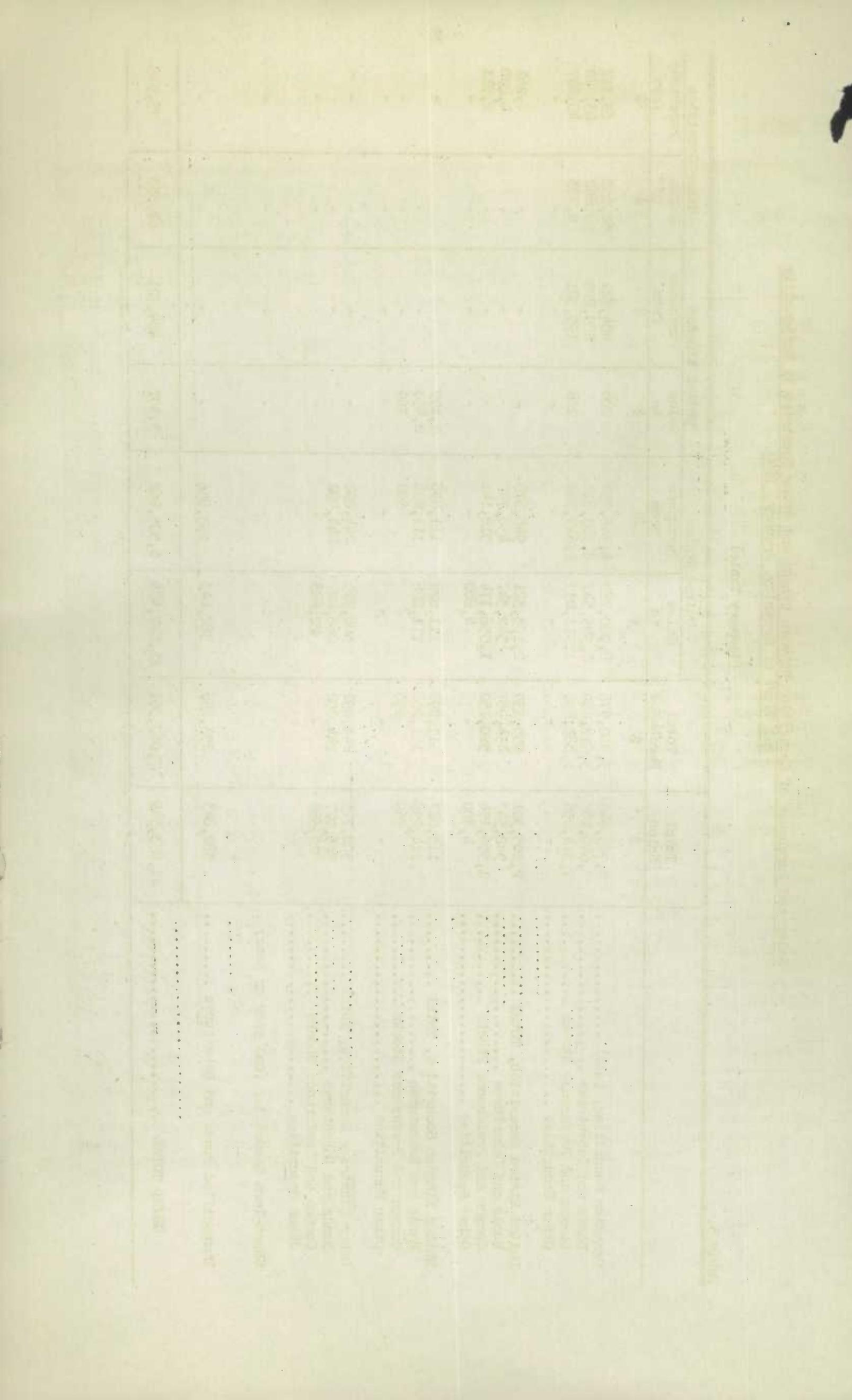


Sales and Purchases of Securities Between Canada and Other Countries by Nationality
and Class of Security, January, 1942

(Summary Table)

Table 3.

	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	8,963,643	5,502,576	8,900,782	4,948,538	208	484,721	62,653	69,317
Bonds and Debentures	7,649,407	3,618,680	7,589,547	3,305,810	-	289,200	59,860	23,670
Common and Preference Stocks	1,314,236	1,883,896	1,311,235	1,642,728	208	195,521	2,793	45,647
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	2,103,321	955,139	2,103,321	948,878	-	-	-	6,261
Bonds and Debentures	542,347	434,987	542,347	430,737	-	-	-	4,250
Common and Preference Stocks	1,556,174	520,152	1,556,174	518,141	-	-	-	2,011
Other Securities	4,800	-	4,800	-	-	-	-	-
United Kingdom Securities, Total	115,027	111,898	111,828	111,898	3,199	-	-	-
Bonds and Debentures	114,258	111,208	111,828	111,208	2,430	-	-	-
Common and Preference Stocks	769	690	-	690	769	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	308,715	244,092	308,715	244,092	-	-	-	-
Bonds and Debentures	286,027	244,092	286,027	244,092	-	-	-	-
Common and Preference Stocks	22,688	-	22,688	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (one year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds and Debentures	382,843	253,856	382,843	253,856	-	-	-	-
GRAND TOTAL	11,873,549	7,067,561	11,807,489	6,507,262	3,407	484,721	62,653	75,578



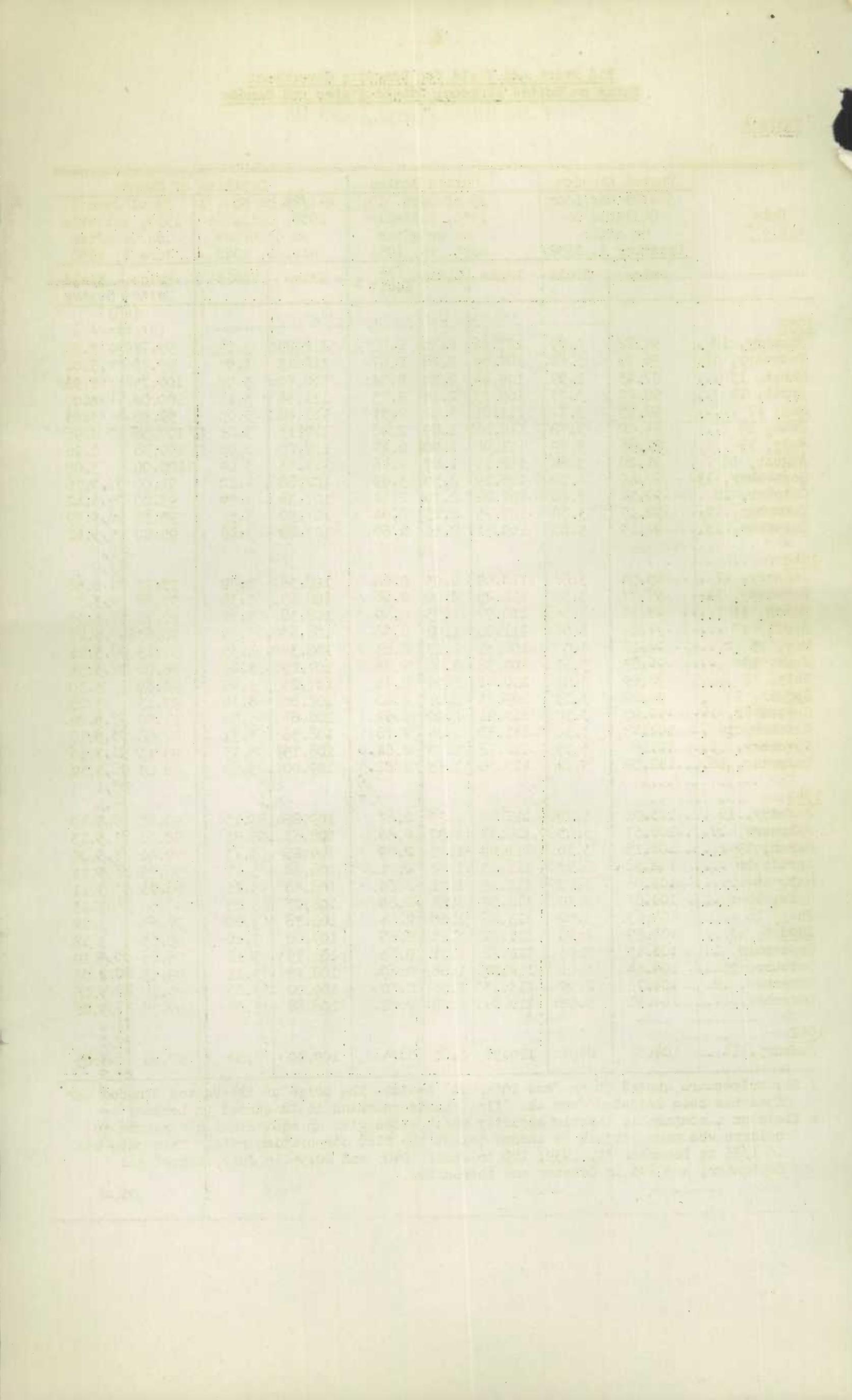
Bid Price and Yield for Domestic Government
Bonds in United Kingdom, United States and Canada

Table 4

Date	United Kingdom		United States			Dominion of Canada			
	3-1/2% War Loan Callable on or after December 1, 1952 ^f		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	Tax Equiv. ^x	Price	Yield	Price	Yield
<u>1939</u>									
January, 18 .	97.22	3.60	107.66	2.30	2.89	112.25	3.04	99.75	3.02
February, 15.	96.70	3.62	107.84	2.28	2.87	112.13	3.05	99.75	3.02
March, 15 ...	97.43	3.59	109.44	2.14	2.73	112.50	3.00	100.75	2.92
April, 12 ...	93.22	3.75	109.13	2.16	2.75	111.38	3.11	100.00	3.00
May, 17	92.95	3.77	111.81	1.92	2.51	111.88	3.05	99.38	3.05
June, 14	94.00	3.72	112.06	1.89	2.48	112.13	3.01	100.38	2.96
July, 19	92.88	3.79	111.94	1.90	2.49	112.25	2.98	100.38	2.96
August, 16 ...	91.20	3.84	112.16	1.87	2.46	111.63	3.04	100.00	3.00
September, 13	87.49	4.00	105.19	2.50	3.09	102.88	4.12	91.00	3.76
October, 18 .	90.16	3.88	107.22	2.30	2.89	107.38	3.54	95.00	3.42
November, 15.	92.15	3.80	107.75	2.25	2.84	107.50	3.52	95.38	3.39
December, 13.	92.19	3.80	109.31	2.10	2.69	107.88	3.46	95.00	3.42
<u>1940</u>									
January, 17 .	95.54	3.66	110.09	2.03	2.68	108.38	3.59	95.75	3.36
February, 14.	97.77	3.58	110.25	2.00	2.66	108.63	3.35	95.88	3.35
March, 13 ...	98.25	3.56	110.97	1.93	2.59	108.38	3.37	95.75	3.36
April, 17 ...	97.80	3.58	111.06	1.92	2.58	108.63	3.33	96.63	3.28
May, 15	98.16	3.57	108.31	2.17	2.83	108.38	3.35	97.13	3.24
June, 19	96.83	3.61	109.38	2.06	2.72	107.25	3.49	96.00	3.34
July, 17	98.69	3.55	110.41	1.96	2.75	107.25	3.49	96.50	3.30
August, 14 ..	99.29	3.53	109.75	2.01	2.80	108.00	3.38	97.13	3.25
September, 18	99.95	3.50	110.91	1.90	2.69	108.63	3.28	97.50	3.22
October, 16 .	101.43	3.36	111.38	1.84	2.78	108.38	3.31	97.88	3.18
November, 13.	101.67	3.33	112.78	1.70	2.64	108.13	3.33	98.13	3.16
December, 18.	102.59	3.24	113.50	1.63	2.57	109.00	3.20	98.63	3.12
<u>1941</u>									
January, 15 .	103.01	3.19	112.28	1.73	2.67	109.25	3.15	98.88	3.10
February, 19.	102.67	3.23	110.34	1.92	2.86	108.63	3.23	98.50	3.13
March, 19 ...	103.15	3.18	111.94	1.75	2.69	109.25	3.13	99.00	3.09
April, 16 ...	102.58	3.23	111.63	1.77	2.71	108.88	3.17	98.75	3.11
May, 14	103.96	3.09	112.13	1.71	2.65	108.50	3.21	98.75	3.11
June, 18	103.84	3.10	112.59	1.66	2.60	108.25	3.23	98.50	3.13
July, 16	104.63	3.02	113.06	1.60	2.54	108.38	3.20	98.63	3.12
August, 13 ..	104.99	2.98	111.94	1.71	2.65	109.00	3.10	98.63	3.12
September, 17	105.15	2.96	111.78	1.71	2.65	108.75	3.12	98.88	3.10
October, 15 .	104.64	3.01	112.22	1.66	2.60	108.75	3.11	99.13	3.08
November, 12.	104.73	2.99	113.13	1.56	2.50	109.00	3.05	99.38	3.06
December, 17.	104.41	3.02	110.91	1.78	2.72	108.88	3.06	99.38	3.06
<u>1942</u>									
January, 14 .	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.63	3.03

^f 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.

^x Yield on a comparable taxable security which would give an equivalent net return to holders who were subject to income tax at the flat corporation rate. This rate was 16-1/2% to December 31, 1939; 18% to June, 1940; and 20.9% in July, August and September; and 24% in October and thereafter.



Index Numbers of Common Stocks Prices in Canada
and the United States, 1939-1942

Table 5

	CANADA			United States (402) (Standard & Poor's Corp.) 354 Industrials 20 Railroads 28 Utilities)	
	Dominion Bureau of Statistics				
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks Gold Stocks (22)	Composite Mining Index (25)		
<u>1939</u>					
January	93.8	103.1	110.2	97.0	
February	94.9	102.9	110.8	95.1	
March	94.5	100.4	108.1	96.0	
April	87.7	93.5	100.2	85.0	
May	90.4	97.3	105.6	88.4	
June	88.4	99.0	107.3	89.9	
July	88.7	100.0	108.7	91.8	
August	85.8	95.8	105.6	90.7	
September	91.2	84.6	96.0	99.7	
October	96.6	90.5	100.9	100.7	
November	94.4	90.3	100.9	98.9	
December	92.2	89.2	99.3	97.0	
<u>1940</u>					
January	90.9	91.1	100.9	97.4	
February	90.2	86.5	96.2	96.8	
March	90.3	82.0	92.5	96.7	
April	88.4	81.3	91.2	98.1	
May	73.3	67.6	74.5	85.1	
June	65.5	57.7	63.4	78.1	
July	66.1	59.1	64.8	80.8	
August	69.3	64.6	71.0	81.6	
September	75.8	70.8	77.5	85.5	
October	74.2	72.9	79.2	86.0	
November	74.5	76.5	82.4	86.7	
December	70.3	74.9	80.2	84.9	
<u>1941</u>					
January	71.3	74.4	79.4	85.0	
February	66.5	70.6	74.9	80.1	
March	66.8	70.0	75.1	80.3	
April	65.8	69.0	75.1	77.9	
May	63.9	66.1	71.2	77.1	
June	64.0	64.4	71.0	79.5	
July	67.5	66.2	74.6	83.2	
August	67.8	66.0	74.6	83.2	
September	71.0	66.0	75.4	83.6	
October	69.1	60.8	69.7	80.4	
November	68.8	54.9	65.0	77.4	
December	67.2	52.2	63.2	71.8	
<u>1942</u>					
January	66.8	50.5	61.9	72.6	

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