

Published by Authority of the HON. JAMES A. MacKINNON, M.P.,
Minister of Trade and Commerce

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

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Vol. 9	No. 1

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

JANUARY, 1943

The import of capital arising from the net sale of securities by Canada to other countries expanded further in January when net sales reported were \$11.3 million compared with \$7.8 million in December and \$5.2 million in November. Sales of Canadian bonds continued to be the major part of the trade.

Net sales of Canadian bonds to the United States exceeded \$10 million. Each group of bonds was sold on balance. Less of the total sales were concentrated in the Dominion guaranteed group as net sales of Dominions, provincials and corporation issues of \$1.8, \$3.0 and \$2.4 millions respectively were higher than in preceding months. The trade with the United States in Canadian stocks showed no appreciable balance. Net sales of United States stocks amounted to \$1 million but part of this balance is offset by purchases of United States bonds, net sales of United States securities being \$0.8 million.

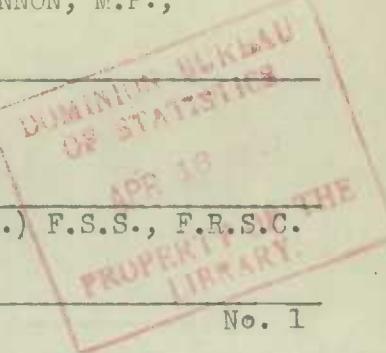
Repurchases of Canadian securities from the United Kingdom were \$0.5 million of which \$0.3 million represents purchases of bonds and \$0.2 million purchases of stocks.

The trade with other countries also continued to be small. Net sales of \$0.3 million were mostly made up of sales of Canadian bonds.

Each of the index numbers of Canadian and United States common stocks shown in Table 5 registered substantial gains in January. The investors' price index of Canadian stocks and the index of United States stocks were considerably higher than in any month of 1942 while the index numbers of Canadian mining stocks were at approximately the levels of January 1942. The mid-month prices of the government bonds carried in Table 4 showed some gains over the mid-month prices in December. The official buying and selling rates for foreign exchange 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. Besides some transactions carried on directly outside of Canada independently of the reporting agencies 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 of these capital movements are shown in the annual reports of the Canadian Balance of International Payments.

\$1.00 per year; single copies .10 cents.



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

Table 1.

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	
	Sales	Purchases	Sales	Purchases	Sales	Purch.	Sales	Purch.	Sales	Purch.	Sales	Purch.	Sales	Purch.	Sales	Purch.
1940																
TOTAL	123.0	95.1	+ 28.3	113.8	83.4	+ 30.4	7.0	0.6	- 2.6	5.1	2.1	+ 1.0				
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	6.0	+ 3.4	8.8	5.8	+ 3.0	(1)	0.3	- 0.8	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	103.3	75.3	+ 28.0	104.8	69.5	+ 36.3	1.8	4.9	- 3.1	1.7	1.0	- 0.2				
January	9.1	6.8	+ 2.3	8.1	5.7	+ 2.4	0.3	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	6.5	5.4	+ 0.9	5.8	5.0	+ 0.8	0.3	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	+ 2.3	(1)	0.2	- 0.2	(1)	0.1	- 0.1				
June	5.4	3.2	+ 2.2	5.2	2.8	+ 2.4	(1)	0.3	- 0.2	0.1	0.1	-				
July	7.0	6.4	+ 1.5	7.0	5.0	+ 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	0.1	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	9.3	+ 2.2	10.4	7.7	+ 2.7	(1)	0.4	- 0.4	0.1	0.2	- 0.1				
1942																
TOTAL	167.0	61.5	+105.5	165.1	56.0	+109.1	0.1	4.8	- 4.2	1.8	1.2	+ 0.6				
January	12.4	7.3	+ 5.1	12.3	6.7	+ 5.6	(1)	0.5	- 0.1	0.1	0.1	-				
February	5.5	3.5	+ 1.8	5.2	3.1	+ 2.1	(1)	0.3	- 0.3	0.1	0.1	-				
March	23.9	5.9	+ 23.0	23.0	5.9	+ 23.6	(1)	0.0	- 0.0	0.1	0.1	-				
April	19.6	4.0	+ 15.6	18.5	4.8	+ 14.2	(1)	0.4	- 0.2	0.1	0.1	-				
May	14.0	6.8	+ 7.7	12.7	5.6	+ 3.1	(1)	0.3	- 0.3	0.4	0.4	-				
June	13.8	4.5	+ 3.3	10.5	4.2	+ 3.3	(1)	0.2	- 0.2	0.3	0.1	+ 0.2				
July	13.3	6.5	+ 6.8	13.2	6.1	+ 7.1	(1)	0.4	- 0.4	0.1	0.1	+ 0.1				
August	9.5	3.7	+ 5.8	9.4	3.5	+ 6.1	(1)	0.3	- 0.3	(1)	(1)	-				
September ...	10.3	4.0	+ 6.3	10.8	3.7	+ 7.1	(1)	0.4	- 0.4	0.1	(1)	+ 0.1				
October	20.2	4.0	+ 15.4	20.1	4.4	+ 15.7	(1)	0.4	- 0.4	0.1	(1)	+ 0.1				
November	9.5	4.3	+ 5.2	9.4	3.9	+ 5.5	(1)	0.8	- 0.5	0.1	(1)	+ 0.1				
December	13.5	5.7	+ 7.8	13.8	5.1	+ 8.8	-	0.4	- 0.4	0.3	0.3	+ 0.1				
1943 TOTAL	10.2	7.9	+ 11.3	10.0	7.4	+ 11.5	(1)	0.5	- 0.5	0.8	(1)	+ 0.3				
January (?) ...	10.2	7.9	+ 11.3	10.0	7.4	+ 11.6	(1)	0.5	- 0.5	0.7	(1)	+ 0.2				

(1) Less than 0.05.

(*) Subject to revision.

Analysis of Trade in Securities Between Canada and Other Countries
January, 1943.

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 & Debentures, Total	15,400,140	5,070,805	15,249,344	4,787,011	-	268,255	241,006	64,539
Canadian New Issues	-	-	-	-	-	-	-	-
Canadian Outstanding Issues								
Dominion	5,808,374	1,248,453	5,048,300	1,228,347	-	4,920	103,864	1,637
Provincial	5,181,067	272,345	5,176,112	167,694	-	104,301	4,975	50
Municipal	570,073	211,370	230,073	100,527	-	101,343	-	-
Guaranteed by the Dominion	4,348,270	1,451,534	4,346,270	1,448,138	-	2,488	-	-
Railway, Other	303,101	200,773	255,500	270,773	-	1,000	7,375	-
Other Corporations	3,052,600	325,002	2,625,313	247,428	-	53,384	27,200	22,052
United States New Issues								
Government	-	88,856	-	83,886	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	144,152	385,211	144,152	385,211	-	-	-	-
Other	589,383	288,875	589,383	288,875	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	140,065	140,065	140,065	140,065	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues								
Unspecified Bonds & Debentures ...	106,309	2,103	106,305	2,103	-	-	37,378	-
Common & Preference Stocks								
Canadian	1,353,376	1,400,080	1,237,616	1,244,470	923	100,500	65,300	19,030
United States	2,330,073	1,311,835	2,330,073	1,311,435	-	-	427	450
United Kingdom	561	-	561	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-term Securities(1 Yr or less)	30,576	-	30,576	-	-	-	-	-
Other Securities								
Canadian	9,184	9,118	9,184	9,118	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	19,224,910	7,800,807	18,310,216	7,352,043	923	464,325	506,971	44,010

Sales and Purchases of Securities Between Canada and Other Countries
by Nationality and Class of Security.
 (Summary Table)

Table 3

	Total Sales	Total purchases	United States		United Kingdom		Other Countries	
			Sales		Purchases		Sales	
			to	from	to	from	to	from
Canadian Securities, Total	15,454,224	5,255,404	15,134,242	4,747,000	923	464,835	269,050	45,569
Bonds and Debentures	14,031,184	3,709,107	13,887,404	3,403,403	-	269,265	203,793	24,533
Common & Preference Stocks ..	1,353,876	1,460,000	1,287,615	1,244,479	923	100,580	65,333	10,030
Other Securities	9,134	9,118	9,104	9,118	-	-	-	-
United States Securities, Total	2,864,200	2,072,837	2,805,771	2,071,877	-	-	437	450
Bonds and Debentures	553,535	760,442	533,535	760,442	-	-	-	-
Common & Preference Stocks ..	2,330,673	1,311,835	2,330,286	1,311,435	-	-	437	450
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	141,566	140,363	141,566	140,363	-	-	-	-
Bonds and Debentures	140,936	140,363	140,935	140,363	-	-	-	-
Common & Preference Stocks ..	531	-	531	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	100,300	2,100	68,953	2,100	-	-	37,376	-
Bonds and Debentures	100,300	2,100	68,953	2,100	-	-	37,376	-
Common & Preference Stocks ..	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-term Securities (1 Yr or Less)	39,576	-	39,576	-	-	-	-	-
Unspecified Bonds & Debentures ..	618,127	390,695	618,127	390,695	-	-	-	-
GRAND TOTAL	19,224,010	7,660,897	18,916,216	7,559,043	923	464,835	300,871	44,019

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

Table 4

	United Kingdom		United States		Dominion of Canada				
	3-1/2% War Loan Callable on or after December 1, 1952+		5% of Sept. 15, 1955, Callable on or after Sept. 15, 1951		4-1/2% of Nov. 1, 1953, Callable on or after Nov. 1, 1948		3% of June 1, 1955, Callable on or after June 1, 1950		
	Price	Yield	Price	Yield	Tax ^x Equiv.	Price	Yield	Price	Yield
<u>1940</u>									
Oct. 16	101.43	3.36	111.30	1.84	2.73	100.33	3.31	97.88	3.18
Nov. 13	101.67	3.33	112.78	1.70	2.64	100.18	3.33	98.13	3.16
Dec. 18	102.59	3.24	113.50	1.63	2.57	100.00	3.20	98.63	3.12
<u>1941</u>									
Jan. 15	103.01	3.10	112.28	1.73	2.67	100.35	3.15	98.88	3.10
Feb. 13	102.67	3.26	110.84	1.92	2.86	100.63	3.23	98.50	3.18
March 10 ...	103.15	3.18	111.94	1.75	2.69	100.25	3.13	99.00	3.09
April 16 ...	102.88	3.23	111.63	1.77	2.71	100.33	3.17	98.75	3.11
May 14	103.00	3.00	112.13	1.71	2.65	100.50	3.21	98.75	3.11
June 13	103.84	3.10	112.50	1.68	2.60	100.25	3.23	98.50	3.13
July 16	104.63	3.02	115.06	1.60	2.54	100.33	3.20	98.63	3.12
Aug. 13	104.99	2.98	111.94	1.71	2.65	100.00	3.10	98.63	3.12
Sept. 17 ...	105.15	2.96	111.73	1.71	2.65	100.75	3.12	98.88	3.10
Oct. 15	104.94	3.01	112.22	1.66	2.60	100.75	3.11	99.13	3.08
Nov. 12	104.73	3.09	113.13	1.56	2.50	100.00	3.05	99.50	3.06
Dec. 17	104.41	3.02	110.91	1.73	2.72	100.83	3.06	99.38	3.06
<u>1942</u>									
Jan. 14	104.89	2.97	110.50	1.80	2.74	100.00	3.03	99.03	3.03
Feb. 13	103.99	3.08	108.97	1.87	2.91	100.75	3.05	99.88	3.06
March 13 ...	104.72	3.06	110.59	1.78	2.72	100.75	3.03	99.25	3.07
April 16 ...	105.08	3.04	110.20	1.76	2.70	100.00	3.08	99.38	3.06
May 13	104.87	2.96	110.47	1.78	2.72	100.75	3.00	99.50	3.05
June 17	104.91	3.05	110.73	1.73	2.67	100.63	3.00	99.75	3.02
July 15	105.52	2.88	110.53	1.75	2.69	100.25	3.06	99.78	3.02
Aug. 12	105.19	3.01	110.44	1.75	2.69	100.33	3.01	99.75	3.02
Sept. 16 ...	105.04	3.03	110.26	1.76	2.70	100.13	3.03	99.50	3.05
Oct. 14	105.03	3.02	110.22	1.76	2.70	100.00	3.04	99.50	3.05
Nov. 13	104.87	3.09	110.25	1.74	2.68	100.00	3.02	99.50	3.05
Dec. 16	104.84	3.00	110.00	1.76	2.70	100.50	3.04	99.63	3.04
<u>1943</u>									
Jan. 13	105.03	3.01	110.16	1.73	2.67	100.63	3.07	99.63	3.04

^f All prices are quoted on an "end 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 rates. 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.



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Index Numbers of Common Stocks Prices in Canada
and the United States, 1940-1942.

(1935-39=100)

Table 5

	CANADA			United States (403) (Standard & Poor's Corp.)	
	Dominion Bureau of Statistics		Composite Mining Index (25)		
	Investors' Price Index (35) (32 Industrials 10 Utilities 3 Banks)	Mining Stocks Gold Stocks (22)			
<u>1940</u>					
September	75.3	70.3	77.5	85.5	
October	74.2	72.9	79.2	86.0	
November	74.5	70.5	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	65.9	68.1	71.2	77.1	
June	64.0	64.4	71.0	79.5	
July	67.5	66.2	74.8	83.2	
August	67.3	66.0	74.6	83.2	
September	71.0	66.0	75.4	83.6	
October	69.1	66.8	69.7	80.4	
November	68.3	54.9	65.0	77.4	
December	67.2	52.2	63.2	71.8	
<u>1942</u>					
January	60.8	50.5	61.9	72.0	
February	64.7	45.4	57.5	69.9	
March	62.3	40.1	51.9	66.0	
April	61.1	37.5	49.3	62.3	
May	62.0	39.6	51.7	63.2	
June	62.8	42.8	53.2	66.1	
July	62.4	39.3	50.6	68.2	
August	61.6	38.0	49.4	68.3	
September	62.6	38.4	49.7	69.4	
October	65.0	33.3	46.2	74.2	
November	67.0	40.7	51.6	75.2	
December	71.3	44.7	54.7	75.0	
<u>1943</u>					
January	76.5	50.1	60.0	79.7	