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Vol. 9

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

APRIL, 1943

Net sales of securities by Canada to other countries reported in April were \$21.2 million compared with \$13.4 million in March and \$15.0 million in February. This unusually high balance of sales in April is partly the result of the inclusion in the April totals of some transactions connected with the fourth Victory Loan Campaign which actually took place in May. Sales of the various groups of Canadian bonds were again the principal source of the import of capital.

In the trade with the United States sales were most heavily concentrated in Dominion, provincial and Dominion guaranteed issues, net sales of these being \$3.0 million, \$4.4 million, and \$7.2 million respectively. Each of the other groups of Canadian bonds were sold on balance to the United States. Net sales of Canadian stocks, amounting to \$0.7 million, were larger than in preceding months. Net sales of United States stocks were \$3.0 million.

Repurchases of securities from the United Kingdom amounting to \$0.4 million were divided between bonds and stocks.

Net sales of securities to other countries were \$0.1 million.

In the four months ending in April 1943 net sales of securities to all countries were \$61.0 million compared with \$43.6 million in the same period of 1942. Net sales of Canadian bonds accounted for \$48.2 million of the balance of sales in the first four months of 1943, while sales of United States stocks accounted for \$10.6 million.

Further increases were recorded by the index numbers of common stock prices in both Canada and the United States. The midmonth prices of the government bonds shown in Table 4 remained relatively stable. 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.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
(In million 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	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
<u>1941</u>												
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
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	0.3	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	+ 2.8	(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	0.1	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	8.3	+ 2.2	10.4	7.7	+ 2.7	(1)	0.4	- 0.4	0.1	0.2	- 0.1
<u>1942</u>												
TOTAL	167.0	61.5	+105.5	165.1	56.0	+109.1	0.1	4.3	- 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	5.3	3.5	+ 1.8	5.2	3.1	+ 2.1	(1)	0.3	- 0.3	0.1	0.1	-
March	28.9	5.9	+ 23.0	28.8	5.2	+ 23.6	(1)	0.6	- 0.6	0.1	0.1	-
April	18.6	4.8	+ 13.8	18.5	4.3	+ 14.2	(1)	0.4	- 0.4	0.1	0.1	-
May	14.0	6.3	+ 7.7	13.7	5.6	+ 8.1	(1)	0.3	- 0.3	0.4	0.4	-
June	10.8	4.5	+ 6.3	10.5	4.2	+ 6.3	(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	(1)	+ 0.1
August	9.5	3.7	+ 5.8	9.4	3.3	+ 6.1	(1)	0.3	- 0.3	0.1	0.1	-
September ...	10.8	4.0	+ 6.8	10.8	3.7	+ 7.1	(1)	0.3	- 0.3	(1)	(1)	-
October	20.2	4.8	+ 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)	0.3	- 0.3	0.1	(1)	+ 0.1
December	13.5	5.7	+ 7.8	13.3	5.1	+ 8.2	-	0.4	- 0.4	0.3	0.2	+ 0.1
<u>1943</u> TOTAL												
TOTAL	95.6	34.6	+ 61.0	94.3	31.9	+ 62.4	(1)	2.0	- 2.0	1.3	0.7	+ 0.6
January	19.2	7.9	+ 11.3	18.9	7.4	+ 11.5	(1)	0.5	- 0.5	0.3	(1)	+ 0.3
February	22.2	7.2	+ 15.0	21.7	6.6	+ 15.1	(1)	0.5	- 0.5	0.4	0.1	+ 0.3
March	25.5	12.1	+ 13.4	25.1	11.1	+ 14.0	(1)	0.7	- 0.7	0.4	0.3	+ 0.1
April (x) ...	28.7	7.5	+ 21.2	28.6	6.9	+ 21.7	(1)	0.4	- 0.4	0.2	0.3	- 0.1

(1) Less than 0.05

(x) Subject to revision.

Analysis of Trade in Securities Between Canada and Other Countries

Table 2

April, 1943

	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	21,291,488	3,567,049	21,167,201	3,147,922	-	167,362	124,287	251,765
Canadian New Issues	-	-	-	-	-	-	-	-
Canadian Outstanding Issues								
Dominion	3,415,227	326,777	3,303,619	326,262	-	-	111,608	515
Provincial	4,555,506	211,827	4,555,506	179,213	-	32,614	-	-
Municipal	1,024,811	571,727	1,024,811	486,806	-	34,921	-	-
Guaranteed by the Dominion	7,197,900	103,421	7,197,900	34,822	-	-	-	68,599
Railway, Other	345,489	100,264	345,489	94,940	-	-	-	5,324
Other Corporations	1,807,110	455,590	1,795,459	229,127	-	49,827	11,651	176,636
United States New Issues								
Government	-	35,184	-	35,184	-	-	-	-
Other	-	26,912	-	26,912	-	-	-	-
United States Outstanding Issues								
Government	746,962	836,255	746,962	836,255	-	-	-	-
Other	595,731	273,677	594,703	272,986	-	-	1,028	691
United Kingdom New Issues								
Government	-	14,806	-	14,806	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	15,250	-	15,250	-	-	-	-	-
Other Countries New Issues	-	6,911	-	6,911	-	-	-	-
Other Countries Outstanding Issues	258,319	13,754	258,319	13,754	-	-	-	-
Unspecified Bonds & Debentures ...	1,329,183	589,944	1,329,183	589,944	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	2,489,824	1,942,394	2,423,230	1,684,288	-	213,102	66,594	45,004
United States	4,933,286	1,973,312	4,931,381	1,968,745	-	-	1,905	4,567
United Kingdom	49	-	49	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities(1Yr. or Less)	16,484	49,696	16,484	49,696	-	-	-	-
<u>Other Securities</u>								
Canadian	15,256	7,645	15,256	7,645	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	28,746,387	7,540,096	28,553,601	6,858,296	-	380,464	192,786	301,336

Analysis of Trade in Securities Between Canada and Other Countries
For the Four Months Ending April, 1943

Table 2 A.

	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	\$ 69,774,648	\$ 20,453,249	\$ 68,679,160	\$ 18,460,952	\$ -	\$ 1,399,431	\$ 1,095,488	\$ 592,866
Canadian New Issues	415,617	-	412,028	-	-	-	3,589	-
Canadian Outstanding Issues								
Dominion	10,905,667	3,681,099	10,112,182	3,586,166	-	7,605	793,485	87,328
Provincial	15,223,339	1,336,174	15,191,015	1,002,474	-	333,650	32,324	50
Municipal	4,269,585	1,670,066	4,269,585	1,006,251	-	663,815	-	-
Guaranteed by the Dominion	21,950,091	2,851,219	21,923,905	2,759,190	-	2,458	26,186	89,571
Railway, Other	1,499,867	1,283,174	1,491,992	1,273,850	-	4,000	7,875	5,324
Other Corporations	6,714,980	1,991,455	6,540,157	1,201,980	-	387,903	174,823	401,572
United States New Issues								
Government	-	127,961	-	127,961	-	-	-	-
Other	-	289,597	-	289,597	-	-	-	-
United States Outstanding Issues								
Government	1,801,873	2,615,861	1,800,916	2,615,861	-	-	957	-
Other	1,999,963	1,431,350	1,998,935	1,423,334	-	-	1,028	8,016
United Kingdom New Issues								
Government	-	14,806	-	14,806	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	225,400	140,363	225,400	140,363	-	-	-	-
Other Countries New Issues	-	6,911	-	6,911	-	-	-	-
Other Countries Outstanding Issues.	893,884	46,544	838,663	45,539	-	-	55,221	1,005
Unspecified Bonds & Debentures	3,874,382	2,966,669	3,874,382	2,966,669	-	-	-	-
Common & Preference Stocks								
Canadian	7,522,821	6,624,238	7,319,222	5,903,761	14,308	591,349	189,291	129,128
United States	17,971,999	7,385,039	17,969,556	7,379,326	-	-	2,443	5,713
United Kingdom	630	-	630	-	-	-	-	-
Other Countries	1,700	-	1,700	-	-	-	-	-
Short-Term Securities(1YR or Less)	287,040	154,058	287,040	147,436	-	-	-	6,622
Other Securities								
Canadian	36,067	23,463	36,067	16,763	-	6,700	-	-
United States	13,156	1,193	13,156	1,193	-	-	-	-
United Kingdom	3,000	-	3,000	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	95,611,061	34,641,240	94,309,531	31,909,431	14,308	1,997,480	1,287,222	734,329

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security. (Summary Table)
April, 1943.

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	20,851,123	3,719,645	20,631,270	3,043,103	-	380,464	189,853	296,078
Bonds and Debentures	18,346,043	1,769,606	18,222,784	1,351,170	-	167,362	123,259	251,074
Common & Preference Stocks	2,489,824	1,942,394	2,423,230	1,684,288	-	213,102	66,594	45,004
Other Securities	15,256	7,645	15,256	7,645	-	-	-	-
United States Securities, Total ..	6,275,979	3,145,340	6,273,046	3,140,082	-	-	2,933	5,258
Bonds and Debentures	1,342,693	1,172,028	1,341,665	1,171,337	-	-	1,028	691
Common & Preference Stocks	4,933,286	1,973,312	4,931,381	1,968,745	-	-	1,905	4,567
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total..	15,299	14,806	15,299	14,806	-	-	-	-
Bonds and Debentures	15,250	14,806	15,250	14,806	-	-	-	-
Common & Preference Stocks	49	-	49	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	258,319	20,665	258,319	20,665	-	-	-	-
Bonds and Debentures	258,319	20,665	258,319	20,665	-	-	-	-
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1Yr.orLess)	16,484	49,696	16,484	49,696	-	-	-	-
Unspecified Bonds & Debentures ...	1,329,183	589,944	1,329,183	589,944	-	-	-	-
GRAND TOTAL	28,746,787	7,540,096	28,553,601	6,858,296	-	380,464	192,786	301,336

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security.
For the Four Months Ending April, 1943.

Table 3 A

	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	68,538,034	19,460,888	\$ 67,296,153	\$ 16,750,435	\$ 14,308	\$ 1,997,480	\$ 1,227,573	\$ 712,973
Bonds and Debentures	60,979,146	12,813,187	59,940,864	10,829,911	-	1,399,431	1,038,282	583,845
Common & Preference Stocks ...	7,522,821	6,624,238	7,319,222	5,903,761	14,308	591,349	189,291	129,128
Other Securities	36,067	23,463	36,067	16,763	-	6,700	-	-
United States Securities, Total..	21,786,991	11,851,001	21,782,563	11,837,272	-	-	4,428	13,729
Bonds and Debentures	3,801,836	4,464,769	3,799,851	4,456,753	-	-	1,985	8,016
Common & Preference Stocks ...	17,971,999	7,385,039	17,969,556	7,379,326	-	-	2,443	5,713
Other Securities	13,156	1,193	13,156	1,193	-	-	-	-
United Kingdom Securities, Total	229,030	155,169	229,030	155,169	-	-	-	-
Bonds and Debentures	225,400	155,169	225,400	155,169	-	-	-	-
Common & Preference Stocks ...	630	-	630	-	-	-	-	-
Other Securities	3,000	-	3,000	-	-	-	-	-
Other Countries Securities, Total	895,584	53,455	840,363	52,450	-	-	55,221	1,005
Bonds and Debentures	893,884	53,455	838,663	52,450	-	-	55,221	1,005
Common & Preference Stocks ...	1,700	-	1,700	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1Yr.orLess)	287,040	154,058	287,040	147,436	-	-	-	6,622
Unspecified Bonds & Debentures ..	3,874,382	2,966,669	3,874,382	2,966,669	-	-	-	-
GRAND TOTAL	95,611,061	34,641,240	94,309,531	31,909,431	14,308	1,997,480	1,287,222	734,329

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- $\frac{1}{2}$ War Loan Callable on or after December 1, 1952+	3% of Sept. 15, 1955, Callable on or after Sept. 15, 1951	4- $\frac{1}{2}$ % of Nov. 1, 1958, Callable on or after Nov. 1, 1948	3% of Junel, 1955, Callable on or after June 1, 1950					
	Price	Yield	Price	Yield	Tax(x) Equiv.	Price	Yield	Price	Yield
<u>1941</u>									
Feb. 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
Aug. 13	104.99	2.98	111.94	1.71	2.65	109.00	3.10	98.63	3.12
Sept. 17	105.15	2.96	111.78	1.71	2.65	108.75	3.12	98.88	3.10
Oct. 15	104.64	3.01	112.22	1.66	2.60	108.75	3.11	99.13	3.08
Nov. 12	104.73	2.99	113.13	1.56	2.50	109.00	3.05	99.38	3.06
Dec. 17	104.41	3.02	110.91	1.78	2.72	108.88	3.06	99.38	3.06
<u>1942</u>									
Jan. 14	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.63	3.03
Feb. 18	103.99	3.06	108.97	1.97	2.91	108.75	3.05	99.38	3.06
March 18	104.72	2.96	110.59	1.78	2.72	108.75	3.03	99.25	3.07
April 16	105.08	2.94	110.69	1.76	2.70	109.00	2.98	99.38	3.06
May 13	104.87	2.96	110.47	1.78	2.72	108.75	3.00	99.50	3.05
June 17	104.91	2.95	110.78	1.73	2.67	108.63	3.00	99.75	3.02
July 15	105.52	2.88	110.53	1.75	2.69	108.25	3.05	99.75	3.02
Aug. 12	105.19	2.91	110.44	1.75	2.69	108.38	3.01	99.75	3.02
Sept. 16	105.04	2.93	110.28	1.76	2.70	108.13	3.03	99.50	3.05
Oct. 14	105.03	2.92	110.22	1.76	2.70	108.00	3.04	99.50	3.05
Nov. 18	104.37	2.99	110.25	1.74	2.68	108.00	3.02	99.50	3.05
Dec. 16	104.24	3.00	110.00	1.76	2.70	108.38	2.94	99.63	3.04
<u>1943</u>									
Jan. 13	105.03	2.91	110.16	1.73	2.67	108.63	2.87	99.63	3.04
Feb. 17	104.56	2.96	110.19	1.72	2.66	109.00	2.78	100.00	3.00
March 17	104.48	2.97	110.06	1.72	2.66	109.00	2.76	100.13	2.98
April 14	104.35	2.98	110.38	1.67	2.61	108.88	2.76	100.00	3.00

+ 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 rates. This rate was 16- $\frac{1}{2}\%$ 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, 1840-1942.

(1935-39=100)

Table 5

	CANADA			United States (402) (Standard & Poor's Corp.) 354 Industrials 20 Railroads 28 Utilities	
	Dominion Bureau of Statistics		Composite Mining Index (25)		
	Investors' Price Index (95) (68 Industrials) 19 Utilities 8 Banks)	Mining Stocks Gold Stocks (22)			
<u>1941</u>					
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	
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	63.3	
May	62.0	39.6	51.7	63.2	
June	62.8	42.6	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	67.6	40.7	51.6	75.2	
December	71.3	44.7	54.7	75.9	
<u>1943</u>					
January	76.3	50.1	60.0	79.7	
February	78.7	52.0	61.5	84.8	
March	79.1	55.6	65.0	88.2	
April	82.6	59.0	68.6	91.3	