



The Daily

Statistics Canada

Wednesday, April 25, 2001

For release at 8:30 a.m.

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- **Composite Index, March 2001** 3
The leading indicator edged down 0.1% in March, its fourth straight decline.
- **Canada's international transactions in securities, February 2001** 5
Canadians continued to diversify their equity investments internationally in February, purchasing \$3.8 billion worth of foreign stocks.

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Farm Product Price Index

Starting today, Statistics Canada's index for measuring the change in prices farmers receive for the agricultural commodities they produce and sell gets a new look. The Farm Product Price Index offers the same authoritative data as its predecessor, but with substantial improvements.

The index has been reformulated to capture the continual shift in agricultural commodities produced and sold, and introduces the seasonal basket concept. The new index uses 1997 as the time base (1997=100) and covers more agricultural commodities.

The Farm Product Price Index has separate crop and livestock indexes, a variety of commodity-group indexes such as grains, oilseeds, specialty crops, cattle and hogs and an overall index - all available monthly and annually for the provinces and for Canada.

The old index was calculated until March 1996. To make the data more comparable, the new index has been reconstructed back to January 1992, and is linked back to 1935.

The February 2001 edition of *Farm Product Price Index* (21-007-XIB, free) is available on Statistics Canada's Web site (www.statcan.ca). On the *Products and Services* page, choose *Free Publications*, then *Agriculture*.

For more information, contact Gail-Ann Breese (204-983-3445; gail-ann.breese@statcan.ca; fax: 204-983-3122), Agriculture Division.



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NEW PRODUCTS

MAJOR RELEASES

Composite Index

March 2001

The leading indicator edged down 0.1% in March, its fourth straight decline. This follows a revision of February's preliminary estimate from a 0.1% increase to a 0.1% decline.

Five components fell in March, while four rose and one was unchanged.

The stock market and the manufacturing sector remained the main sources of weakness. While the steepening slide in stock prices alone was enough to push down the overall index, the manufacturing sector also weakened. The drop in the ratio of shipments to inventories (the fifth in six months) steepened, while new orders lost another percentage point as export demand tumbled for automobiles and capital goods. The U.S. leading indicator retreated for the seventh consecutive month.

After a robust start to the year, the housing index already has turned down. Housing starts were particularly weak in eastern Canada, which was blanketed by heavy snow in March. However, sales of existing homes remained near the four-year high posted in February, lending ongoing support to furniture and appliance sales, which had their best gain in years. Consumer spending held up for other durable goods and services.

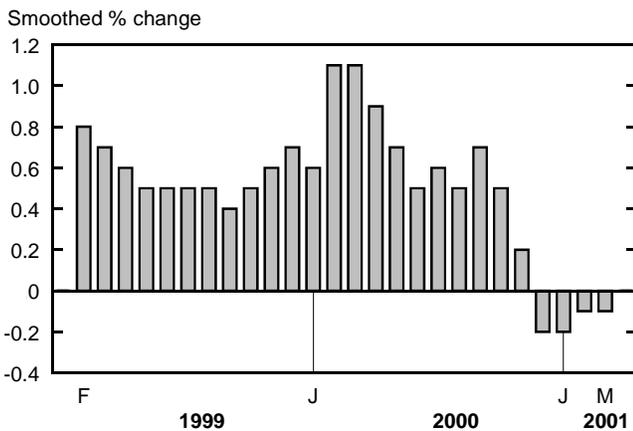
Available on CANSIM: table 3770003 and matrix 193.

With the release of CANSIM II, users can obtain the same data as presented in CANSIM but in a table format that is easier to use and more clearly presented.

For more information on the economy, the April 2001 issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group. □

Composite index



Composite index

	October 2000	November 2000	December 2000	January 2001	February 2001	March 2001	Last month of data available % change
Composite leading indicator (1992=100)	167.2	167.5	167.2	166.9	166.8	166.6	-0.1
Housing index (1992=100) ¹	99.6	101.3	99.5	102.0	102.8	102.7	-0.1
Business and personal services employment ('000)	2,464	2,476	2,485	2,496	2,502	2,504	0.1
TSE 300 stock price index (1975=1,000)	10,373	10,098	9,804	9,419	8,959	8,552	-4.5
Money supply, M1 (\$ millions, 1992) ²	93,126	93,757	94,081	94,240	94,949	95,605	0.7
U.S. composite leading indicator (1992=100) ³	108.2	108.1	107.9	107.6	107.5	107.3	-0.2
Manufacturing							
Average workweek (hours)	39.0	38.9	38.8	38.8	38.9	39.0	0.3
New orders, durables (\$ millions, 1992) ⁴	23,317	23,456	23,540	23,497	23,251	23,005	-1.1
Shipments/inventories of finished goods ⁴	1.91	1.91	1.90	1.87	1.86	1.84	-0.02 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1992) ⁴	1,514	1,523	1,531	1,539	1,548	1,577	1.9
Other durable goods sales (\$ millions, 1992) ⁴	6,998	7,078	7,101	7,108	7,090	7,093	0.0
Unsmoothed composite	167.7	165.8	166.3	166.6	167.8	166.7	-0.7

¹ Composite index of housing starts (units) and house sales (multiple listing service).

² Deflated by the Consumer Price Index for all items.

³ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.

⁴ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for two preceding months.

⁵ Difference from previous month.



Canada's international transactions in securities

February 2001

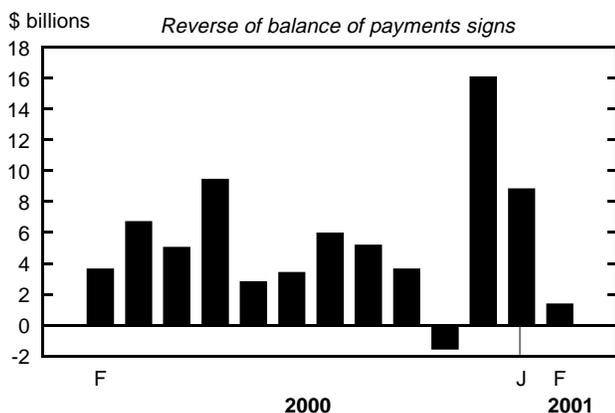
Canadians continued to diversify their equity investments internationally in February, purchasing \$3.8 billion worth of foreign stocks. By contrast, they reduced their holdings of foreign bonds by \$2.4 billion, totally reversing the January investment.

Meanwhile, foreign investors increased their holdings of Canadian stocks but sharply reduced their holdings of money market paper. The investment in Canadian equities was entirely related to new treasury shares used to purchase production assets from a foreign company.

Canadian investors continue their diversification into foreign stocks

After investing \$65 billion in foreign stocks since January 2000, Canadian investors pumped a further \$3.8 billion into foreign equities in February, two-thirds of which were spent on U.S. shares and one-third on overseas shares. This is a shift from the 50-50 split that prevailed in the prior 13 months.

Canadian investment in foreign securities¹



¹ Includes bonds and stocks.

Canadian investors reduced their holdings of foreign bonds by \$2.4 billion in February, reversing January's investment of \$2.2 billion. So far in 2001, this activity has been concentrated in U.S. Government bonds.

Related market information

Interest rates

In February, a quarter point drop in both Canadian and U.S. short-term rates resulted in the differential remaining at parity for the second consecutive month. A larger decline in U.S. long-term rates relative to those observed in Canada caused that differential to rise from 18 to 32 basis points in February. This is the third consecutive month that rates have favoured investment in Canada.

Stock prices

After staging a partial recovery over the previous two months, Canadian stock prices took a sharp turn downward, declining 13.3% in February. This erased all of last year's gains and dropped prices (TSE 300 composite index) to the lowest level since November 1999. U.S. stock prices (Standard and Poor's 500 index) followed a similar pattern declining 9.2% in February and returning to a level not seen since February 1999.

Canadian dollar

In February, the Canadian dollar fell 1.62 cents U.S. against the American dollar, closing the month at just over 65 cents U.S. This represents the lowest closing since the historical low set in August 1998.

Foreign investors continue to increase their holdings of Canadian equities but sell money market paper

In February, foreign investors increased their holdings of Canadian equities by \$2.8 billion, bringing the two-month total to \$5.4 billion. Contrary to the investment in January, February's investment came solely from the issuance of new treasury shares by a Canadian company as payment for the acquisition of foreign assets. After increasing their holdings of existing shares in December and January by \$4.3 billion, foreign investors sold a small amount in February. Canadian stock prices fell 13.3% in February.

Foreign investors reduced their holdings of Canadian money market paper by \$3.1 billion in February, the largest reduction since January 1999. The foreign divestment was spread over all sectors including federal treasury bills, other government and corporate paper and came from American and European investors. A quarter point drop in both Canadian and U.S. short-term rates resulted in the differential remaining at parity for a second consecutive month.

In February, new Canadian bonds sold in foreign markets exceeded retirements for only the second time since February 2000. This \$2.3 billion foreign investment in the primary market was almost completely negated by the foreign selling of \$2.1 billion of mainly federal bonds in the secondary market. In February,

American investors purchased \$2.9 billion of Canadian bonds while Asian and European investors divested a similar amount.

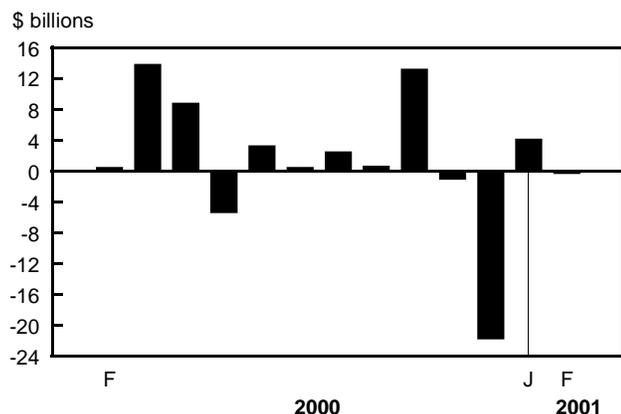
Available on CANSIM: tables 3760018-3760029, 3760042 and matrices 2328-2330, 2378-2380, 4195.

With the release of CANSIM II, users can obtain the same data as presented in CANSIM but in a table format that is easier to use and more clearly presented.

The February 2001 issue of *Canada's international transactions in securities* (67-002-XIB, \$14/\$132; 67-002-XPB, \$18/\$176) will be available in May. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Donald Granger (613-951-1864), Balance of Payments Division.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

Canada's international transactions in securities

	November 2000	December 2000	January 2001	February 2001	January to February 2000	January to February 2001
	\$ millions					
Foreign investment in Canadian securities	-954	-21,621	4,021	-237	4,757	3,784
Bonds (net)	792	-4,279	2,249	116	-3,555	2,365
Outstanding	1,027	1,977	2,214	-2,066	-3,948	148
New issues	804	204	2,166	5,346	5,221	7,512
Retirements	-1,558	-5,364	-2,302	-3,094	-5,207	-5,396
Change in interest payable ¹	518	-1,095	170	-70	380	101
Money market paper (net)	-149	1,487	-835	-3,116	158	-3,951
Government of Canada	-804	830	-193	-1,053	-784	-1,246
Other paper	655	658	-641	-2,063	942	-2,705
Stocks (net)	-1,597	-18,829	2,606	2,763	8,154	5,370
Outstanding	-2,666	2,580	1,739	-336	4,604	1,403
Other transactions	1,069	-21,409	868	3,099	3,550	-3,967
Canadian investment in foreign securities	1,493	-16,059	-8,795	-1,338	-6,385	-10,133
Bonds (net)	2,857	99	-2,203	2,431	153	228
Stocks (net)	-1,364	-16,158	-6,592	-3,769	-6,538	-10,360

¹ Interest accrued less interest paid

Note: A minus sign indicates an outflow of money from Canada, i.e., a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.

OTHER RELEASES

Farm Product Price Index

February 2001

Prices farmers received for their agricultural commodities in February increased 1.1% from January, according to the first data from the reformulated Farm Product Price Index. A 2.0% increase in the livestock and animal products index more than offset a 0.9% decline in the crops index.

On a year-over-year basis, the agricultural commodity index in February was down 0.2% from February 2000. The Farm Product Price Index (1997=100) for Canada stood at 94.6.

The index for all livestock and animal products was 108.9. All livestock sub-indexes recorded an increase in February except hogs, which dropped 7.3% from January. The index for cattle and calves recorded the largest increase (+5.4%).

On a year-over-year basis, the index for cattle and calves has increased every month since January 1997. Growth in demand for beef, both domestically and internationally, has supported prices.

The index comprising all crops stood at 78.9 in February as prices for grain, specialty crops, fruit and potatoes all declined from January.

The total crops index has recorded year-over-year declines every month since August 1998 as prices for grains and oilseeds have come under intense pressure because of abundant world supplies. The oilseed index rose a slight 1.2% to 65.9 in February. The annual oilseed index has declined steadily since 1997 when it stood at 100. The grains index was 71.8, down from 72.9 in January.

The new Farm Product Price Index has been reformulated to capture the continual shift in agriculture commodities produced and sold. It also introduces the seasonal basket concept. The new index uses 1997 as the time base (1997=100) and covers more agriculture commodities.

This Farm Product Price Index replaces the old index, which was calculated until March 1996. The index was reconstructed back to January 1992 and is linked back to 1935.

Available on CANSIM: tables 20021 and 20022, and matrices 16000-16025.

With the release of CANSIM II, users can obtain the same data as presented in CANSIM but in a table format that is easier to use and more clearly presented.

The February 2001 issue of *Farm Product Price Index* (21-007-XIB, free) is available on Statistics Canada's Web site (www.statcan.ca). On the *Products and Services* page, choose *Free Publications*, then *Agriculture*.

To order data, or for general information call 1-800-465-1991. For more information, or to enquire about the concepts, methods or data quality of this release, contact Gail-Ann Breese (204-983-3445; gail-ann.breese@statcan.ca, fax: 204-983-3122) Agriculture Division. ■

Particleboard, oriented strandboard and fibreboard

February 2001

Oriented strandboard production in February totalled 614 497 cubic metres, up 1.9% from 603 301 cubic metres in February 2000. Particleboard production reached 218 007 cubic metres, an increase of 17.9% from 184 899 cubic metres in February 2000. Fibreboard production totalled 75 242 cubic metres, down 16.2% from 89 773 cubic metres in February 2000.

For January and February, year-to-date oriented strandboard production totalled 1 305 156 cubic metres, a 1.0% increase from 1 292 290 cubic metres for the same period in 2000. Year-to-date particleboard production reached 436 147 cubic metres, up 13.3% from 384 883 cubic metres compared with the same period in 2000. Year-to-date fibreboard production reached 154 286 cubic metres, down 19.1% from 190 747 cubic metres during the same period in 2000.

Available on CANSIM: table 3030002 and matrices 31 (series 2, 3, 5) and 122 (series 8).

With the release of CANSIM II, users can obtain the same data as presented in CANSIM but in a table format that is easier to use and more clearly presented.

The February 2001 issue of *Particleboard, oriented strandboard and fibreboard* (36-003-XIB, \$5/\$47) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sara Breen (613-951-3521; sara.breen@statcan.ca), Manufacturing, Construction and Energy Division. ■

Light bulbs and tubes

March 2001

Light bulb and tube manufacturers sold 22.0 million light bulbs and tubes in March, a decrease of 0.6% from the 22.1 million in March 2000.

Year-to-date sales at the end of March totalled 67.5 million light bulbs and tubes, a decrease of 1.2% from the 68.3 million in the same period of 2000.

The March 2001 issue of *Electric lamps, light bulbs and tubes* (43-009-XIB, \$5/\$47) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact

Gregory Sannes (613-951-7205; sanngre@statcan.ca),
Manufacturing, Construction and Energy Division. ■

Electric lamps

First quarter 2001

Data on manufactures' imports, production and inventories of electric lamps for the first quarter are now available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gregory Sannes (613-951-7205; Sanngre@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Farm Product Price Index, February 2001
Catalogue number 21-007-XIB
(Free).

Particleboard, oriented strandboard and fibreboard,
February 2001
Catalogue number 36-003-XIB (\$5/\$47).

Electric lamps, light bulbs and tubes, March 2001
Catalogue number 43-009-XIB (\$5/\$47).

Canada's international transactions in securities,
January 2001
Catalogue number 67-002-XIB (\$14/\$132).

Canada's international transactions in securities,
January 2001
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Statistics Canada

Thursday, June 5, 1997
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MAJOR RELEASES

• Urban transit, 1996 Despite the emphasis on taking urban transit, Canadians are still to leap and lead. In 1996, about Canadian took an average of about 2.1 trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1996 Growth in productivity among Canadian businesses was relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4

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