

The Daily

Statistics Canada

Tuesday, June 25, 2002

Released at 8:30 am Eastern time

MAJOR RELEASES

- **Canada's international transactions in securities, April 2002** 2
 Canadian investors' appetite for foreign securities remained high in April, with an investment of \$3.5 billion in stocks and bonds. Foreign investors acquired a small amount of Canadian securities, primarily through continued investment in Canadian bonds.

 - **Composite Index, May 2002** 5
 The growth of the leading indicator was 0.7% in May, after gains of 1.3% in March and 1.2% in April, which were the largest in almost 20 years.
-

OTHER RELEASES

- Deliveries of major grains, May 2002 7
 - Placement of chicks and turkey poults, May 2002 7
 - Private radio broadcasting, 2001 7
-

NEW PRODUCTS 8



Statistics
Canada

Statistique
Canada

Canada

MAJOR RELEASES

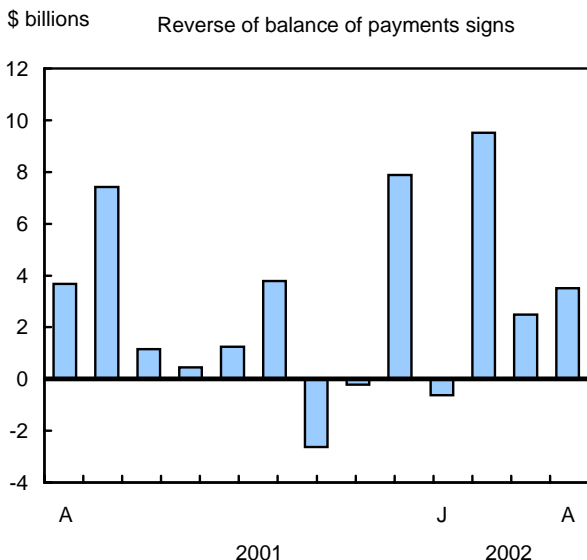
Canada's international transactions in securities

April 2002

Canadian investors' appetite for foreign securities remained high in April, with an investment of \$3.5 billion in stocks and bonds. This brought the year-to-date investment in foreign securities to \$14.9 billion, \$3.7 billion behind the pace of 2001.

Meanwhile, foreign investors acquired a small amount of Canadian securities, primarily through continued investment in Canadian bonds.

Canadian investment in foreign securities¹



¹ Includes bonds and stocks.

Canadian investors' interest in foreign securities remains high

Canadians investors continued to diversify into foreign markets in April, adding a further \$3.5 billion to their holdings of foreign securities. With April's investment of \$1.8 billion in foreign stocks and with most of it directed to overseas shares, investment in foreign shares climbed to \$10.7 billion for the first four months of 2002.

After making a record investment in foreign bonds in February, followed by virtually no change in March,

Related market information

A rise of 7 basis points in Canadian short-term **interest rates**, combined with a drop of similar size in comparable US rates, pushed up the differential to 65 basis points in April from 51 in March. This spread, favouring investment in Canada, is the largest since the 83 basis points in June 2001.

A slightly larger decline in US 10-year government bond rates than that experienced in Canadian rates caused the differential to climb to 53 basis points in April, the largest spread favouring investment in Canada since October 2001.

Canadian **stock prices** (as measured by the S & P/TSX composite index) declined 2.4% in April, after gaining 2.8% in March. Stock prices have registered declines in three of the first four months of 2002. Similarly, American stock prices (as measured by the S & P Index) lost 6.1% in April after registering its first gain of the year (+3.7%) in March.

In April, the **Canadian dollar** recorded its largest gain against the US dollar since June 2001. A full one-cent gain brought the dollar to US 63.76 cents, a level not seen since August 2001.

Definitions

The data series on international security transactions cover portfolio transactions in **stocks** and **bonds** (both Canadian and foreign issues) and Canadian **money market instruments (or paper)**.

Stocks include common and preferred equities, as well as warrants.

Debt securities include bonds and money market instruments.

Bonds have an original term to maturity of more than one year.

Money market instruments have an original term to maturity of one year or less. **Government of Canada paper** includes treasury bills and US-dollar Canada bills. **Other money market instruments** includes treasury bills and other paper issued by other Canadian governments or their enterprises, bankers' acceptances, bearer demand notes of banks, commercial paper and other short-term paper.

Canadian residents acquired an additional \$1.7 billion of foreign bonds in April, mainly US treasuries.

Foreign investors' interest for Canadian securities narrows to only bonds

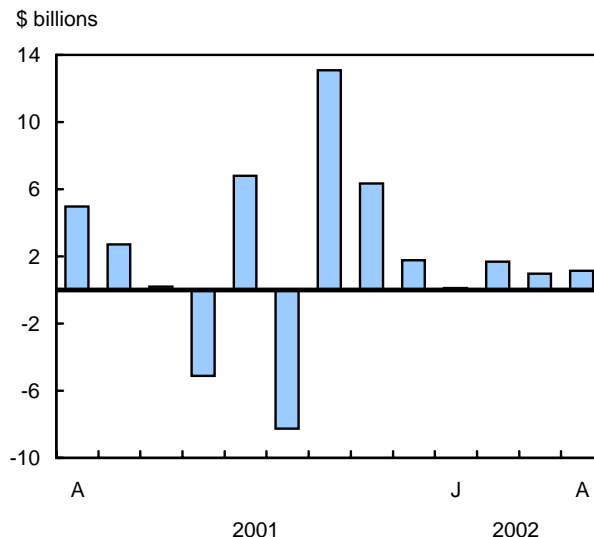
Foreign investors added \$1.4 billion to their holdings of Canadian bonds in April, bringing their investment to \$6.3 billion over the first four months of 2002. American investors have been the main buyers of Canadian bonds thus far in 2002, adding \$11.1 billion to their holdings, while the combined holdings of Asian and European investors fell \$4.8 billion. Bond

investment since the beginning of 2002 was focussed on Canadian corporate bonds (\$9.3 billion), with foreign investors reducing their holdings of government bonds by \$2.9 billion.

Foreign investors reduced their holdings of Canadian equities marginally in April (-\$0.2 billion), following the large \$3.6 billion reduction in March. From January to April, foreign investors, mainly Europeans, have sold \$3.6 billion in Canadian equities. Canadian stock prices (measured by the S & P/TSX composite index) declined 2.4% in April after gaining 2.8% in March.

Foreign investors' holdings of Canadian money market paper went virtually unchanged in April following their first significant investment of the year, \$1.2 billion in March. From January to April, foreign investors acquired \$1.2 billion in Canadian short-term instruments, consisting of paper issued by federal enterprises and provincial governments. The investment so far this year was made by European investors, as American investors sold off some of their holdings. A rise of 7 basis points in Canadian short-term rates versus a similar size drop in comparable US rates in April pushed up the differential to 65 from 51 basis points in March. This spread, favouring investment in Canada, is the largest since the 83 basis points in June 2001.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

Available on CANSIM: tables 376-0018 to 376-0029 and 376-0042.

The April 2002 issue of *Canada's international transactions in securities* (67-002-XIB, \$14/\$132; 67-002-XPB, \$18/\$176) will be available in June. 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. □

Canada's international transactions in securities

	January 2002	February 2002	March 2002	April 2002	January to April 2001	January to April 2002
\$ millions						
Foreign investment in Canadian securities	110	1,683	970	1,145	13,324	3,908
Bonds (net)	-60	1,612	3,317	1,437	12,301	6,306
Outstanding	-1,463	2,317	124	1,063	6,161	2,042
New issues	2,370	1,905	4,632	3,814	20,617	12,720
Retirements	-1,599	-2,602	-1,705	-3,954	-14,959	-9,860
Change in interest payable ¹	632	-8	266	514	482	1,404
Money market paper (net)	343	-282	1,244	-103	-4,306	1,202
Government of Canada	-457	-162	450	-274	-1,989	-443
Other	801	-120	794	171	-2,316	1,645
Stocks (net)	-174	354	-3,591	-189	5,330	-3,600
Outstanding	-189	565	-2,701	-355	1,320	-2,680
Other transactions	15	-211	-890	166	4,009	-920
Canadian investment in foreign securities	623	-9,508	-2,497	-3,516	-18,613	-14,898
Bonds (net)	1,110	-3,863	318	-1,745	-701	-4,180
Stocks (net)	-488	-5,645	-2,815	-1,770	-17,912	-10,718

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.



Composite Index

May 2002

The growth of the leading indicator was 0.7% in May, after gains of 1.3% in March and 1.2% in April, which were the largest in almost 20 years. The financial indicators were the only 2 of the 10 components to trend down in May, after there were no declines in April. Growth in the US economy continued to lag behind Canada, especially in manufacturing.

The growth of the housing index continued to moderate, to 0.3% in May, after hitting an unsustainable high of 5.2% in January. Existing home sales dipped in the spring, but housing starts have not slowed because of the strength in single-family dwellings, which rose to their highest level since January 1990. The growth of sales of durable goods also slowed.

New orders accelerated in response to household and export demand. They posted a third straight increase (+1.8%), after falling for over a year. Manufacturers met their increased demand for labour exclusively through employment, as the average workweek was unchanged after nearing a 28-year high in April.

The US leading indicator eased from 0.5% to 0.3% growth, with half of its 10 components falling outright. The divergence with the Canadian index has been sustained all year, especially in the manufacturing sector, where new orders in the United States for both consumer and capital goods retreated.

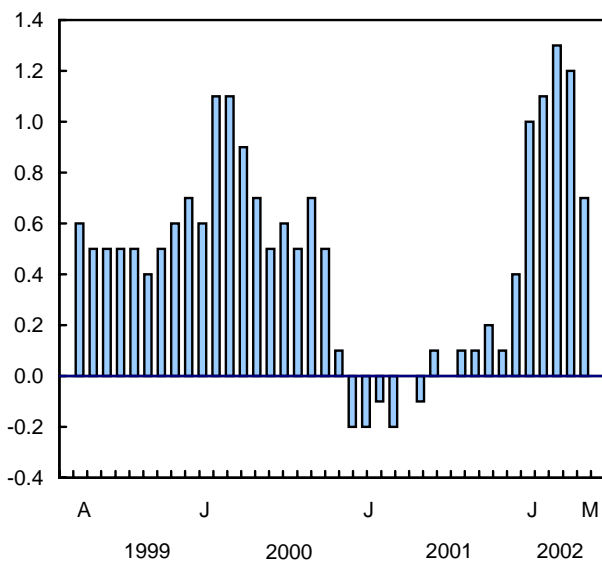
Available on CANSIM: table 377-0003.

For more information on the economy, the June 2002 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

Smoothed % change



Composite Index

	December 2001	January 2002	February 2002	March 2002	April 2002	May 2002	Last month of data available % change
Composite leading indicator (1992=100)	167.4	169.0	170.9	173.1	175.1	176.4	0.7
Housing index (1992=100) ¹	115.9	121.9	126.8	130.1	131.4	131.8	0.3
Business and personal services employment ('000)	2,489	2,503	2,518	2,530	2,536	2,544	0.3
TSE 300 stock price index (1975=1,000)	7,248	7,297	7,457	7,650	7,697	7,691	-0.1
Money supply, M1 (\$ millions, 1992) ²	102,837	105,099	106,661	107,264	107,431	107,322	-0.1
U.S. composite leading indicator (1992=100) ³	107.8	108.2	108.6	109.2	109.7	110.0	0.3
Manufacturing							
Average workweek (hours)	38.9	38.9	38.9	39.0	39.1	39.1	0.0
New orders, durables (\$ millions, 1992) ⁴	20,499	20,271	20,054	20,062	20,320	20,692	1.8
Shipments/inventories of finished goods ⁴	1.66	1.65	1.65	1.65	1.67	1.68	0.01 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1992) ⁴	1,639	1,650	1,673	1,701	1,729	1,747	1.1
Other durable goods sales (\$ millions, 1992) ⁴	7,154	7,225	7,335	7,480	7,664	7,752	1.1
Unsmoothed composite	170.3	174.8	175.8	177.0	177.6	176.7	-0.5

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.



OTHER RELEASES

Deliveries of major grains

May 2002

Data on May grain deliveries are now available.

Available on CANSIM: table 001-0001.

The May 2002 issue of *Cereals and oilseeds review* (22-007-XIB, \$11/\$112; 22-007-XPB, \$15/\$149) will be available in August. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Agriculture Division. ■

Placement of chicks and turkey poults

May 2002 (preliminary)

Chick placements were estimated at 61.1 million birds in May, up 0.9% from May 2001. Turkey poult placements decreased 3.7% to 1.9 million birds.

Available on CANSIM: table 003-0021.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Conrad Ogrodnik (613-951-2860; conrad.ogrodnik@statcan.ca), Agriculture Division. ■

Private radio broadcasting

2001

Radio, the oldest electronic medium, is making a comeback after several difficult years in the late 1980s and most of the 1990s, thanks mainly to FM broadcasting.

The industry's profits (before interest and taxes) represented 16.3% of revenues in 2001, up from 13.6% in 1998, according to the latest data.

The FM segment is one of the most profitable in broadcasting. The profit margin of FM stations (before interest and taxes) has surpassed 25% for the past three years, while AM stations have incurred losses, the latest

amounting to 3% of revenues in 2001. However, the magnitude of AM losses has declined in the last two years.

In 2001, 64% of FM stations realized a profit, compared with only 41% of AM stations. (Statistics are for the fiscal years ending August 31.)

Radio broadcasters have in fact outperformed television broadcasters for three straight years in terms of revenue growth and profitability.

Total revenues in the radio industry reached almost \$1.1 billion in 2001, up 14.0% from 1998. FM revenues accounted for 71% of total revenues in 2001, compared with 64% three years earlier. The share of AM stations fell to 28% from 34% in 1998.

Total air time sales reached just under \$1.1 billion in 2001, with FM radio again accounting for 71% of the total. FM air time sales have grown at a pace of more than 7.5% in each of the last three years.

Radio stations operating outside census metropolitan areas had the strongest growth in airtime sales (+5.1%) after lagging behind larger market stations in 2000. Their 12.6% profit margin was still lower than the profit margin achieved by stations operating in larger markets, but the gap is closing.

The improved financial fortune of private radio broadcasters was not achieved at the expense of the industry's labour force. The average weekly number of employees climbed to 9,311 in 2001 from 8,810 in 2000.

This increase is partly explained by the launch of new stations. In addition, wages, salaries and benefits paid by the industry rose 4.3%. Labour costs represented 43.4% of the industry's revenues in 2001, unchanged from 2000.

Available on CANSIM: table 357-0001.

More detailed information is available in the June 2002 issue of *Broadcasting and telecommunications*, Vol. 32, no. 2 (56-001-XIE, \$10/\$32). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel April (613-951-3177; daniel.april@statcan.ca), Science, Innovation and Electronic Information Division. ■

NEW PRODUCTS

Broadcasting and telecommunications, June 2002,
Vol. 32, no. 2
Catalogue number **56-001-XIE** (\$10/\$32).

Restaurant, caterer and tavern statistics, April 2002,
Vol. 34, no. 4
Catalogue number **63-011-XIE** (\$6/\$55).

Imports by commodity, April 2002, Vol. 59, no. 4
Catalogue number **65-007-XMB** (\$37/\$361).

Imports by commodity, April 2002, Vol. 59, no. 4
Catalogue number **65-007-XPB** (\$78/\$773).

**Effects of self-rated disability and subjective health
on job separation**, no. 1
Catalogue number **75F0002MIE2002001**
(free).

**All prices are in Canadian dollars and exclude sales
tax. Additional shipping charges apply for delivery
outside Canada.**

Catalogue numbers with an -XIB or an -XIE extension
are Internet versions; those with -XMB or -XME are
microfiche; -XPB or -XPE are paper versions; -XDB are
electronic versions on diskette and -XCB are electronic
versions on compact disc.

How to order products

Order products by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

1-800-267-6677

From other countries call:

1-613-951-7277

To fax your order:

1-877-287-4369

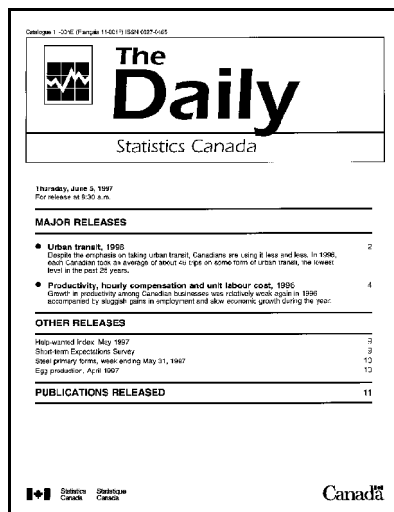
Address changes or account inquiries:

1-800-700-1033

To order a product by mail write: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers
add 7% GST and applicable PST.

To order by Internet: write to order@statcan.ca or download an electronic version by accessing Statistics Canada's
Web site (www.statcan.ca) under the headings *Products and services* and *Fee publications* (\$).

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada,
10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to lstproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2002. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001E, along with date and page references.