



# The Daily

Statistics Canada

**Monday, December 17, 2007**

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Non-residents investors reduced their holdings of portfolio Canadian shares by a record \$23.4 billion in October, having sold shares to foreign direct investors for a considerable amount. Meanwhile, with the Canadian dollar near its record high, residents looked abroad for investment opportunities in October, buying \$4.8 billion worth of foreign securities.

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## Releases

### Canada's international transactions in securities

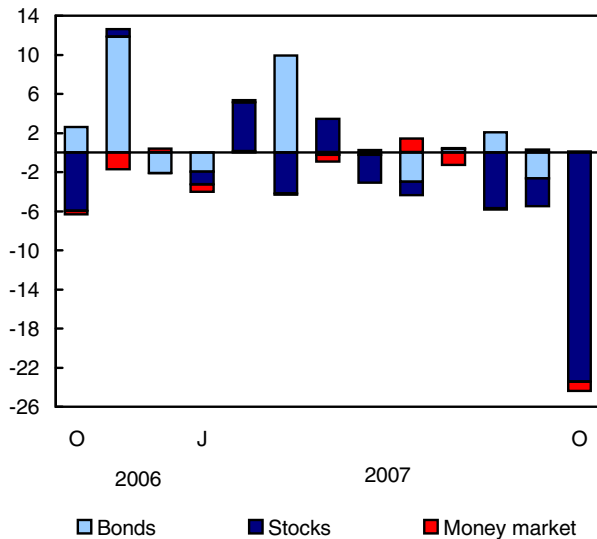
October 2007

Non-residents investors reduced their holdings of Canadian securities by a record \$24.3 billion in October, driven by significant foreign takeover activity and the resulting withdrawal of Canadian portfolio shares from stock markets.

Meanwhile, with the Canadian dollar near its record high, residents looked abroad for investment opportunities in October, buying \$4.8 billion worth of foreign securities, equally split between bonds and stocks.

#### Foreign portfolio investment in Canadian securities

\$ billions



#### Record disposition of Canadian stocks due to foreign takeover activity

Non-resident investors reduced their holdings of portfolio Canadian shares by a record \$23.4 billion in October, driven by foreign acquisitions. This reduction was marginally moderated as foreign investors added \$1.3 billion worth of Canadian equities to their portfolios in October. This reflected the purchase of

#### Related market information

In October, Canadian short term **interest rates** decreased basis point to 3.96% and US rates inched up to 3.90%. Still favouring investment in Canada, the differential between the two countries fell marginally to 0.06% from 0.08% in September.

Meanwhile, the long term interest rate differential between Canada and the United States fell to 0.17% as Canadian rates fell 10 basis points to 4.31% and US rates dropped 15 basis points to 4.48%.

Canadian **stock prices** took a 3.7% leap in October with the Standard and Poor's / Toronto Stock Exchange Composite Index ending the month at a record 14,625.0. Meanwhile, US stock prices continued to rise with the Standard and Poor's Composite Index finishing at a record 1,549.4, a monthly gain of 1.5%.

In October, the **Canadian dollar** appreciated another 5.33 US cents, pushing the exchange rate at October month end to 105.83 US cents, the highest month end level since July 1950. The dollar has experienced a sharp 25% appreciation against its US counterpart since the beginning of 2007, one of the strongest performers among the world's actively traded currencies.

#### Definitions

The data series on international security transactions cover portfolio transactions in stocks, bonds and money market instruments for both Canadian and foreign issues.

**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.

shares in natural resource companies but the sale of shares in the banking industry.

Foreign takeover activity of Canadian firms has been up strongly since 2006, resulting in large amounts of foreign portfolio holdings of Canadian shares being sold to direct investors. The high level of takeover activity also likely had an impact on share prices when the acquisitions were announced but not yet completed. The Canadian stock market recorded a gain of nearly 20% between October 2006 and October 2007.

#### Non-residents favour Canadian corporate bonds

Overall foreign purchases of Canadian bonds were nominal in October (\$88 million) as investment in corporate bonds offset the reduction in government bonds.

Fuelled by new issues, foreign investment in bonds issued by federal government enterprises and private corporations reached \$1.5 billion and \$1.6 billion, respectively. New issues of corporate bonds were all US dollar-denominated with attractive yields.

Foreign divestment was concentrated in federal government bonds. Non-residents cut their holdings of Government of Canada bonds by \$2.1 billion, equally split between net retirements and sales of outstanding bonds. The sales were mainly in bonds with term-to-maturity of two years or less, while non-residents continued to acquire bonds with longer term-to-maturity (mainly two to five years).

With respect to trading in outstanding Canadian bonds, non-residents sold \$642 million worth, split equally between US and Canadian dollar-denominated bonds. This was a substantial shift from the \$5.6 billion acquisition over the previous two months (all Canadian dollar-denominated). Geographically, the United States led the pack, selling \$2.3 billion of outstanding bonds. The rapid appreciation of the Canadian dollar and the rally in North American stock markets may have drawn investors' attention away from outstanding Canadian bonds.

**Foreign investors sell short-term Canadian debt**

Non-residents removed \$968 million of Canadian money market instruments from their holdings in October. Foreign divestment was concentrated in short-term debt issued by federal government enterprises (\$1.1 billion). This is a shift after five consecutive months during which foreign investors purchased a total of \$1.5 billion of the instruments.

Meanwhile, non-residents removed \$271 million worth of federal government treasury bills from their holdings. On the other hand, they purchased \$446 million worth of Canadian provincial government paper, after four consecutive months of divestment totalling \$617 million.

**Acquisitions of US equities remain strong as US stock prices continue to rise**

Canadians placed a sizable \$2.7 billion into foreign equities in October, largely US shares. Echoing a bullish US equity market peaking in October, residents invested \$2.2 billion in US stocks. Investment in non-US shares made up the balance of the investment, after recording a small drop in September.

**Acquisitions of foreign bonds driven by US government bonds**

Canadians' appetite for foreign bonds resumed in October with net investments totalling \$2.3 billion.

October's acquisitions were fuelled mainly by investment in US government bonds (\$1.6 billion). Canadians also added \$707 million of foreign corporate bonds to their portfolios, with one-third in maple bonds. The last two years had seen a different investment pattern, with purchases of maple bonds driving the growth.

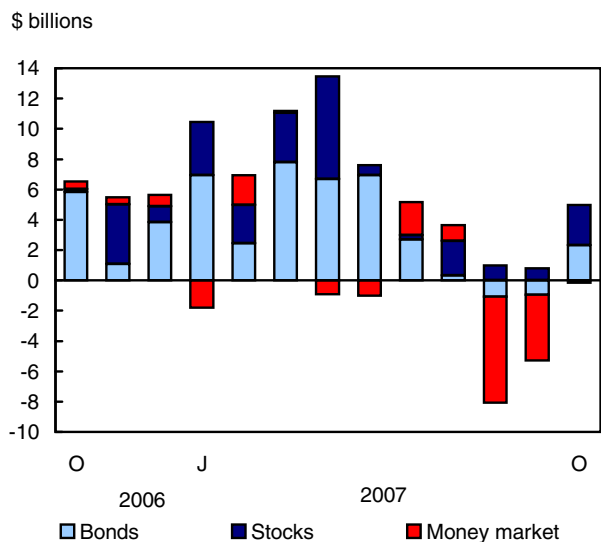
October's investment in US government bonds mainly involved instruments of shorter term-to-maturity, as Canadians sold longer term bonds. In October, the long term interest rate differential between Canada and US 10-year benchmark bonds narrowed. However, the yield spreads between 2-year benchmark bonds widened as investors favoured shorter-term US government bonds.

**Small divestment in foreign money market instruments**

October saw a marginal reduction of \$197 million worth of foreign money market instruments, as back-to-back record divestment over the previous two months accounted for more than half of Canadian holdings from the end of July.

Reductions of paper issued by European banks continued in October, while Canadian investment was channelled to short-term debt issued by financial corporations other than banks. On a currency basis, residents sold Canadian dollar denominated foreign paper while purchasing Euro-denominated foreign paper.

**Canadian portfolio investment in foreign securities<sup>1</sup>**



1. Reverse of balance of payments signs.

Available on CANSIM: tables 376-0018 to 376-0029, 376-0042, 376-0058 and 376-0063.

Definitions, data sources and methods: survey number 1535.

The October 2007 issue of *Canada's International Transactions in Securities* (67-002-XWE, free) will soon be available.

Data on *Canada's international transactions in securities* for November 2007 will be released on January 17, 2008.

For general information or to order data, contact Client Services (613-951-1855; [infobalance@statcan.ca](mailto:infobalance@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Yiling Zhang (613-951-2057), Balance of Payments Division

### Canada's international transactions in securities

	July 2007	August 2007	September 2007	October 2007	January to October 2006	January to October 2007
\$ millions						
<b>Foreign investment in Canadian securities</b>	<b>-848</b>	<b>-3,815</b>	<b>-5,211</b>	<b>-24,318</b>	<b>23,463</b>	<b>-30,632</b>
Bonds (net)	373	2,052	-2,614	88	8,290	4,585
Outstanding	459	1,335	4,226	-642	8,541	5,362
New issues	1,976	787	4,715	3,803	29,104	38,702
Retirements	-2,228	-948	-11,238	-3,496	-30,524	-40,950
Change in interest payable <sup>1</sup>	166	878	-317	422	1,169	1,471
Money market paper (net)	-1,316	-148	303	-968	5,087	-1,825
Government of Canada	-1,038	912	-572	-271	3,687	-2,672
Other	-278	-1,060	875	-697	1,400	847
Stocks (net)	95	-5,719	-2,900	-23,438	10,086	-33,393
Outstanding	3,238	-3,127	-2,379	1,263	20,720	4,682
Other transactions	-3,144	-2,592	-521	-24,701	-10,634	-38,075
<b>Canadian investment in foreign securities</b>	<b>-3,649</b>	<b>7,125</b>	<b>4,509</b>	<b>-4,776</b>	<b>-67,577</b>	<b>-47,806</b>
Bonds (net)	-317	1,065	940	-2,301	-38,672	-34,136
Stocks (net)	-2,300	-986	-790	-2,671	-23,341	-23,770
Money market paper (net)	-1,032	7,046	4,359	197	-5,564	10,100

1. Interest accrued less interest paid.

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

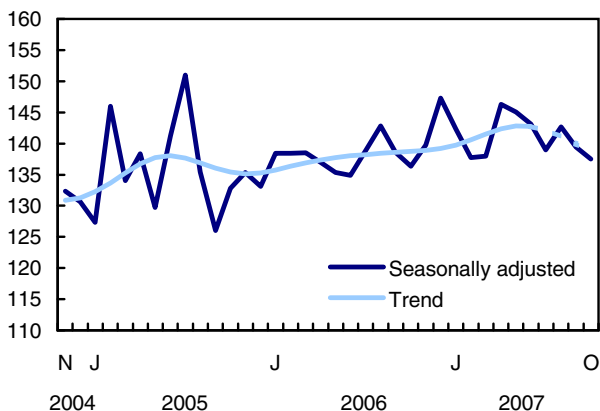
## New motor vehicle sales

October 2007

Sales of new motor vehicles declined again in October, although not as sharply as in September. Seasonally adjusted data from the New Motor Vehicle Sales Survey show that 137,501 new vehicles were sold in October. This is 1.4% fewer vehicles than were sold in September.

### New motor vehicle sales down for a second consecutive month

Thousands of units



**Note:** The last few points could be subject to revisions when more data are added. This is indicated by the dashed line.

A decrease in the number of passenger cars sold drove the overall decline for the month. The 4.9% decrease in passenger car sales was the second largest monthly decline recorded in 2007. Both North American-built models and overseas-built models experienced reduced sales. A 2.4% increase in the number of trucks sold (which include minivans, sport-utility vehicles, light and heavy trucks, vans and buses) partially mitigated the decline.

After generally rising since late 2005, sales of new motor vehicles have trended downwards in the latter half of 2007. However, new motor vehicle sales remain strong in 2007, as sales for an average month are higher than they have been since 2002.

Preliminary industry data for the month of November suggest that new motor vehicle sales are expected to decline by 1%, entirely due to a decrease in the number of new trucks sold.

### Overseas-built models take a dive

The number of new passenger cars sold in October totaled 68,653, down 4.9% from September and the

### Note to readers

All data in this release are seasonally adjusted. Seasonal Adjustment enables month-to-month growth rates to be analysed taking into account the trend-cycle, seasonality, the trading-day effect, the Easter holiday effect and the irregular component.

**Passenger cars** include those used for personal and commercial purposes, such as taxis or rental cars. **Trucks** include minivans, sport-utility vehicles, light and heavy trucks, vans and buses.

**North American built new motor vehicles** include vehicles manufactured or assembled in Canada, the United States or Mexico. All other new motor vehicles are considered to have been manufactured overseas.

For reasons of confidentiality, data for Yukon, the Northwest Territories and Nunavut are included with those for British Columbia.

The New Motor Vehicle Sales Survey is compiled on the basis of figures obtained from motor vehicle manufacturers and importers. These results may vary from those obtained directly from auto dealers, due to possible differences in record keeping.

second largest decrease in the number of new cars sold so far in 2007. At 23,993 units sold, sales of overseas-built models (-7.5%) took a dive, representing the largest monthly percentage decrease in units sold since June 1998. North American-built models fell 3.5% to 44,660 units.

The number of new trucks sold grew by 2.4% in October to 68,848 units, just below the average monthly level so far in 2007.

### Declines in Quebec and Ontario bring down national sales

Although sales in half of the provinces were up and the other half down, it was declines in the larger provinces that drove the overall decrease. A 3.4% decline in sales of new motor vehicles made Quebec the largest contributor to the decrease in Canada. Lower sales of new motor vehicles in British Columbia (-3.3%) and Ontario (-1.4%) also accounted for a significant part of the decrease. Declines in sales in these three provinces have driven the national decrease in sales observed over the latter part of 2007.

Sales of new motor vehicles on Prince Edward Island grew 12.9% in October, more than offsetting the sizable decline in September. Along with Prince Edward Island, New Brunswick (+4.9%) has reached a new plateau of sales in 2007. Sales in Saskatchewan (+4.5%) have trended up throughout 2007.

Available on CANSIM: tables 079-0001 and 079-0002.

Definitions, data sources and methods: survey number 2402.

The October 2007 issue of *New Motor Vehicle Sales* (63-007-XWE, free) will be available soon.

Data on new motor vehicle sales for November 2007 will be released on January 14, 2008.

For general information or to order data, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Joseph Dunlavy (613-951-0193), Distributive Trades Division.

## New motor vehicle sales

	October 2006	September 2007 <sup>r</sup>	October 2007 <sup>p</sup>	October 2006 to October 2007	September to October 2007
Seasonally adjusted					
	number of vehicles			% change	
<b>New motor vehicles</b>	<b>136,386</b>	<b>139,410</b>	<b>137,501</b>	<b>0.8</b>	<b>-1.4</b>
Passenger cars	68,231	72,205	68,653	0.6	-4.9
North American <sup>1</sup>	43,336	46,275	44,660	3.1	-3.5
Overseas	24,895	25,930	23,993	-3.6	-7.5
Trucks, vans and buses	68,155	67,205	68,848	1.0	2.4
<b>New motor vehicles</b>					
Newfoundland and Labrador	1,996	2,269	2,252	12.8	-0.7
Prince Edward Island	394	425	480	21.8	12.9
Nova Scotia	3,855	4,161	4,146	7.5	-0.4
New Brunswick	2,982	3,089	3,240	8.7	4.9
Quebec	33,388	35,210	34,002	1.8	-3.4
Ontario	48,980	49,337	48,637	-0.7	-1.4
Manitoba	3,984	3,938	3,951	-0.8	0.3
Saskatchewan	3,309	3,707	3,874	17.1	4.5
Alberta	21,156	20,513	20,716	-2.1	1.0
British Columbia <sup>2</sup>	16,341	16,761	16,204	-0.8	-3.3
	October 2006	September 2007 <sup>r</sup>	October 2007 <sup>p</sup>	October 2006 to October 2007	
Unadjusted					
	number of vehicles			% change	
<b>New motor vehicles</b>	<b>123,076</b>	<b>134,516</b>	<b>124,046</b>	<b>0.8</b>	
Passenger cars	62,448	70,783	61,799	-1.0	
North American <sup>1</sup>	38,841	45,441	39,280	1.1	
Overseas	23,607	25,342	22,519	-4.6	
Trucks, vans and buses	60,628	63,733	62,247	2.7	
<b>New motor vehicles</b>					
Newfoundland and Labrador	1,611	2,162	1,888	17.2	
Prince Edward Island	331	383	421	27.2	
Nova Scotia	3,096	3,853	3,397	9.7	
New Brunswick	2,471	2,845	2,748	11.2	
Quebec	29,445	33,565	30,308	2.9	
Ontario	45,662	48,348	44,749	-2.0	
Manitoba	3,561	4,125	3,711	4.2	
Saskatchewan	3,060	3,609	3,615	18.1	
Alberta	19,600	19,624	19,193	-2.1	
British Columbia <sup>2</sup>	14,239	16,002	14,016	-1.6	

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Manufactured or assembled in Canada, the United States or Mexico.

2. Includes Yukon, the Northwest Territories and Nunavut.

**Note:** Figures may not add up to totals due to rounding.

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## Aircraft movement statistics

November 2007 (preliminary)

The 42 Canadian airports with NAV CANADA air traffic control towers reported 388,559 aircraft take-offs and landings in November, up 13.0% compared with November 2006 (343,793 movements). This marked the 18th consecutive increase in year-over-year monthly comparisons. Year-over-year increases in aircraft movements were reported by 30 of these airports in November 2007. The variations ranged from 162.2% for Pitt Meadows, British Columbia to -46.2% for St-Jean, Quebec.

Available on CANSIM: table 401-0005.

**Definitions, data sources and methods: survey number 2715.**

The November 2007 issue of *Aircraft Movement Statistics, Monthly*, Vol. 6, no. 11 (51F0001PWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Aviation Statistics Centre (toll-free 1-866-500-8400; fax: 613-951-0010; [aviationstatistics@statcan.ca](mailto:aviationstatistics@statcan.ca)), Transportation Division. ■

## Monthly Survey of Large Retailers

October 2007

Data for the Monthly Survey of Large Retailers are now available for October.

Available on CANSIM: table 080-0009.

**Definitions, data sources and methods: survey number 5027.**

A data table is also available in the *Summary Tables* module of our website.

For general information or to order data, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Abdul Mohammed (613-951-7719), Distributive Trades Division. ■

## Steel wire and specified wire products

October 2007

Data on steel wire and specified wire products production are now available for October.

Available on CANSIM: table 303-0047.

**Definitions, data sources and methods: survey number 2106.**

The October 2007 issue of *Steel, Tubular Products and Steel Wire*, (41-019-XWE) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## Refined petroleum products

October 2007 (preliminary)

Data on the production, inventories and domestic sales of refined petroleum products are now available for October. Other selected data about these products are also available.

**Definitions, data sources and methods: survey number 2150.**

For more information or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [energy@statcan.ca](mailto:energy@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## Primary iron and steel

October 2007

Data on primary iron and steel for October are now available.

Available on CANSIM: tables 303-0048 to 303-0051.

**Definitions, data sources and methods: survey numbers, including related surveys, 2116 and 2184.**

The October 2007 issue of *Steel, Tubular Products and Steel Wire* (41-019-XWE) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)) Manufacturing, Construction and Energy Division. ■

## New products

**Aircraft Movement Statistics, Monthly,**  
November 2007, Vol. 6, no. 11  
**Catalogue number 51F0001PWE**  
(free).

**Canada's Balance of International Payments, Third**  
Quarter 2007, Vol. 55, no. 3  
**Catalogue number 67-001-XWE**  
(free).

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

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Thursday, June 5, 1997  
For release at 8:30 a.m.



**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six rides on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses and unit labour cost in 1995 accompanied by sluggish gains in employment and slow economic growth (GDP) in 1996.

**OTHER RELEASES**

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr 1997** 12

**PUBLICATIONS RELEASED** 11

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