

The Daily

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Non-residents cut a sizeable amount of Canadian securities from their holdings in November, as they sold shares and significantly adjusted their holdings of debt instruments in favour of more liquid and short-term assets. For their part, Canadian investors continued to repatriate funds from foreign markets, though at a considerably slower pace than in October.	
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Releases

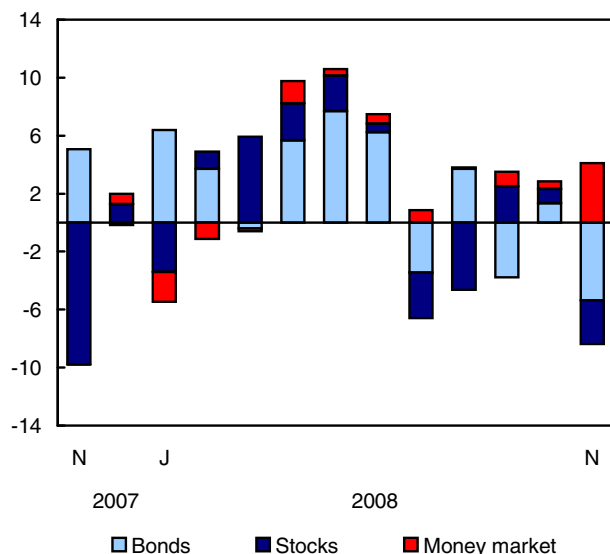
Canada's international transactions in securities

November 2008

Non-residents cut a sizeable \$4.3 billion of Canadian securities from their holdings in November. Foreign holdings of Canadian shares were reduced as stock prices retreated 33% over the past three months. In addition, non-residents significantly adjusted their portfolio of Canadian debt instruments in favour of more liquid short-term assets.

Foreign portfolio investment in Canadian securities

\$ billions



For their part, Canadian investors continued to repatriate funds from foreign markets in November. Divestment in foreign securities slowed to \$2.6 billion from an all time peak of \$12.3 billion in October. Canadian investors made moderate acquisitions of foreign equities but continued to stay away from foreign debt instruments, in particular US government securities.

Non-residents move from Canadian bonds to money market instruments

Non-residents cut \$5.4 billion of Canadian bonds from their holdings in November, the largest

Note to readers

All values in this release are net transactions unless otherwise stated.

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. **Government of Canada paper** includes treasury bills and US-dollar Canada bills.

disposal recorded since December 2005. Of this activity, two-thirds were net retirements of US dollar-denominated instruments, primarily federal government bonds. The remaining reduction was mainly attributable to secondary market sales of Canadian dollar-denominated bonds issued by the federal government and its enterprises.

However, foreign investors replenished their portfolios with Canadian short-term instruments. They added \$4.1 billion of these instruments in November, the largest investment since June 2006. Most of the foreign investment was in federal government paper, equally split between US and Canadian dollar-denominated instruments. In November, the net new issues of federal government paper remained on a par with the record activity set the month before.

Foreign investors sell Canadian shares as prices continue to decline

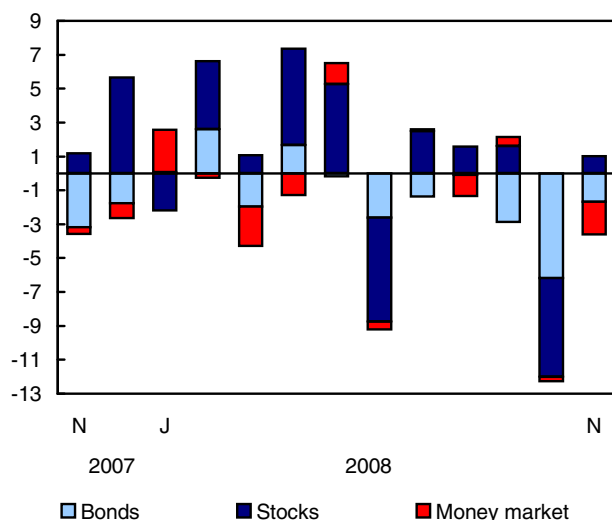
Non-residents divested \$3.0 billion of Canadian stocks, as prices dropped further and reached their lowest level in nearly four years. The Standard and Poor's / Toronto Stock Exchange composite index has fallen 33% since the end of August, led by declines of around 50% in the energy and information technology sectors. November's reduction in foreign holdings of Canadian shares applied to nearly all sectors of the Canadian economy.

Canadian investors continue to reduce their holdings of US debt instruments

Canadian investors continued to shed foreign debt instruments in November as they sold \$1.7 billion of bonds and \$2.0 billion of money market instruments. This marked the sixth consecutive monthly divestment in foreign debt instruments. Investors have removed \$14.8 billion of foreign bonds from their holdings over the last six months.

Canadian portfolio investment in foreign securities¹

\$ billions



1. Reverse of balance of payments signs.

Overall, market conditions did not favour Canadian portfolio investment abroad. During the six-month period ending in November, the Canadian dollar fell 20% to 80.8 cents US. Meanwhile, Canadian short-term interest rates stood about 150 basis points

above US rates in November, the largest gap posted since December 2003.

November's activity was mainly driven by the reduction in holdings of US government debt instruments. In particular, Canadian investors sold \$1.9 billion of US government bonds, principally the five-year benchmark bond. At the short-term end of the spectrum, investors sold \$2.2 billion worth of US Treasury bills as short-term interest rates in the US approached zero in November.

Investors did, however, make moderate acquisitions of US corporate debt securities, mainly US federal enterprise bonds offering attractive yields and money market paper issued by financial corporations.

Canadians resume acquisitions of foreign equities

Canadian investors resumed purchases of foreign shares in November. They acquired \$1.0 billion, focusing on a well-diversified basket of equities tracking major US market indexes. US stock prices, as measured by the Standard and Poor's composite index, have dropped 30% since the end of August.

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 November 2008 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 December will be released on February 16.

For more information, or to order data, contact Client Services (613-951-1855; infobalance@statcan.gc.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

	August 2008	September 2008	October 2008	November 2008	January to November 2007	January to November 2008
						Cumulative transactions
	\$ millions					
Foreign investment in Canadian securities	-830	-258	2,838	-4,298	-33,405	29,502
Bonds (net)	3,711	-3,777	1,337	-5,352	11,718	21,736
Outstanding	5	-2,452	3,309	-2,120	10,995	20,899
New issues	3,688	4,420	2,311	1,293	40,162	45,300
Retirements	-949	-5,537	-4,748	-4,439	-40,566	-45,922
Change in interest payable ¹	966	-209	465	-86	1,128	1,459
Money market paper (net)	111	1,028	513	4,103	-1,859	5,835
Government of Canada	349	702	-458	4,120	-2,921	5,433
Other	-238	326	971	-17	1,062	402
Stocks (net)	-4,652	2,490	988	-3,049	-43,264	1,931
Outstanding	-4,708	2,484	-131	-3,011	1,076	-2,925
Other transactions	56	6	1,119	-38	-44,340	4,856
Canadian investment in foreign securities	-217	717	12,306	2,613	-45,439	7,576
Bonds (net)	80	2,868	6,171	1,671	-30,665	12,597
Stocks (net)	-1,588	-1,599	5,836	-1,022	-25,291	-8,570
Money market paper (net)	1,291	-552	299	1,964	10,518	3,549

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.



Canadian Tobacco Use Monitoring Survey

February to June 2008

The microdata file from the first cycle of the 2008 Canadian Tobacco Use Monitoring Survey (CTUMS) is now available.

Note: The CTUMS, conducted since 1999 by Statistics Canada on behalf of Health Canada, provides timely, reliable and continuous data on tobacco use and related issues. Its objective is to track changes in the smoking status and amount smoked, especially among young people aged 15 to 24, who are most at risk of taking up smoking. This file contains the data collected between February and June 2008 from about 10,000 respondents.

Definitions, data sources and methods: survey number 4440.

February to June 2008 data are now available in the *Canadian Tobacco Use Monitoring Survey Microdata File* (82M0020XCB, \$2,140). See *How to order products*.

For more information on the public-use microdata file, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-461-9050; 613-951-3321; fax: 613-951-4527; ssd@statcan.gc.ca), Special Surveys Division.

For more information about the survey results, contact Philippe Laroche (613-946-4250; philippe_laroche@hc-sc.gc.ca), Health Canada, or visit the Tobacco Control Program website (www.hc-sc.gc.ca/hl-vs/tobac-tabac/index_e.html). ■

Industrial chemicals and synthetic resins

November 2008

Data on industrial chemicals and synthetic resins are now available for November.

Available on CANSIM: table 303-0014.

Definitions, data sources and methods: survey number 2183.

The November 2008 issue of *Industrial Chemicals and Synthetic Resins*, Vol. 51, no. 11 (46-002-XWE, 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 the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

Steel pipe and tubing

November 2008

Data on the production and shipments of steel pipe and tubing are now available for November.

Available on CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The November 2008 issue of *Steel, Tubular Products and Steel Wire* (41-019-XWE, free) 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.gc.ca), Manufacturing and Energy Division. ■

Steel wire and specified wire products

November 2008

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

Available on CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The November 2008 issue of *Steel, Tubular Products and Steel Wire* (41-019-XWE, free) 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.gc.ca), Manufacturing and Energy Division. ■

Crude oil and natural gas production

November 2008 (preliminary)

Provincial crude oil and marketable natural gas production data are now available for November.

Definitions, data sources and methods: survey number 2198.

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; energ@statcan.gc.ca), Manufacturing and Energy Division. ■

New products

Industrial Chemicals and Synthetic Resins,
November 2008, Vol. 51, no. 11
Catalogue number 46-002-XWE
(free).

Canadian Tobacco Use Monitoring Survey
Microdata File, February to June 2008
Catalogue number 82M0020XCB (\$2,140).

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

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

How to order products

To order by phone, please refer to:

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 - The catalogue number
 - The volume number
 - The issue number
 - Your credit card number.
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From other countries, call: **1-613-951-2800**
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