

The Daily

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Releases

Canada's international transactions in securities, November 2013

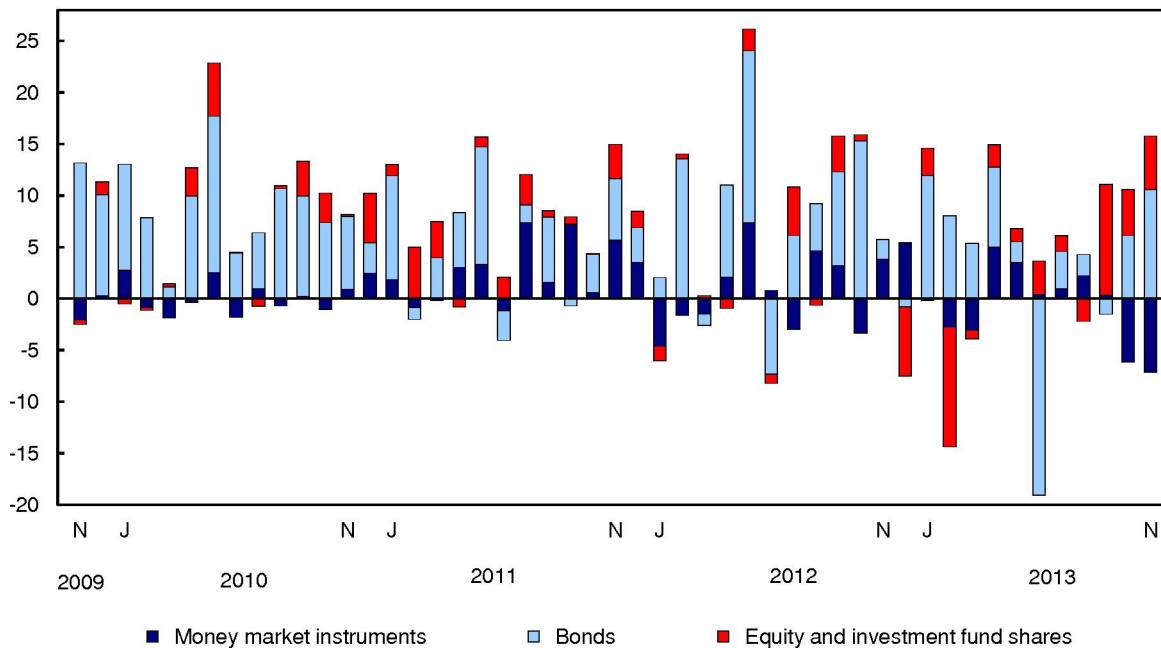
Foreign investors added \$8.7 billion of Canadian securities to their holdings in November. The fifth straight month of foreign investment in these instruments was largely composed of corporate securities. Meanwhile, Canadian investors acquired \$6.6 billion of foreign securities, all bonds.

Foreign investment in Canadian bonds reaches a 10-month high

Foreign investors acquired \$3.4 billion of Canadian debt securities in November. This reflected a second straight month of large adjustments to their portfolios, with funds moving out of Canadian money market instruments and into Canadian bonds.

Chart 1
Foreign investment in Canadian securities

billions of dollars



Foreign investment in Canadian bonds reached \$10.6 billion in November, the second largest monthly inflow in 2013. Foreign investors continued to favour corporate bonds during the month, adding \$7.9 billion worth of these instruments to their portfolios, evenly split between private corporate and federal government business enterprise bonds. This marked the eighth straight month of foreign investment in private corporate bonds, and was the largest investment in federal government business enterprise bonds by non-residents since May 2009.

The remainder of the activity in the Canadian bond market was mainly in federal government bonds with foreign purchases of \$2.5 billion. This was the largest investment in eight months, despite a decline in the overall outstanding debt of these instruments in November. Canadian long-term interest rates edged up 12 basis points after two consecutive months of reduction.

At the same time, non-residents reduced their holdings of Canadian money market instruments by \$7.1 billion in November, following a \$6.1 billion divestment in October. The reduction in November was widespread across money market instruments, but led by provincial government securities. This activity mainly reflected large retirements for a second straight month. Canadian short-term interest rates were up in November but by less than long-term rates. As a result, the spread between short- and long-term interest rates widened in November.

Foreign investment in Canadian equities strengthens

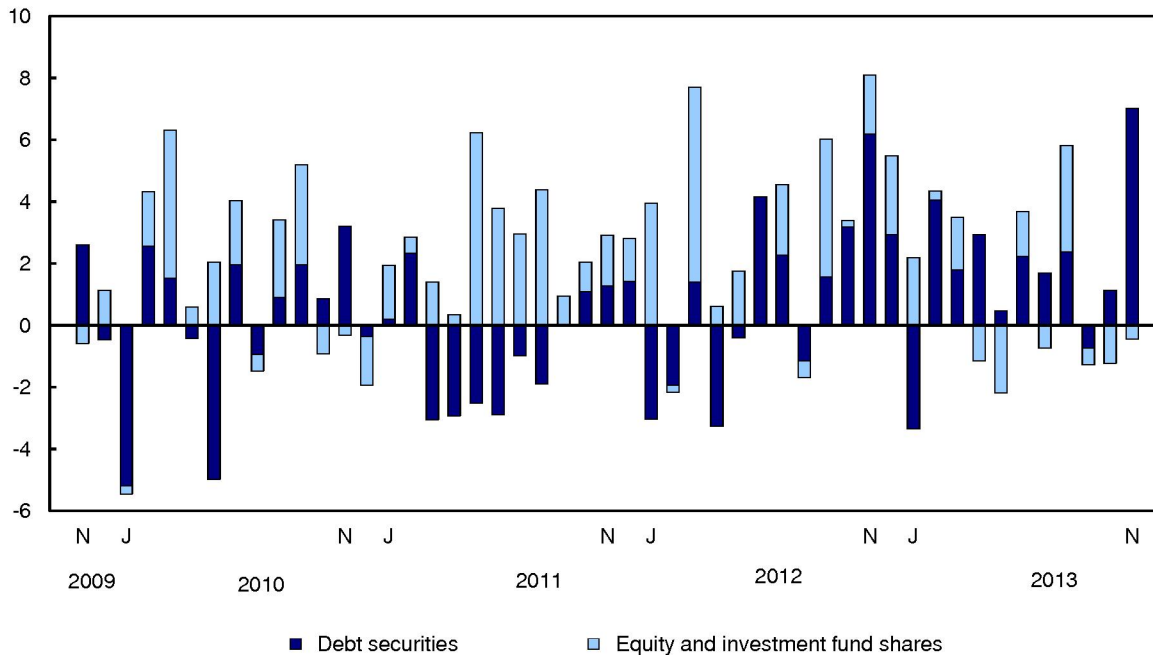
Foreign investment in Canadian equities reached \$5.2 billion in November. This marked a third straight month of acquisitions, totalling \$20.4 billion. The Canadian stock market edged up 0.3% in November to reach its highest level since May 2011. The Canadian dollar depreciated further against its US counterpart, down 1.7 US cents by month-end.

Canadian investment in foreign securities resumes

Investment in foreign securities resumed in November as Canadian investors acquired \$6.6 billion. This was the largest investment in a year.

Chart 2
Canadian investment in foreign securities

billions of dollars



Canadian acquisition of foreign bonds reached \$7.5 billion in November, the highest such outflow since March 2007. This activity was led by US Treasury bonds and, to a lesser extent, Canadian dollar-denominated corporate foreign bonds. US long-term interest rates were up by 10 basis points during the month.

Canadian investors reduced their holdings of foreign equities for a third straight month, down by \$0.4 billion in November. This drop was in US securities and followed a \$2.1 billion divestment in these instruments in October. US stock prices were up 2.8% while other major global stock markets generally increased over the month.

Note to readers

The data series on international transactions in securities cover portfolio transactions in equity and investment fund shares, bonds and money market instruments for both Canadian and foreign issues. This activity excludes transactions in equity and debt instruments between affiliated enterprises, classified as foreign direct investment in the international accounts.

Equity and investment fund shares include common and preferred equities as well as units/shares of investment funds.

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.

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

**Table 1
Canada's international transactions in securities**

	September 2013	October 2013	November 2013	January to November 2012 ¹	January to November 2013 ¹
	millions of dollars				
Foreign investment in Canadian securities	9,559	4,440	8,655	85,274	46,674
Debt securities	-1,152	-10	3,441	77,622	30,097
Money market instruments	362	-6,136	-7,128	7,832	-6,843
Governments	2,111	-6,691	-4,038	-673	-9,520
Federal government	2,664	-5,184	-1,179	-3,247	-7,870
Other governments	-553	-1,507	-2,859	2,574	-1,650
Corporations	-1,749	555	-3,089	8,505	2,677
Government business enterprises	-470	-424	-1,373	336	3
Private corporations	-1,279	979	-1,716	8,168	2,674
Bonds	-1,514	6,126	10,568	69,790	36,940
Governments	-2,726	-188	2,619	44,855	-2,744
Federal government	-3,735	1,251	2,533	31,722	-626
Other governments	1,008	-1,439	87	13,133	-2,118
Corporations	1,212	6,314	7,949	24,935	39,684
Government business enterprises	-1,047	1,645	4,010	6,461	5,949
Private corporations	2,260	4,669	3,939	18,474	33,735
Equity and investment fund shares	10,711	4,450	5,215	7,652	16,577
Canadian investment in foreign securities	-1,276	-95	6,566	29,666	22,394
Debt securities	-729	1,126	7,016	8,990	19,591
Money market instruments	-97	588	-482	-717	1,299
Bonds	-632	538	7,498	9,707	18,292
Equity and investment fund shares	-547	-1,221	-449	20,676	2,803

1. Cumulative transactions.

Note(s): In this table, a positive value denotes an increase in investment and a negative value denotes a decrease in investment. Transactions are recorded on a net basis. Figures may not add up to totals as a result of rounding.

Available in CANSIM: tables 376-0131 to 376-0138, 376-0145 and 376-0146.

Definitions, data sources and methods: survey number 1535.

Data on Canada's international transactions in securities for December 2013 will be released on February 18.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Lauren Dong (613-951-3282; lauren.dong@statcan.gc.ca) or Eric Simard (613-951-1864; eric.simard@statcan.gc.ca), International Accounts and Statistics Division.

Passenger Air Services Price Index, 2012

The Passenger Air Services Price Index decreased 0.4% in 2012 compared with 2011. The domestic fares component increased 0.8%, while the international fares component declined 1.3%.

Note to readers

The Passenger Air Services Price Index (PASPI) is an annual series measuring the price change for base air fares, providing indications of the overall trend of domestic and international fares over time. The index relates to the services of major Canadian air carriers.

Data for the PASPI are subject to revision. The index is not seasonally adjusted.

Prior to the release of the PASPI, air fare indexes to 2011 were published in Air Fare, Canadian Air Carriers, Level I, Vol. 45, no. 1 (51-004-X).

Available in CANSIM: table 329-0078.

Definitions, data sources and methods: survey number 5209.

The Passenger Air Services Price Index for 2013 will be released in November.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

New motor vehicle sales, November 2013

New motor vehicle sales data are now available for November.

Note to readers

These data are subject to revision.

Available in CANSIM: table 079-0003.

Definitions, data sources and methods: survey number 2402.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

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