

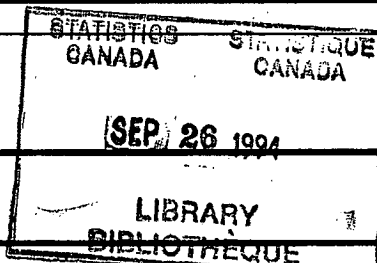


The Daily

Statistics Canada

Monday, September 26, 1994

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MAJOR RELEASE

- **Canada's international transactions in securities, July 1994** 2
In July, non-residents sold a net \$1.2 billion of Canadian securities, their first net sale since November 1993. They withdrew a record \$7.4 billion from short-term instruments but channelled a substantial \$5.8 billion into Canadian bonds.

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MAJOR RELEASE

Canada's international transactions in securities

July 1994

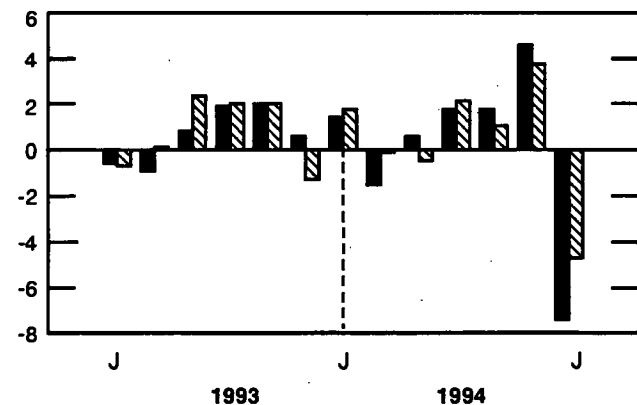
In July, non-residents sold a net \$1.2 billion of Canadian securities, their first net sale since November 1993. They withdrew a record \$7.4 billion from Canadian short-term instruments but channelled a substantial \$5.8 billion into Canadian bonds. The latter investment, by far the largest in ten months, went mostly into new Canadian bonds issued in U.S. dollars.

Record sell-off of Canadian money market paper

The \$7.4 billion record net sell-off in July of Canadian money market paper reversed the string of net investments by non-residents since March 1994. On a net basis, they sold \$4.8 billion of Government of Canada paper and \$2.6 billion widely spread among other short-term paper. This was done against a backdrop of generally declining short-term interest rates in Canada in July versus steady rates in the United States.

Non-resident net transactions in Canadian money market paper

\$ billions



■ Canadian money market paper
▨ Of which Government of Canada treasury bills

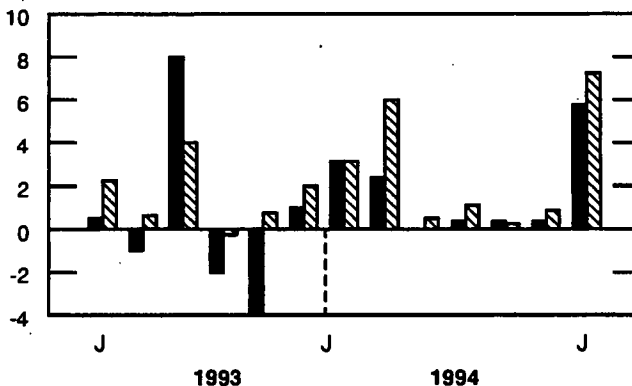
The July net sale was led by residents of the United States and Europe who sold \$3.4 billion and \$2.9 billion respectively. Gross trading activity (total sales and purchases) remained strong at \$52 billion, though down 20% from the record \$63 billion in the previous month.

Heavy foreign investment in new Canadian bond issues

The \$5.8 billion foreign investment in Canadian bonds consisted of a massive \$8.0 billion of new issues which were partly offset by net sales of \$1.5 billion of existing bonds and a small redemption of \$0.7 billion of maturing bonds.

Foreign investment in Canadian bonds

\$ billions



■ Total bonds
▨ Of which net new issues (less retirements)

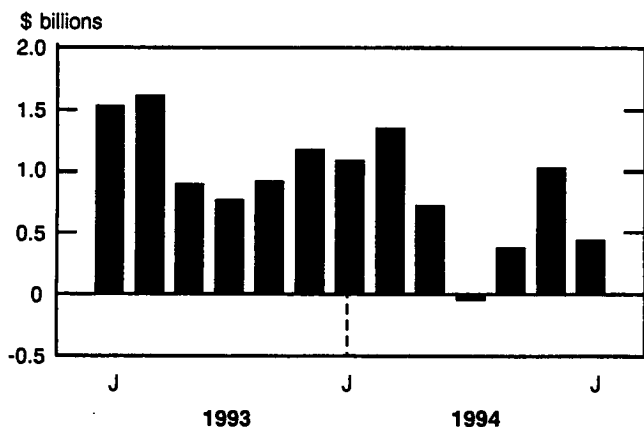
As many as five provinces as well as the federal government issued new bonds in foreign markets. Over 90% of July's new issues were denominated in foreign currencies, notably U.S. dollars and yen, up from the 70% recorded for the first six months of 1994.

The net disinvestment of \$1.5 billion in the secondary market continued the trend begun in April 1993. The July net selling was largely in federal issues. Europeans continued to be net sellers with \$1.3 billion followed by U.S. residents with \$0.6 billion. Asian and other countries became small net buyers. Gross trading in existing bonds declined a further \$10 billion to \$82 billion in July, well below the monthly peak of \$137 billion set earlier this year.

Foreign demand for Canadian stocks continues at a moderate pace

Foreign demand for Canadian stocks continued but at a more moderate pace as non-residents invested a net \$0.4 billion in July. This brought to \$4.7 billion the total foreign investment in equities in the first seven months of the year. July's net investment came solely from the United States (\$0.7 billion) and was offset by net selling from Europe (\$0.1 billion) and Asia (\$0.2 billion). In the first six months, U.S. investors accounted for two-thirds of the net investment and European and Asian investors for the balance.

Non-resident net transactions in Canadian stocks



Canadian stocks, as measured by the TSE 300 index, rebounded somewhat in July, gaining 3.8% after losing 7.7% in June. This was not reflected in gross trading which declined for a fourth consecutive month.

Canadian demand for foreign securities modest

Canadian residents purchased \$0.1 billion of foreign securities in July, a continuation of the modest investment of the previous month. This is in sharp contrast to the November 1993 to April 1994 period when Canadian net purchases of foreign securities averaged \$2.3 billion per month. In July, residents purchased a net \$0.2 billion of foreign bonds while selling a net \$0.1 billion of foreign stock. The net selling by residents in foreign stock was the first in nearly two years.

Available on CANSIM: matrix 2330.

The July 1994 issue of *Canada's international transactions in securities* (67-002, \$17/\$170) will be available in October. See "How to order publications".

For further information, contact Don Granger (613-951-1864), Balance of Payments Division. □

Canada's international transactions in securities

	April 1994	May 1994	June 1994	July 1994	January to July 1994	January to July 1993
	\$ millions					
Foreign investment in Canadian securities - Total	2,154	2,482	5,859	-1,206	18,356	37,018
Bonds (net)	435	358	328	5,772	12,414	25,369
Outstanding bonds	-664	52	-598	-1,541	-6,871	4,363
New issues	2,775	1,949	3,247	7,992	31,992	35,643
Retirements	-1,676	-1,643	-2,321	-679	-12,708	-14,636
Money market paper (net)	1,764	1,767	4,549	-7,389	1,196	4,876
Government of Canada	2,176	1,074	3,735	-4,748	3,429	5,849
Other money market paper	-412	694	814	-2,641	-2,234	-974
Stocks (net)	-46	358	982	412	4,749	6,774
Outstanding stocks (net)	-90	343	533	307	3,735	6,078
New issues (net)	44	15	449	105	1,013	695
Canadian investment in foreign securities - Total	-1,291	167	-239	-114	-6,776	-5,051
Bonds (net)	-429	556	1	-241	-1,094	-1,369
Stocks (net)	-862	-389	-240	127	-5,682	-3,682

Note: Net is the "sales to" less the "purchases from" non-residents. A minus sign indicates more purchases than sales of securities from non-residents, i.e. an outflow of capital from Canada.

DATA AVAILABILITY ANNOUNCEMENTS

Gypsum products

August 1994

Manufacturers shipped 23 435 thousand square metres of plain gypsum wallboard in August 1994, up 14.6% from 20 451 thousand square metres in August 1993 and up 12.3% from 20 859 thousand square metres in July 1994.

Year-to-date shipments at the end of August 1994 totalled 167 450 thousand square metres, up 15.6% from a year earlier.

Available on CANSIM: matrices 39 and 122 (series 11).

The August 1994 issue of *Gypsum products* (44-003, \$6/\$60) will be available at a later date.

For more information, contact Roland Joubert (613-951-3527), Industry Division. ■

Canadian civil aviation statistics

July 1994

On a year-over-year basis, the major Canadian air carriers, Air Canada and Canadian Airlines International Ltd, reported growth on both domestic and international services for the third consecutive month. International passenger-kilometres flown by these carriers increased 11% to 3.1 billion, the highest level ever reported for July. This was the third consecutive month in which record levels of international operations have been reported.

The year-to-date level of total passenger-kilometres flown was up 6% over last year, as of July 1994 and represented the highest year-to-date level since 1990. However, growth has not been continuous since 1990. Last year at this time, year-to-date passenger-kilometres were down 3% from the previous year.

Available on CANSIM: matrix 385.

Preliminary civil aviation data for July 1994 will be published in the September issue of the *Aviation statistics centre service bulletin* (51-004, \$10/\$99). See "How to order publications".

For more information, contact Robert Lund (819-997-6188), Aviation Statistics Centre, Transportation Division. ■



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