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The Daily

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Thursday, November 3, 1988

Major Releases

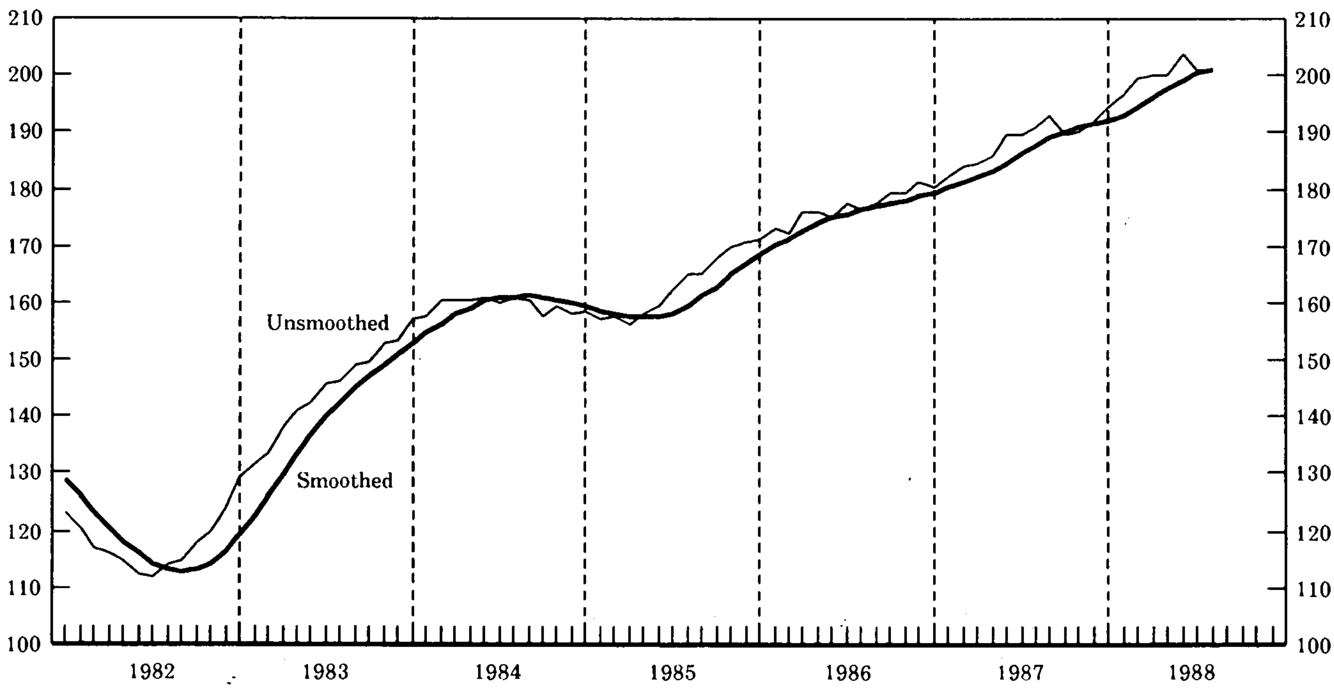
Data Availability Announcements

Publications Released

Major Releases

The Canadian Composite Leading Indicator (1971 = 100)

January 1982 to August 1988



Composite Leading Indicator
August 1988

After 0.6% growth in July, the composite leading indicator grew by 0.4% in August. This compares to an average of 0.8% in the previous three months. This deceleration in growth was restricted to manufacturing industries at a time when the main sources of strength shifted from the export-related sectors to domestic spending.

The unsmoothed version of the index edged up by 0.1% in August after a 1.4% drop in July (the only monthly drop following the stock market crash in October 1987).

The indicators of household demand were all up in August. The residential construction index registered a fifth consecutive increase, while sales of durable goods firmed after weakness earlier this year. House sales also turned up, despite a hike in mortgage rates.

With manufacturing production levelling off and thus pushing up unit labour costs, the proxy for profit margins decelerated for the third consecutive month. New orders and shipments relative to inventories had slowed in response to declining exports of motor vehicles in July and of petroleum products in August. Unfilled orders, however, reached new highs, particularly in industries related to business investment.

In August, the United States leading indicator grew for the fifth month in a row. Industrial production started to accelerate in July, in particular within the materials and intermediary products categories. Motor vehicle production was down sharply in July, but turned up in August and September.

(continued on page 3)

Available on CANSIM: matrix 161.

For more detailed information on this release, or about the next release dates, contact F. Roy-Mayrand (613-951-3627), International and Financial Economics Division.

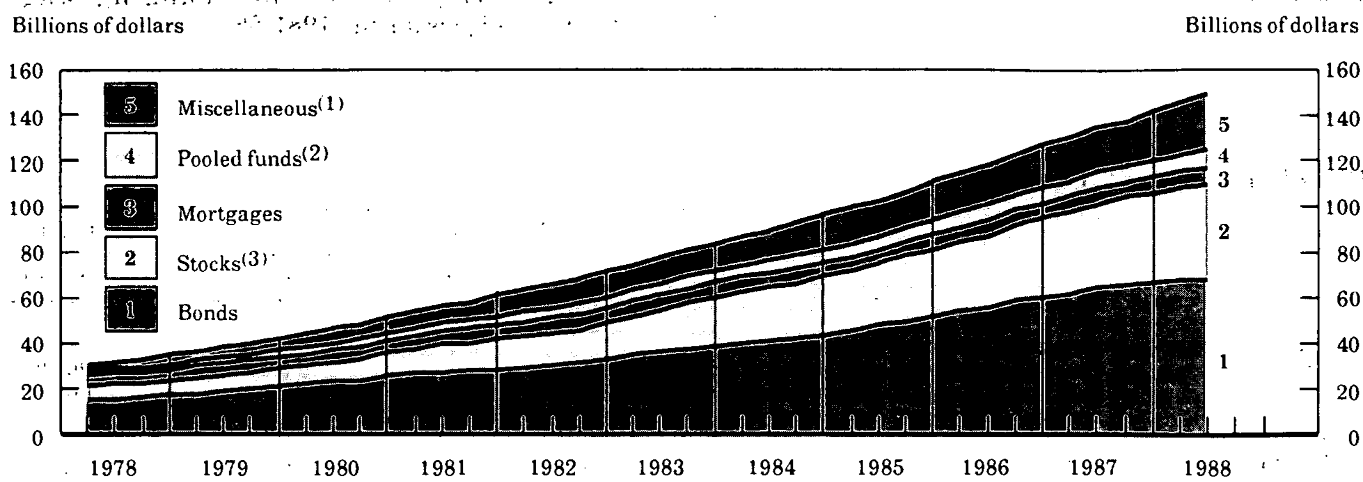
For more information on the economy, order the November issue of *Canadian Economic Observer* (11-010, $20/$200), available the week of November 14. See "How to Order Publications". This issue also includes two feature articles on the components of personal saving and on the changing wage distribution of jobs during 1981-86.

Canadian Leading Indicators

	Percentage Change			Level
	June	July	August	August
Composite Leading Indicator (1971 = 100)				
Smoothed	0.8	0.6	0.4	201.3
Unsmoothed	1.8	-1.4	0.1	201.1
Retail Trade				
Furniture and appliance sales	-0.1	0.2	0.2	143,770 [4]
New motor vehicle sales	-0.3	0.5	0.2	822,434 [4]
Residential construction index[1]	1.5	1.0	0.9	121.3
Manufacturing				
New orders – durable	0.6	-0.7	-0.7	3,852 [5]
Shipment to inventory ratio – (finished goods[2])	0.00	-0.01	-0.01	1.80
Average workweek (hours)	-0.1	-0.1	0.0	38.7
Percentage change in price per unit labour cost[2]	0.10	0.06	0.02	0.60
United States composite leading index (1967 = 100)	0.2	0.2	0.2	192.4
TSE 300 stock price index (excluding oil and gas)	1.0	1.3	0.8	3,170
Money supply (M1) ($1971)[3]	0.0	0.2	0.2	11,071 [5]

1 *Composite index of housing starts (units), building permits (constant dollars) and mortgage loan approvals (numbers).*
2 *Difference from previous month.*
3 *Deflated by the consumer price index for all items.*
4 *Thousands of 1971 dollars.*
5 *Millions of 1971 dollars.*

Quarterly Estimates of Assets Held by Trusteed Pension Funds, 1978 - 1988



(1) Includes cash, deposits, short-term securities, some accruals and receivables, real estate and lease-backs.
(2) Includes pooled funds of trust companies and of investment counsellors, mutual and investment funds, segregated and deposit administration funds.
(3) Includes venture capital investments since the third quarter of 1986.

Trusteed Pension Funds

Second Quarter 1988

Assets

- The book value of assets held in trusteed pension funds at the end of the second quarter of 1988[1] was estimated at $149.1 billion, up 2.2% from the previous quarter and 10.6% from the amount held one year earlier. Both the quarterly and the annual growth rates were among the lowest recorded since the early 1970s. Year-to-year increases, at June 30, reached a high of 21.1% in 1980 and have been generally decreasing since that time.

[1] *Based on a survey of 222 funds, which constitute approximately 6% of all trusteed pension funds and hold over 86% of the total assets.*

- Bonds and stocks continued to be the two major forms of investment, accounting for 46% and 27% of the total assets respectively. Cash, deposits, short-term securities plus some accruals and receivables represented 14% of the total; mortgage holdings accounted for another 5%. The remaining assets were divided between such investment vehicles as real estate and pooled, mutual and segregated funds.

An examination of the growth in assets from the first to the second quarter reveals that:

- Cash and short-term holdings[2] accounted for 39% of this growth when this proportion rarely exceeds 25%.

[2] *Includes cash, deposits, short-term securities plus some accruals and receivables.*

(continued on page 5)

- Bonds accounted for only 23% of the growth, the lowest proportion recorded since 1981.

- Stocks accounted for 28%, up considerably from the low of 7.6% recorded in the final quarter of 1987.

Income and Expenditures

- Total income of trusteed pension funds in the second quarter of 1988 was estimated to be $5.3 billion, 5.6% lower than that of the same quarter of 1987. Expenditures, estimated at $1.9 billion, were almost 14% higher than those of the previous year. The net cash flow or new money entering the funds ($3.3 billion) declined by over 14% relative to that of the same period of 1987, the largest decrease since the survey began in 1970. This decline in net cash flow explains the relatively small growth in assets in the second quarter.

- The decrease in income is attributable to a 52% reduction in profit on the sale of securities relative to the same quarter of the previous year. This profit amounted to $627 million or 12% of the total income for the second quarter of 1988, down from $1,314 million (24% of the total) for the same period of 1987. This decrease in profit indicates the continuing effect of the October 1987 drop in the price of stocks, and was accompanied by a 12-fold increase in losses incurred on the sale of securities.

- Each of the three other major components of income recorded an increase relative to the same quarter of 1987: employer contributions (3.6%), employee contributions (7.5%) and investment income (11.1%). Investment income continued to represent the largest source of income (56%), while the combined contributions of employers and employees accounted for 32%.

Available on CANSIM: matrix 5749.

The second quarter 1988 issue of *Quarterly Estimates of Trusteed Pension Funds* (74-001, $10/$40) will be available in December. See "How to Order Publications".

For more detailed information about the data, contact Jessica Dunn (613-951-4034) or Diane Galarneau (613-951-4038), Pensions Section, Labour Division.

Data Availability Announcements

Steel Ingots

Week Ending October 29, 1988

Preliminary estimates indicate that Canadian steel ingot production for the week ending October 29, 1988 totalled 303 838 tonnes, a decrease of 3.0% from the preceding week's total of 313 125 tonnes but up 0.1% from the year-earlier level of 303 390 tonnes. The cumulative total in 1988 was 12 155 647 tonnes, a decrease of 0.1% from 12 170 853 tonnes for the same period in 1987.

For more detailed information on this release, contact Greg Milsom (613-951-9827), Industry Division.

Shipments of Solid Fuel-burning Heating Products

Third Quarter 1988

Shipments of solid fuel-burning heating products totalled \$22.6 million for the third quarter of 1988, an increase of 4.6% from the 21.6^r (r: revised figure) million shipped during the third quarter of 1987.

Year-to-date shipments of solid fuel-burning heating products totalled \$44.9^r million, a decrease of 1.3% from the \$45.5^r million shipped during the same period in 1987.

Manufacturers' shipments of Canadian-made solid fuel-burning heating products are now available, as are data on the number of units shipped.

The 1988 issue of *Shipments of Solid Fuel-burning Heating Products* (25-002, \$3/\$12) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Bruno Pépin (613-951-3522), Industry Division.

Footwear Statistics

September 1988

Canadian manufacturers produced 3,077,318 pairs of footwear in September 1988, a decrease of 18.9% from the 3,794,186 pairs (revised figure) produced a year earlier.

Year-to-date production for January to September 1988 totalled 26,480,291 pairs of footwear, down 12.1% from 30,128,406 pairs (revised figure) produced during the same period in 1987.

Available on CANSIM: matrix 8.

The September 1988 issue of *Footwear Statistics* (33-002, \$4.50/\$45) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Don Grant (613-951-3510), Industry Division.

Electric Storage Batteries

September 1988

Canadian manufacturers of electric storage batteries sold 413,580 automotive replacement batteries in September 1988, an increase of 6.5% from 388,394 batteries sold the same month a year earlier.

Cumulative sales from January to September 1988 amounted to 1,935,026 automotive replacement batteries, up 14.9% from 1,684,333 for the same period in 1987. Information on sales of other types of storage batteries is also available.

The September 1988 issue of *Factory Sales of Electric Storage Batteries* (43-005, \$4.50/\$45) will be available at a later date. See "How to order Publications".

For more detailed information on this release, contact J.-P. Beauparlant (613-951-3526), Industry Division.

Gypsum Products
September 1988

Manufacturers shipped 27 884 thousand square metres of plain gypsum wallboard in September 1988, down 5.3% from the 29 443 thousand square metres shipped in September 1987 but up 4.2% from the 26 771 thousand square metres shipped in August 1988.

Year-to-date shipments were 232 320 thousand square metres, a decrease of 8.3% from the January to September 1987 period.

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

The September 1988 issue of *Gypsum Products* (44-003, $4.50/$45) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Sharon McLinton (613-951-3527), Industry Division.

Domestic and International Shipping
1987

Preliminary statistics on domestic and international shipping in 1987 will be published in the *Surface and Marine Transport Service Bulletin*, Vol. 4, No. 7 (50-002, $8.50/$85), available at the end of November 1988.

For more detailed information on this release, contact Andrea Mathieson (613-951-0291), Transportation Division.

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Publications Released

Canned and Frozen Fruits and Vegetables, August 1988. **Catalogue number 32-011**
(Canada: $4.50/$45; Other Countries: $5.50/$55).

Production of Selected Biscuits, Quarter Ended September 1988. **Catalogue number 32-026**
(Canada: $6.25/$25; Other Countries: $7.25/$29).

Department Store Monthly Sales, by Province and Metropolitan Area, August 1988.
Catalogue number 63-004
(Canada: $2.50/$25; Other Countries: $3.50/$35).

Exports by Commodity (H.S. Based), August 1988. **Catalogue number 65-004**
(Canada: $50/$500; Other Countries: $60/$600).

Labour Force Information, October 1988.
Catalogue number 71-001P
(Canada: $5.50/$55; Other Countries: $6.50/$65).
Available November 4th at 7:00 a.m.

How to Order Publications

Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-951-7276.

Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).

Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, or from authorized bookstore agents or other booksellers.

A national toll-free telephone order service is now in operation at Statistics Canada. The toll-free line (1-800-267-6677) can be used by Canadian customers for the ordering of Statistics Canada products and services.

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