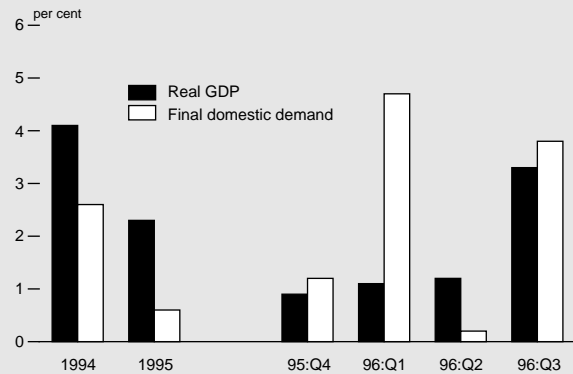


# Government of Canada Securities

A Publication of the Department of Finance

December 1996

## Real GDP, final domestic demand (annualized growth)



## Selected Canadian economic statistics

	1994	1995			1996		
		1995	Q4	Q1	Q2	Q3	
<b>Annualized growth rates</b>							
Real gross domestic product	4.1	2.3	0.9	1.1	1.2	3.3	
GDP excluding inventories	3.6	2.0	2.6	3.2	3.9	0.0	
Final domestic demand	2.6	0.6	1.2	4.7	0.2	3.8	
Employment	2.1	1.6	1.1	2.7	0.7	0.5	
<b>Other</b>							
Unemployment rate	10.4	9.5	9.4	9.5	9.6	9.7	
Current account balance (per cent of nominal GDP)	-3.0	-1.4	-0.2	-0.9	0.6	0.3	

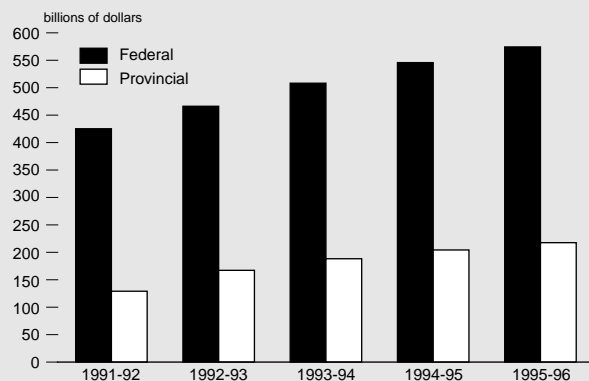
Source: Statistics Canada.

## International CPI inflation comparisons (year-over-year per cent change in CPI)

	Average annual growth					1995		1996									
	1991	1992	1993	1994	1995	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Canada	5.6	1.5	1.8	0.2	2.1	2.1	1.7	1.6	1.3	1.4	1.4	1.5	1.4	1.2	1.4	1.5	1.8
United States	4.3	3.0	3.0	2.6	2.8	2.6	2.5	2.7	2.7	2.8	2.9	2.9	2.8	3.0	2.9	3.0	3.0
Germany	3.5	5.1	4.5	2.7	1.8	1.7	1.8	1.5	1.6	1.7	1.5	1.7	1.4	1.6	1.4	1.5	1.5
Japan	3.3	1.7	1.3	0.7	-0.1	-0.7	-0.3	-0.4	-0.2	0.1	0.4	0.3	0.0	0.4	0.2	0.0	0.5

Sources: Statistics Canada, OECD, Department of Finance.

## Canadian public sector debt (stock at end of fiscal year)



## Representative Canadian interest rates

	1995		1996				
	1995	Q4	Q1	Q2	Q3	Oct	Nov
Bank rate	7.31	6.50	5.37	5.00	4.42	3.50	3.25
Chartered bank prime rate	8.65	7.75	7.00	6.50	5.92	5.00	4.75
3-month Treasury bills	7.05	6.18	5.12	4.72	4.09	3.17	2.73
10-year Canada bonds	8.08	7.39	7.39	7.75	7.37	6.47	6.05
30-year Canada bonds	8.41	7.85	7.95	8.17	7.88	7.12	6.75

## Canada-U.S. interest rate differentials

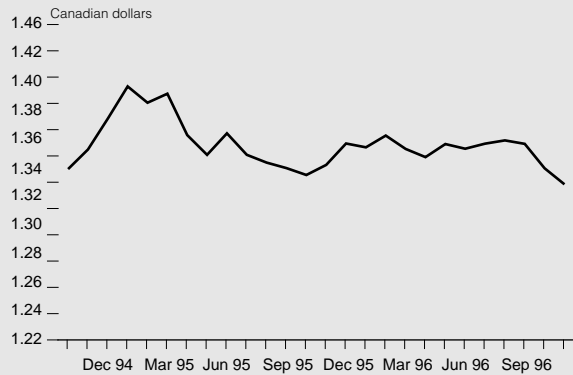
	1995		1996				
	1995	Q4	Q1	Q2	Q3	Oct	Nov
3-month Treasury bills	1.45	0.87	0.03	-0.45	-1.20	-2.01	-2.43
10-year Canada bonds	1.56	1.54	1.39	1.00	0.61	0.07	-0.07

Sources: Bank of Canada, Department of Finance.

# Government of Canada Securities

## Exchange rate

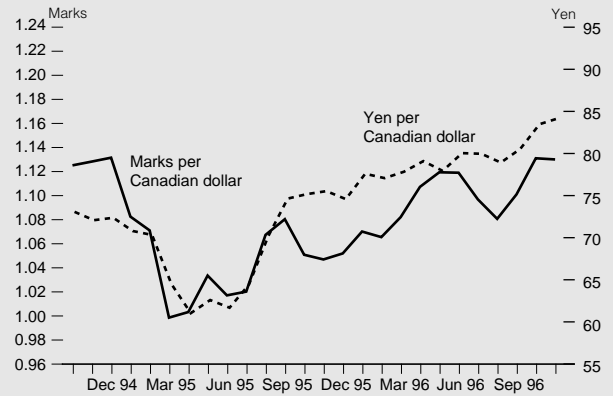
(Canadian dollars per U.S. dollar)



Source: Bank of Canada Review.

## Exchange rates

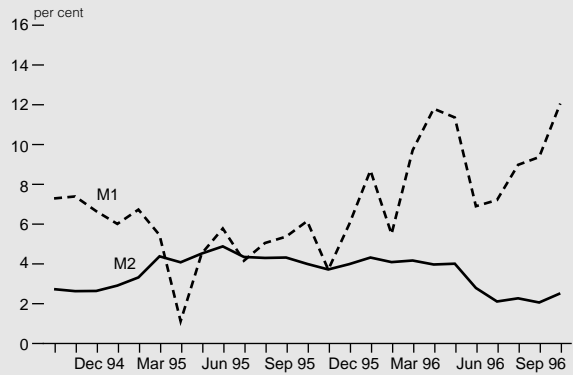
(Marks and Yen per Canadian dollar)



Source: Bank of Canada Review.

## Canadian monetary aggregates

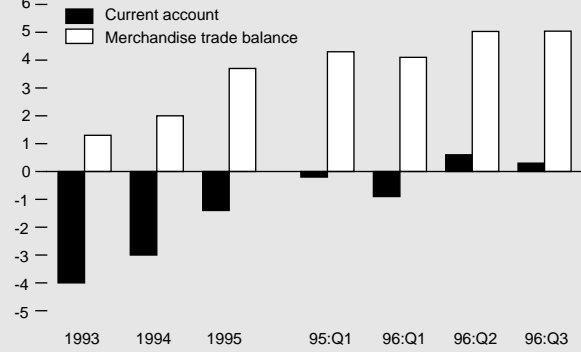
(year-over-year percentage growth)



Source: Bank of Canada Review.

## Canada's current account balance and merchandise trade balance

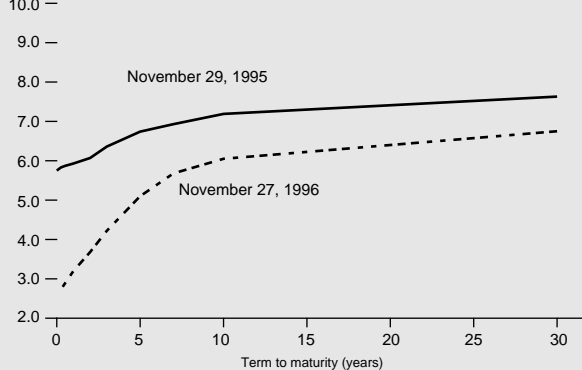
per cent of nominal GDP



Source: Statistics Canada.

## Canadian yield curve

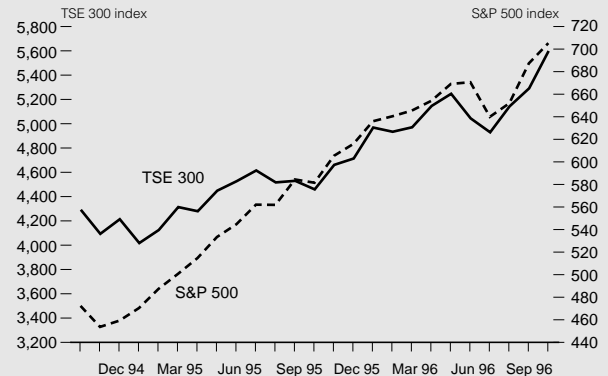
per cent



Sources: Bank of Canada Review, Department of Finance.

## Stock market averages

(Canada and the U.S.)



Source: Bank of Canada Review.

# Government of Canada Securities

## Upcoming dates of interest

Fourth quarter national accounts release – February 28, 1997

### Government of Canada bond market benchmarks, December 4, 1996

Term	Maturity	Coupon	Amount outstanding	Yield Dec 4/96
		(%)	(millions of dollars)	(%)
<b>Fixed coupon:</b>				
2-year	Sep 15/98	6.25	6,000	3.86
3-year	Aug 1/99	6.50	5,600	4.39
5-year	Sep 1/01	7.00	10,600	5.25
10-year	Dec 1/06	7.00	9,100	6.20
30-year	Jun 1/25	9.00	8,900	6.89
<b>Real return:</b>				
30-year	Dec 1/21	4.25	5,175	4.02

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

### Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1997)	Further details of issue (1997)	Dated and delivered (1997)	Amount maturing (millions of dollars)
3-year auction*	Jan 8	Jan 3	Jan 15	—
30-year auction*	Jan 22	Jan 16	Feb 3	—
10-year auction*	Feb 12	Feb 6	Feb 17	—
5-year auction*	Feb 26	Feb 20	Mar 3	3,400
RRB auction**	Mar 5	Feb 27	Mar 12	—
2-year auction*	Mar 12	Mar 6	Mar 17	4,800

\*Quarterly issue.

\*\*Single-price auction format.

### Recent Government of Canada bond auction results

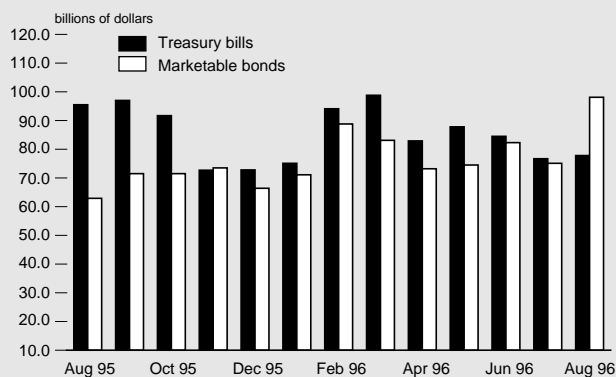
Auction date	Term (years)	Maturity date	Coupon rate (%)	Issue amount (millions of dollars)	Auction coverage
Sep 18/96	10	Jun 1/07	7.25	2,400	2.3
Oct 2/96	3	Feb 1/00	5.50	2,800	2.4
Oct 23/96	30	Jun 1/27	8.00	1,500	2.4
Nov 6/96	10	Jun 1/07	7.25	2,400	2.4
Nov 20/96	5	Sep 1/01	7.00	2,700	2.4
Nov 27/96	30	Dec 1/26	4.25*	400	2.5
Dec 4/96	2	Mar 15/99	4.00	3,000	2.2

Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*Real Return Bonds.

Source: Department of Finance.

### Government of Canada Treasury bills and bonds (market trading, average of Wednesdays)



Source: Bank of Canada Review.

### Outstanding Government of Canada Treasury bills, bonds (by term to maturity), and Canada Savings Bonds (as of November 27, 1996)

Treasury bills	Marketable bonds					Total	Canada Savings Bonds	Total
	0 – 2 years	2 – 5 years	5 – 10 years	10 – 20 years	20 – 30 years			
143.5	13.3	85.7	89.7	45.7	37.2	271.6	33.6	448.8

(billions of dollars)

Sources: Bank of Canada, Department of Finance.

### Government of Canada long-term credit ratings (as of November 29, 1996)

Moody's Investor Service: Aa1 (Canadian dollar debt)  
Aa2 (Foreign currency debt)

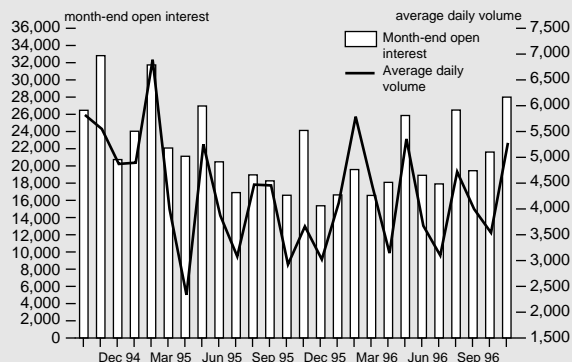
Dominion Bond Rating Service: AAA (Canadian dollar debt)  
AA (high) (Foreign currency debt)

Standard & Poor's: AAA (Canadian dollar debt)  
AA+ (Foreign currency debt)

Canadian Bond Rating Service: AA+

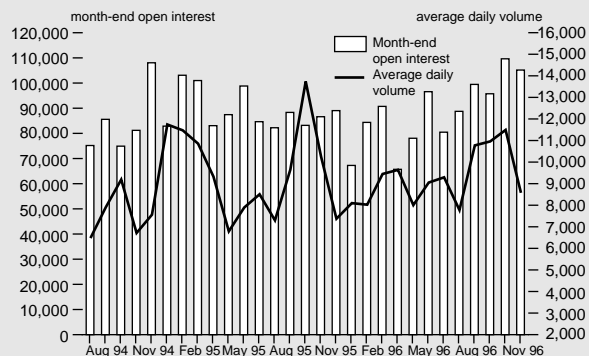
# Government of Canada Securities

## Ten-year Government of Canada bond futures



Source: The Montreal Exchange.

## Three-month Bankers Acceptance futures



Source: The Montreal Exchange.

## Government of Canada budgetary deficit

	(billions of dollars)
1993-94 fiscal year	42.0
1994-95 fiscal year	37.5
1995-96 fiscal year	28.6
1996-97 fiscal year (Economic & Fiscal Update: October 9, 1996)	24.3
1997-98 fiscal year (Economic & Fiscal Update: October 9, 1996)	17.0

Source: Department of Finance.

## Government of Canada marketable debt issues (April 1, 1996 to December 2, 1996)

	Treasury bills	Marketable bonds
	(billions of dollars)	
Gross issues	223.1	39.0
Maturities	247.2	17.9
Net issues	-24.1	21.1

Source: Department of Finance.

## Forthcoming Government of Canada marketable bond maturities

	(millions of dollars)
January to March 1997	8,200
April to June 1997	876
July to September 1997	9,600
October to December 1997	2,775
January to March 1998	14,722

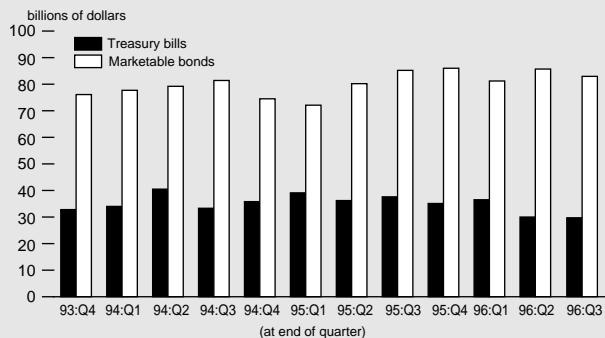
Source: Department of Finance.

## Outstanding Government of Canada/ U.S. dollar-denominated debt (as of November 30, 1996)

	(millions of U.S. dollars)
Canada bills	5,091
Canada notes	1,435
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	2,000
6½% notes maturing July 7, 1997	2,000
6½% bonds maturing May 30, 2000	1,500
6½% bonds maturing May 30, 2001	1,000
6½% bonds maturing July 21, 2005	1,500
6½% bonds maturing Aug 28, 2006	1,000

Source: Department of Finance.

## Foreign holdings of Government of Canada securities



Source: Statistics Canada.

## Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada Review.

Except as noted, the information in **Government of Canada Securities** is based upon data available as of November 29, 1996. For further information, contact Nigel Stephens at (613) 943-1944. Cet imprimé est également offert en français.

