

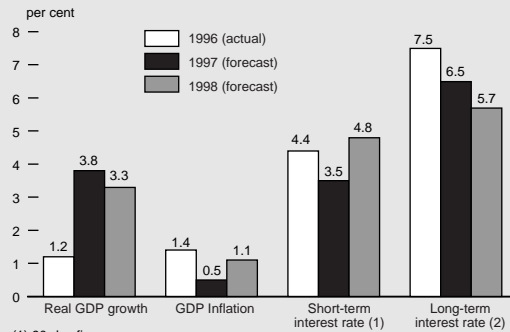
Government of Canada Securities

A Publication of the Department of Finance

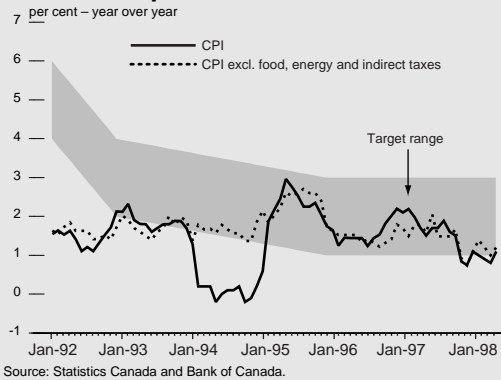
July 1998

Canadian Economy

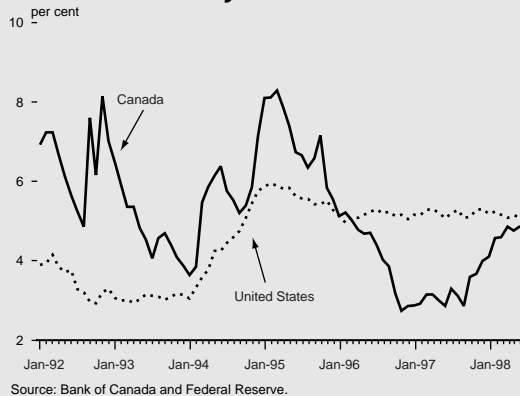
OECD economic forecast for Canada (June 1998)



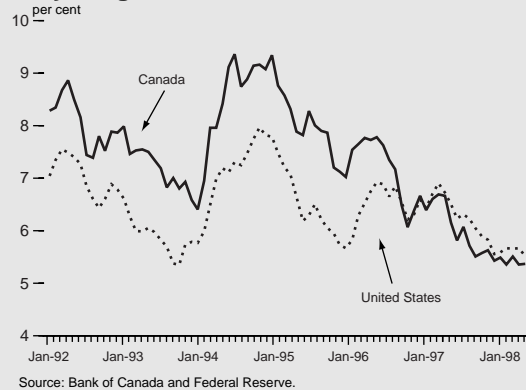
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

August	September	October
July Labour Force Survey (August 7)	August Labour Force Survey (September 4)	September Labour Force Survey (October 9)
July CPI (August 19)	August CPI (September 18)	September CPI (October 21)
1998 Q2 National Accounts (August 31)		

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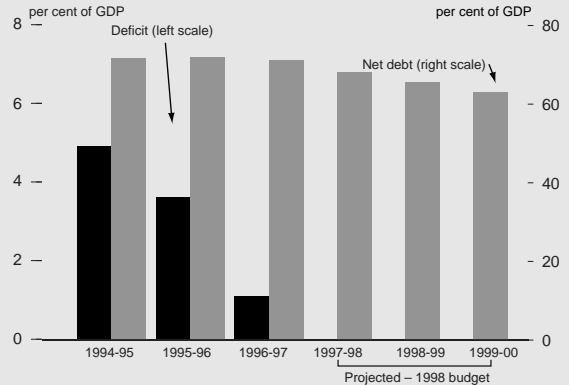
Canadian Economy

Selected Canadian economic statistics

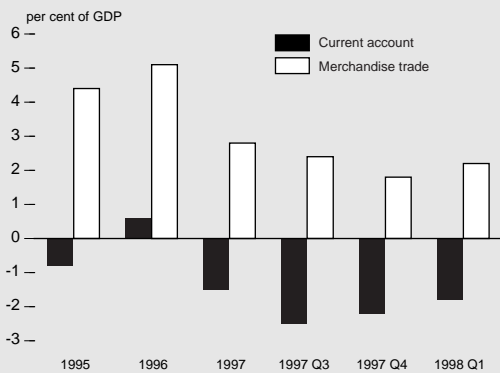
	1996	1997	1997		1998
			Q3	Q4	Q1
Annualized growth rates					
Real gross domestic product	1.2	3.7	4.3	2.8	3.7
GDP excluding inventories	2.1	2.9	3.4	1.4	4.4
Final domestic demand	2.0	4.5	5.8	1.5	1.2
Employment	1.3	1.9	3.3	2.5	3.0
Other					
Unemployment rate	9.7	9.2	9.0	8.9	8.6
Current account balance (per cent of nominal GDP)	0.6	-1.5	-2.5	-2.2	-1.8

Source: Statistics Canada.

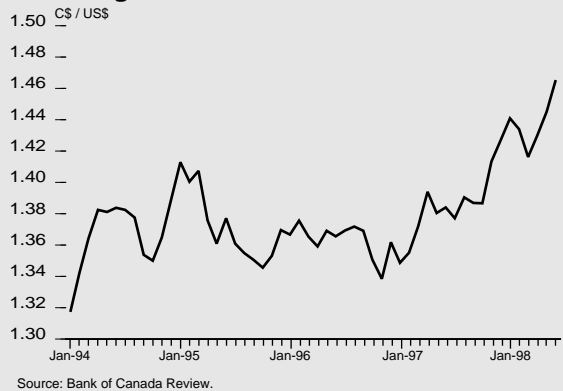
Government of Canada net debt and deficit



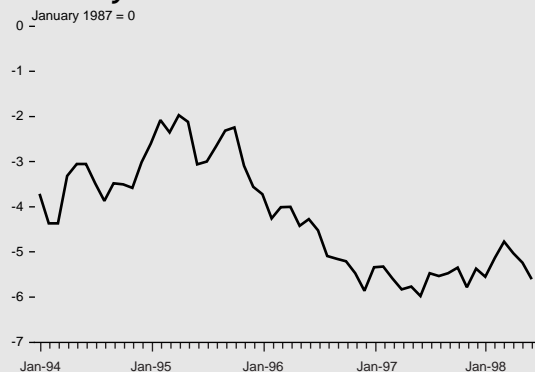
Canada's current account balance and merchandise trade balance



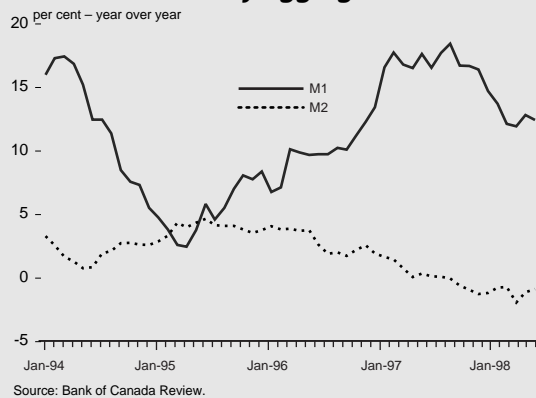
Exchange rate



Monetary conditions index



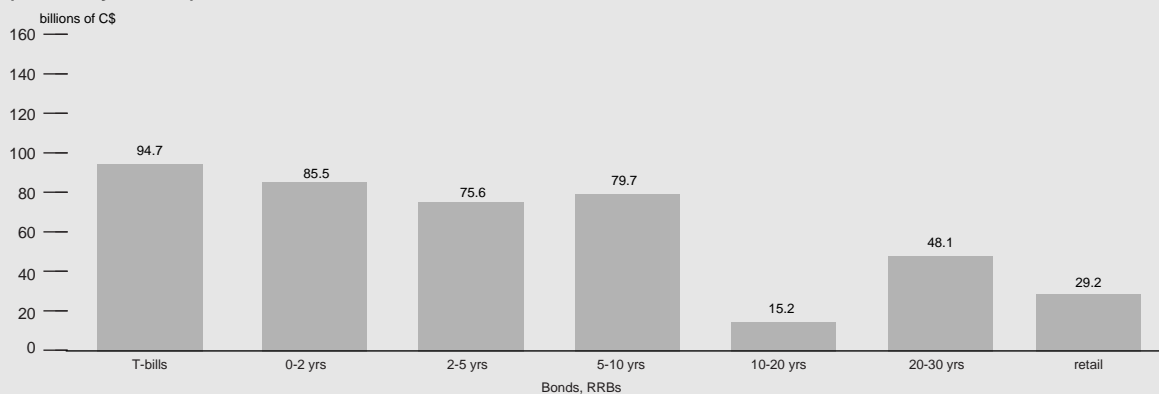
Canadian monetary aggregates



Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of July 8, 1998)



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(millions of dollars)		(%)		(basis points)
Apr 22/98	30	Jun 1/29	5.75	1,600	100.99	5.68	2.38	0.2
May 6/98	10	Jun 1/08	6.00	2,300	104.56	5.41	2.21	0.3
May 27/98	5	Sep 1/03	5.25	2,400	100.22	5.2	2.24	0.5
Jun 3/98	30	Dec 1/26	4.25*	400	105.81	3.91	2.64	n.a.
Jun 10/98	2	Dec 1/00	5.00	3,500	99.48	5.23	2.10	0.9

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

Tail is defined as the high accepted yield minus the average yield.

*Real Return Bonds.

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1998)	Further details of issue (1998)	Dated and delivered (1998)	Amount maturing
				(millions of dollars)
30-year auction	--	--	--	--
10-year auction	August 12	August 6	August 17	--
5-year auction	August 26	August 20	September 1	6,800
RRB auction*	September 2	August 27	September 8	--
2-year auction	September 9	September 3	September 15	6,000

*Single-price auction format.

Government of Canada Securities

Primary Market

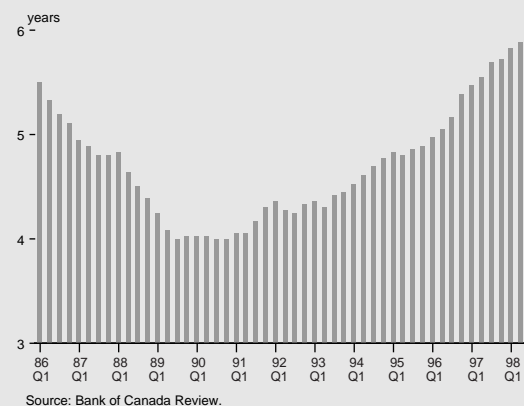
Government of Canada bond market benchmarks (July 8, 1998)

Term	Maturity	Coupon	Amount outstanding	Yield Apr. 08/98
		(%)	(millions of dollars)	(%)
Fixed coupon				
2-year	Mar 15/00	5.00	7,000	5.10
5-year	Sep 1/02	5.50	10,200	5.18
10-year	Jun 1/08	6.00	9,200	5.25
30-year	Jun 1/27	8.00	9,600	5.45
Real return				
30-year	Dec1/26	4.25	4,450	3.85

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

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

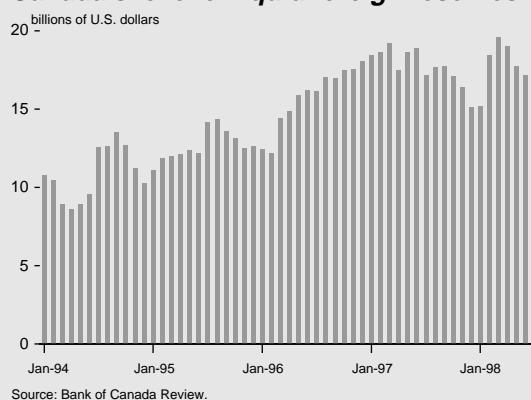
July-September 1998	October-December 1998	January-March 1999	April-June 1999	July-September 1999
(millions of dollars)				
12,800	10,475	12,700	0	21,100

Outstanding Government of Canada / Foreign-currency debt (as of June 30, 1998)

	(millions)
Canada Bills	US\$5,513
Canada Notes	US\$573
Outstanding under EMTN program	US\$1,090
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	US\$2,000
6 1/2% US\$ bonds maturing May 30, 2000	US\$1,500
6 1/2% US\$ bonds maturing May 30, 2001	US\$1,000
6 1/8% US\$ bonds maturing July 15, 2002	US\$1,000
5 5/8% US\$ bonds maturing February 19, 2003	US\$2,000
6 3/8% US\$ bonds maturing July 21, 2005	US\$1,500
6 3/4% US\$ bonds maturing August 28, 2006	US\$1,000
6 5/8% NZ\$ bonds maturing October 3, 2007	US\$319

Source: Department of Finance.

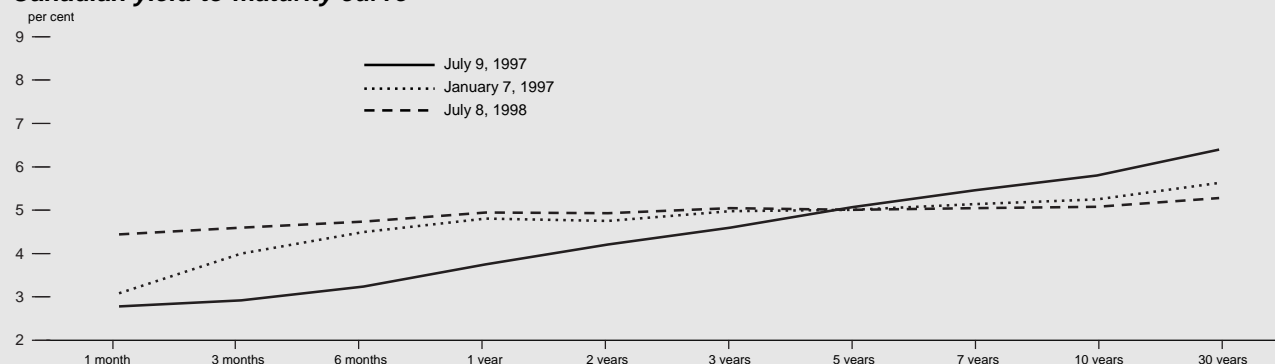
Canada's level of liquid foreign reserves



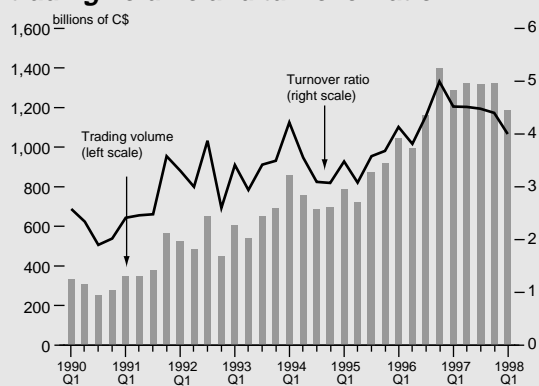
Government of Canada Securities

Secondary Market

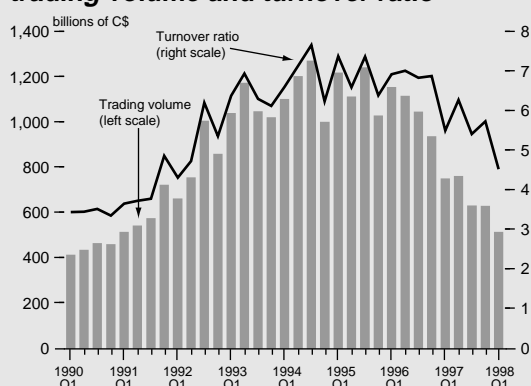
Canadian yield-to-maturity curve



Government of Canada bonds trading volume and turnover ratio



Government of Canada Treasury bills trading volume and turnover ratio



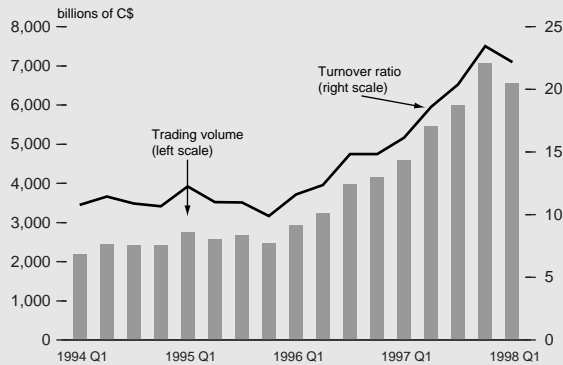
Primary Distributors

- Bank of America Canada
- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BLC Securities Inc.
- La Caisse centrale Desjardins
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC Wood Gundy Securities Inc. (marketable bonds only)
- CTI Capital Inc.
- Deutsche Morgan Grenfell Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- Hongkong Bank of Canada
- Lévesque Beaubien Geoffrion Inc.
- Merrill Lynch Canada Inc.
- Midland Walwyn Capital Inc.
- J.P. Morgan Securities Canada Inc.
- Morgan Stanley Canada Limited
- Nesbitt Burns Inc. (marketable bonds only)
- Odlum Brown Limited
- C.M. Oliver & Company Limited
- RBC Dominion Securities Inc.
- Salomon Smith Barney Canada Inc.
- ScotiaMcLeod Inc.
- Société Générale Valeurs Mobilières Inc.
- Tassé & Associates, Limited
- The Toronto-Dominion Bank
- Whalen, Béliveau & Associates Inc.

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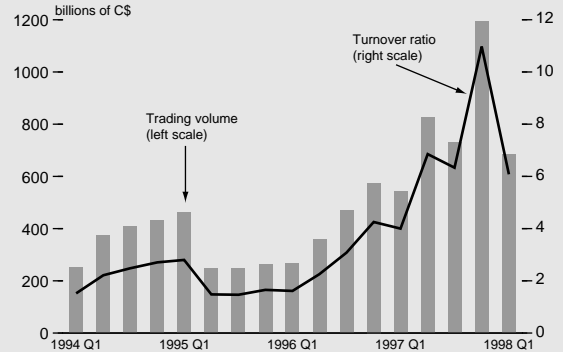
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



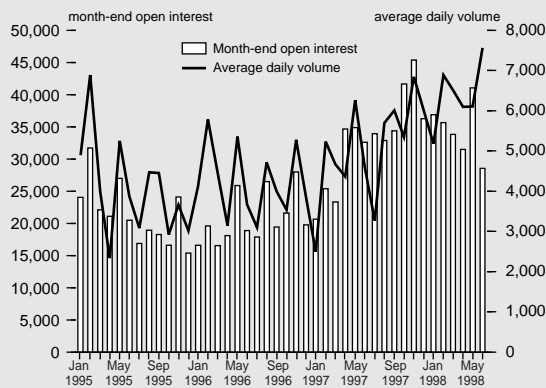
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bill repos trading volume and turnover ratio



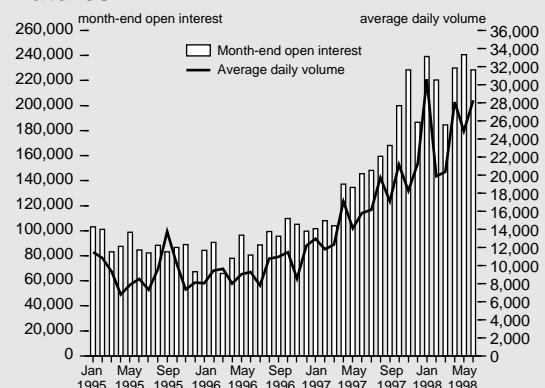
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings (as of July 15, 1998)

	Standard and Poor's Current	Moody's Investor Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
Domestic Debt	AAA	Aa1	AA+	AAA
- Trend	Stable	-	Stable	Stable
Foreign Debt	AA+	Aa2	AA+	AA(high)
- Trend	Stable	-	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>

Except as noted, the information in **Government of Canada Securities** is based upon data available as of June 30, 1998.
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