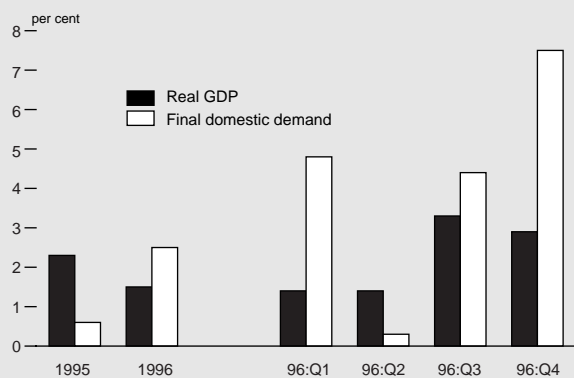


# Government of Canada Securities

A Publication of the Department of Finance

March 1997

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



## Selected Canadian economic statistics

	1995	1996	1996			
			Q1	Q2	Q3	Q4
<b>Annualized growth rates</b>						
Real gross domestic product	2.3	1.5	1.4	1.4	3.3	2.9
GDP excluding inventories	2.0	2.3	3.2	3.9	0.6	0.3
Final domestic demand	0.6	2.5	4.8	0.3	4.4	7.5
Employment	1.6	1.3	2.7	0.6	0.6	1.4
<b>Other</b>						
Unemployment rate	9.5	9.7	9.5	9.6	9.8	9.9
Current account balance (per cent of nominal GDP)	-1.4	-0.2	-0.7	0.5	0.1	-0.8

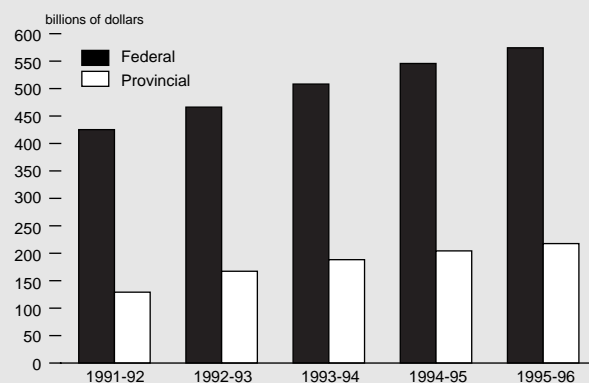
Source: Statistics Canada.

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

	Average annual growth					1996												1997
	1992	1993	1994	1995	1996	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Canada	1.5	1.8	0.2	2.1	1.6	1.3	1.4	1.4	1.5	1.4	1.2	1.4	1.5	1.8	2.0	2.2	2.2	
United States	3.0	3.0	2.6	2.8	2.9	2.7	2.8	2.9	2.9	2.8	3.0	2.9	3.0	3.0	3.3	3.3	3.0	
Germany	5.1	4.5	2.7	1.8	1.5	1.6	1.7	1.5	1.7	1.4	1.6	1.4	1.5	1.5	1.4	1.4	1.8	
Japan	1.7	1.3	0.7	-0.1	0.1	-0.2	0.1	0.4	0.3	0.0	0.4	0.2	0.0	0.5	0.5	0.6	0.6	

Sources: Statistics Canada, OECD, Department of Finance.

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



## Representative Canadian interest rates

	1996	1996				1997	
		Q1	Q2	Q3	Q4	Jan	Feb
Bank rate	4.53	5.37	5.00	4.42	3.33	3.25	3.25
Chartered bank prime rate	6.06	7.00	6.50	5.92	4.83	4.75	4.75
3-month Treasury bills	4.21	5.12	4.72	4.09	2.92	2.87	2.91
10-year Canada bonds	7.20	7.39	7.75	7.37	6.30	6.65	6.38
30-year Canada bonds	7.75	7.95	8.17	7.88	6.99	7.38	7.08

## Canada-U.S. interest rate differentials

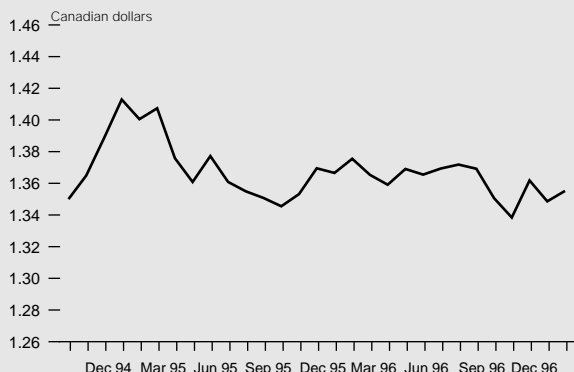
	1996	1996				1997	
		Q1	Q2	Q3	Q4	Jan	Feb
3-month Treasury bills	-0.96	0.03	-0.45	-1.20	-2.21	-2.33	-2.23
10-year Canada bonds	0.75	1.39	1.00	0.61	0.01	0.03	-0.15

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

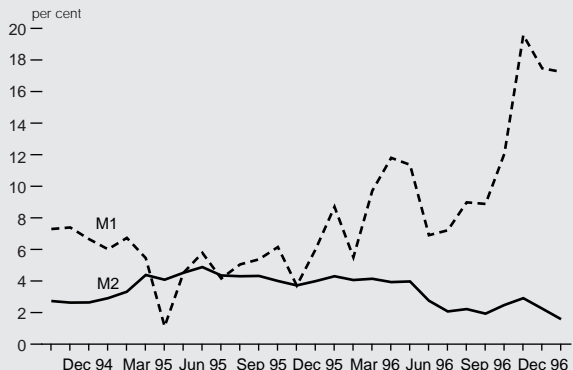
(Marks and Yen per Canadian dollar)



Source: Bank of Canada Review.

## Canadian monetary aggregates

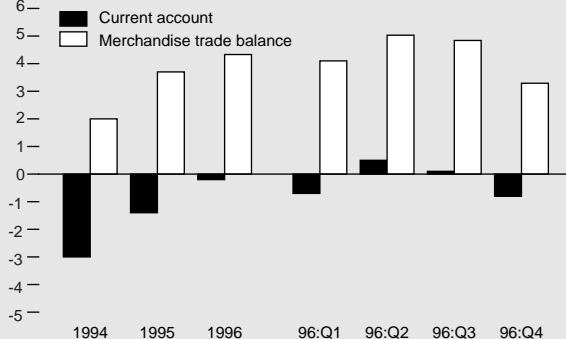
(year-over-year percentage growth)



Source: Bank of Canada Review.

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

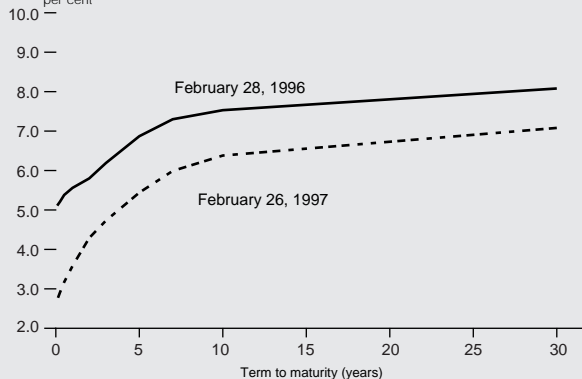
(per cent of nominal GDP)



Source: Statistics Canada.

## Canadian yield curve

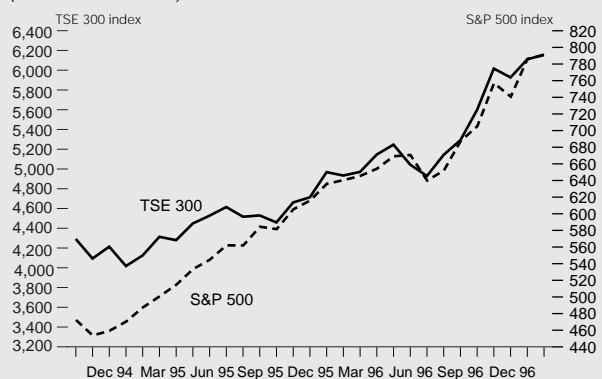
(per cent)



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

First quarter national accounts release – June 2, 1997

### Government of Canada bond market benchmarks, March 5, 1997

Term	Maturity	Coupon	Amount outstanding	Yield Mar 5/97
<b>Fixed coupon</b>		(%)	(millions of dollars)	(%)
2-year	Sep 15/98	6.25	6,000	4.09
3-year	Feb 1/00	5.50	5,500	4.87
5-year	Sep 1/01	7.00	10,600	5.52
10-year	Dec 1/06	7.00	9,100	6.43
30-year	Jun 1/25	9.00	8,900	7.10
<b>Real return</b>				
30-year	Dec 1/21	4.25	5,175	4.11

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)
30-year auction*	April 23	April 17	May 1	—
10-year auction*	May 7	May 1	May 15	876
5-year auction*	May 28	May 22	June 2	—
RRB auction**	June 4	May 29	June 9	—
2-year auction*	June 11	June 5	June 16	—

\*Quarterly issue.

\*\*Single-price auction format.

### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Auction coverage
	(years)	(%)		(millions of dollars)	
Jan 8/97	3	Feb 1/00	5.50	2,700	2.3
Jan 22/97	30	Jun 1/27	8.00	1,300	2.3
Feb 12/97	10	Jun 1/07	7.25	2,300	2.2
Feb 26/97	5	Sep 1/02	5.50	2,700	2.2
Mar 5/97	30	Dec 1/26	4.25*	500	2.1
Mar 12/97	2	Mar 15/99	4.00	3,000	2.2

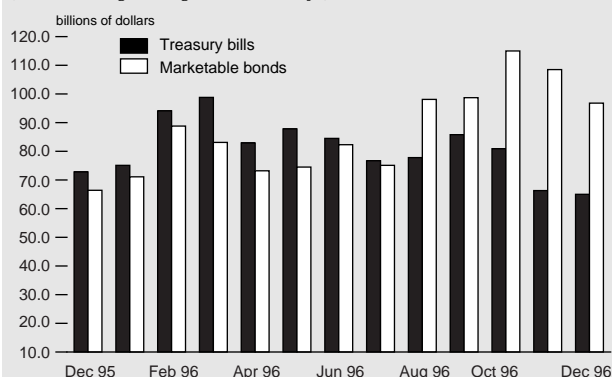
Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*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 February 26, 1997)

Treasury bills	Marketable bonds					Total	Canada Savings Bonds	Total
	0 – 2 years	2 – 5 years	5 – 10 years	10 – 20 years	20 – 30 years			
	(billions of dollars)							
128.8	13.3	91.4	92.4	48.0	38.9	284.0	33.1	445.9

Sources: Bank of Canada, Department of Finance.

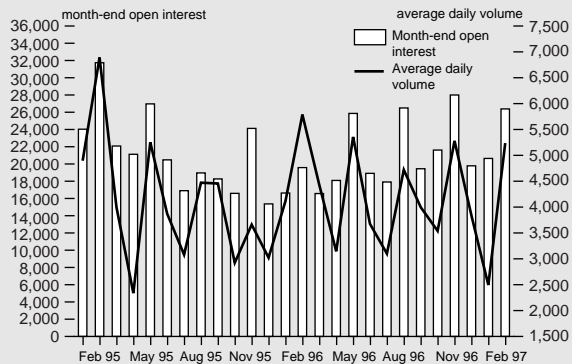
### Government of Canada long-term credit ratings (as of February 28, 1997)

Moody's Investor Service: Aa1 (Canadian dollar debt)      Dominion Bond Rating Service: AAA (Canadian dollar debt)  
 Aa2 (Foreign currency debt)      AA (high) (Foreign currency debt)

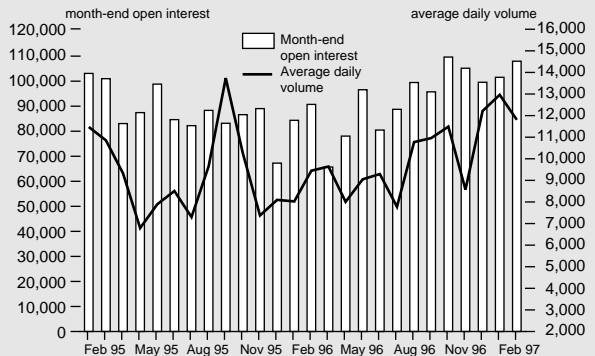
Standard & Poor's: AAA (Canadian dollar debt)      Canadian Bond Rating Service: AA+  
 AA+ (Foreign currency debt)

# Government of Canada Securities

## Ten-year Government of Canada bond futures



## Three-month bankers acceptance futures



## Government of Canada budgetary deficit

	(billions of dollars)
1994-95 fiscal year	37.5
1995-96 fiscal year	28.6
1996-97 fiscal year (Budget: February 18, 1997)	19.0
1997-98 fiscal year (Budget: February 18, 1997)	17.0
1998-99 fiscal year (Budget: February 18, 1997)	9.0

Source: Department of Finance.

## Government of Canada marketable debt issues (April 1, 1996 to February 28, 1997)

	Treasury bills	Marketable bonds
	(billions of dollars)	
Gross issues	287.8	48.3
Maturities	325.5	17.9
Net issues	-37.7	30.4

Source: Department of Finance.

## Forthcoming Government of Canada marketable bond maturities

	(millions of dollars)
April to June 1997	876
July to September 1997	9,600
October to December 1997	2,775
January to March 1998	14,722
April to June 1998	0

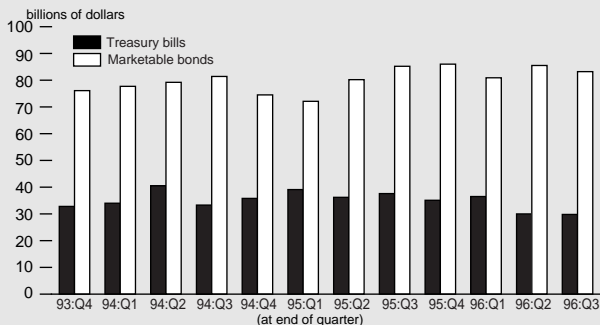
Source: Department of Finance.

## Outstanding Government of Canada/ U.S. dollar-denominated debt (as of February 28, 1997)

	(millions of U.S. dollars)
Canada Bills	5,194
Canada Notes	1,640
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



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



Except as noted, the information in **Government of Canada Securities** is based upon data available as of February 28, 1997. For further information, contact Nigel Stephens at (613) 943-1944. Cet imprimé est également offert en français.

