

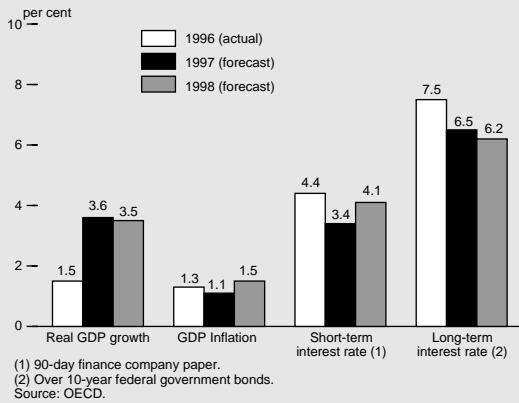
Government of Canada Securities

A Publication of the Department of Finance

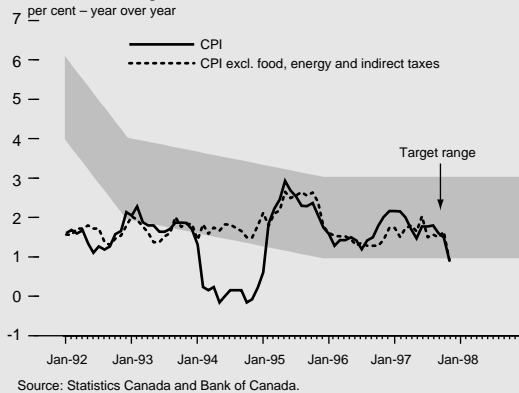
January 1998

Canadian Economy

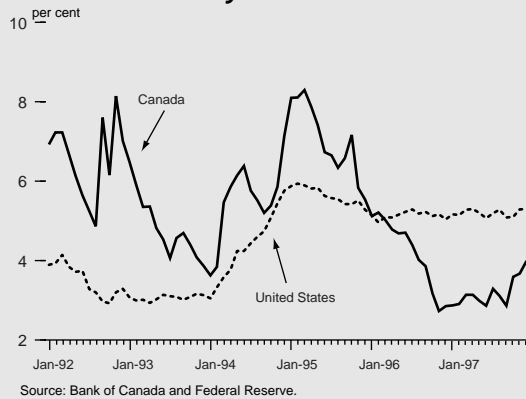
OECD economic forecast for Canada (December 1997)



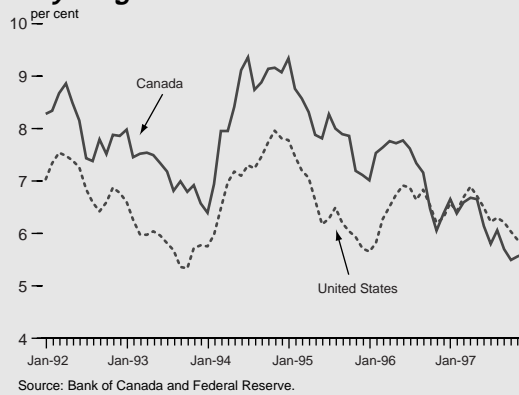
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

February

January Labour Force Survey
(February 6)

January CPI
(February 27)

March

1997 Q4 National Accounts
(March 2)

February Labour Force Survey
(March 13)

February CPI
(March 24)

April

March Labour Force Survey
(April 9)

March CPI
(April 21)

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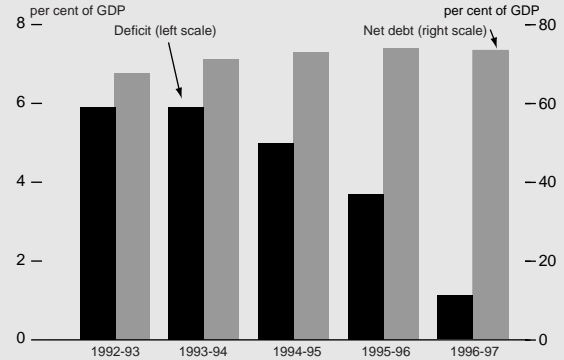
Canadian Economy

Selected Canadian economic statistics

	1995	1996	1996		1997	
			Q4	Q1	Q2	Q3
Annualized growth rates						
Real gross domestic product	2.2	1.2	2.4	4.1	5.4	4.1
GDP excluding inventories	1.6	2.1	-1.0	7.0	2.5	3.6
Final domestic demand	0.4	2.0	7.2	3.9	4.4	5.9
Employment	1.6	1.3	1.4	1.1	3.7	3.3
Other						
Unemployment rate	9.5	9.7	9.9	9.6	9.4	9.0
Current account balance (per cent of nominal GDP)	-1.0	0.4	-0.3	-0.4	-1.7	-2.7

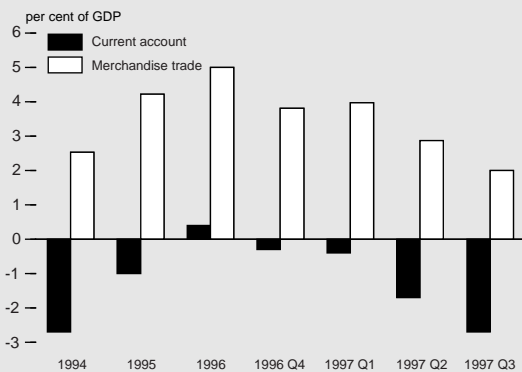
Source: Statistics Canada.

Government of Canada net debt and deficit

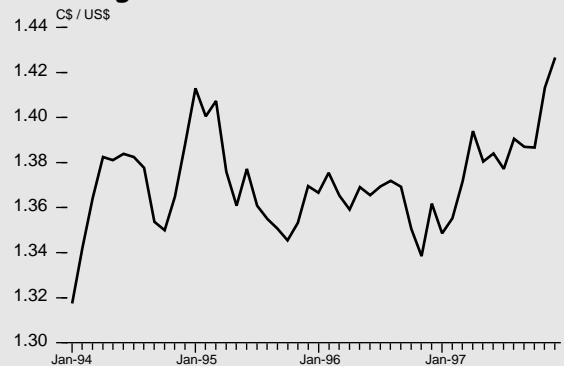


Source: Department of Finance.

Canada's current account balance and merchandise trade balance

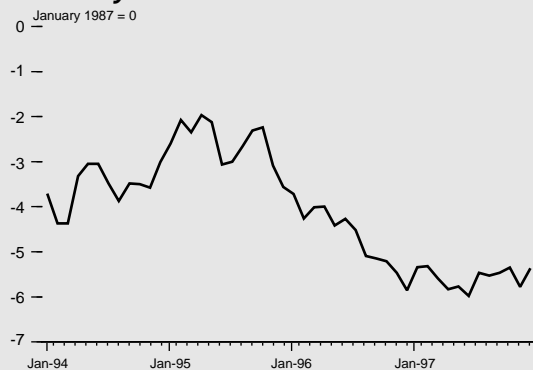


Exchange rate



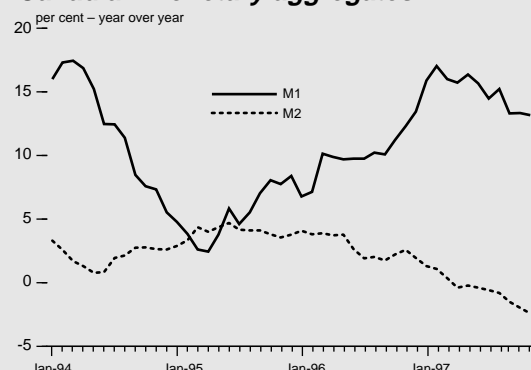
Source: Bank of Canada Review.

Monetary conditions index



Source: Bank of Canada.

Canadian monetary aggregates

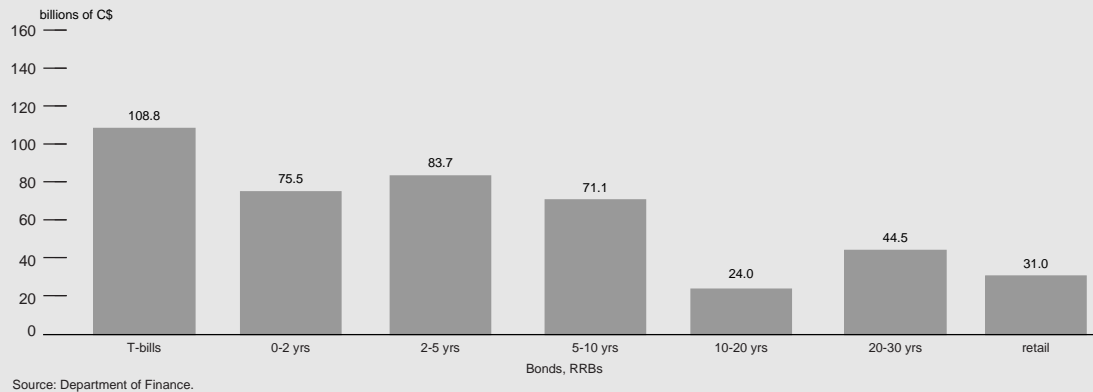


Source: Bank of Canada Review.

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of January 7, 1998)



Recent Government of Canada bond auction results

Auction date	Term (years)	Maturity date	Coupon rate (%)	Issue amount (millions of dollars)	Average price	Average yield (%)	Auction coverage	Tail (basis points)
Oct 29/97	30	Jun 1/27	8.00	1,200	125.99	6.09	2.36	0.4
Nov 5/97	10	Jun 1/08	6.00	2,300	102.86	5.64	2.33	0.9
Nov 26/97	5	Sep 1/02	5.50	2,400	101.56	5.12	2.27	0.2
Dec 03/97	30	Dec 1/26	4.25*	400	103.71	4.03	2.68	n.a.
Dec 10/97	2	Mar 15/00	5.00	3,500	99.94	5.03	2.20	0.5

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	January 28	January 22	February 2	6,600
10-year auction	February 11	February 5	February 16	—
5-year auction	February 18	February 12	March 2	—
RRB auction*	March 4	February 26	March 9	—
2-year auction	March 11	March 5	March 16	8,122

*Quarterly issue.

**Single-price auction format.

Government of Canada Securities

Primary Market

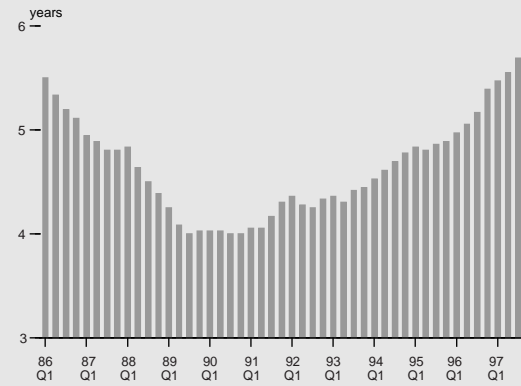
Government of Canada bond market benchmarks (January 14, 1998)

Term	Maturity	Coupon	Amount outstanding	Yield Jan. 14/98
		(%)	(millions of dollars)	(%)
Fixed coupon				
2-year	Sep 15/99	4.75	7,000	4.73
5-year	Sep 1/01	5.50	10,200	5.01
10-year	Jun 1/07	7.25	9,500	5.29
30-year	Jun 1/27	8.00	9,600	5.69
Real return				
30-year	Dec 1/21	4.25	5,175	4.06

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

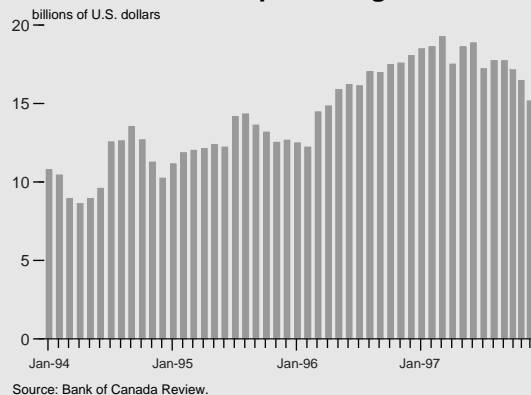
January-March 1998	April-June 1998	July-September 1998	October-December 1998	January-March 1999
(millions of dollars)				
14,722	0	12,800	10,475	12,700

Outstanding Government of Canada / Foreign-currency debt (as of December 31, 1997)

	(millions)
Canada Bills	US\$5,580
Canada Notes	US\$1,277
Outstanding under EMTN program	US\$474
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	US\$2,000
6% US\$ bonds maturing May 30, 2000	US\$1,500
6% US\$ bonds maturing May 30, 2001	US\$1,000
6% US\$ bonds maturing July 15, 2002	US\$1,000
6% US\$ bonds maturing July 21, 2005	US\$1,500
6% US\$ bonds maturing Aug 28, 2006	US\$1,000
6% NZ\$ bonds maturing Oct 3, 2007	US\$319

Source: Department of Finance.

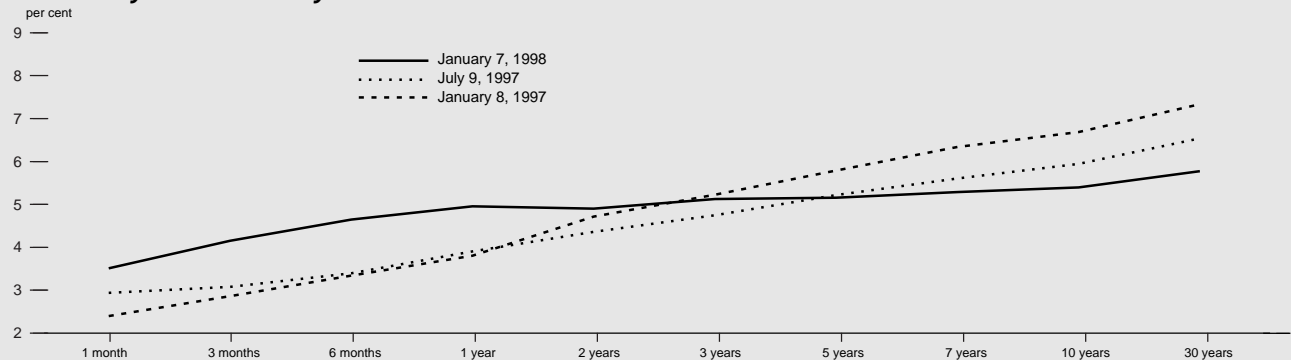
Canada's level of liquid foreign reserves



Government of Canada Securities

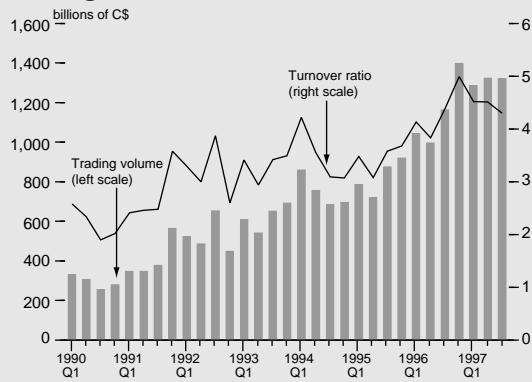
Secondary Market

Canadian yield-to-maturity curve



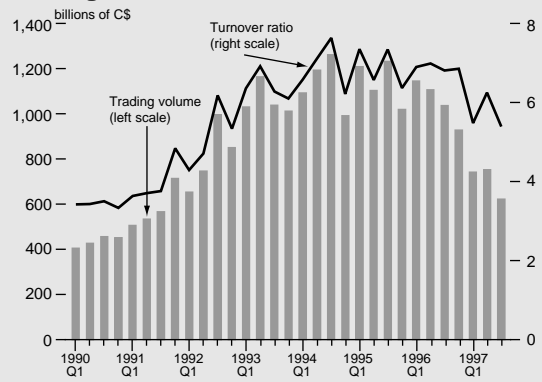
Source: Bank of Canada Review.

Government of Canada bonds 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 bills 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.

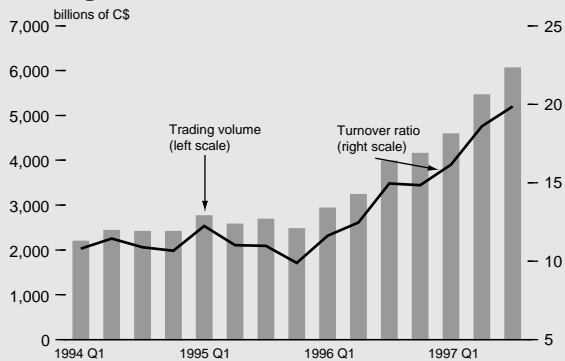
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- Whalen, Béliveau & Associates Inc.

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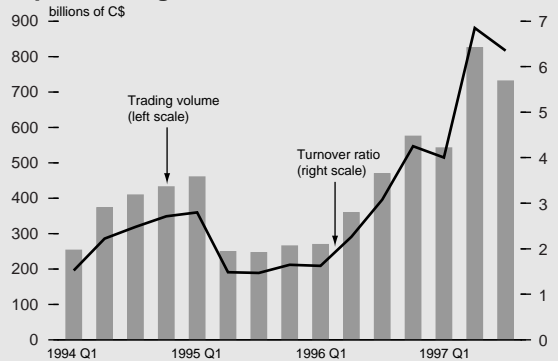
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



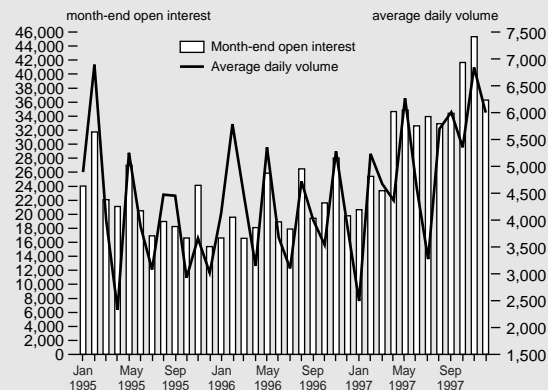
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bill repos trading volume and turnover ratio



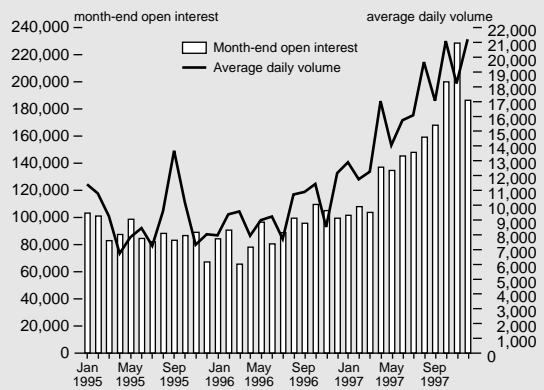
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

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 December 31, 1997)

	Standard and Poor's	Moody's Investor Service	Canadian Bond Rating Service	Dominion Bond Rating Service
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 December 31, 1997.

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