

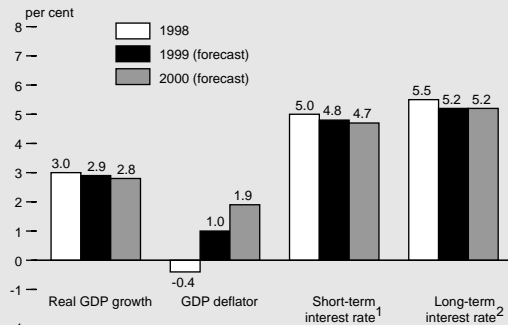
# Government of Canada Securities

A Publication of the Department of Finance

July 1999

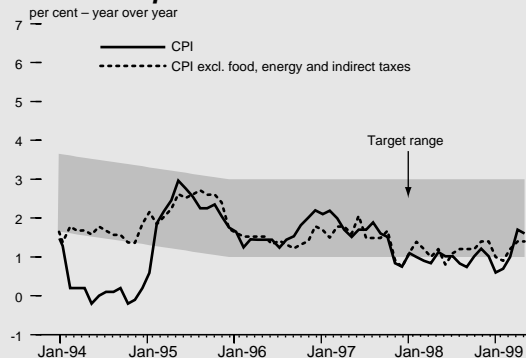
## Canadian Economy

### OECD economic forecast for Canada (June 1999)

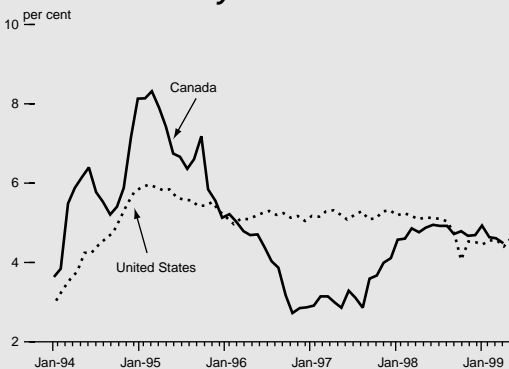


<sup>1</sup>90-day finance company paper.  
<sup>2</sup>Over 10-year federal government bonds.  
 Source: OECD.

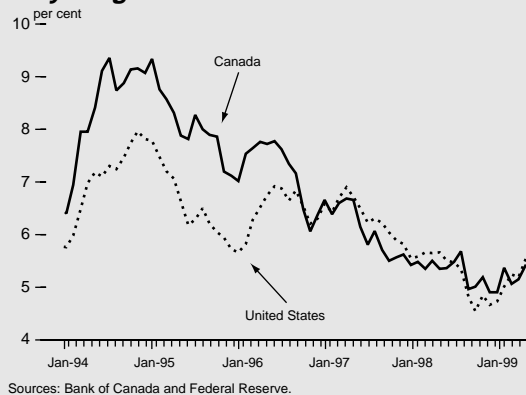
### Consumer price index



### 3-month Treasury bill rates



### 10-year government bond rates



### Upcoming economic data releases of interest

July	August	September
June Labour Force Survey (July 9)	July Labour Force Survey (August 6)	August Labour Force Survey (September 10)
June CPI (July 16)	July CPI (August 18)	August CPI (September 17)
	1999 Q2 National Accounts (August 31)	

# Government of Canada Securities

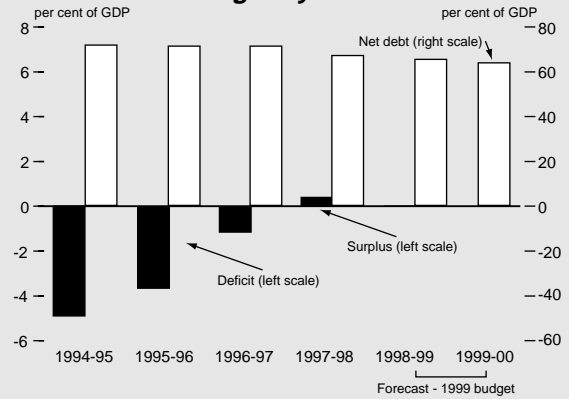
## Canadian Economy

### Selected Canadian economic statistics

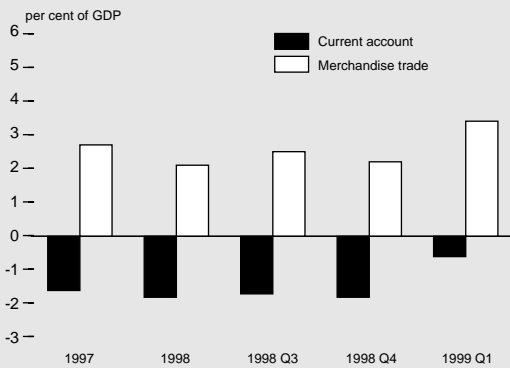
	1997	1998	1998		1999
			Q3	Q4	Q1
<b>Annualized growth rates</b>					
Real gross domestic product	4.0	3.1	2.6	4.8	4.2
GDP excluding inventories	3.2	3.6	7.4	1.3	5.4
Final domestic demand	4.9	2.7	0.5	1.4	4.4
Employment growth	1.9	2.8	1.9	5.1	3.7
<b>Other</b>					
Unemployment rate	9.2	8.3	8.3	8.0	7.8
Current account balance (per cent of GDP)	-1.6	-1.8	-1.7	-1.8	-0.6

Source: Statistics Canada.

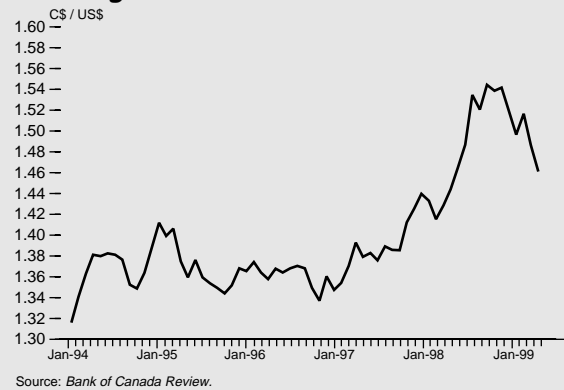
### Government of Canada net debt and budgetary balance



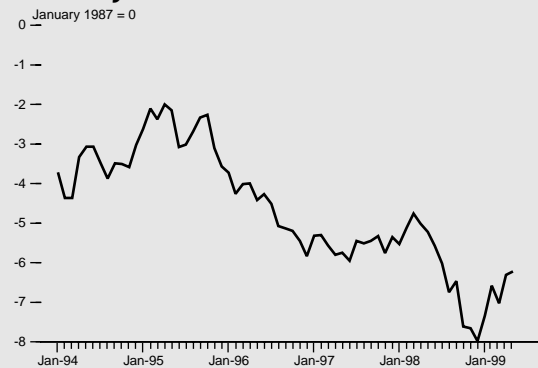
### Canada's current account balance and merchandise trade balance



### Exchange rate



### Monetary conditions index



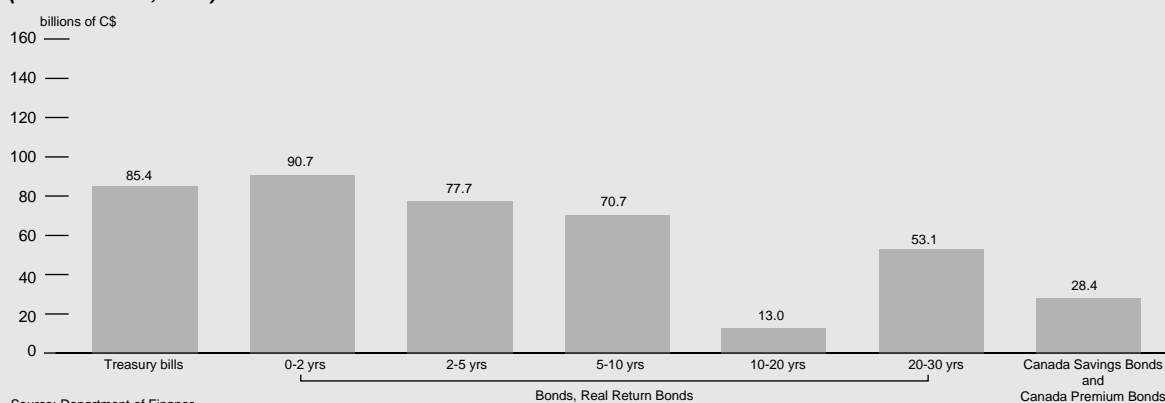
### Canadian monetary aggregates



# Government of Canada Securities

## Primary Market

### Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of June 17, 1999)



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail <sup>1</sup>
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 9, 1999	2	Dec. 1, 2001	5.25	3,500	99.509	5.467	2.42	0.7
June 2, 1999	30	Dec. 1, 2031	4*	300	98.567	4.08	3.57	n.a.
May 26, 1999	5	Sept. 1, 2004	5	2,750	98.117	5.415	2.36	0.5
May 12, 1999	10	June 1, 2009	5.5	2,500	101.322	5.328	2.47	0.6
Apr. 28, 1999	30	June 1, 2029	5.75	1,800	105.773	5.361	2.65	0.4

<sup>1</sup> 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 (1999)	Further details of issue (1999)	Dated and delivered (1999)	Amount maturing
				(millions of dollars)
10-year auction	July 28	July 22	Aug. 3	–
5-year auction	Aug. 11	Aug. 5	Aug. 16	–
RRB auction <sup>1</sup>	Sept. 1	Aug. 26	Sept. 7	0
2-year auction	Sept. 8	Sept. 2	Sept. 15	7,000

<sup>1</sup> Single-price auction format

Note: One repurchase operation of Government of Canada bonds is planned under the pilot bond repurchase program in the 10-year sector. Further details will be released on July 22, 1999.

# Government of Canada Securities

## Primary Market

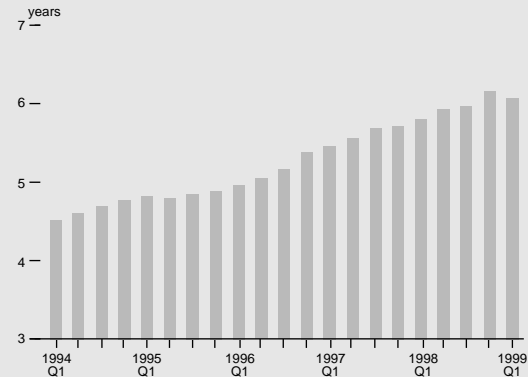
### Government of Canada bond market benchmarks (June 22, 1999)

Term	Maturity	Coupon	Amount outstanding	Yield June 22/99
		(%)	(millions of dollars)	(%)
<b>Fixed coupon</b>				
2-year	June 1, 2001	4.50	7,000	5.24
5-year	Sept. 1, 2003	5.25	9,700	5.49
10-year	June 1, 2008	6.00	9,200	5.59
30-year	June 1, 2027	8.00	9,600	5.71
<b>Real return</b>				
30-year	Dec. 1, 2026	4.25	5,250	4.05

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



Source: Bank of Canada Review.

### Forthcoming Government of Canada marketable bond maturities

July-September 1999	October-December 1999	January-March 2000	April-June 2000
(millions of dollars)			
21,100	3,752.5	20,050	1,575

### Outstanding Government of Canada foreign-currency debt (as of May 31, 1999)

	(US\$ millions)
Canada bills	5,351
Canada notes	831
Outstanding under EMTN program	3,329
6½% US\$ bonds maturing May 30, 2000	1,500
6½% US\$ bonds maturing May 30, 2001	1,000
6½% US\$ bonds maturing July 15, 2002	1,000
5½% US\$ bonds maturing Feb. 19, 2003	2,000
6½% US\$ bonds maturing July 21, 2005	1,500
6½% US\$ bonds maturing Aug. 28, 2006	1,000
6½% NZ\$ bonds maturing Oct. 3, 2007	319
4½% DM bonds maturing July 7, 2008	2,200
5½% US\$ bonds maturing Nov. 5, 2008	2,500

Source: Department of Finance.

### Canada's level of liquid foreign reserves

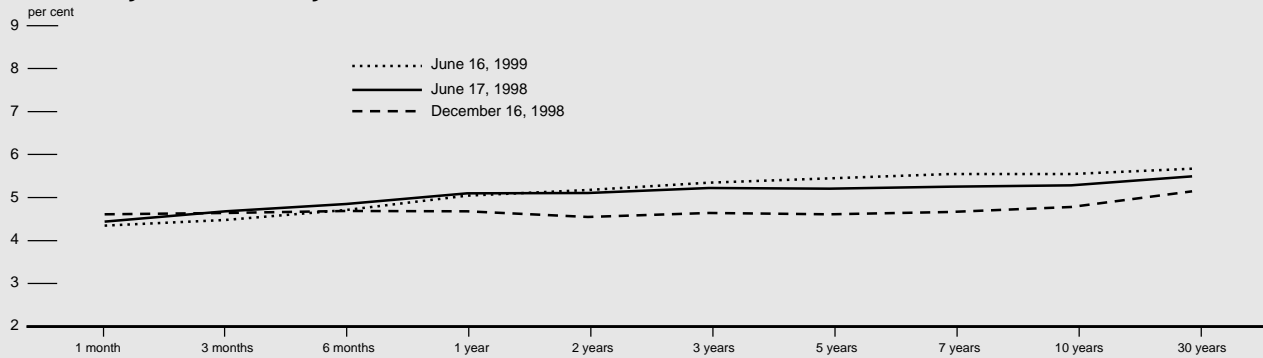


Source: Bank of Canada Review.

# Government of Canada Securities

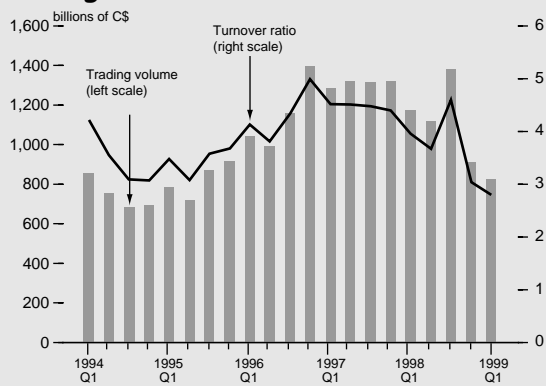
## Secondary Market

### Canadian yield-to-maturity curve



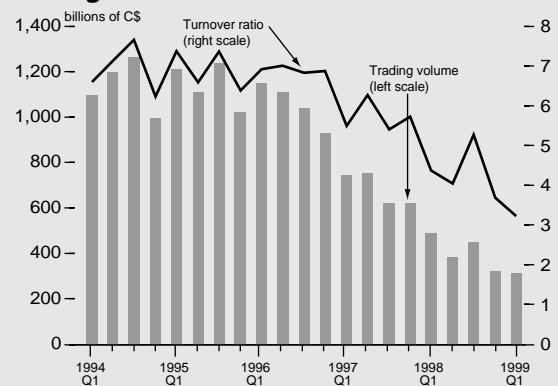
Source: Bank of Canada Review.

### 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.

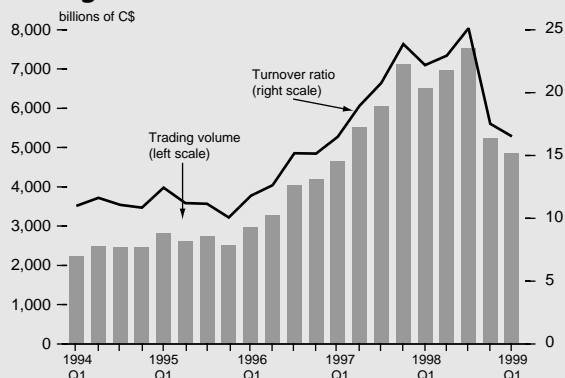
### Government Securities Distributors

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- BLC Securities Inc.
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- Salomon Smith Barney Canada Inc.
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- Whalen, Béliveau & Associates Inc.

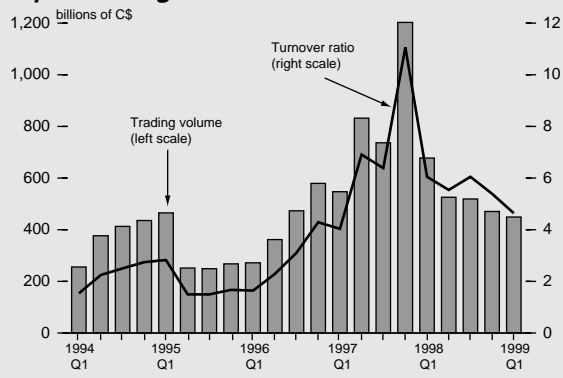
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## Secondary Market

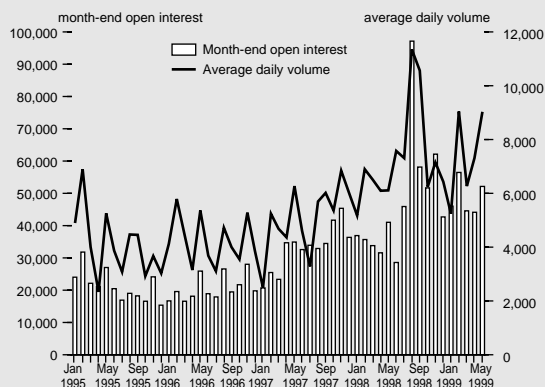
**Government of Canada bond repos trading volume and turnover ratio**



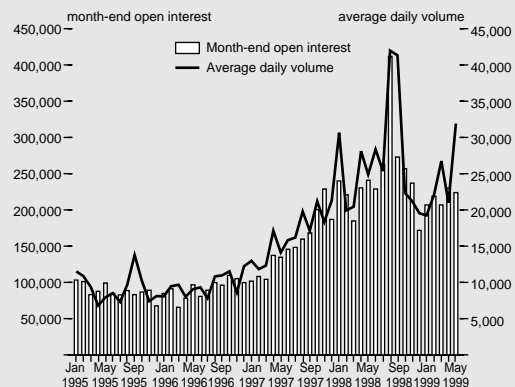
**Government of Canada Treasury bill repos trading volume and turnover ratio**



**10-year Government of Canada bond futures**



**3-month bankers acceptance futures**



### Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
<b>Domestic Debt</b>	<b>AAA</b>	<b>Aa1</b>	<b>AA+</b>	<b>AAA</b>
- Trend	Stable	-	Stable	Stable
<b>Foreign Debt</b>	<b>AA+</b>	<b>Aa2</b>	<b>AA+</b>	<b>AA(high)</b>
- 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 21, 1999.  
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