

Securities statistics, first quarter 2021

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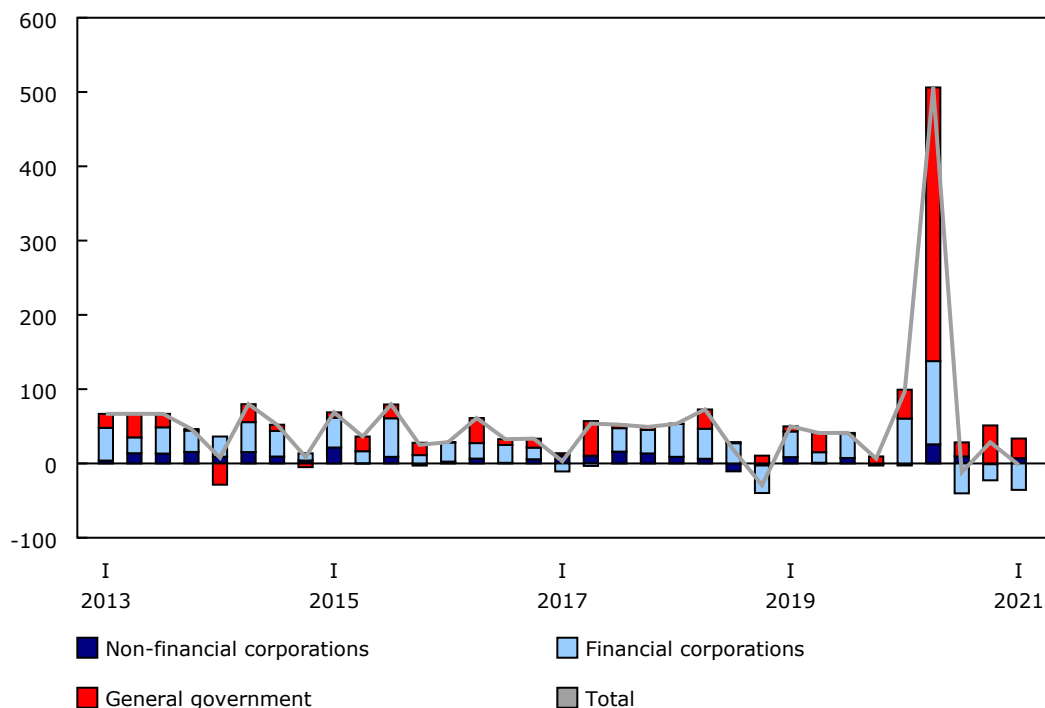
Canadian corporations and governments repaid more debt securities than they issued in the first quarter. Net retirements totalled \$2.1 billion in the quarter, following net issuances of \$28.5 billion in the previous quarter.

In comparison, Canadian corporations and governments issued a net \$619.3 billion of debt securities in 2020 and \$138.7 billion in 2019. The activity in the first quarter was led by net retirements of bonds of chartered banks. In addition, federal government borrowings in the form of debt securities slowed.

The total value of outstanding Canadian debt securities was \$4,966.8 billion at the end of the first quarter, down \$20.6 billion from the previous quarter. The downward revaluation of US dollar-denominated instruments due to the appreciation of the Canadian dollar was the main contributor to the decline. The Canadian dollar appreciated against major foreign currencies in the first quarter and reached its highest level compared with the US dollar in more than three years.

Chart 1
Canadian debt securities issues by sector, net issuances

billions of dollars



Note(s): Net issuances denote new issuances less retirements.

Source(s): Table 36-10-0602-01.



Federal government borrowing activities slow

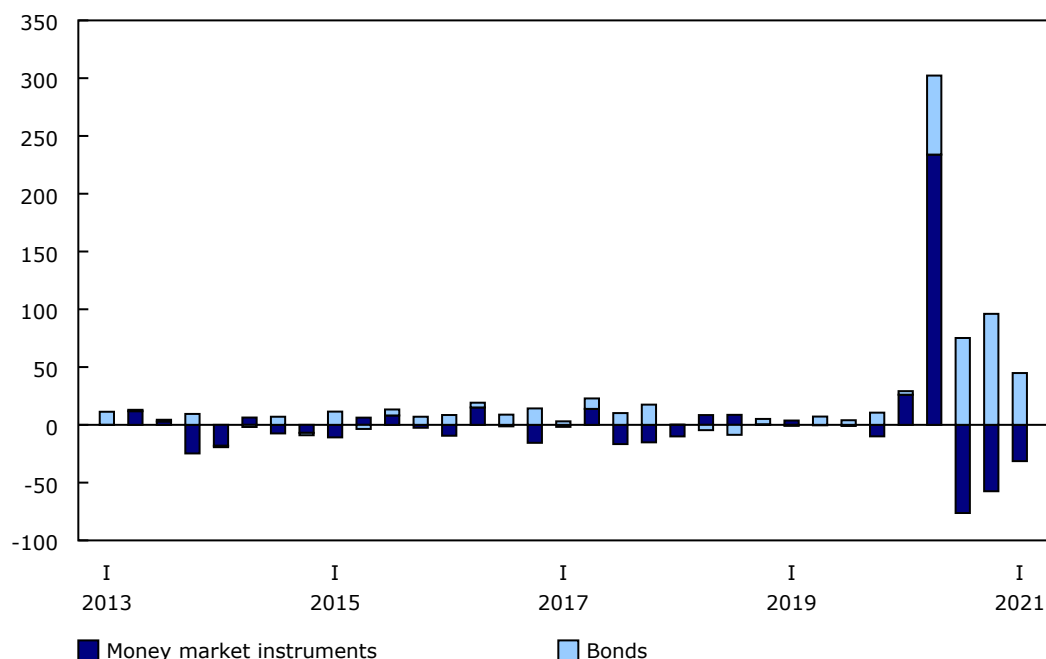
The federal government raised a net \$13.4 billion of funds in the form of debt securities in the first quarter, down considerably from the funds raised in the previous quarter (\$38.6 billion). Net borrowings in the form of bonds amounted to \$44.8 billion, while the federal government repaid a net \$31.4 billion worth of money market instruments. Canadian long-term interest rates were up by 85 basis points in the quarter, the largest increase since the second quarter of 1994, reflecting a surge in the cost to borrow funds.

The total value of outstanding federal government debt securities increased to \$1,126.6 billion at the end of the first quarter. However, the growth has slowed in recent quarters following the surge recorded in the second quarter of 2020, when borrowing needs were at their highest.

The composition of the federal government debt has also changed since June 2020, with a higher proportion in long-term debt securities. Bonds with an original maturity of more than 10 years accounted for 37.4% of the total debt securities at the end of the first quarter. This proportion was 30.4% at the end of June 2020. Meanwhile, 29.4% of all outstanding debt securities were to be repaid within one year or less, down from a share of 45.2% at the end of June 2020.

Chart 2
Debt securities issues by the federal government, net issuances

billions of dollars



Source(s): Table 36-10-0602-01.

Net retirements of debt securities by financial corporations

The value of outstanding debt securities of financial corporations was down by \$58.0 billion to \$2,100.1 billion at the end of the first quarter. Net retirements of \$35.6 billion accounted for the largest share of the reduction, led by retirements of covered bonds (bonds issued by chartered banks with residential mortgages as collaterals) for which issuances activity had intensified at the onset of the pandemic. The downward revaluations of instruments denominated in US dollars also contributed to the decline.

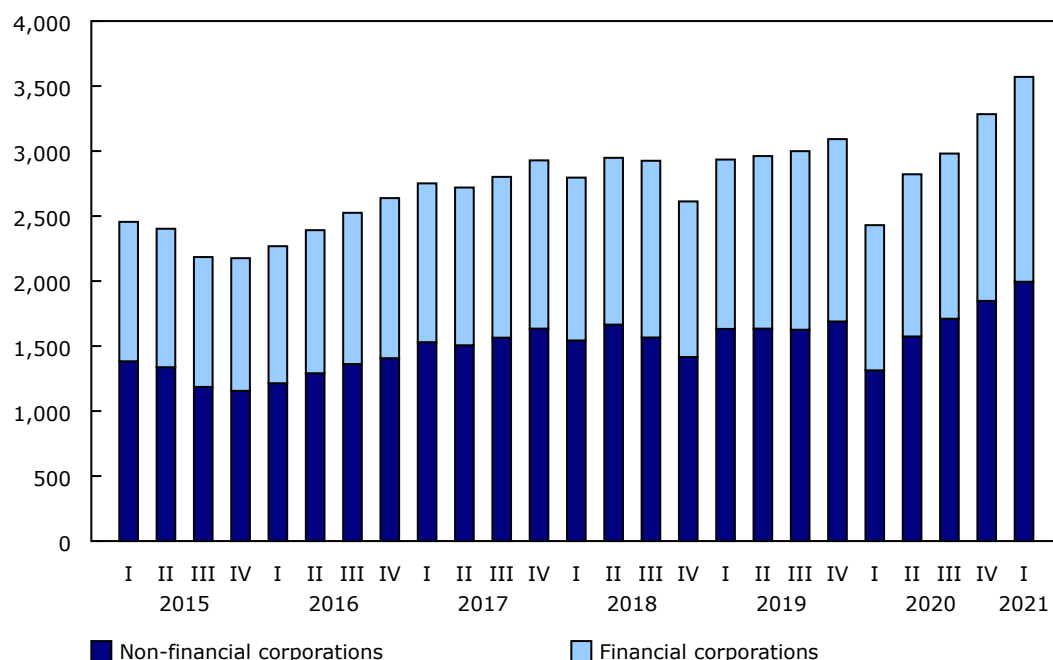
In contrast, non-financial corporations issued a net \$7.1 billion of debt securities in the quarter, led by firms in the utilities and information and cultural industries. The issuance activity was mainly for the purpose of debt repayments and refinancing in the context of low interest rates. The total value of non-financial corporations' outstanding debt securities was \$712.8 billion at the end of the first quarter.

The market value of Canadian equity securities continues to increase

Over the first quarter, Canadian corporations issued a net \$12.7 billion of equity securities. Non-financial corporations, led by firms in the information and cultural industry, contributed the most to the activity. Funds were raised over the quarter mainly to finance merger and acquisition activities.

Chart 3
Canadian equity securities issues by sector, stocks at market value

billions of dollars

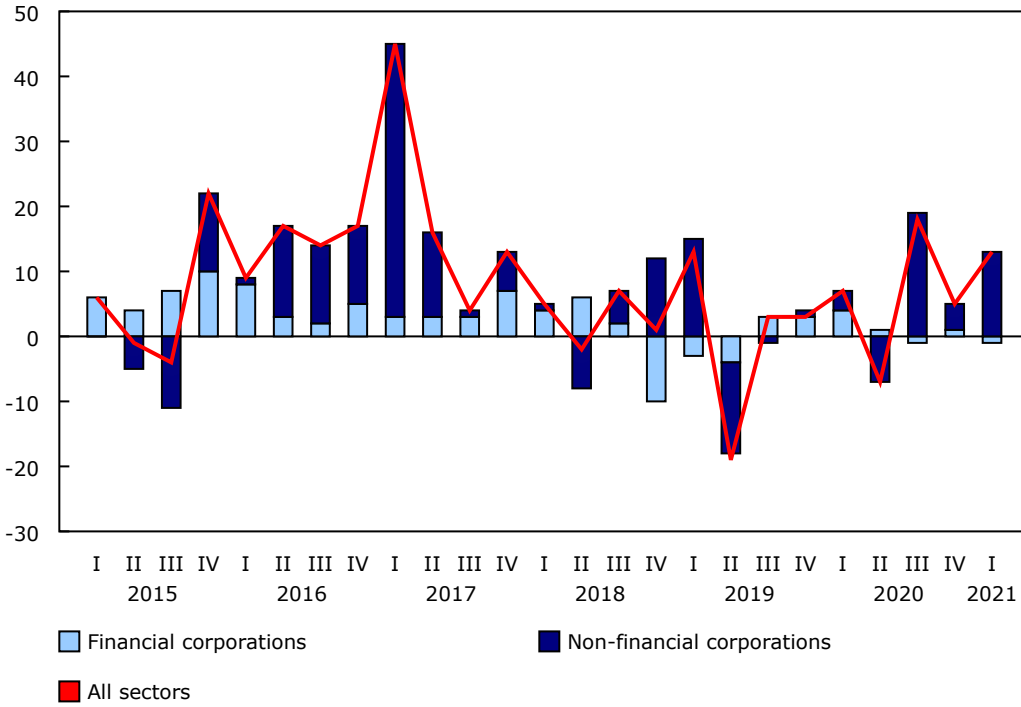


Source(s): Table 36-10-0622-01.

The total market value of outstanding Canadian-listed equity securities grew by \$286.7 billion to \$3,570.6 billion at the end of first quarter—a fourth consecutive significant quarterly increase. The Canadian equity market recovered strongly from the market turbulences observed in March and April 2020 related to the COVID-19 pandemic. Following a 21.6% plunge in the first quarter of 2020, Canadian share prices, as measured by the Standard and Poor's / Toronto Stock Exchange composite index, rose by 39.8% from April 2020 to March 2021.

Chart 4
Canadian equity securities issues by sector, net issuances

billions of dollars



Note(s): Net issuances denote new issuances less retirements.
Source(s): Table 36-10-0621-01.

Note to readers

In September 2015, the G20 Finance Ministers and Central Bank Governors launched the second phase of the G20 Data Gaps Initiative (DGI-2). The goal of the initiative is to ensure the financial sector, governments, businesses and citizens have the necessary information to monitor and react to the build-up of financial risk in the domestic and global economies.

The DGI-2 consists of 20 recommendations encouraging countries to compile and disseminate new or increasingly detailed statistical products. The goal of the initiative is to have each member of the G20 disseminate these recommended datasets on a regular and timely basis by 2021.

This quarterly release, available about 70 days after the reference period, addresses recommendation 7 of the DGI-2 on securities statistics. It includes information on debt securities issues by sector, currency, maturity, type of interest rate and market of issuance. It also includes information on equity securities by sector and industry. With this release, new series on issuances of securities by type of use of proceeds are available. In addition, new information on foreign debt securities by currency is available. Definitions and concepts used are consistent with the recommendations of the Handbook on Securities Statistics, an internationally agreed framework for classifying securities instruments.

Data are accessible through an easy-to-use and flexible visualization tool. The tool includes dynamic cross-tables that allow users to look at the dataset from a variety of dimensions, as well as other visualization layers that illustrate different characteristics of the data in the form of interactive tables and charts.

Definitions

Securities statistics cover issuances and holdings of financial negotiable instruments. Securities include debt instruments designed to be traded in financial markets, such as treasury bills, commercial paper and bonds, as well as equity instruments, such as listed shares.

The book value of a debt instrument reflects the value of the debt at creation, and any subsequent economic flows, such as transactions (e.g., repayment of principal), valuation changes (independent of changes in its market price) and other changes. The book value is composed of the outstanding principal amount plus any accrued interest. The market value reflects the value at which securities are acquired or disposed of in transactions between willing parties, excluding commissions, fees and taxes.

Currency valuation

The value of securities denominated in foreign currency is converted to Canadian dollars at the end of each period. When the Canadian dollar is appreciating in value, the restatement of the value of these instruments in Canadian dollars lowers the recorded value. The opposite is true when the Canadian dollar is depreciating.

Table 1
Debt and equity securities issues, net issuances

	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021
	billions of dollars				
Total debt securities	96.5	506.2	-11.9	28.5	-2.1
By sector					
Non-financial corporations	-2.8	25.8	9.5	-1.1	7.1
Financial corporations	60.4	112.0	-40.3	-21.6	-35.6
General government	38.9	368.4	18.9	51.2	26.4
By currency					
Canadian dollars	84.4	439.4	13.2	44.4	6.9
Foreign currencies	12.1	66.7	-25.1	-16.0	-8.9
By original maturity					
Short term (money market instruments)	12.7	244.8	-85.4	-54.2	-44.7
Long term (bonds)	83.8	261.4	73.5	82.6	42.6
One to two years	-0.6	1.3	-22.5	-7.8	-8.4
Two to five years	70.8	122.9	13.0	21.2	3.4
Five to ten years	2.0	75.2	10.4	9.3	-8.7
More than ten years	11.6	62.1	72.7	60.0	56.3
By type of interest rate					
Fixed	54.9	464.4	16.1	33.8	4.9
Variable	41.6	41.8	-27.9	-5.4	-7.0
By market of issuance					
Canada	70.2	440.6	0.4	50.8	-9.2
International	26.3	65.5	-12.3	-22.3	7.1
Total equity securities	7.0	-6.6	18.2	5.1	12.7
By sector					
Non-financial corporations	2.8	-7.4	18.7	4.2	13.2
Financial corporations	4.1	0.8	-0.5	0.9	-0.5

Note(s):

Instruments are classified according to the sector of the issuer. Non-financial and financial corporation sectors include public and private corporations. Short-term instruments have an original term of one year or less. Long-term instruments have an original term of more than one year.

Source(s): Tables [36-10-0602-01](#) and [36-10-0621-01](#).

Table 2
Debt securities issues, stocks at book value

	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Fourth quarter 2020 to first quarter 2021
	billions of dollars					difference in billions of dollars
Total	4,566.5	5,022.9	5,004.5	4,987.4	4,966.8	-20.6
By sector						
Non-financial corporations	690.6	704.7	713.6	701.8	712.8	11.1
Financial corporations	2,167.4	2,253.0	2,202.9	2,158.1	2,100.1	-58.0
General government	1,708.5	2,065.3	2,088.0	2,127.6	2,153.9	26.3
By currency						
Canadian dollars	3,369.1	3,803.1	3,822.7	3,861.2	3,872.7	11.5
Foreign currencies	1,197.5	1,219.8	1,181.8	1,126.3	1,094.1	-32.1
By original maturity						
Short term (money market instruments)	425.2	667.5	580.2	523.2	477.8	-45.3
Long term (bonds)	4,141.3	4,355.4	4,424.3	4,464.3	4,489.0	24.7
One to two years	81.9	81.4	58.5	49.8	41.0	-8.8
Two to five years	1,316.8	1,427.3	1,436.1	1,444.6	1,441.4	-3.2
Five to ten years	1,077.4	1,136.4	1,144.9	1,143.1	1,122.9	-20.2
More than ten years	1,665.1	1,710.3	1,784.7	1,826.8	1,883.7	56.9
By remaining maturity						
One year or less	999.1	1,236.3	1,134.8	1,066.6	1,012.5	-54.1
More than one year	3,567.4	3,786.6	3,869.7	3,920.9	3,954.3	33.4
By type of interest rate						
Fixed	4,201.0	4,620.9	4,630.9	4,621.8	4,609.7	-12.0
Variable	365.5	402.0	373.6	365.7	357.1	-8.6
By market of issuance						
Canada	3,103.8	3,537.5	3,542.9	3,586.5	3,578.5	-7.9
International	1,462.8	1,485.4	1,461.5	1,401.0	1,388.2	-12.7

Note(s):

The book value of debt securities is defined as the price at which the securities were originally issued plus interest accruals. Instruments are classified according to the sector of the issuer. Non-financial and financial corporation sectors include public and private corporations. Short-term instruments have an original term of one year or less. Long-term instruments have an original term of more than one year.

Source(s): Table 36-10-0605-01.

Table 3
Debt and equity securities issues, stocks at market value

	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Fourth quarter 2020 to first quarter 2021
	billions of dollars					difference in billions of dollars
Debt securities total	4,784.0	5,395.6	5,391.6	5,374.5	5,207.5	-167.0
By sector						
Non-financial corporations	714.3	789.8	805.3	808.7	784.5	-24.3
Financial corporations	2,176.2	2,295.9	2,257.2	2,206.3	2,130.4	-75.9
General government	1,893.6	2,309.8	2,329.1	2,359.5	2,292.6	-66.9
Federal government	847.6	1,157.6	1,159.3	1,189.0	1,182.2	-6.8
Provincial and territorial general governments	991.5	1,096.9	1,114.0	1,115.3	1,055.7	-59.6
Local general governments	54.5	55.3	55.8	55.2	54.8	-0.5
Equity securities total	2,430.1	2,821.4	2,980.9	3,283.9	3,570.6	286.7
By sector						
Non-financial corporations	1,313.2	1,573.9	1,710.1	1,847.4	1,994.7	147.3
Financial corporations	1,116.9	1,247.5	1,270.8	1,436.5	1,575.9	139.4

Note(s):

The market value reflects the value at which securities are acquired or disposed of in transactions between willing parties, excluding commissions, fees and taxes. Instruments are classified according to the sector of the issuer. Non-financial and financial corporation sectors include public and private corporations.

Source(s): Tables [36-10-0605-01](#) and [36-10-0622-01](#).

Available tables: [36-10-0602-01](#), [36-10-0605-01](#), [36-10-0621-01](#), [36-10-0622-01](#) and [36-10-0642-01](#) to [36-10-0644-01](#).

Definitions, data sources and methods: survey number [5285](#).

The data visualization product "[Securities statistics](#)," part of the series *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available online.

The document "[Enhancing Canada's statistics on securities](#)," part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is also available.

The [Economic accounts statistics](#) portal, accessible from the Subjects module of our website, features an up-to-date portrait of national and provincial economies and their structure.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

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