

Securities statistics, third quarter 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, December 8, 2022

Net borrowings by Canadian corporations and governments in the form of debt securities totalled \$63.0 billion in the third quarter, the lowest level since the first quarter of 2021. This financing activity was led by Canadian chartered banks.

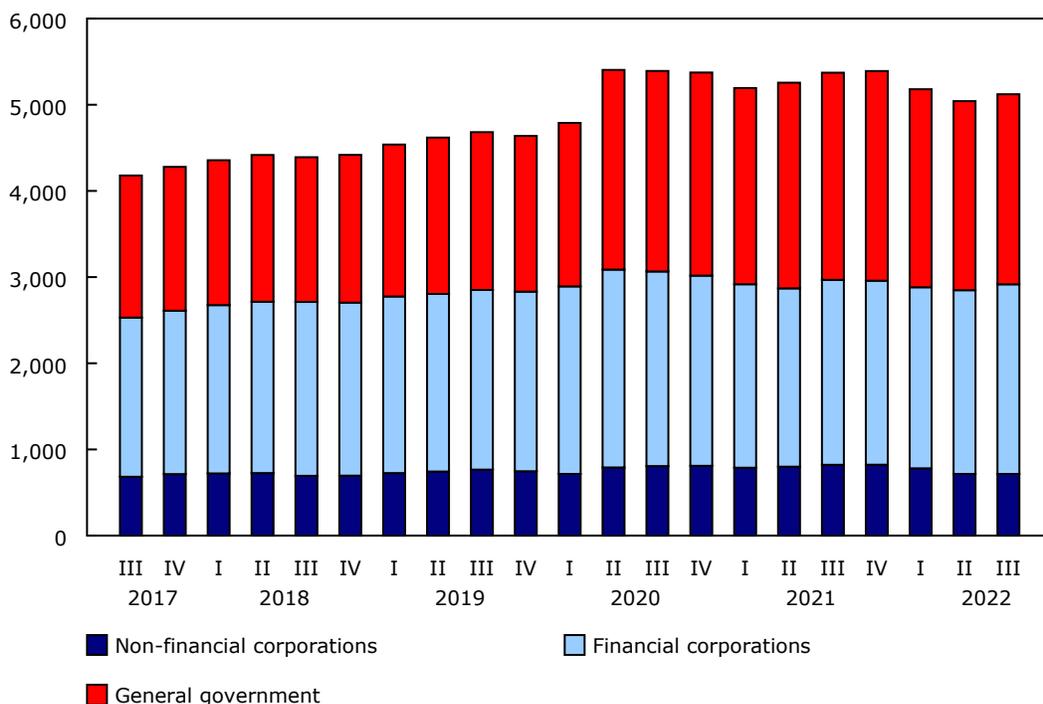
The total outstanding value of Canadian debt securities, in book value terms, reached \$5,475.9 billion at the end of the third quarter, up \$133.9 billion from the previous quarter. In addition to net borrowings, the upward revaluation of US dollar-denominated instruments resulting from the depreciation of the Canadian dollar against its US counterpart also contributed to the growth.

Overall, 21.5% (\$1,178.0 billion) of total outstanding debt securities is due to be repaid within one year, the largest proportion in the last two years. This measure, which includes money market instruments as well as bonds maturing within one year, provides further insights on the nature of the debt outstanding, notably from a liquidity perspective.

In market value terms, the stock of Canadian debt securities amounted to \$5,121.0 billion at the end of the third quarter. The market value remained below the book value for a third consecutive quarter, as rising interest rates continued to impact the prices of these instruments.

Chart 1
Debt securities issues by sector, stocks at market value

billions of dollars



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

In the third quarter, the Bank of Canada raised the policy interest rate twice for a total of 175 basis points. Canadian short-term and long-term interest rates were up, with short-term rates exceeding long-term rates by the largest value since the fourth quarter of 1990. Meanwhile, the Canadian dollar fell by 5.0 US cents against the US dollar.



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Lower borrowings by financial corporations and governments

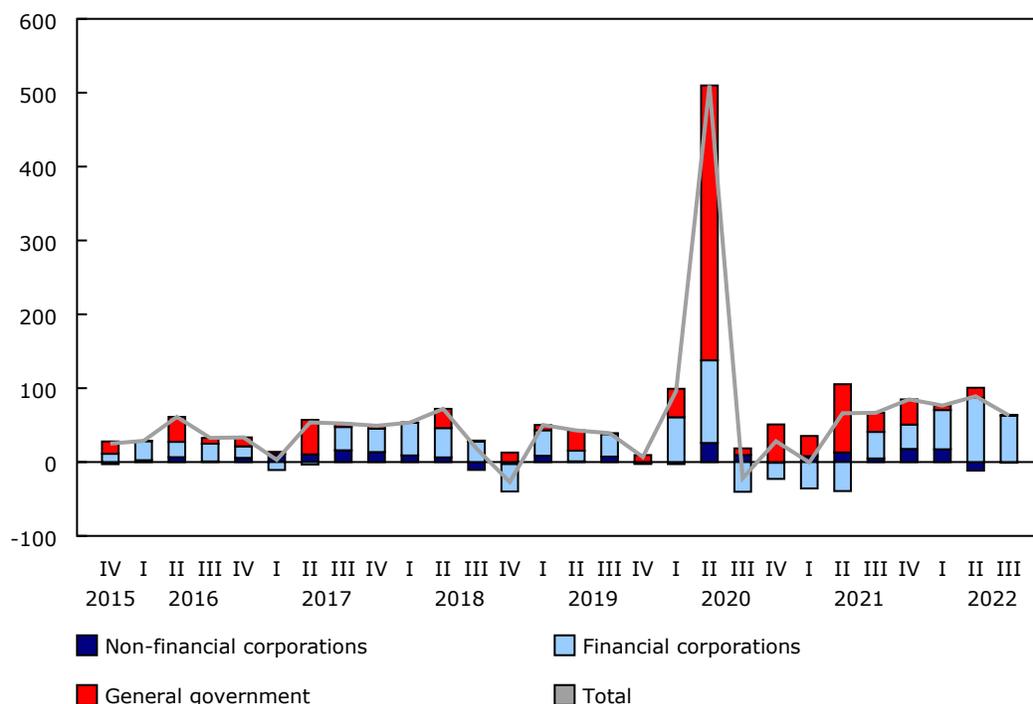
Canadian financial corporations were net borrowers of funds in the third quarter, raising \$62.7 billion of funds in the credit markets, down from \$86.9 billion in the second quarter. Canadian chartered banks continued to lead the activity with net issuances totalling \$52.4 billion. Although chartered banks mainly borrowed funds from abroad, issuances in Canada reached their highest level (\$24.8 billion) since the second quarter of 2020.

Canadian non-financial corporations repaid a net \$864.3 million of debt securities in the third quarter, after net retirements of \$11.6 billion in the second quarter. This activity followed five consecutive quarters of net issuances, mainly funds used for debt refinancing and acquisitions.

Meanwhile, net issuances of debt securities by the government sector slowed to \$1.2 billion, down from \$13.6 billion in the second quarter. Provincial and territorial governments issued a net \$6.6 billion of debt securities, mainly in the form of bonds. On the other hand, the federal government repaid a net \$5.4 billion of its debt securities in the third quarter, the largest amount since the first quarter of 2018.

Chart 2
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.

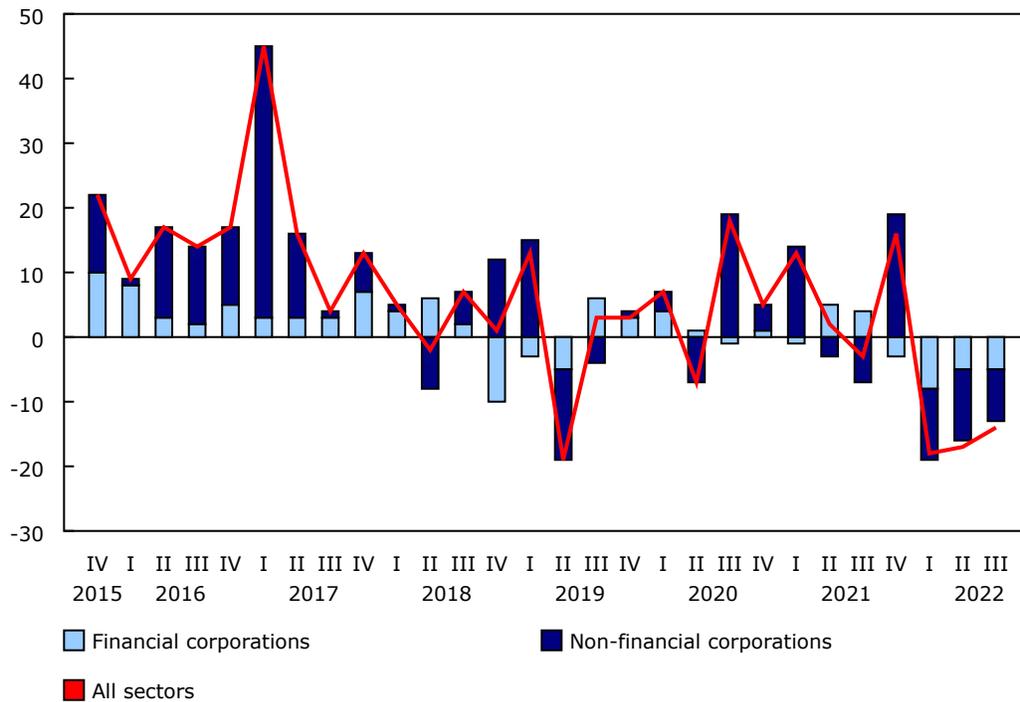
Retirements of Canadian shares continue to exceed new issuances

Net retirements of Canadian equity securities totalled \$13.7 billion in the third quarter, a third consecutive quarter for which retirements exceeded new issuances. Non-financial corporations were the main contributor to the net retirements as they continued to buy back their shares. Overall, the market value of outstanding Canadian equity

securities decreased by \$100.4 billion to reach \$3,521.8 billion at the end of the third quarter, mainly attributable to a decline in share prices. Canadian share prices, as measured by the Standard and Poor's/Toronto Stock Exchange composite index, were down by 2.2% in the third quarter.

Chart 3
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

This quarterly release, available about 70 days after the reference period, includes information on debt securities issues by sector, currency, maturity, type of interest rate and market of issuance, as well as by the economic sectors issuing debt securities in relation with the sectors investing in these instruments. It also includes information on Canadian equity securities by sector and industry. Statistics on Canadian portfolio investment abroad, previously released with Canada's international investment position, are now available with this release. Canadian holdings of foreign securities by type of securities, by currency of denomination, by country of issuer of these securities, and by sector of non-resident issuer are 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.

Revisions

This release incorporates statistical revisions back to 2019 as part of the regular annual revision cycle of the Canadian System of Macroeconomic Accounts. Revisions reflect the integration of new data sources and benchmark survey data, as well as enhanced methodologies increasing the quality of the data published.

Definitions

Securities statistics cover issuances and holdings of negotiable financial 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 appreciates 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 depreciates.

Table 1
Debt and equity securities issues, net issuances

	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Second quarter 2022	Third quarter 2022
	billions of dollars				
Total debt securities	66.7	84.8	76.5	89.0	63.0
By sector					
Non-financial corporations	4.9	17.7	17.2	-11.6	-0.9
Financial corporations	36.0	33.0	53.2	86.9	62.7
General government	25.8	34.1	6.1	13.6	1.2
By currency					
Canadian dollars	33.2	47.3	23.1	22.8	33.5
Foreign currencies	33.5	37.5	53.4	66.2	29.5
By original maturity					
Short term (money market instruments)	-19.8	14.3	-32.6	14.0	23.3
Long term (bonds)	86.5	70.5	109.1	75.0	39.8
One to two years	-2.0	-1.7	9.7	-4.4	5.6
Two to five years	22.5	-2.3	30.3	44.8	6.0
Five to ten years	7.1	24.6	13.8	17.7	-5.9
More than ten years	58.8	49.9	55.3	16.9	34.0
By type of interest rate					
Fixed	63.6	76.6	70.7	82.4	65.8
Variable	3.1	8.2	5.8	6.7	-2.8
By market of issuance					
Canada	26.3	72.8	16.5	38.2	40.8
International	40.4	12.1	60.0	50.8	22.2
Total equity securities	-2.6	16.5	-18.3	-16.6	-13.7
By sector					
Non-financial corporations	-6.7	19.1	-10.8	-11.3	-8.4
Financial corporations	4.1	-2.6	-7.5	-5.4	-5.3

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

	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Second quarter 2022	Third quarter 2022	Second quarter to third quarter 2022
	billions of dollars					difference in billions of dollars
Total	5,113.2	5,178.0	5,237.8	5,342.0	5,475.9	133.9
By sector						
Non-financial corporations	733.8	749.7	761.9	760.0	775.5	15.5
Financial corporations	2,103.7	2,126.3	2,166.2	2,259.5	2,359.6	100.1
General government	2,275.7	2,302.0	2,309.7	2,322.5	2,340.7	18.2
By currency						
Canadian dollars	3,941.2	3,978.8	4,008.6	4,028.7	4,072.1	43.4
Foreign currencies	1,172.1	1,199.3	1,229.2	1,313.3	1,403.7	90.4
By original maturity						
Short term (money market instruments)	480.5	494.5	460.9	478.1	509.8	31.7
Long term (bonds)	4,632.8	4,683.6	4,776.9	4,863.9	4,966.0	102.1
One to two years	35.8	34.0	43.2	39.2	46.4	7.2
Two to five years	1,450.6	1,445.1	1,468.6	1,519.6	1,546.5	26.8
Five to ten years	1,166.5	1,186.8	1,190.0	1,210.2	1,219.6	9.4
More than ten years	1,979.8	2,017.7	2,075.1	2,094.9	2,153.6	58.7
By remaining maturity						
One year or less	1,001.9	1,045.9	1,017.8	1,074.5	1,178.0	103.5
More than one year	4,111.3	4,132.1	4,220.0	4,267.5	4,297.9	30.4
By type of interest rate						
Fixed	4,789.5	4,848.2	4,904.5	5,001.9	5,134.7	132.8
Variable	323.8	329.9	333.3	340.1	341.2	1.1
By market of issuance						
Canada	3,654.1	3,718.8	3,740.6	3,777.5	3,832.6	55.1
International	1,459.2	1,459.2	1,497.2	1,564.6	1,643.3	78.7

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

	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Second quarter 2022	Third quarter 2022	Second quarter to third quarter 2022
	billions of dollars					difference in billions of dollars
Debt securities total	5,372.5	5,391.2	5,179.7	5,042.6	5,121.0	78.4
By sector						
Non-financial corporations	822.2	823.2	780.9	716.1	715.9	-0.2
Financial corporations	2,146.2	2,134.8	2,100.7	2,132.3	2,199.5	67.3
General government	2,404.1	2,433.2	2,298.1	2,194.2	2,205.5	11.3
Federal government	1,244.9	1,267.7	1,228.7	1,195.3	1,194.1	-1.2
Provincial and territorial general governments	1,104.4	1,112.3	1,018.9	950.5	961.6	11.1
Local general governments	54.7	53.1	50.4	48.4	49.8	1.4
Equity securities total	3,888.1	4,139.0	4,215.1	3,622.2	3,521.8	-100.4
By sector						
Non-financial corporations	2,161.0	2,278.0	2,318.4	2,006.9	1,936.4	-70.5
Financial corporations	1,727.1	1,861.0	1,896.7	1,615.3	1,585.4	-29.9

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: [36-10-0368-01](#), [36-10-0581-01](#), [36-10-0602-01](#), [36-10-0605-01](#), [36-10-0606-01](#), [36-10-0621-01](#), [36-10-0622-01](#), [36-10-0643-01](#), [36-10-0644-01](#) and [36-10-0673-01](#).

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.

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