

Securities statistics, fourth quarter 2023

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Canadian governments and corporations borrowed a net \$71.7 billion in the form of debt securities in the fourth quarter, up from net issuances of \$28.7 billion in the previous quarter. The financing activity in the fourth quarter was mostly in Canadian dollars and was led by the government sector.

The total outstanding value of Canadian debt securities, in book value terms, reached \$5,721.5 billion at the end of the fourth quarter, up \$58.4 billion from the previous quarter. This increase reflected net borrowing activities moderated by a downward revaluation due to the appreciation of the Canadian dollar against the US dollar. Nearly one-fifth (18.4%) of the total stock of debt securities was denominated in US dollars at the end of December.

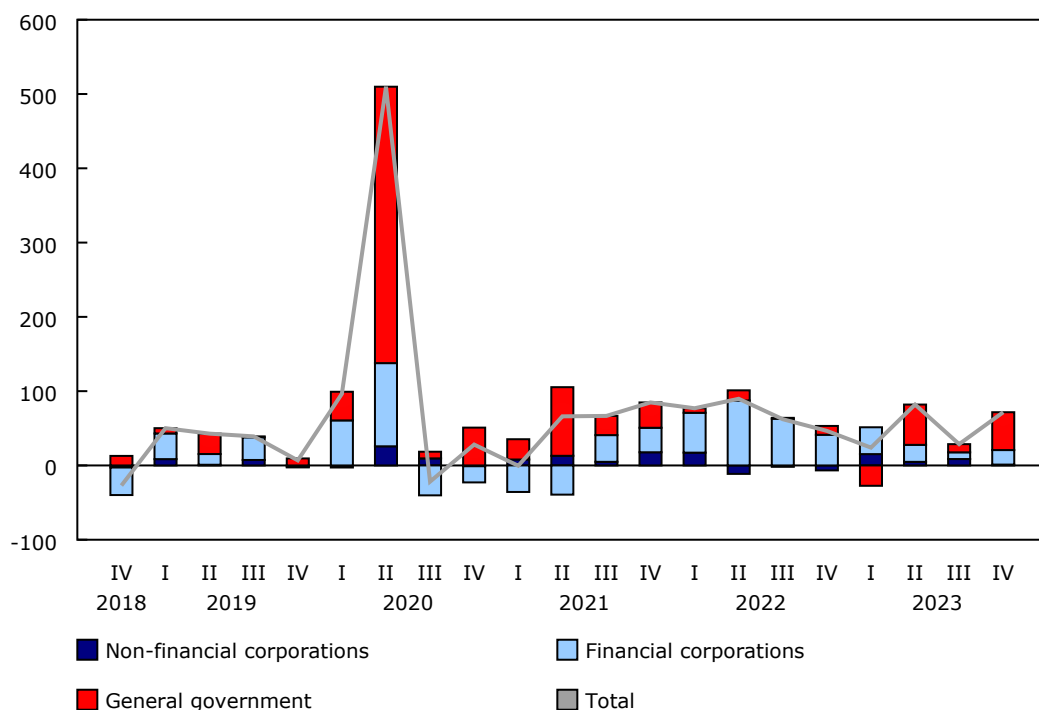
Government borrowing activities increase

Net issuances of debt securities by the government sector totalled \$50.9 billion in the fourth quarter, up from net borrowings of \$11.0 billion in the previous quarter. Financing activities shifted from a focus on short-term debt securities (+\$30.1 billion) in the third quarter to long-term debt securities (+\$47.5 billion) in the fourth quarter, largely made up of new bonds denominated in Canadian dollars with an original maturity exceeding 10 years.

In the fourth quarter, Canadian long-term interest rates were down by 103 basis points, while short-term interest rates were down 18 basis points.

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.

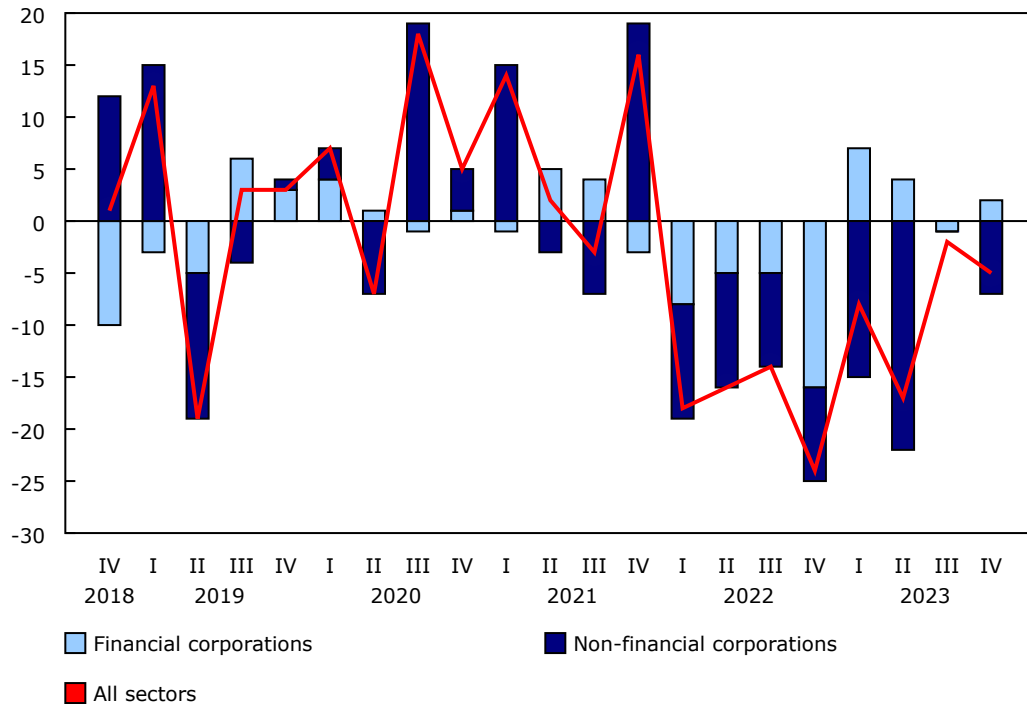
Canadian financial corporations were net borrowers of funds in the fourth quarter, borrowing \$19.6 billion mainly in the form of new issuances denominated in Canadian dollars. Meanwhile, Canadian non-financial corporations borrowed a net \$1.2 billion in the form of debt securities, as issuances of Canadian dollar instruments (+\$6.1 billion) were moderated by retirements of foreign-currency-denominated instruments (-\$5.0 billion). On an industry basis, firms from the transportation and warehousing industry contributed the most to the net issuance activity.

Retirements of Canadian shares continue to exceed new issuances

Net retirements of Canadian equity securities totalled \$5.5 billion in the fourth quarter, the eighth consecutive quarter in which retirements exceeded new issuances. The manufacturing and the utilities industries contributed the most to the net retirements. Overall, the market value of outstanding Canadian equity securities was up \$262.0 billion to \$3,995.5 billion at the end of the fourth quarter. Canadian share prices, as measured by the Standard and Poor's/Toronto Stock Exchange composite index, were up by 7.5% in the fourth quarter.

Chart 2
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.

Year 2023 in review

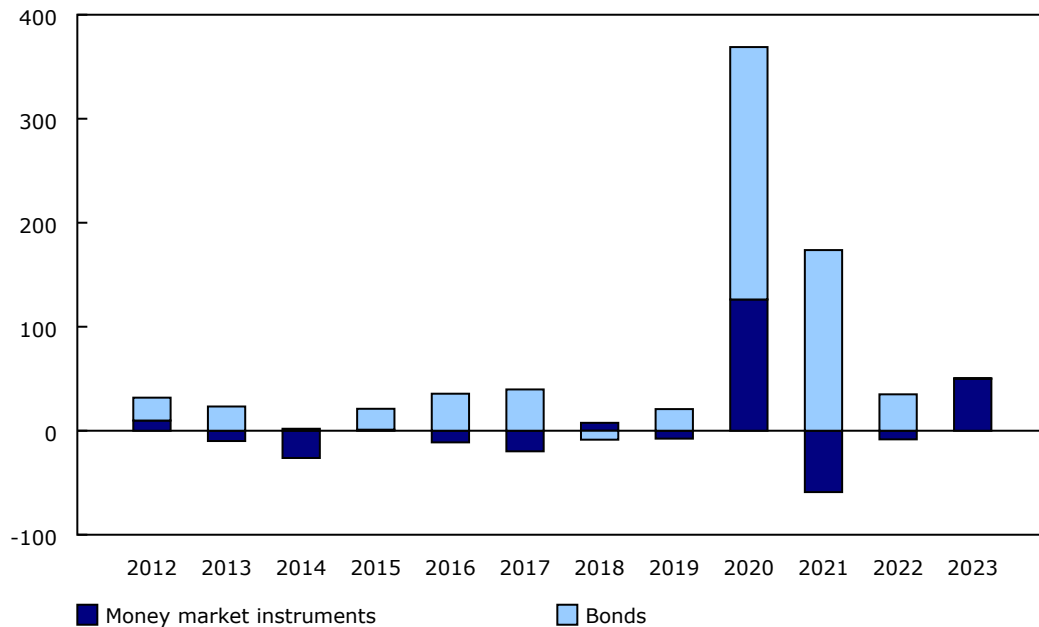
Strong borrowing activities by the government sector in money market instruments

On an annual basis, Canadian entities issued a net \$206.3 billion in the form of debt securities in 2023, down from \$253.9 billion in 2022. On a sector basis, the government sector issued a net \$88.8 billion of debt securities in 2023, led by the largest issuances of money market instruments (+\$60.5 billion) since 2020. Meanwhile, the

financial sector's borrowings slowed from \$224.2 billion in 2022 to 87.6 billion dollars in 2023. This was largely attributable to lower issuances of foreign currency denominated instruments on international credit markets. In 2023, borrowing costs continued to increase but at a slower pace.

Chart 3
Debt securities issued by the federal government, net issuances, annual

billions of dollars



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

The Bank of Canada raised its policy rates by 75 basis points in 2023, compared with an increase of 400 basis points in 2022. In 2023, Canadian long-term interest rates were down by 23 basis points, while short-term interest rates were up by 64 basis points.

Net retirements of Canadian shares in 2023

Retirements of Canadian equity securities exceeded new issuances by \$32.4 billion in 2023, compared with having exceeded them by \$72.2 billion in 2022. The activity in both years was attributable to Canadian firms buying back their shares, as well as engaging in merger and acquisition activities. Overall, the market value of outstanding Canadian equity securities was up \$279.5 billion in 2023, compared with a decrease of \$428.3 billion in 2022. Canadian share prices, as measured by Standard and Poor's/Toronto Stock Exchange composite index, increased by 8.4% in 2023, after a decrease of 8.7% in 2022.

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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-upon 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 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

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023
	billions of dollars				
Total debt securities	46.5	24.0	82.0	28.7	71.7
By sector					
Non-financial corporations	-6.7	15.3	4.9	8.6	1.2
Financial corporations	41.3	36.1	22.9	9.0	19.6
General government	11.9	-27.4	54.2	11.0	50.9
By currency					
Canadian dollars	18.7	19.6	39.2	4.2	71.0
Foreign currencies	27.8	4.3	42.8	24.4	0.7
By original maturity					
Short term (money market instruments)	21.6	-22.4	29.8	28.8	-2.8
Long term (bonds)	24.9	46.4	52.1	-0.2	74.5
One to two years	5.6	11.1	12.0	3.8	6.0
Two to five years	-5.4	0.1	6.4	-4.9	4.3
Five to ten years	19.8	12.5	26.2	-5.4	16.2
More than ten years	4.9	22.6	7.4	6.4	48.0
By type of interest rate					
Fixed	44.3	24.9	72.3	25.0	64.3
Variable	2.3	-0.9	9.7	3.7	7.4
By market of issuance					
Canada	48.1	-4.5	39.4	12.3	58.7
International	-1.6	28.5	42.6	16.4	12.9
Total equity securities	-24.2	-7.9	-17.5	-1.6	-5.4
By sector					
Non-financial corporations	-8.6	-14.6	-21.7	-0.4	-7.0
Financial corporations	-15.6	6.7	4.2	-1.2	1.5

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

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	Third quarter to fourth quarter 2023
	billions of dollars					difference in billions of dollars
Total	5,531.6	5,550.4	5,603.1	5,663.1	5,721.5	58.4
By sector						
Non-financial corporations	765.4	783.6	781.9	797.3	791.9	-5.4
Financial corporations	2,413.8	2,432.4	2,438.8	2,459.5	2,475.6	16.1
General government	2,352.3	2,334.4	2,382.4	2,406.3	2,454.0	47.7
By currency						
Canadian dollars	4,084.6	4,115.7	4,152.4	4,168.4	4,236.7	68.4
Foreign currencies	1,446.9	1,434.7	1,450.6	1,494.7	1,484.7	-10.0
By original maturity						
Short term (money market instruments)	530.8	508.3	539.5	574.7	574.5	-0.2
Long term (bonds)	5,000.8	5,042.1	5,063.6	5,088.4	5,147.0	58.5
One to two years	52.3	63.9	74.9	79.4	85.0	5.6
Two to five years	1,545.8	1,532.8	1,530.7	1,532.9	1,533.9	1.0
Five to ten years	1,251.3	1,258.0	1,275.6	1,274.3	1,289.8	15.5
More than ten years	2,151.5	2,187.4	2,182.4	2,201.8	2,238.2	36.4
By remaining maturity						
One year or less	1,161.4	1,090.8	1,160.2	1,145.5	1,165.4	19.9
More than one year	4,370.1	4,459.7	4,442.9	4,517.6	4,556.1	38.5
By type of interest rate						
Fixed	5,183.4	5,203.9	5,248.9	5,304.0	5,355.2	51.2
Variable	348.2	346.5	354.2	359.1	366.3	7.2
By market of issuance						
Canada	3,874.9	3,880.4	3,916.6	3,942.1	3,998.3	56.2
International	1,656.6	1,670.0	1,686.5	1,721.0	1,723.2	2.2

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

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	Third quarter to fourth quarter 2023
	billions of dollars					difference in billions of dollars
Debt securities total	5,208.4	5,273.1	5,253.5	5,204.1	5,485.9	281.8
By sector						
Non-financial corporations	714.5	745.2	732.4	722.9	763.7	40.8
Financial corporations	2,270.0	2,294.3	2,285.6	2,284.6	2,356.7	72.0
General government	2,224.0	2,233.6	2,235.5	2,196.5	2,365.5	169.0
Federal government	1,204.8	1,210.7	1,220.0	1,203.5	1,280.7	77.3
Provincial and territorial general governments	966.7	970.0	962.5	941.4	1,032.3	90.9
Local general governments	52.5	52.9	53.0	51.7	52.5	0.8
Equity securities total	3,716.1	3,869.0	3,855.5	3,733.5	3,995.5	262.0
By sector						
Non-financial corporations	2,066.9	2,143.5	2,136.2	2,084.3	2,214.3	130.0
Financial corporations	1,649.1	1,725.6	1,719.4	1,649.2	1,781.2	132.1

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.

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