

**Date of Fund Membership:**

December 27, 1945

**Standard Sources:**

Bank of Canada

Statistics Canada

**Exchange Rates:**

*Market Rate (End of Period and Period Average):*

The exchange rate floats independently. Midpoint rate quoted by the Bank of Canada at noon in the Montreal-Toronto interbank exchange market.

**International Liquidity:**

*Lines 7a.d and 7b.d* comprise Canadian dollar and foreign currency accounts of nonresidents booked in Canada.

**Central Bank:**

Consists of the Bank of Canada (BOC) only.

Data are based on a standardized report form (SRF) for central banks, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*, 2000. Data in the SRF format are compiled from pre-SRF data which are not fully based on *MFSM* methodology. Departures from the *MFSM* methodology are explained below.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector assumed to have the largest volume of transactions in the category.

Claims on and liabilities to nonresidents are determined based on the currency of the transaction rather than residency of the institutional unit.

*Currency in circulation* includes a small amount of notes issued by the government of Canada and banks before the BOC became the sole issuer of currency in Canada and assumed the liability for these notes.

*Shares and Other Equity* comprises funds contributed by owners and statutory reserves only.

Accounts receivable and payable are included in *Other Items (Net)* rather than in the BOC's claims on or liabilities to the corresponding sectors.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Securities other than shares are valued at acquisition cost amortized for premium or discount rather than at current market price of fair value.

**Other Depository Corporations:**

Comprises chartered banks, trust and mortgage loan companies, local credit unions, life insurance company annuities, government owned savings institutions, money market mutual funds, and non-money market mutual funds. Data exclude caisses populaires, which have small amounts of short-term liabilities.

Data are based on a standardized report form (SRF) for other depository corporations, which accords with the concepts and definitions of the *Monetary and Financial Statistics Manual (MFSM)*. Data in the SRF format are compiled from data contained in balance sheet of other depository corporations and are not fully based on the *MFSM* methodology. For other depository corporations in Canada, departures from the *MFSM* methodology are explained below.

Data for trust and mortgage loan companies and local credit unions are available only on a quarterly basis. Data for the intervening months are estimated by interpolation. Data for the two months after the latest quarter are estimated by extrapolation.

Data include only the deposits with life insurance company annuities and government owned savings institutions and shares issued by money market mutual funds and non-money market mutual funds. The corresponding assets to the deposits and shares are included in *Other Items (Net)* rather than allocated to the corresponding economic sectors.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector assumed to have the largest volume of transactions in the category.

*Claims on Nonresidents* and *Liabilities to Nonresidents* include some accounts in foreign currency with resident economic sectors.

*Claims on Private Sector* includes financial assets with public nonfinancial corporations.

Accounts receivable and payable are included in *Other Items (Net)* rather than in the other depository corporations' claims on or liabilities to the corresponding economic sectors.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Securities other than shares are valued at acquisition cost rather than at market price or fair value.

Valuation accounts are included in *Other Items (Net)* rather than in *Shares and Other Equity*.

Loans are reported net of provisions.

**Depository Corporations:**

See notes on central bank and other depository corporations.

**Other Financial Corporations:**

Comprises nondepository credit intermediaries, insurance companies, segregated funds, and investment funds. Nondepository credit intermediaries are establishments, both public (government sponsored enterprises) and private, that primarily engage in extending credit or lending funds raised by credit- market borrowing and by borrowing from financial corporations other than themselves.

Data are based on a standardized report form (SRF) for other financial corporations, which accords with the concepts and definitions of the *Monetary and Financial Statistics Manual (MFSM)*. Data in the SRF format are compiled from data contained in the balance sheets of other financial corporations and are not fully based on the *MFSM* methodology. For other financial corporations in Canada, departures from the *MFSM* methodology are explained below.

Data for other financial corporations are available only on a quarterly basis. Data for the intervening months are estimated by interpolation.

Financial derivatives are excluded from the data.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector assumed to have the largest volume of transaction in the category.

*Claims on Nonresidents* and *Liabilities to Nonresidents* include some accounts in foreign currency with resident economic sectors.

*Claims on Depository Corporations* includes some holdings of cash.

Financial assets and liabilities with public nonfinancial corporations are included in *Other Items (Net)*.

Retained earnings, current year result, general and special reserves, and valuation adjustment are included in *Other Items (Net)* rather than in *Shares and Other Equity*.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Some securities other than shares are valued at acquisition cost rather than at market price or fair value.

Loans are reported net of provisions.

#### **Financial Corporations:**

See notes on central bank, other depository corporations, and other financial corporations.

#### **Monetary Aggregates:**

##### *Broad Money:*

*Broad Money* calculated from the liability data in the sections for the central bank and other depository corporations differs from *M2++* described below because broad money includes foreign currency deposits, non-personal term deposits held at chartered banks, and does not include continuity adjustments. In addition, broad money may be overstated due to the estimates to allocate deposits to money holding sectors described in the note on the other depository corporations.

##### *Money (National Definitions):*

The gross monetary aggregates include float. The float denotes funds in transition between the time a check is deposited or a payment is sent and the time the payment is settled. Continuity adjustments are made to reconstruct past data and make them consistent with how the current data are structured. Changes in the financial industry can result in new data that are inconsistent with the former presentation causing significant discontinuities in the series and making the data useless for econometric work. The Bank of Canada adjusts its monetary aggregates each time one of the following events takes place: the acquisition of a trust company by a bank, the acquisition of an entity in a sector that was not previously included in the monetary aggregates (i.e., an investment dealer), the formation of a bank from a trust company or companies, and the acquisition of a bank by a trust company. Monetary aggregates are also adjusted to exclude interbank deposits. Continuity adjustments have been made to eliminate discontinuities resulting from the 1980 Bank Act revision and the introduction of a new reporting system for the banks.

*M1+ Gross* comprises currency outside banks, personal and non-personal chequable deposits held at chartered banks, all chequable deposits at trust and mortgage loan companies, credit unions and caisses populaires (excluding deposits of these institutions) and continuity adjustments.

*M1++ Gross* comprises *M1+ Gross*, non-chequable notice deposits held at chartered banks, all non-chequable deposits at trust and mortgage loan companies, credit unions and caisses populaires less interbank non-chequable notice deposits and continuity adjustments.

*M2 Gross* comprises currency outside banks, personal deposits and non-personal demand and notice deposits held at chartered banks and continuity adjustments.

*M2+ Gross* comprises *M2 Gross*, deposits of non-banks (trust and mortgage loan companies, government savings institutions, deposits and shares at credit unions and caisses populaires, life insurance company individual annuities and money market mutual funds) and continuity adjustments.

*M2++Gross* comprises *M2+Gross*, Canada Savings Bonds and other retail instruments, cumulative net contributions to mutual funds other than Canadian dollar money market mutual funds (which are already included in *M2+ Gross*) and continuity adjustments.

*M3 Gross* comprises *M2 Gross*, non-personal term and foreign currency deposits of residents with chartered banks, and continuity adjustments.

#### **Interest Rates:**

##### *Central Bank Policy Rate (End of Period):*

Refers to the overnight money market (financing) rate, which is a measure or estimate of the collateralized overnight rate compiled at the end of the day by the Bank of Canada through a survey of major participants in the overnight market. It comprises the weighted-average funding cost of major money market dealers, including (SPRAs) with the Bank of Canada and trades that are conducted directly between dealers.

##### *Borrowing Facility Rate (End of Period):*

Rate at which the BOC is prepared to respond to requests of chartered banks for temporary advances and enter into purchase and resale agreements with money market dealers. Rate is set at ¼ of 1 percent above the latest average rate on three-month treasury bills established at the preceding weekly tender.

##### *Money Market Rate:*

Rate refers to the overnight money market financing rate. Monthly figures are the average for the seven days ending the last Wednesday of the month.

##### *Corporate Paper Rate:*

Rate of 90-day prime corporate paper. Quarterly and annual data are averages of data for the last Wednesday in each month.

##### *Treasury Bill Rate:*

Weighted average of the yields on successful bids for three-month bills. Monthly data related to the tender rates of the last Wednesday of the month.

##### *Savings Rate:*

Rate offered by chartered banks on non-checkable savings deposits in national currency.

##### *Deposit Rate:*

Rate offered by chartered banks on 90-day deposits in national currency.

##### *Lending Rate:*

Rate that chartered banks charge on large business loans to their most creditworthy customers; when there are differences among banks, the most typical rate is taken. Monthly figures are for the last Wednesday of the month.

##### *Government Bond Yield:*

Average yield to maturity. Medium-term series refers to issues with original maturity of 3-5 years. Long-term series refers to issues

with original maturity of 10 years and over.

**Prices, Production, Labor:**

*Share Prices (Period Average and End of Month):*

Data refer to closing quotations on the Toronto Stock Exchange for a composite of 300 shares, base 1975.

*Prices: Industry Selling:*

Source: Statistics Canada. Data on aggregate industry selling prices (gross weighted), weights reference period 1997, covering about 90 percent of the value of manufacturing output in 1997.

*Industrial Product Price Index:*

Source: Statistics Canada. Weights Reference Period: 2010; Sectoral Coverage: manufacturing sectors; Number of Items in Basket: 944 Principal Commodity Aggregates (PCGAs); Basis for Calculation: weights are derived from shipment values reported for the 2002 Annual Survey of Manufactures (ASM) and edited to conform to the 2007 industry classification (i.e. NAICS). The weights are generally revised every five years.

*Consumer Prices:*

Source: Statistics Canada. Weights Reference Period: 2002; Geographical Coverage: All provinces of Canada, and the territorial cities of Whitehorse, Yellowknife, and Iqaluit; Number of Items in Basket: 177 item categories; Basis for Calculation: Weights are derived from 2013 Survey of Household Spending and are generally revised every two years. The index is re-based approximately every ten years.

*Industrial Production, Seasonally Adjusted:*

Statistics Canada. Weights Reference Period: 2007; Sectoral Coverage: entire economy of Canada; Basis for Calculation: GDP in constant 2007 prices based on the production approach for all industries using the 2007 North American Industrial Classification.

*Gold Production:*

Data are from *Statistics Canada* and are expressed in kilograms.

*Wages: Hourly Earnings:*

Source: Statistics Canada. Data in dollars per hour, covering manufacturing firms employing 20 or more persons. Data refer to the last pay period of the month including overtime, vacation pay, cost of living, allowances, etc.

*Manufacturing Employment:*

Source: Statistics Canada. Data covering manufacturing firms employing 20 or more persons. Data relate to the last pay period of the month.

**International Transactions:**

*Exports:*

Statistics Canada data on merchandise exports multiplied by a factor for inland freight adjustment, derived from the *Balance of Payments Statistics Yearbook*. Beginning January 1990, the inland freight adjustment is not made to these data, because the valuation basis for exports was revised to include these expenses.

*Imports, f.o.b.:*

Statistics Canada data on merchandise imports.

The general trade indices are Statistics Canada data. The *Unit Value* indices are constant weighted and are calculated as a Laspeyres index, weights reference period 1997. The *Volume* indices are Statistics Canada Laspeyres indices, seasonally adjusted, weights reference period: 1997.

**Government Finance:**

Quarterly general government data are provided by Statistics Canada and are derived from the national accounts.

**National Accounts:**

Data are derived from Statistics Canada. As indicated by the country, data are compiled according to the recommendations of the *2008 SNA*.