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Total funds raised by domestic non-financial sectors increased to \$292 billion (seasonally adjusted at annual rates) in the third quarter from \$258 billion in the second. Federal government borrowing was again significant in the third quarter, accounting for almost 40% of total funds raised by domestic non-financial sectors.

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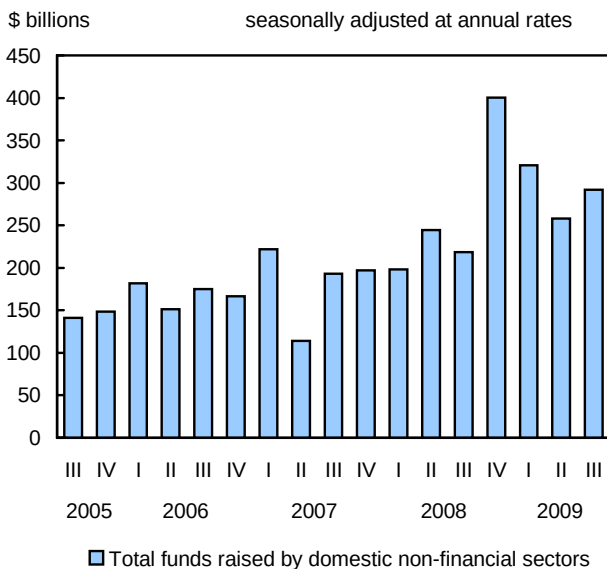
Releases

Financial flow accounts

Third quarter of 2009

The total funds raised by domestic non-financial sectors amounted to \$292 billion in the third quarter, up from \$258 billion in the previous quarter. Federal government borrowing was again significant in the third quarter, accounting for almost 40% of the total.

Demand for funds increases



Higher equity prices and falling mortgage rates and bond yields highlighted financial market development in the third quarter. The Standard and Poor's composite index continued to gain ground again this quarter, up 10%, closing out the quarter at 11,400. This marked the second consecutive quarter of double-digit growth for the index.

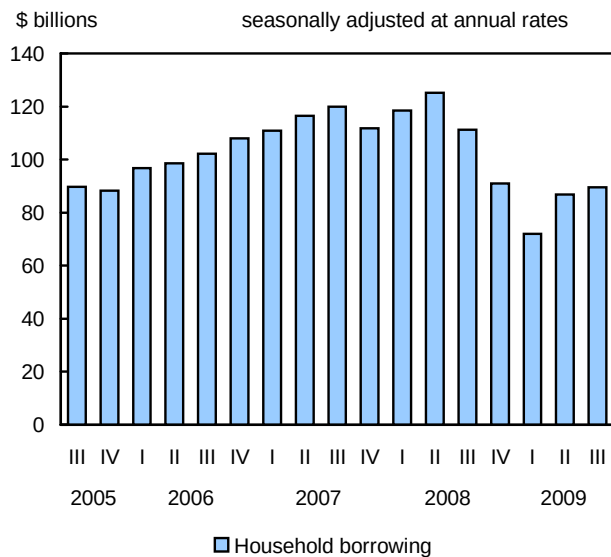
The five-year conventional mortgage rate fell more than 35 basis points while average yields on Government of Canada three to five year bonds fell 12 basis points in the third quarter. The Bank of Canada's target overnight rate remained unchanged during the quarter. The Canadian dollar appreciated for the second consecutive quarter relative to its US counterpart, closing the quarter at US 92.4 cents.

Persons and unincorporated businesses

Household borrowing increased during the third quarter, reaching \$89.5 billion (seasonally adjusted at annual rates), up from \$86.8 billion in the previous quarter. The household sector remained a net borrower in the economy due to its continued investment in non-financial assets exceeding their saving.

Net new mortgage borrowing has increased for two consecutive quarters following three quarters of decline. This increase contributed to the sharp recovery in existing home sales and renovation activity. In addition, consumer credit rose 23% to \$41.9 billion during the quarter, reflected in increased auto purchases. The household debt service ratio (7.6%) was virtually unchanged from the second quarter (7.7%). The debt service ratio has fallen over 0.5 percentage points since the first quarter of 2008, as growth in personal disposable income and lower interest rates have helped reduce the ratio.

Household borrowing up slightly



Government

Borrowing by all levels of government increased to \$128 billion in the third quarter, up from \$113 billion in the second quarter (expressed at seasonally adjusted annual rates, on a quarterly basis, governments borrowed \$32 billion in the third quarter). Federal bond issues were substantial in the quarter, accounting for the bulk of total federal government borrowing activity.

The overall government sector was again a net borrower from the rest of the economy, a pattern that emerged in the latter part of 2008. The increased level of borrowing over this period was due in part to the financing of the federal government stimulus plan, as well as other special government initiatives (such as the insured mortgage purchase program and investment by government in private non-financial corporations).

Corporations

Following three quarters of substantial declines, overall corporate profits and fixed capital investment of non-financial corporations increased in the third quarter. The corporate sector continues to supply funds to the rest of the economy, though net lending was lower as saving declined.

The third quarter was marked by a significant return by non-financial corporations to equity financing. Their net new issuances increased by \$41.5 billion (to \$72.5 billion), accounting for the majority of this sector's overall funds raised in the third quarter. This represented a notable shift since the fourth quarter of 2008, when non-financial corporations borrowed heavily from financial institutions by way of loans. Non-financial corporations' net new loans have declined for the first three quarters of 2009, while short-term paper issuances have declined for five straight quarters.

Among lenders, mortgage and consumer credit activity to the household sector was up in the third quarter, while loans to other sectors slowed. Institutional investors and financial institutions increased their investments in domestic fixed income securities over the quarter.

Non-residents

The non-resident sector continued to be a net lender to the economy in the third quarter, a pattern that emerged in the fourth quarter of 2008. Foreign investment in Canadian securities remained high in the third quarter, led by non-resident purchases of Canadian equities. Canadian investors reduced their holdings of foreign securities, largely debt instruments, during the same period. The economy posted its fourth consecutive quarterly current account deficit, with the deficit increasing from the previous quarter.

Available on CANSIM: tables 378-0015 to 378-0048.

Definitions, data sources and methods: survey number 1804.

The *National economic accounts* module, accessible from the home page of our website, features an up-to-date portrait of national and provincial economies and their structure.

Detailed analysis on today's release, including additional tables, will soon be available in the third quarter 2009 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 8, no. 3 (13-010-X, free), from the *Publications* module of our website.

The complete quarterly *Financial Flow Accounts: Data Tables*, third quarter 2009, Vol. 2, no. 3 (13-020-X, free), is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-3640, iead-info-dcrd@statcan.gc.ca), Income and Expenditure Accounts Division.

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Financial market summary table

	Second quarter 2008	Third quarter 2008	Fourth quarter 2008	First quarter 2009	Second quarter 2009	Third quarter 2009	2007	2008
Seasonally adjusted at annual rates								
\$ millions								
Funds raised:								
Persons and unincorporated business	125,144	111,152	90,940	72,016	86,792	89,528	114,786	111,441
Consumer credit	34,972	30,476	22,260	22,692	34,056	41,932	34,365	30,615
Loans	4,248	10,648	9,060	1,344	-360	-8,860	4,152	7,751
Mortgages	85,924	70,028	59,620	47,980	53,096	56,456	76,269	73,075
Non-financial private corporations	67,408	70,672	58,060	16,876	54,404	70,216	77,717	68,975
Loans	1,412	29,844	50,644	-22,744	-25,264	-19,080	19,945	23,383
Short-term paper	2,924	-6,864	-3,568	-2,680	-18,640	-12,004	3,738	2,538
Mortgages	19,692	16,992	17,368	6,680	11,036	17,268	18,105	19,007
Bonds	24,148	21,968	-8,964	14,044	56,280	11,552	12,437	11,363
Shares	19,232	8,732	2,580	21,576	30,992	72,480	23,492	12,684
Non-financial government enterprises	-3,328	-2,996	-3,324	5,092	4,080	3,880	329	-3,684
Loans	-2,224	780	-28	616	2,164	1,696	-944	305
Short-term paper	-944	-1,236	-532	-332	-1,576	80	70	-540
Mortgages	12	-4	4	-8	-4	-4	-4	3
Bonds	-172	-2,536	-2,768	4,816	3,496	2,108	1,207	-3,452
Shares	0	0	0	0	0	0	0	0
Federal government	54,408	4,924	222,280	194,636	25,904	112,612	-19,807	71,360
Loans	148	152	144	8	12	4	139	153
Short-term paper	59,424	18,940	183,124	78,760	-1,016	2,028	-8,587	65,711
Bonds	-5,164	-14,168	39,012	115,868	26,908	110,580	-11,359	5,496
Other levels of government	960	34,500	32,456	31,820	86,612	15,416	8,433	17,209
Loans	1,020	1,352	1,240	2,948	1,260	1,836	987	1,109
Short-term paper	-2,356	32,116	30,256	-1,756	4,980	5,060	5,544	14,837
Mortgages	-8	-4	0	4	0	0	-16	0
Bonds	2,304	1,036	960	30,624	80,372	8,520	1,918	1,263
Total funds raised by domestic non-financial sectors	244,592	218,252	400,412	320,440	257,792	291,652	181,458	265,301
Consumer credit	34,972	30,476	22,260	22,692	34,056	41,932	34,365	30,615
Loans	4,604	42,776	61,060	-17,828	-22,188	-24,404	24,279	32,701
Short-term paper	59,048	42,956	209,280	73,992	-16,252	-4,836	765	82,546
Mortgages	105,620	87,012	76,992	54,656	64,128	73,720	94,354	92,085
Bonds	21,116	6,300	28,240	165,352	167,056	132,760	4,203	14,670
Shares	19,232	8,732	2,580	21,576	30,992	72,480	23,492	12,684

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Crude oil and natural gas: Supply and disposition

September 2009 (preliminary)

Domestic production of crude oil and equivalent hydrocarbons totalled 12.4 million cubic metres in September, down 4.5% from September 2008.

Crude oil and equivalent exports were down 0.8% compared with the same month in 2008. About 72% of Canada's total domestic production went to the export market.

Marketable natural gas production totalled 11.0 billion cubic metres in September, down 10.7% from the same month a year earlier. Domestic sales of natural gas fell 12.4% from the same month a year earlier.

Natural gas exports rose 1.3% from the same month in 2008. Exports accounted for about 72% of marketable natural gas production.

Note: Preliminary data are available on CANSIM at the national level to September 2009 inclusive. At the national and provincial level, detailed information is available for crude oil (126-0001) up to August 2009 inclusive, and for natural gas (131-0001) up to March 2009 inclusive.

Available on CANSIM: tables 126-0001 and 131-0001.

Definitions, data sources and methods: survey number 2198.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; energ@statcan.gc.ca), Manufacturing and Energy Division.

Crude oil and natural gas: Supply and disposition (key indicators)

	September 2008	September 2009 ^p	September 2008 to September 2009
	thousands of cubic metres		% change
Crude oil and equivalent hydrocarbons			
Supply ¹			
Production	13 032.6	12 446.5	-4.5
Imports ²	3 792.7	3 258.6	-14.1
Disposition			
Refinery receipts ³	7 981.3	7 565.6	-5.2
Exports	9 030.6	8 961.5	-0.8
	millions of cubic metres		% change
Natural gas			
Supply ⁴			
Marketable production ⁵	12 345.6	11 022.3	-10.7
Imports	701.6	701.6 ^E	0.0
Disposition			
Domestic sales ⁶	3 991.2	3 496.7	-12.4
Exports	7 844.6	7 946.2	1.3

^P preliminary

^E use with caution

1. Disposition may differ from supply because of inventory change, own consumption, losses and adjustments.

2. Data may differ from International Trade Division estimates because of timing and the inclusion of crude oil landed in Canada for future re-export.

3. Volumetric receipts at refineries of all domestic and imported crude oils for refinery processing or storage.

4. Disposition may differ from supply because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations.

5. Receipts from fields after processing for the removal or partial removal of some constituents and impurities and that meet specifications for residential, commercial and industrial use; and including other adjustments.

6. Domestic sales includes residential, commercial, industrial and direct sales (for example direct, non-utility, sales for consumption where the utility acts solely as transporter).

Residential construction investment

Third quarter 2009

Data on residential construction investment are now available for the third quarter.

Available on CANSIM: table 026-0013.

Definitions, data sources and methods: survey number 5016.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Nicole Charron (613-951-0087; bdp_information@statcan.gc.ca), Investment and Capital Stock Division. ■

Investment in non-residential building construction

Third quarter 2009 (revised)

Following the release of the Canadian economic accounts for the third quarter of 2009, revised data of the investment in non-residential building for the third quarter are now available.

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bechir Oueriemmi (613-951-1165; bdp_information@statcan.gc.ca), Investment and Capital Stock Division. ■

Domestic travel

2008 (final)

The final data of domestic travel from the Travel Survey of Residents of Canada for the year 2008 are now available.

Definitions, data sources and methods: survey number 3810.

For more information or to obtain data, contact Client Services (613-951-9169; toll-free 1-800-307-3382; fax: 613-951-2909; tourism@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Marinka Ménard (613-951-9602; fax: 613-951-2909; marinka.menard@statcan.gc.ca), Tourism and the Centre for Education Statistics Division. ■

Asphalt roofing

October 2009

Data on asphalt roofing are now available for October.

Available on CANSIM: table 303-0052.

Definitions, data sources and methods: survey number 2123.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

New products

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