

Canada's international transactions in securities, April 2013

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Non-resident investors acquired \$14.9 billion of Canadian securities in April, adding both debt and equity securities to their holdings. Meanwhile, Canadian investors added \$2.8 billion of foreign securities, a third straight month of acquisitions.

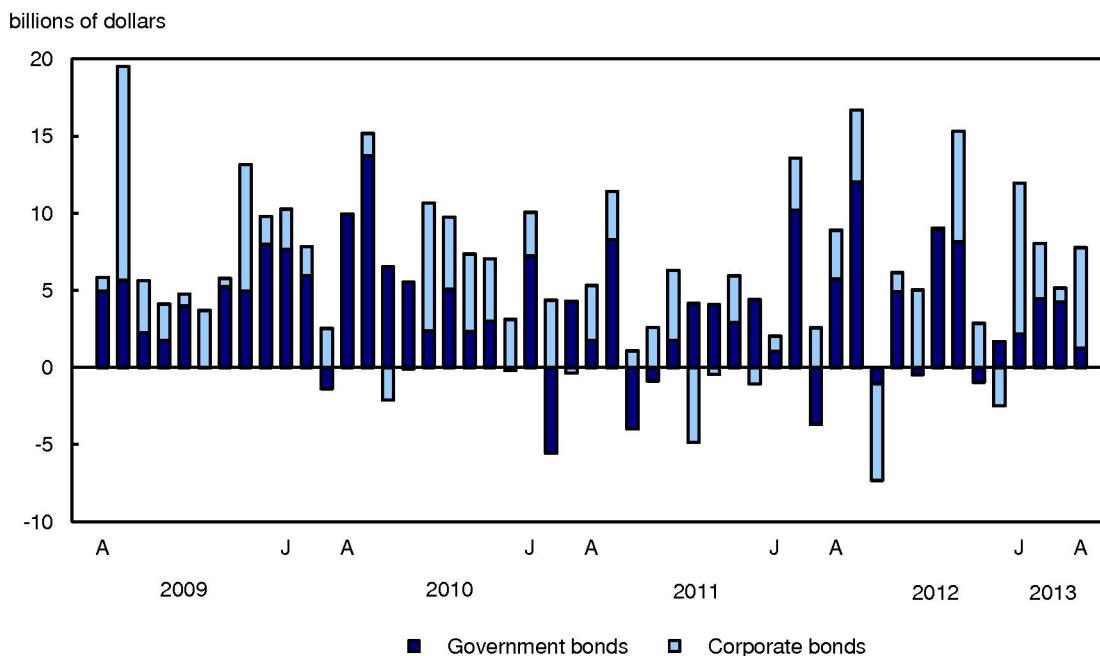
Foreign investment in Canadian securities was led by debt instruments, mainly reflecting private corporate bonds and the first acquisition of money market instruments in 2013. Canadian investment in foreign securities also focused on debt instruments in April.

Foreign investment in the Canadian bond market led by private corporate bonds

Non-resident investment in Canadian debt securities reached \$12.8 billion in April. This was the largest investment since May 2012 and reflected increased demand for both long- and short-term debt instruments, mainly US dollar-denominated securities. The Canadian dollar appreciated against its US counterpart for a second consecutive month in April.

Foreign investors acquired Canadian bonds for a fourth straight month, adding \$7.8 billion worth to their holdings in April, largely new issues of private corporate bonds. Non-residents continued to increase their holdings of federal bonds, though the pace of their acquisitions slowed during the month.

Chart 1
Foreign investment in Canadian bonds



Non-residents invested \$5.0 billion in the Canadian money market in April. Inflows were primarily in provincial paper and, to a lesser extent, private corporate paper. Foreign holdings of Canadian Treasury bills edged up after three months of sizable divestments. In April, the differential between long- and short-term interest rates was the lowest since July 2012.



Foreign investors resume their investment in Canadian equities

Non-resident investors acquired \$2.2 billion of Canadian equities in April, after two months of divestment. Activity in the month focused on Canadian gold and energy shares. Canadian stock prices were down 2.3%, closing the month at their lowest level in 2013.

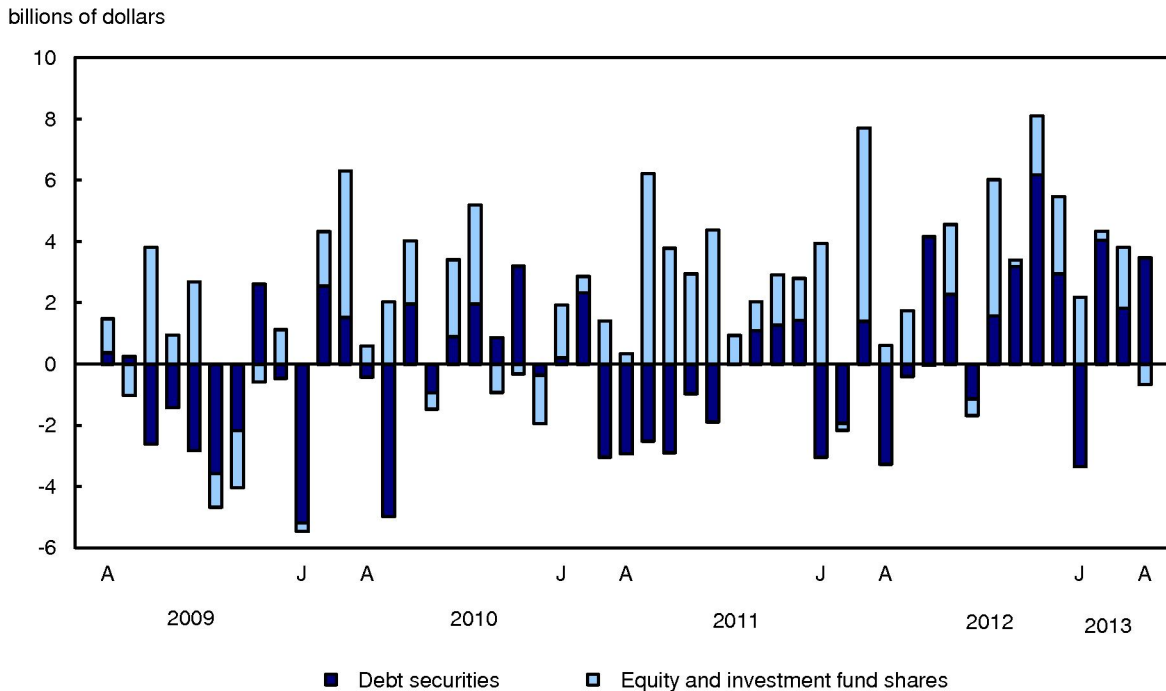
Canadian acquisitions of foreign debt securities strengthen

Canadian investors purchased \$2.7 billion of foreign bonds in April, led by demand from pension funds. Canadians resumed investment in US government bonds, adding \$1.6 billion to their portfolio, mainly short- to medium-term bonds. The differential between US and Canadian long-term interest rates narrowed in April, but remained in favour of investment in the United States. Canadians also increased their holdings of foreign paper by \$0.7 billion, mostly instruments issued by governments.

Canadian holdings of foreign equities down for the first time in eight months

Canadian investors reduced their holdings of foreign equities by \$0.7 billion in April, following seven straight months of acquisitions. Canadian divestment of \$1.1 billion in US equities was the largest since October 2011 and was led by information technology and financial shares. This was partially offset by a \$0.4 billion investment in non-US foreign equities. The US stock market was up 1.8% in April.

Chart 2
Canadian investment in foreign securities



Note to readers

The data series on international transactions in securities cover portfolio transactions in equity and investment fund shares, bonds and money market instruments for both Canadian and foreign issues. This activity excludes transactions in equity and debt instruments between affiliated enterprises, classified as foreign direct investment in the international accounts.

Equity and investment fund shares include common and preferred equities as well as units/shares of investment funds.

Debt securities include bonds and money market instruments.

Bonds have an original term to maturity of more than one year.

Money market instruments have an original term to maturity of one year or less.

Government of Canada paper includes treasury bills and US-dollar Canada bills.

All values in this release are net transactions unless otherwise stated.

Table 1
Canada's international transactions in securities

	February 2013	March 2013	April 2013	January to April 2012 ¹	January to April 2013 ¹
	millions of dollars				
Foreign investment in Canadian securities	-6,334	956	14,906	16,141	23,872
Debt securities	5,281	1,787	12,757	17,738	31,537
Money market instruments	-2,762	-3,372	4,988	-5,650	-1,390
Governments	-1,403	-2,692	3,365	-7,852	-4,212
Federal government	-1,314	-1,182	169	-10,422	-6,987
Other governments	-89	-1,510	3,195	2,571	2,774
Corporations	-1,359	-681	1,623	2,202	2,822
Government business enterprises	-308	894	391	1,118	1,173
Private corporations	-1,051	-1,575	1,233	1,084	1,649
Bonds	8,042	5,160	7,769	23,388	32,927
Governments	4,477	4,264	1,268	13,314	12,187
Federal government	2,882	3,071	1,528	10,769	7,848
Other governments	1,595	1,194	-260	2,545	4,339
Corporations	3,565	895	6,501	10,073	20,739
Government business enterprises	2,852	1,922	-479	5,106	6,842
Private corporations	713	-1,027	6,980	4,967	13,897
Equity and investment fund shares	-11,614	-831	2,150	-1,597	-7,664
Canadian investment in foreign securities	4,338	3,814	2,808	3,792	9,802
Debt securities	4,048	1,830	3,470	-6,843	6,003
Money market instruments	238	-94	723	-953	873
Bonds	3,810	1,924	2,747	-5,890	5,131
Equity and investment fund shares	290	1,984	-662	10,635	3,798

1. Cumulative transactions.

Note(s): In this table, a plus sign denotes an increase in investment and a minus sign denotes a decrease in investment. Transactions are recorded on a net basis.

Available in CANSIM: tables 376-0131 to 376-0138, 376-0145 and 376-0146.

Definitions, data sources and methods: survey number 1535.

Data on Canada's international transactions in securities for May will be released on July 17.

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Lauren Dong (613-951-3282; lauren.dong@statcan.gc.ca), International Accounts and Statistics Division.