

Canada's international transactions in securities, February 2015

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, April 17, 2015

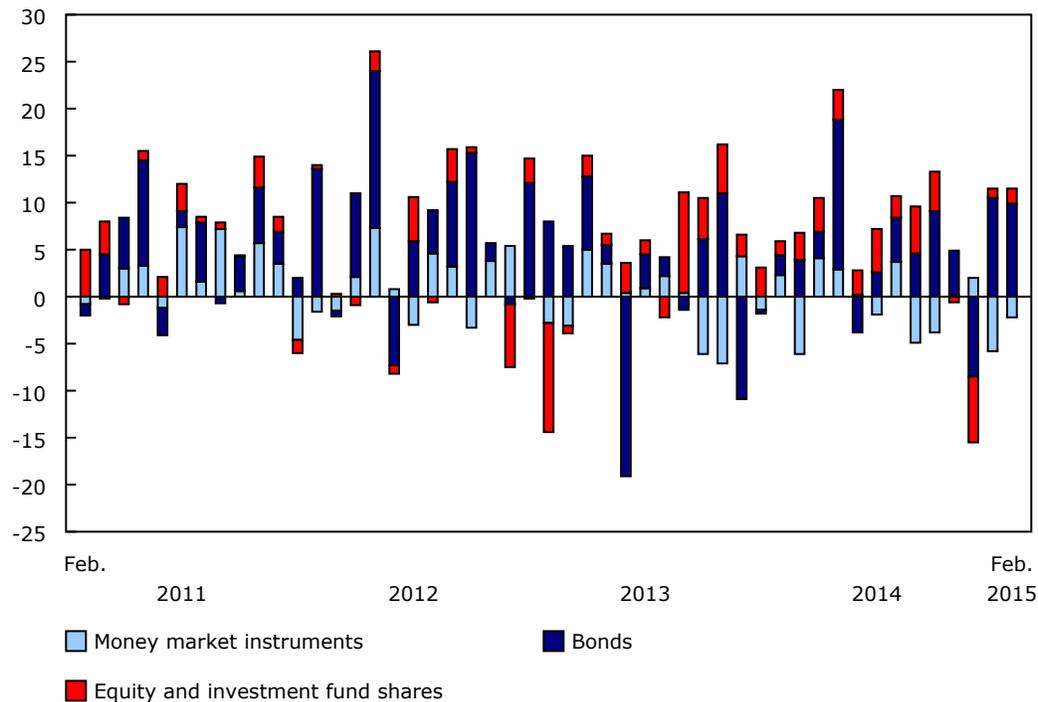
Foreign investment in Canadian securities strengthened to \$9.3 billion in February led by foreign purchases of federal government bonds. Meanwhile, Canadian investors resumed their investment in foreign securities by adding \$9.4 billion to their holdings, mainly US instruments. As a result, the net cross-border flows on portfolio investment produced a \$0.1 billion outflow of funds from the Canadian economy.

Foreign investment in Canadian securities increases

Foreign investment in Canadian securities reached \$9.3 billion in February, the largest such activity in four months. As in January, acquisitions in February were concentrated in the Canadian bond market.

Chart 1
Foreign investment in Canadian securities

billions of dollars



Source(s): CANSIM table [376-0131](#).

Foreign investment in Canadian bonds amounted to \$9.9 billion. Foreign investors acquired \$10.5 billion of federal government bonds, mainly secondary market purchases. This activity was the highest recorded since May 2010. Foreign acquisitions of \$5.1 billion of federal government business enterprise bonds were almost completely offset by a reduction in foreign holdings of provincial government bonds, principally retirements. The divestment in provincial bonds in February followed a large acquisition of these instruments in January.



Statistics Canada
Statistique Canada

Canada

Foreign investors withdrew \$2.2 billion of funds from the Canadian money market in February, consisting largely of federal Treasury bills and provincial paper. Foreign investors have reduced their exposure to Canadian money market instruments by \$8.0 billion over the past two months, led by federal Treasury bills. Canadian long- and short-term interest rates both edged down in the month. The Canadian dollar appreciated against its US counterpart by 1.3 US cents after a sharp decline in January.

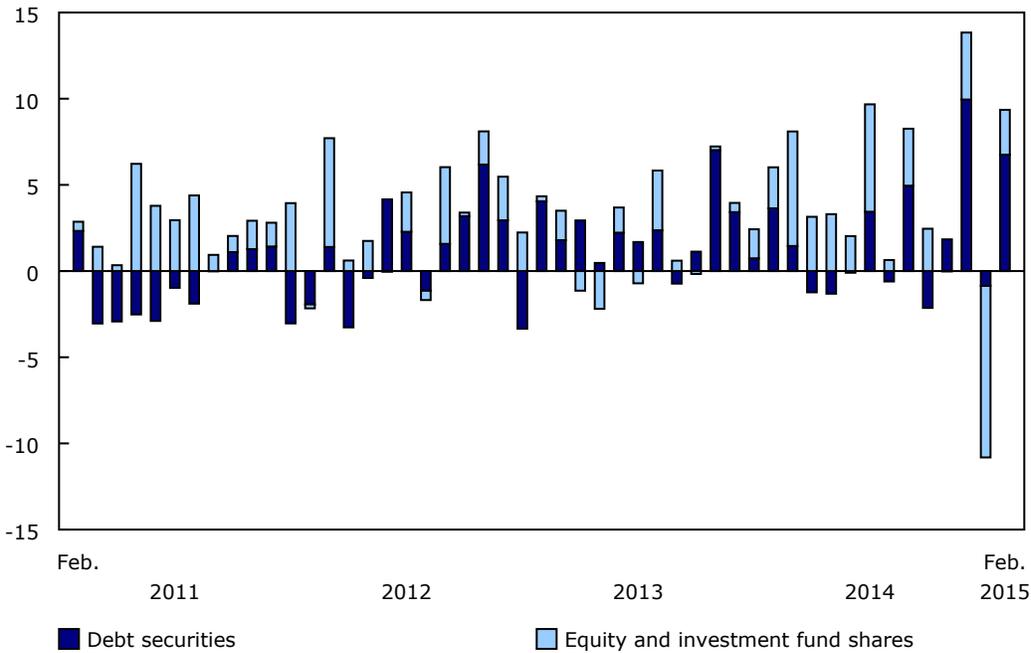
Non-resident investors acquired \$1.6 billion worth of Canadian shares in February, with Canadian stock prices up by 3.8% in the month.

Canadian investment in foreign securities resumes

Canadian acquisitions of foreign securities resumed in February as investors added \$9.4 billion worth of these instruments to their holdings. This activity followed a significant divestment of \$10.8 billion in January.

Chart 2
Canadian investment in foreign securities

billions of dollars



Source(s): CANSIM table 376-0131.

Canadian investors purchased \$6.8 billion of foreign debt securities, with acquisitions of US Treasury debt instruments accounting for the bulk of the investment. US long-term interest rates were up by 10 basis points while US short-term interest rates edged down in February.

Canadians also added \$2.6 billion of foreign shares to their holdings in February, following a record divestment the previous month. US stock prices were up by 4.1% in the month.

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

	December 2014	January 2015	February 2015	January to February 2014	January to February 2015
	millions of dollars				
Foreign investment in Canadian securities	-13,537	5,750	9,271	7,232	15,021
Debt securities	-6,494	4,744	7,677	2,647	12,421
Money market instruments	2,038	-5,750	-2,226	907	-7,976
Governments	1,126	-2,996	-2,679	-2,632	-5,675
Federal government	-1,657	-3,414	-1,455	-1,779	-4,869
Other governments	2,783	418	-1,224	-853	-806
Corporations	913	-2,753	453	3,539	-2,300
Government business enterprises	801	-165	-243	957	-408
Private corporations	112	-2,588	696	2,581	-1,892
Bonds	-8,532	10,493	9,902	1,740	20,395
Governments	-5,270	9,665	5,543	-2,064	15,208
Federal government	-3,813	436	10,464	-3,542	10,900
Other governments	-1,457	9,229	-4,921	1,478	4,308
Corporations	-3,262	828	4,359	3,804	5,187
Government business enterprises	-1,719	-1,580	5,121	6,253	3,541
Private corporations	-1,543	2,408	-762	-2,450	1,646
Equity and investment fund shares	-7,043	1,006	1,594	4,586	2,600
Canadian investment in foreign securities	13,838	-10,813	9,354	8,445	-1,459
Debt securities	9,951	-860	6,753	4,379	5,893
Money market instruments	24	-97	741	196	644
Bonds	9,927	-762	6,012	4,184	5,250
Equity and investment fund shares	3,887	-9,954	2,601	4,065	-7,353

Note(s): In this table, a positive value denotes an increase in investment and a negative value denotes a decrease in investment. Transactions are recorded on a net basis. Figures may not add up to totals as a result of rounding.

Source(s): CANSIM table [376-0131](#).

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 March will be released on May 15.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Lauren Dong (613-668-3140; lauren.dong@statcan.gc.ca), International Accounts and Trade Division.