

# Canada's international transactions in securities, April 2015

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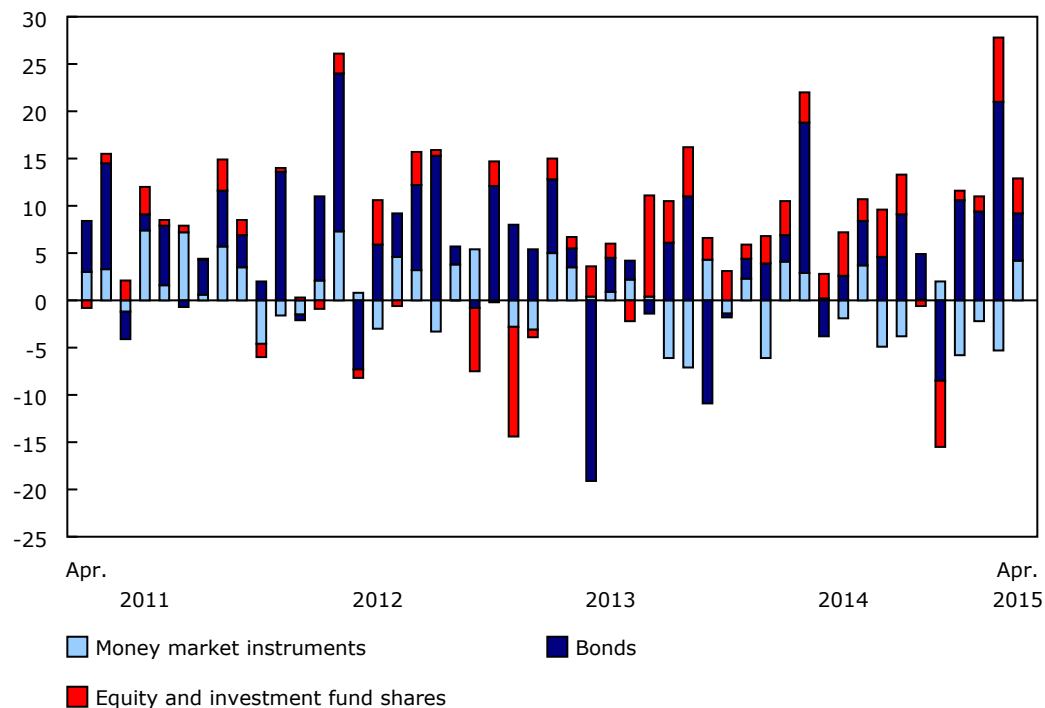
Foreign investors purchased Canadian securities for a fourth straight month in April, adding \$12.9 billion to their holdings. At the same time, Canadian investment in foreign securities resumed with acquisitions totalling \$6.6 billion in the month, mainly non-US foreign securities.

## Foreign investment in Canadian securities continues

Foreign investment in Canadian securities amounted to \$12.9 billion in April, a fourth consecutive month of investment. Foreign investors continued to add both Canadian debt securities and equities to their holdings in the month. Foreign acquisitions of Canadian securities since the beginning of the year totalled \$50.1 billion, nearly three times the amount recorded during the same period in 2014.

**Chart 1**  
**Foreign investment in Canadian securities**

billions of dollars



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

Foreign investment in Canadian debt securities was \$9.3 billion in April, almost evenly split between long- and short-term instruments. Non-resident investors acquired \$5.0 billion in Canadian bonds, led by investment in federal government bonds, which was relatively strong for a third straight month. A reduction in foreign holdings of both provincial government and corporate bonds, largely through retirements, moderated the overall acquisitions of Canadian bonds in April. Canadian long-term interest rates increased by 26 basis points in April.



Foreign investors resumed their acquisitions in the Canadian money market by injecting \$4.2 billion in April. Federal government Treasury bills accounted for the bulk of this activity, as non-residents invested \$3.0 billion in these instruments, marking the highest inflow since December 2012. The remainder of the activity in the month was mainly in private corporate paper. Canadian short-term interest rates were up by 12 basis points in April, following a significant decline of 37 basis points in the first quarter. The Canadian dollar appreciated against its US counterpart by 3.9 US cents in the month, the highest increase in 42 months.

Foreign investment in Canadian shares reached \$3.7 billion in April, a fourth straight month of such activity. Canadian stock prices were up 2.2% in the month and up 4.1% since the beginning of the year.

### Canadian acquisitions of foreign securities resume

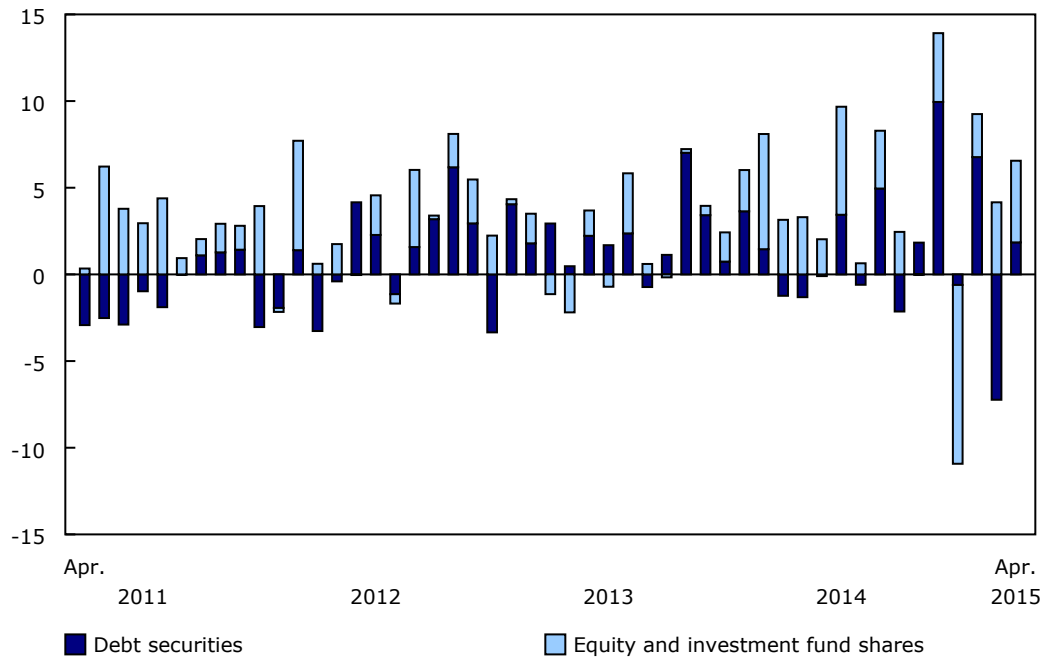
Canadian investment in foreign securities resumed in April, with acquisitions totalling \$6.6 billion. This activity was led by investment in non-US foreign instruments.

Canadian investment in foreign equities totalled \$4.7 billion, accounting for over two-thirds of overall acquisitions in April. Outflows were mainly in non-US foreign shares. After a sizeable divestment in January, investments in foreign shares strengthened in the last three months as all major foreign stock markets increased during this period.

Canadian investors purchased \$1.8 billion of foreign debt securities in April, following a sizable divestment in March. Acquisitions of non-US foreign bonds accounted for the bulk of the investment and marked the largest such investment since May 2013. Canadian holdings of US Treasury bonds were down for a second consecutive month. US long-term interest rates were down by 10 basis points in April.

**Chart 2**  
**Canadian investment in foreign securities**

billions of dollars



Source(s): CANSIM table 376-0131.

### 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 2015	March 2015	April 2015	January to April 2014	January to April 2015
	millions of dollars				
<b>Foreign investment in Canadian securities</b>	<b>8,789</b>	<b>22,556</b>	<b>12,935</b>	<b>18,476</b>	<b>50,091</b>
Debt securities	7,192	15,710	9,272	7,378	36,978
Money market instruments	-2,183	-5,329	4,237	-1,050	-9,025
Governments	-2,679	-4,093	2,786	-4,269	-6,982
Federal government	-1,455	-1,943	2,994	-4,791	-3,818
Other governments	-1,224	-2,150	-208	522	-3,164
Corporations	496	-1,236	1,451	3,218	-2,042
Government business enterprises	-243	-840	353	2,752	-895
Private corporations	739	-396	1,098	466	-1,147
Bonds	9,376	21,038	5,035	8,428	46,002
Governments	5,596	4,208	5,784	-7,012	25,306
Federal government	10,511	5,161	6,766	-8,862	22,923
Other governments	-4,916	-953	-982	1,849	2,383
Corporations	3,780	16,830	-749	15,441	20,696
Government business enterprises	5,125	-211	299	4,924	3,638
Private corporations	-1,344	17,041	-1,048	10,516	17,059
Equity and investment fund shares	1,597	6,846	3,663	11,099	13,113
<b>Canadian investment in foreign securities</b>	<b>9,250</b>	<b>-3,074</b>	<b>6,557</b>	<b>18,457</b>	<b>1,808</b>
Debt securities	6,767	-7,232	1,846	4,598	773
Money market instruments	741	-812	388	597	220
Bonds	6,026	-6,420	1,459	4,002	555
Equity and investment fund shares	2,482	4,159	4,711	13,859	1,035

**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](#).

Definitions, data sources and methods: survey number [1535](#).

Data on Canada's international transactions in securities for May will be released on July 16.

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