

Canada's international transactions in securities, July 2015

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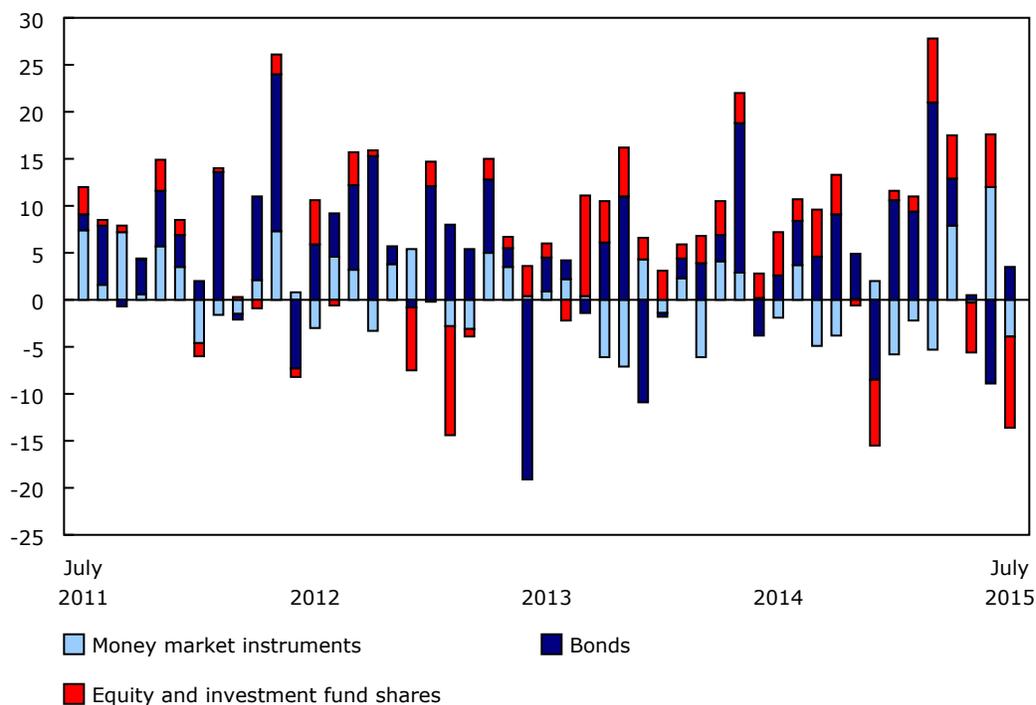
Foreign investors reduced their holdings of Canadian securities by \$10.1 billion in July, mainly in the form of equity instruments. At the same time, Canadian holdings of foreign securities edged down as sales of equity securities were almost completely offset by purchases of debt securities.

Foreign holdings of Canadian portfolio equities decline

Non-resident investors reduced their holdings of Canadian securities by \$10.1 billion in July, the largest monthly decline since December 2014. The divestment in the month was largely in Canadian equities, as activity in Canadian debt securities mainly reflected offsetting movements of funds between short- and long-term debt instruments.

Chart 1
Foreign investment in Canadian securities

billions of dollars



Source(s): CANSIM table 376-0131.

Foreign holdings of Canadian equities were down by \$9.7 billion in July. The reduction was related to cross-border merger and acquisition activities, as foreign portfolio investors rendered Canadian shares to foreign direct investors during the month. Foreign acquisitions of \$3.1 billion of Canadian shares on the secondary market moderated the overall divestment in these instruments. The Canadian stock market edged down 0.6% in July.



Foreign investors reduced their holdings of Canadian debt securities by \$406 million in July, the first divestment in 2015. Non-resident investors withdrew \$3.9 billion of funds from the Canadian money market during the month, mainly in provincial and federal government paper. Relatively strong foreign acquisitions of private corporate paper for a second straight month partially offset the overall divestment.

Foreign investors resumed their investment in Canadian bonds by adding \$3.5 billion to their holdings in July. This activity was led by acquisitions of Canadian dollar-denominated bonds issued by the federal government and by government business enterprises. On the other hand, foreign investors reduced their exposure to provincial government bonds for a sixth straight month in July. Canadian short- and long-term interest rates were down significantly, while the Canadian dollar depreciated against its US counterpart by 3.6 US cents in July.

Canadian investors adjust their portfolio of foreign securities

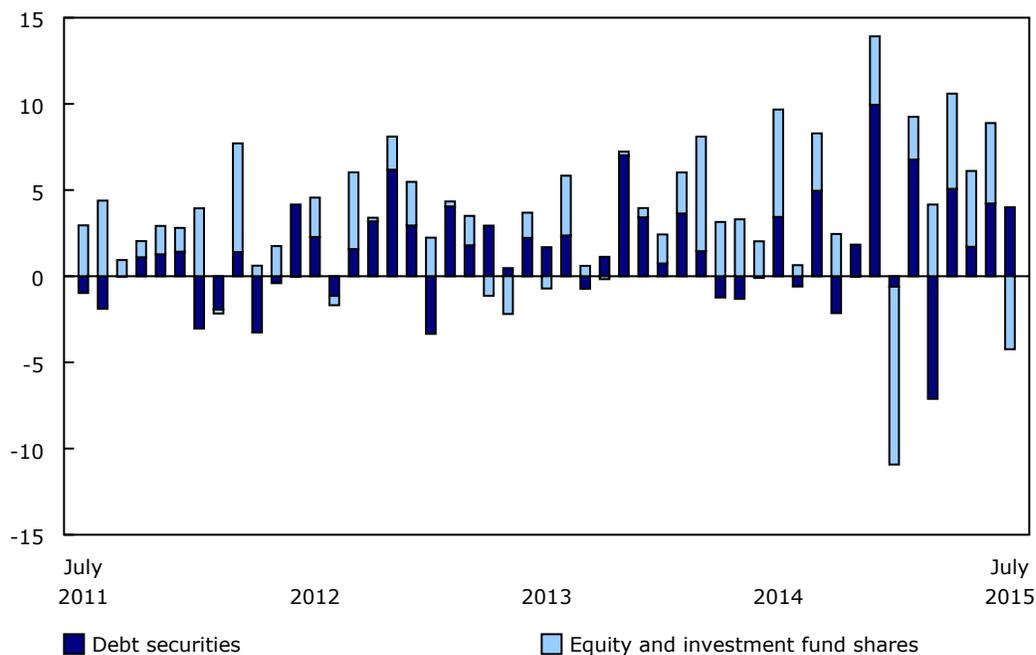
Canadian holdings of foreign securities edged down by \$236 million in July, following three months of strong investment activities. Transactions in the month reflected movements of funds from foreign equities to foreign debt securities.

Canadian acquisitions of foreign debt securities amounted to \$4.0 billion in July, exclusively US instruments. Investors acquired \$4.0 billion of US Treasury bonds, the highest such investment in five months. They also purchased US corporate bonds for a 13th straight month, but sold non-US foreign debt securities. US long-term interest rates edged down in the month.

Canadian holdings of foreign equities were down by \$4.2 billion in July as Canadian investors reduced their exposure to both US and non-US foreign equities. The divestment in July followed five straight months of acquisitions of foreign equities, predominantly non-US foreign instruments. US stock prices rose by 2.0% in the month.

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.

Next release

Data on Canada's international transactions in securities for August will be released on October 16.

Table 1
Canada's international transactions in securities

	May 2015	June 2015	July 2015	January to July 2014	January to July 2015
	millions of dollars				
Foreign investment in Canadian securities	-5,083	8,792	-10,123	44,608	48,220
Debt securities	203	3,177	-406	23,206	43,562
Money market instruments	-299	12,040	-3,904	130	2,450
Governments	39	5,391	-5,670	-6,278	-7,222
Federal government	-583	589	-2,581	-7,058	-6,393
Other governments	622	4,801	-3,089	781	-830
Corporations	-338	6,649	1,766	6,406	9,674
Government business enterprises	-60	1,761	-303	1,661	503
Private corporations	-278	4,888	2,069	4,744	9,171
Bonds	502	-8,863	3,499	23,076	41,114
Governments	-4,572	-6,939	2,389	-4,827	16,184
Federal government	-2,046	694	3,177	-10,465	24,748
Other governments	-2,526	-7,633	-787	5,637	-8,563
Corporations	5,074	-1,924	1,109	27,904	24,928
Government business enterprises	5,480	1,044	1,052	10,111	11,177
Private corporations	-406	-2,968	57	17,793	13,751
Equity and investment fund shares	-5,287	5,615	-9,718	21,403	4,655
Canadian investment in foreign securities	6,108	8,888	-236	32,045	20,722
Debt securities	1,705	4,220	3,999	6,626	14,037
Money market instruments	312	-210	-440	788	42
Bonds	1,393	4,430	4,439	5,839	13,997
Equity and investment fund shares	4,403	4,668	-4,235	25,420	6,685

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](#).

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

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