

# Canada's international transactions in securities, April 2016

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Foreign investment in Canadian securities amounted to \$15.5 billion in April, the fourth straight month of relatively strong activity. At the same time, Canadian investors acquired \$4.7 billion of foreign securities, mainly debt instruments.

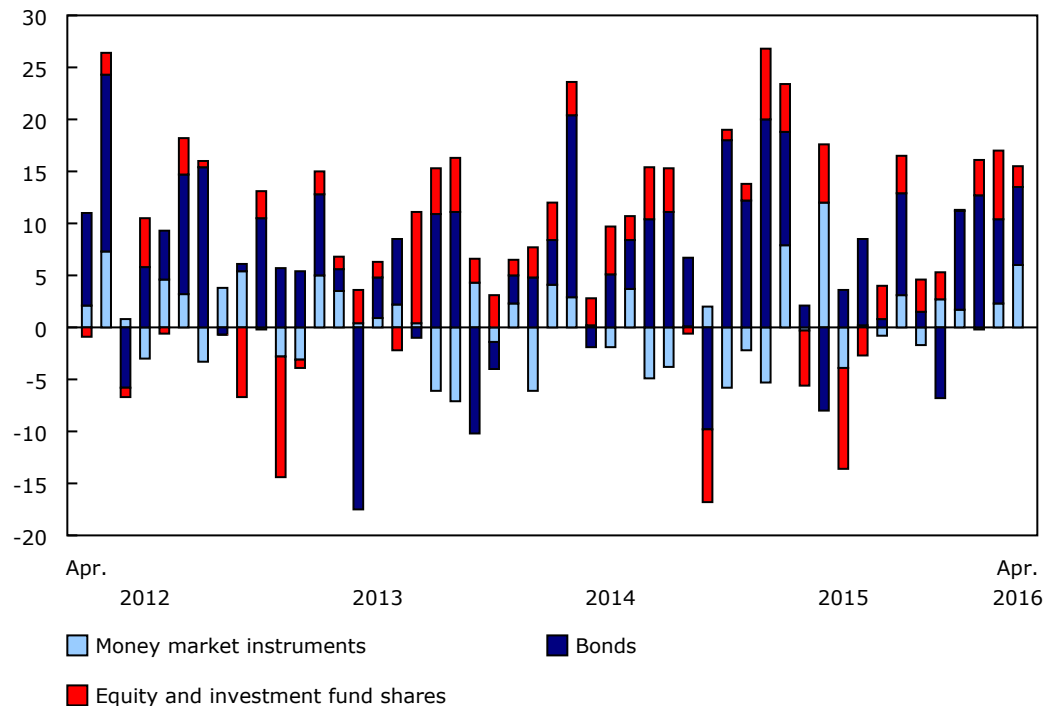
International transactions in securities generated a net inflow of funds into the Canadian economy in each of the first four months of 2016.

## Foreign investment in Canadian securities remains relatively strong

Foreign acquisitions of Canadian securities amounted to \$15.5 billion in April, led by investment in debt securities. Foreign acquisitions of Canadian securities for the January to April period totalled \$59.9 billion, with two-thirds of this investment in private corporate instruments.

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

billions of dollars



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

Foreign investors purchased \$13.5 billion of Canadian debt securities in April, the highest such investment in a year. Non-resident investment in Canadian bonds was \$7.5 billion, with three-quarters of that investment in new bonds denominated in foreign currencies and issued by private corporations. Foreign investors also acquired



\$2.0 billion of provincial government bonds during the month, largely new issues denominated in foreign currencies. Canadian long-term interest rates were up 28 basis points in the month, the largest increase in almost three years. At the end of April, rates were back to levels seen at the end of 2015.

Activity in the Canadian money market in April resulted in a \$6.0 billion injection of funds by non-residents, mostly paper denominated in foreign currencies. Half of the investment was in provincial government paper. Foreign acquisitions of federal government paper reached \$1.9 billion, following two straight months of divestment in these instruments. Canadian short-term interest rates were up 11 basis points and the Canadian dollar appreciated against its US counterpart by 2.7 US cents in April, the third straight month of appreciation.

Non-resident investors acquired Canadian shares for an eighth consecutive month, adding \$2.0 billion to their holdings in April. This activity followed strong acquisitions in March and largely reflected purchases on the secondary market. Canadian stock prices were up 3.4% in the month and have risen 7.2% since the beginning of the year.

### **Canadian investors acquire foreign debt securities**

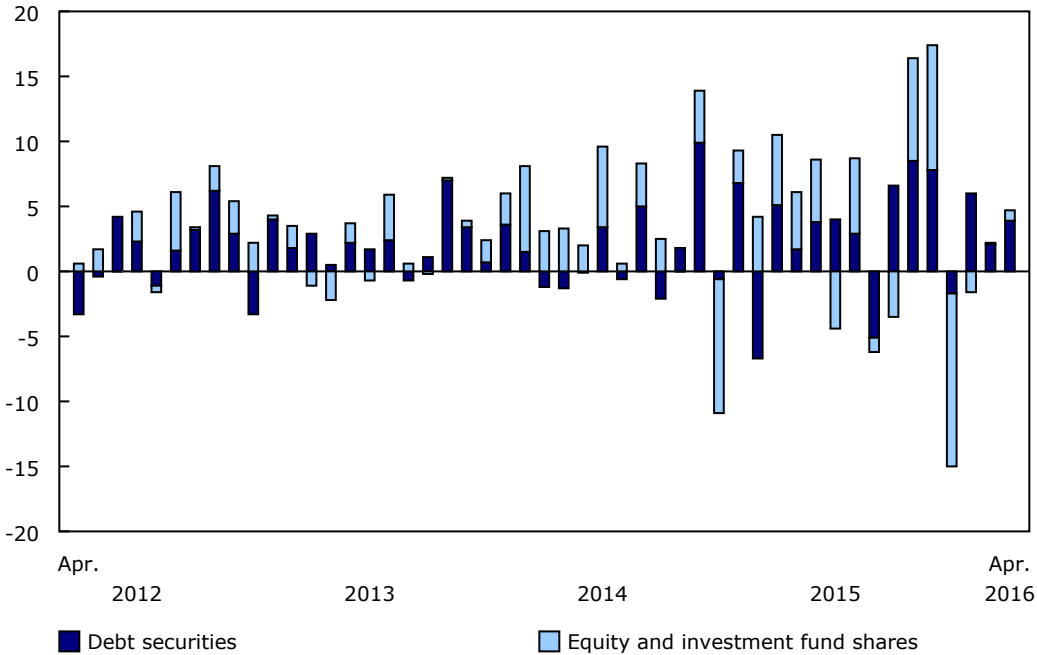
Canadian investors added \$4.7 billion of foreign securities to their holdings in April, the third consecutive month of investment led by acquisitions of foreign debt instruments.

Canadian acquisitions of foreign debt securities amounted to \$3.9 billion and were almost evenly split between US and non-US foreign instruments. Canadian investors increased their holdings of non-US foreign bonds by \$1.7 billion in April, marking a fifth straight month of investment in these instruments. At the same time, Canadian holdings of US Treasury bonds were up, following a divestment in March. US long-term interest rates were down eight basis points in the month.

Canadian purchases of foreign stocks remained weak in April, as investors added \$804 million to their portfolios. An investment of \$1.2 billion in US equities was moderated by a divestment in non-US foreign shares. US stock prices edged up in the month. Canadian investors have reduced their holdings of foreign equities by \$13.9 billion so far in 2016, with the bulk of divestment activity recorded in January.

**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 covers 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, which are 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 May will be released on July 18.

**Table 1**  
**Canada's international transactions in securities**

	February 2016	March 2016	April 2016	January to April 2015	January to April 2016
millions of dollars					
<b>Foreign investment in Canadian securities</b>	<b>15,918</b>	<b>17,048</b>	<b>15,520</b>	<b>69,709</b>	<b>59,899</b>
Debt securities	12,536	10,398	13,498	55,649	47,702
Money market instruments	-164	2,316	6,043	-5,387	9,923
Governments	-519	-3,065	4,891	-6,982	-1,184
Federal government	-2,138	-4,057	1,876	-3,818	-1,816
Other governments	1,619	993	3,014	-3,164	632
Corporations	356	5,381	1,152	1,597	11,108
Government business enterprises	1,640	2,112	706	-895	3,760
Private corporations	-1,285	3,269	447	2,492	7,348
Bonds	12,700	8,082	7,454	61,035	37,778
Governments	9,077	-2,987	2,403	25,719	14,247
Federal government	7,627	-2,076	604	23,337	8,960
Other governments	1,450	-911	1,799	2,383	5,287
Corporations	3,623	11,069	5,051	35,315	23,530
Government business enterprises	1,432	1,109	-791	3,601	2,771
Private corporations	2,191	9,960	5,842	31,715	20,759
Equity and investment fund shares	3,382	6,650	2,022	14,060	12,196
<b>Canadian investment in foreign securities</b>	<b>4,382</b>	<b>2,266</b>	<b>4,670</b>	<b>6,441</b>	<b>-3,633</b>
Debt securities	5,954	2,126	3,866	4,613	10,254
Money market instruments	44	-342	192	380	-991
Bonds	5,910	2,469	3,674	4,233	11,246
Equity and investment fund shares	-1,573	140	804	1,828	-13,888

**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](#).**

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