Canadian portfolio investment abroad, 2015

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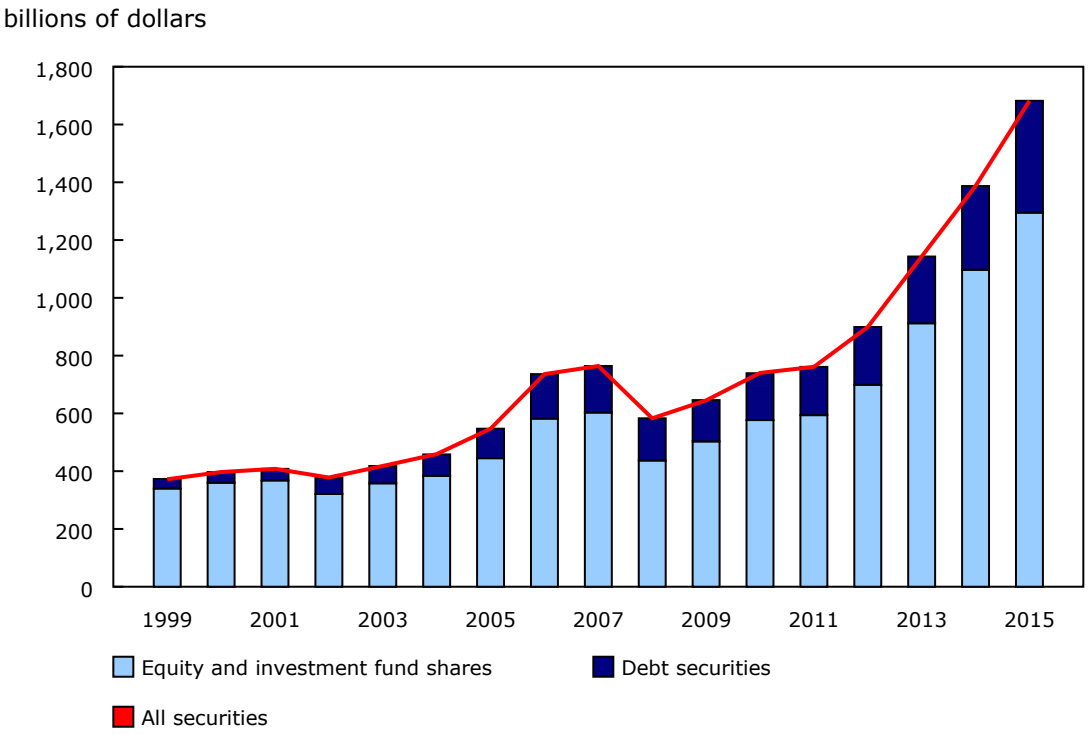
Canadian investors' holdings of foreign securities reached $1,682.0 billion at the end of 2015, up 21.2% from 2014. Holdings in the United States, Europe, and Asia and Oceania all advanced at a strong pace in 2015.

Canadian portfolio investment abroad accounted for over 40% of Canada's total international assets at the end of 2015, about the same share as Canadian direct investment abroad.

The value of Canadian portfolio investment abroad posted a fourth straight year of significant growth, with investment in the United States accounting for about two-thirds of the increase over this period. Furthermore, Canadian holdings of foreign securities have almost tripled since the end of 2008, following the global financial crisis.

Overall, the upward revaluation effect of a depreciating Canadian dollar against most major currencies, as well as acquisitions of $60.2 billion of foreign securities by Canadian investors, contributed to the growth of these assets. The Canadian dollar depreciated 16.2% against the US dollar, 6.6% against the euro, 11.5% against the British pound and 15.9% against the Japanese yen in 2015.

Chart 1
Canadian holdings of foreign securities



Source(s): CANSIM table 376-0064.

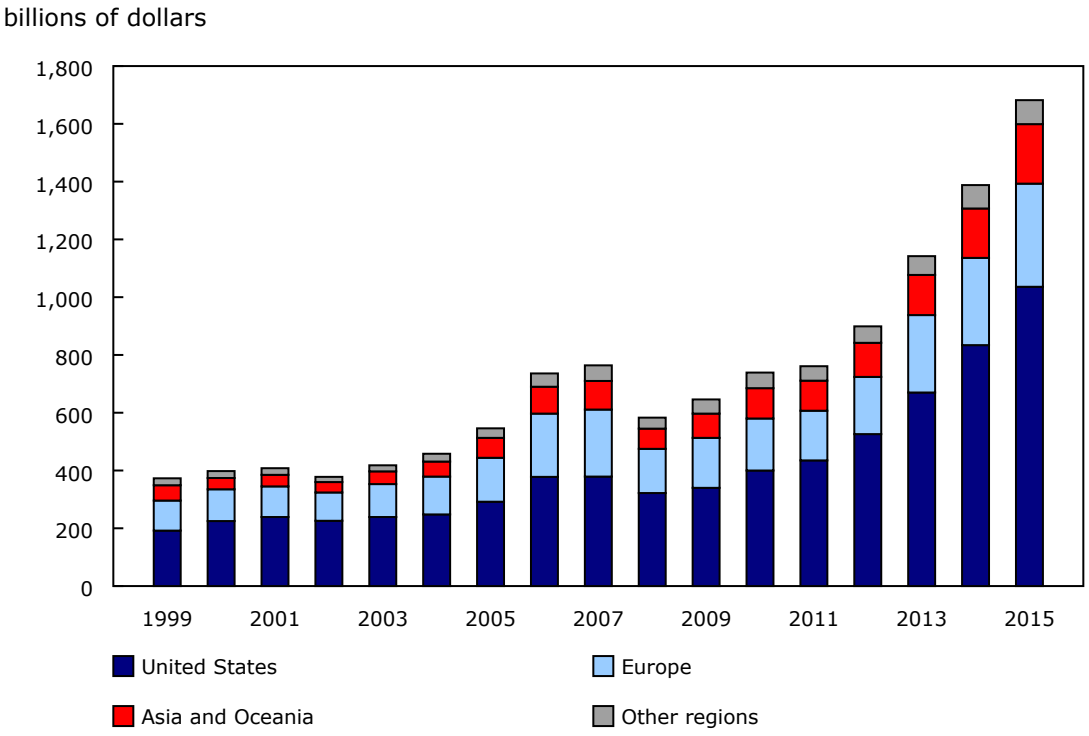
On an instrument basis, holdings of foreign equities were up 18.0% to $1,294.7 billion at the end of 2015. At the same time, foreign debt securities increased 33.5% to $387.3 billion. Record acquisitions of US bonds in 2015 contributed to the increase.

Holdings of US securities continue to increase at a strong pace

Canadian holdings of US securities were up 24.2% to $1,036.0 billion in 2015, following a similar increase in 2014. The gain in 2015 reflected the impact of the depreciating Canadian dollar against the US dollar, as well as net acquisitions of US securities during the year, moderated by lower stock market prices. The US stock market declined 1.8% in 2015. The United States continued to be the top investment destination for Canadian portfolio investors, with a 62% share of all foreign holdings at the end of the year. This share has steadily increased since the global financial crisis.

Holdings of European securities were up 18.2% to $356.6 billion at the end of 2015. The United Kingdom was still the main investment destination in Europe, with Canadian portfolio assets totalling $107.4 billion. Holdings in all other major European countries increased significantly in 2015, notably in France, Germany, Switzerland and Netherlands. All these countries posted growth of over 20% during the year.

Chart 2
Canadian holdings of foreign securities, by major geographic area



Source(s): CANSIM table 376-0064.

Holdings of securities in Asia and Oceania were up 20.5% to $206.1 billion in 2015. The value of Japanese securities held by Canadian investors continued to increase, reaching $73.8 billion. Chinese securities were up 42.5% to $26.8 billion following significant growth in 2014. The upward revaluation resulting from a declining Canadian dollar against the yen and the yuan, combined with higher stock market prices, contributed to the increase in portfolio holdings in Japan and China in 2015.

Note to readers

Canadian portfolio investment abroad is based on an annual survey of Canadian investors of securities that is used, along with other sources, to generate a detailed geographical breakdown for holdings of foreign securities.

***Foreign securities** cover equity and debt instruments issued by non-residents. Securities denominated in foreign currency are converted to Canadian dollars at year end. The survey collects information on Canadian holdings of foreign securities at year-end, at market value and broken down by country of issue. In this context, portfolio investment can be seen as investment undertaken primarily for the sake of investment income or capital gains. This investment excludes cross-border direct investment and reserve assets, which are other components of the international accounts.*

Table 1
Market value of Canadian portfolio investment abroad at year end

	2012	2013	2014	2015	2014 to 2015
	millions of dollars				% change
Geography, total	**899,129**	**1,142,726**	**1,387,382**	**1,682,031**	**21.2**
America	574,777	728,179	905,881	1,110,208	22.6
United States	525,769	670,040	834,080	1,035,953	24.2
Cayman Islands	14,451	19,946	27,073	29,860	10.3
Bermuda	10,717	10,825	10,268	12,608	22.8
Brazil	12,060	12,630	13,733	9,656	-29.7
Mexico	5,128	6,774	8,150	8,706	6.8
All other countries in America	6,652	7,964	12,577	13,425	6.7
Europe	198,434	268,037	301,605	356,640	18.2
United Kingdom	69,620	89,877	95,787	107,430	12.2
France	27,535	37,085	40,291	48,807	21.1
Germany	20,548	33,166	32,999	40,725	23.4
Switzerland	17,274	24,247	28,895	35,272	22.1
Netherlands	11,648	16,737	19,239	23,402	21.6
All other countries in Europe	51,809	66,925	84,394	101,004	19.7
Asia and Oceania	118,313	139,247	171,040	206,101	20.5
Japan	36,922	48,640	59,339	73,769	24.3
Australia	23,124	24,604	25,493	29,876	17.2
China	8,612	13,503	18,835	26,844	42.5
South Korea	11,074	14,292	16,681	19,189	15.0
India	5,806	6,263	10,593	12,306	16.2
All other countries in Asia and Oceania	32,775	31,945	40,099	44,117	10.0
All other countries	7,606	7,263	8,856	9,082	2.6
Type of securities, total	**899,129**	**1,142,726**	**1,387,382**	**1,682,031**	**21.2**
Equity and investment fund shares	699,145	911,521	1,097,368	1,294,746	18.0
Debt securities	199,983	231,205	290,014	387,285	33.5

Note(s): Figures may not add up to totals as a result of rounding.
Source(s): CANSIM table **376-0064**.

Available in CANSIM: table 376-0064.

Definitions, data sources and methods: survey number 1537.

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

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