

Canada's international transactions in securities, February 2017

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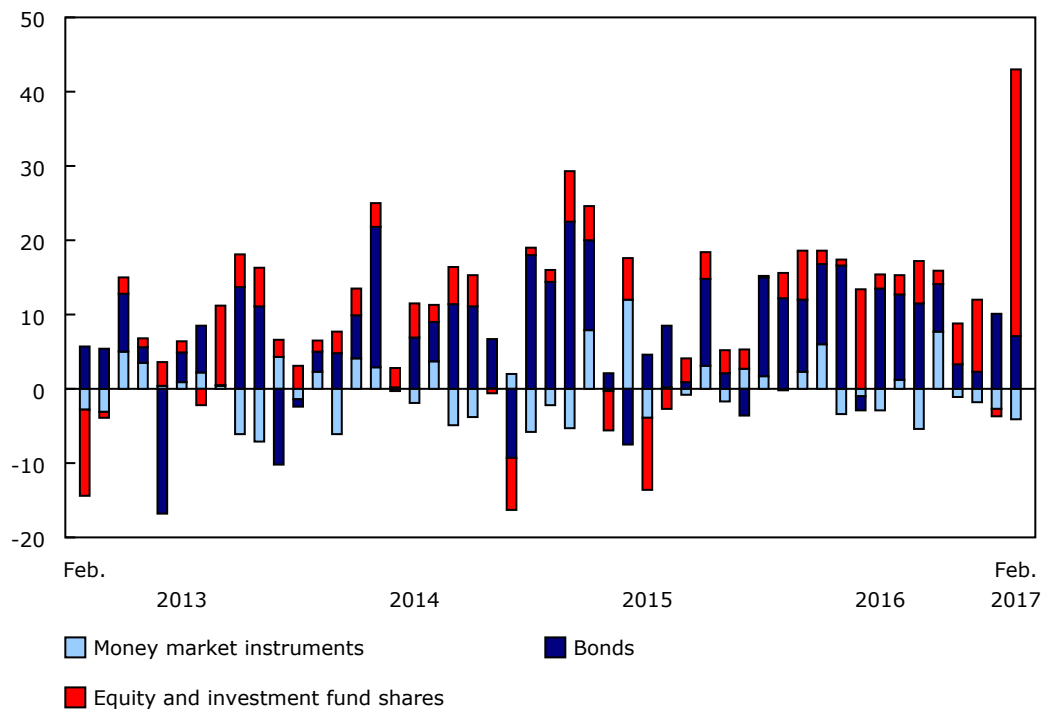
Foreign investment in Canadian securities reached a record high \$38.8 billion in February, led by issuances of new Canadian shares to non-resident investors. At the same time, Canadian investors acquired \$6.3 billion of foreign securities, mainly US instruments.

Foreign investment in Canadian securities led by issuances of new shares

Foreign investment in Canadian securities reached a record high \$38.8 billion in February. This investment was largely in Canadian equities with the vast majority resulting from cross-border merger and acquisition activities. Foreign investors also acquired \$3.0 billion of Canadian debt securities in February.

Chart 1
Foreign investment in Canadian securities

billions of dollars



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

Foreign investment in Canadian equities amounted to \$35.9 billion in February, the largest such investment on record. Issuances of new Canadian shares to non-resident portfolio investors resulting from cross-border mergers and acquisitions led the investment during the month. Sales by non-residents on the secondary market slightly moderated the overall inflow of funds. Canadian stock prices edged up and the Canadian dollar was down by 1.6 US cents against its US counterpart in February.



Foreign acquisitions of Canadian bonds slowed to \$7.1 billion in February, following a \$10.1 billion investment in January. Foreign investors acquired \$5.1 billion in provincial government bonds, mainly new issues denominated in foreign currencies. This was the largest investment since January 2015. Foreign investors also acquired \$4.5 billion of federal government business enterprises bonds. On the other hand, they reduced their holdings of federal government bonds by \$2.1 billion as large retirements were moderated by secondary market purchases during the month. Canadian long-term interest rates were down by 11 basis points in February.

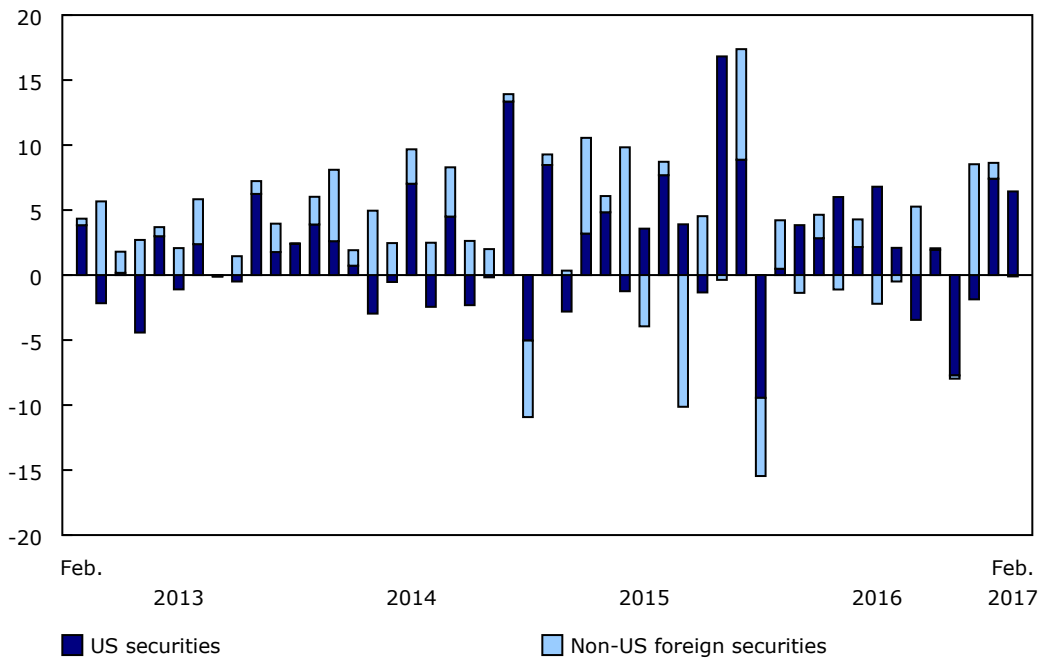
Non-resident investors reduced their holdings of Canadian money market instruments by \$4.1 billion in February. The decline was mainly in provincial government paper and, to a lesser extent, federal government paper. Acquisitions of provincial government business enterprises paper moderated the overall divestment. Canadian short-term interest rates edged up in the month.

Canadian investors continue to acquire foreign securities

Canadian investors added \$6.3 billion of foreign securities to their portfolios in February. For a second consecutive month, the activity was led by purchases of US instruments.

Chart 2
Canadian investment in foreign securities

billions of dollars



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

Canadian investment in foreign equities amounted to \$4.8 billion in February, following acquisitions of \$3.8 billion in January. Canadian investors acquired \$4.9 billion of US shares, the highest investment since November 2015. US stock prices were up by 3.7% in the month.

Canadian investors also added \$1.5 billion of foreign debt securities to their holdings in February, mainly acquisitions of US instruments. US long-term interest rates were down by one basis point and short-term interest rates were up by one basis point.



In celebration of the country's 150th birthday, Statistics Canada is presenting snapshots from our rich statistical history.

Data on Canada's international transactions in securities have been available on a monthly basis since January 1988. Over the past three decades, cross-border transactions in securities have grown substantially, reflecting the trend to increased access to international financial markets, specifically securities markets. Today, the monthly average volume of cross-border transactions in securities is more than 30 times higher than it was in 1988.

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 March will be released on May 18.

Table 1
Canada's international transactions in securities

	December 2016	January 2017	February 2017	January to February 2016	January to February 2017
millions of dollars					
Foreign investment in Canadian securities	10,163	6,352	38,836	30,697	45,188
Debt securities	458	7,384	2,962	27,105	10,346
Money market instruments	-1,832	-2,735	-4,112	1,564	-6,847
Governments	-196	-3,642	-4,010	-3,011	-7,652
Federal government	-1,539	-2,269	-1,106	365	-3,375
Other governments	1,343	-1,373	-2,904	-3,376	-4,277
Corporations	-1,636	908	-102	4,577	806
Government business enterprises	1,035	-654	-122	939	-776
Private corporations	-2,671	1,561	20	3,638	1,581
Bonds	2,290	10,118	7,074	25,541	17,192
Governments	1,143	-2,541	3,043	14,863	502
Federal government	393	-5,450	-2,097	10,453	-7,547
Other governments	750	2,910	5,140	4,410	8,050
Corporations	1,147	12,659	4,031	10,678	16,690
Government business enterprises	-5,052	2,981	4,325	2,459	7,306
Private corporations	6,198	9,678	-294	8,218	9,384
Equity and investment fund shares	9,706	-1,032	35,874	3,590	34,842
Canadian investment in foreign securities	6,656	8,631	6,330	-11,245	14,961
Debt securities	-5,018	4,867	1,485	3,254	6,352
Money market instruments	-578	590	691	-841	1,281
Bonds	-4,440	4,276	795	4,094	5,071
Equity and investment fund shares	11,674	3,764	4,845	-14,499	8,609

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](#) and [376-0145 to 376-0147](#).

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

The *Methodological Guide: Canadian System of Macroeconomic Accounts (13-607-X)* is available.

The *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)* is also available. This publication will be regularly updated to maintain its relevance.

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

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