

# Canada's international transactions in securities, November 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, January 17, 2020

Canadian investment in foreign securities increased to \$5.5 billion in November as Canadian investors resumed their purchases of foreign equities. At the same time, foreign investors reduced their holdings of Canadian securities by \$1.8 billion, the first decline in four months.

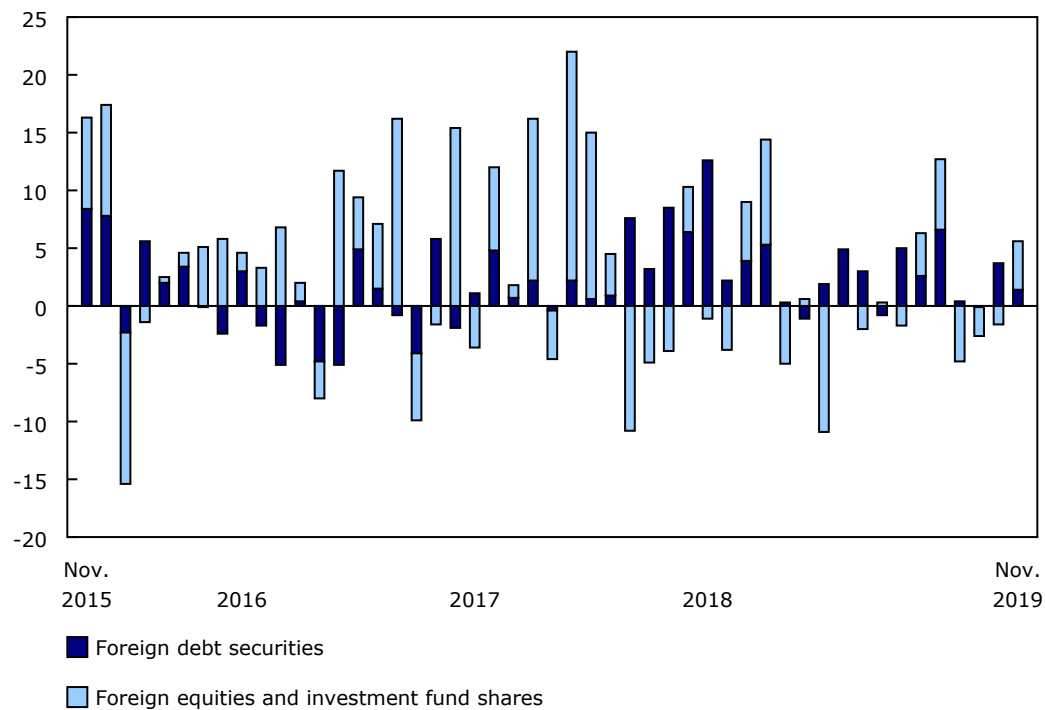
As a result, international transactions in securities generated a net outflow of funds of \$7.3 billion from the Canadian economy in November, following three consecutive months of net inflows.

## Canadian investors resume their purchases of foreign equities

Canadian investors increased their holdings of foreign securities by \$5.5 billion in November. Acquisitions of foreign equities led the investment activity.

**Chart 1**  
**Canadian investment in foreign securities**

billions of dollars



Source(s): Table 36-10-0028-01.

Canadian investment in foreign equities resumed in November to reach \$4.2 billion, following three consecutive months of divestment totalling \$9.0 billion. Canadian acquisitions of US stocks were moderated by sales of non-US stocks. US stock prices were up 3.4% in November.

Canadian investment in foreign debt securities was \$1.4 billion in November. The activity in the month reflected acquisitions of bonds, moderated by a divestment in money market instruments.



Statistics Canada  
Statistique Canada

Canada

Canadian acquisitions of foreign bonds targeted US corporate and non-US bonds, while investors sold US Treasury bonds. From January to November, Canadian investors reduced their exposure to US Treasury bonds by \$9.5 billion, while they increased their holdings of US corporate bonds by \$23.5 billion.

### **Foreign investors reduce their exposure to Canadian private corporate securities**

Foreign investors reduced their holdings of Canadian securities by \$1.8 billion in November. On a sector basis, the reduction was in Canadian private corporate instruments (-\$10.8 billion), as non-resident investors added instruments issued by governments and their enterprises (+\$9.1 billion) in the month.

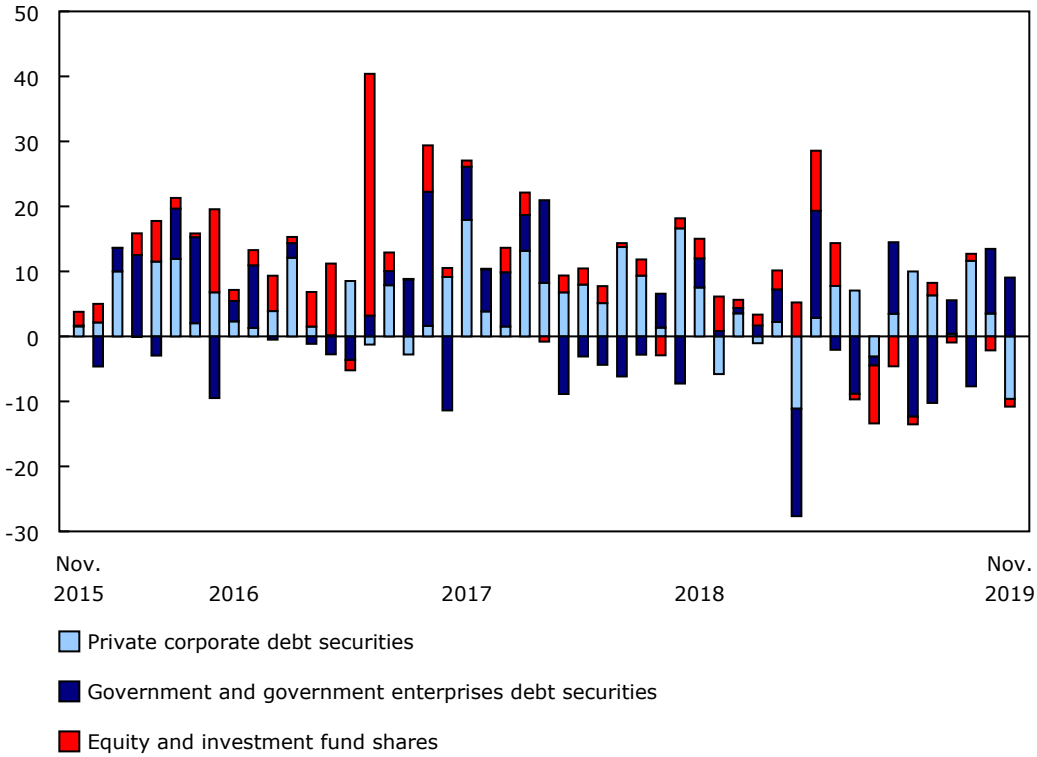
The foreign divestment in Canadian private corporate securities was in all types of instruments, led by bonds. Foreign holdings of Canadian private corporate bonds were down by \$6.4 billion, mainly on net retirements of instruments denominated in UK pound sterling. This activity followed net new issues denominated in this currency in the previous months.

Non-resident investors also reduced their holdings of Canadian equities by \$1.2 billion in November. The divestment was widespread across all sectors except the finance and insurance industry, for which foreign purchases amounted to \$1.6 billion in the month. In November, Canadian stock prices, as measured by the Standard and Poor's / Toronto Stock Exchange composite index, increased 3.4%.

Foreign acquisitions of Canadian government debt securities moderated the overall divestment in Canadian securities in November, notably in the federal government sector. Non-resident investors added \$3.3 billion of federal government bonds and \$1.5 billion of federal government paper in the month, almost all in instruments denominated in Canadian dollars. Canadian short-term interest rates were unchanged in November, while long-term interest rates edged up. Since March, short-term rates have exceeded long-term rates.

## Chart 2 Foreign investment in Canadian securities

billions of dollars



Source(s): Table 36-10-0028-01.

### 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 December 2019 will be released on February 17, 2020.

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

	September 2019	October 2019	November 2019	January to November 2018	January to November 2019
	millions of dollars				
<b>Foreign investment in Canadian securities</b>	<b>5,023</b>	<b>11,314</b>	<b>-1,754</b>	<b>75,932</b>	<b>48,386</b>
Debt securities	3,949	13,464	-569	54,942	49,390
Money market instruments	-2,353	1,666	-1,096	16,929	-2,060
Governments	-3,065	3,960	1,664	9,054	-161
Federal government	-739	434	1,497	3,934	-1,777
Other governments	-2,326	3,526	167	5,122	1,615
Corporations	712	-2,294	-2,760	7,874	-1,899
Government business enterprises	-219	20	472	3,251	-2,226
Private corporations	932	-2,315	-3,232	4,624	327
Bonds	6,302	11,798	527	38,014	51,450
Governments	-2,805	5,318	6,464	-23,916	7,650
Federal government	-1,920	1,418	3,322	-30,927	-3,734
Other governments	-885	3,900	3,142	7,011	11,385
Corporations	9,107	6,481	-5,937	61,929	43,802
Government business enterprises	-1,594	651	450	5,960	3,852
Private corporations	10,701	5,830	-6,386	55,967	39,950
Equity and investment fund shares	1,073	-2,151	-1,185	20,990	-1,006
Shares	2,972	-2,172	-1,298	19,614	1,216
Investment fund shares	-1,899	21	113	1,377	-2,222
<b>Canadian investment in foreign securities</b>	<b>-2,578</b>	<b>2,028</b>	<b>5,548</b>	<b>57,957</b>	<b>19,103</b>
Debt securities	-54	3,668	1,371	51,444	28,423
Money market instruments	770	-128	-732	3,061	-1,337
Bonds	-823	3,796	2,103	48,383	29,758
Equity and investment fund shares	-2,525	-1,640	4,177	6,515	-9,322

**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):** Tables [36-10-0028-01](#) and [36-10-0583-01](#).

Available tables: [36-10-0028-01](#) to [36-10-0035-01](#) , [36-10-0444-01](#), [36-10-0475-01](#), [36-10-0486-01](#), [36-10-0583-01](#) and [36-10-0584-01](#).

**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.

The data visualization product "[Securities statistics](#)," part of the series *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available online.

The *Canada and the World Statistics Hub* ([13-609-X](#)) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China and Japan.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinformedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinformedias.STATCAN@canada.ca)).