

# Canada's international transactions in securities, November 2020

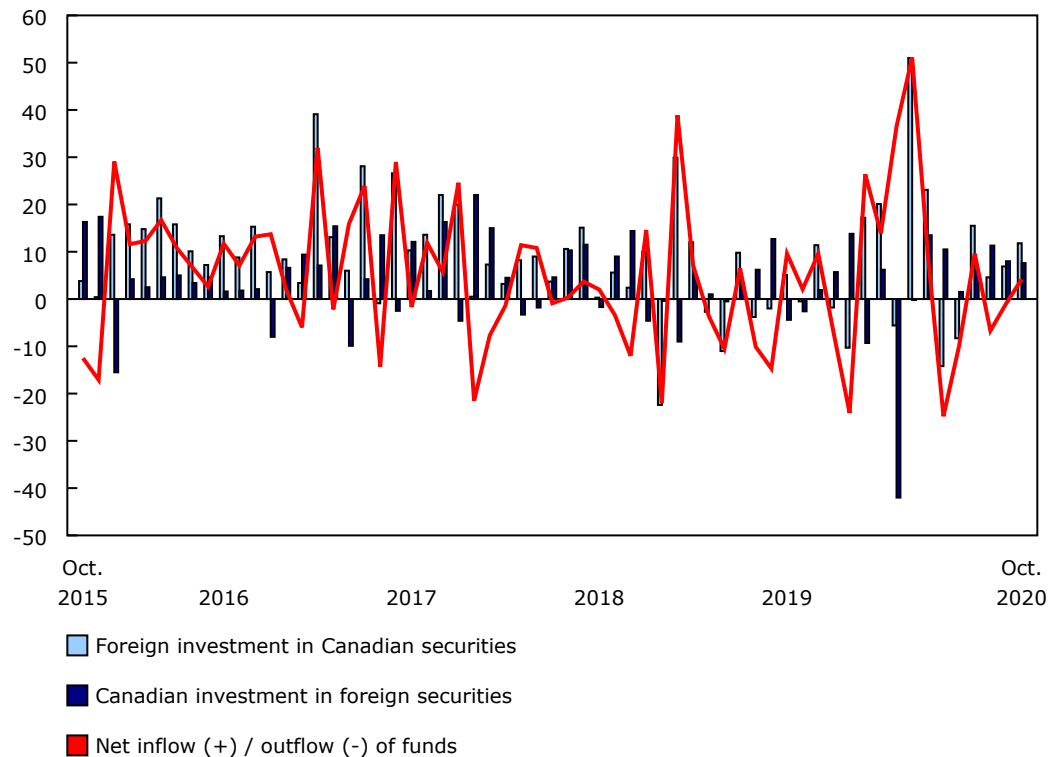
Released at 8:30 a.m. Eastern time in *The Daily*, Monday, January 18, 2021

Foreign investors acquired \$11.8 billion of Canadian securities in November, largely purchases of federal government debt securities. At the same time, Canadian investors increased their holdings of foreign securities by \$7.6 billion, led by acquisitions of US shares.

As a result, international transactions in securities generated a net inflow of funds of \$4.2 billion in the Canadian economy in November, following two months of net outflow of funds.

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

billions of dollars



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

## Foreign investment in federal government debt securities reaches a six-month high

Foreign investors acquired \$11.8 billion of Canadian securities in November. They added both debt and equity securities to their holdings over the month.

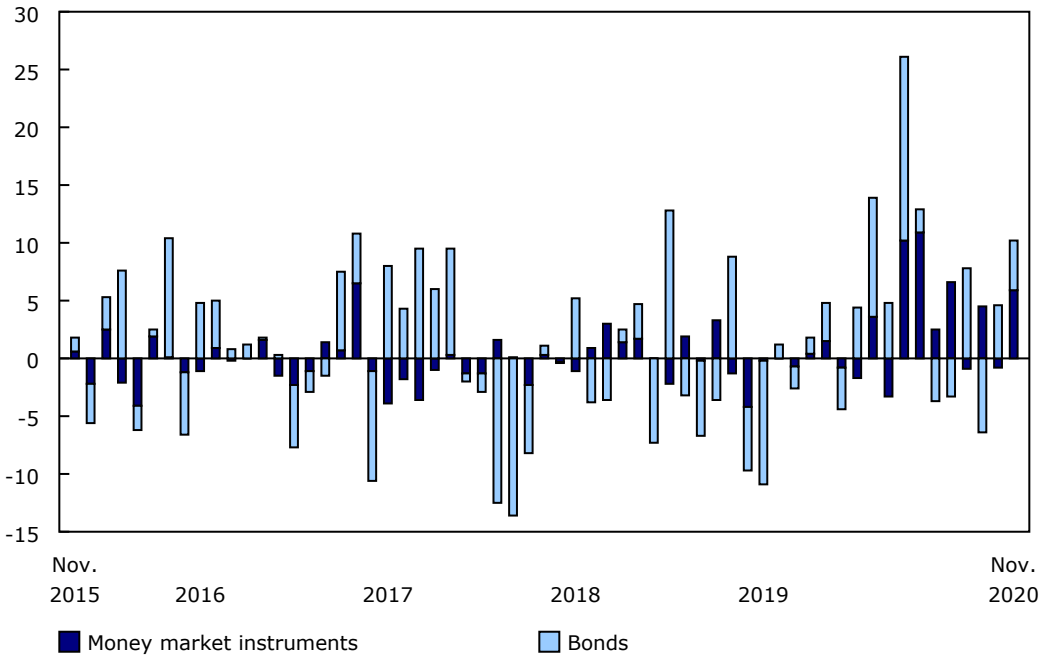
Foreign investment in Canadian debt securities reached \$7.3 billion, reflecting a strong demand for federal government instruments denominated in Canadian dollars. In November, the federal government's overall borrowing activity slowed significantly compared with October. Nonetheless, foreign purchases of federal government securities were at their highest in six months. Over the month, non-resident investors acquired



\$5.9 billion of money market instruments and \$4.3 billion of bonds of the federal government. In November, Canadian short-term interest rates moved up for the first time since October 2019, and long-term rates reached their highest level since March.

**Chart 2**  
**Foreign investment in federal government debt securities**

billions of dollars



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

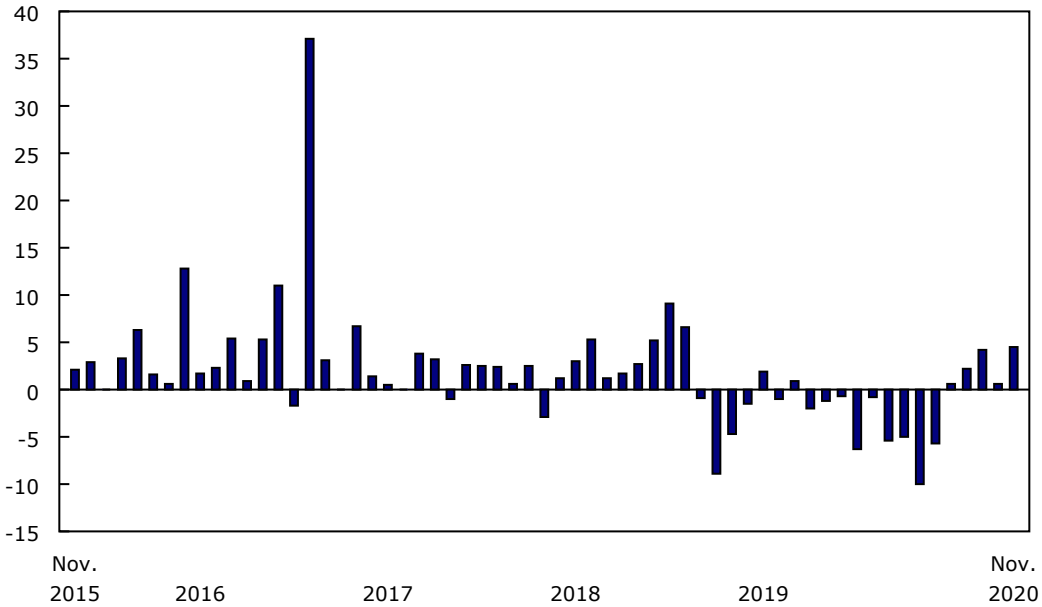
Non-resident investors reduced their holdings of corporate debt securities by \$6.0 billion in November, the largest divestment since July. Retirements of government business enterprise paper and, to a lesser extent, retirements of private corporate bonds accounted for the bulk of the reduction. These retirements were largely in instruments denominated in US dollars. In November, the Canadian dollar continued to appreciate against the US dollar and reached its highest level since September 2018.

**Largest foreign investment in Canadian shares since February 2019**

Foreign investment in Canadian shares amounted to \$4.5 billion in November, the largest investment since February 2019. This activity was led by secondary market acquisitions of shares of the banking sector. In November, Canadian stock prices rose 11.1%, the largest monthly gain since May 2009. The banking sector, as measured by the Standard and Poor's / Toronto Stock Exchange banks index, outperformed the overall market, with a 14.9% increase in share prices in the month.

**Chart 3**  
**Foreign investment in Canadian equity securities**

billions of dollars



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

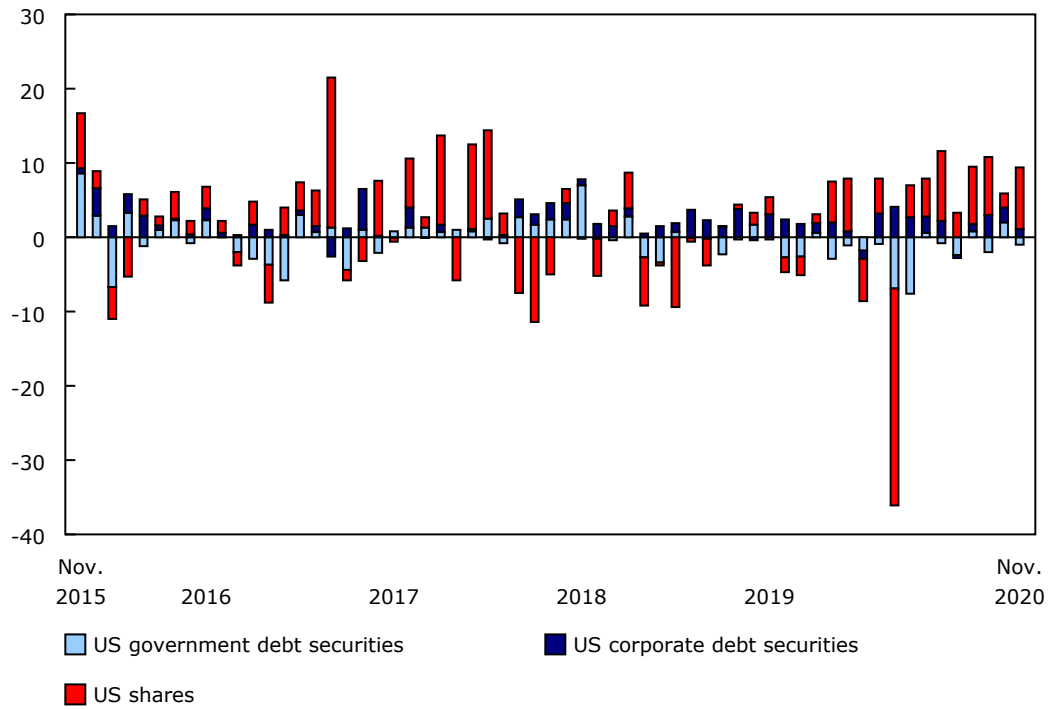
**Canadian investment in foreign securities focuses on US shares**

Canadian investors increased their holdings of foreign securities by \$7.6 billion in November. Holdings of foreign equity securities were up for an eighth consecutive month, as investors added \$7.1 billion worth to their portfolios. Canadians targeted US shares, with purchases of \$8.3 billion in the month, mainly shares of large capitalization technology firms. US stock prices were up by 10.8% in November, the largest monthly gain since April. Meanwhile, Canadians sold \$1.2 billion of non-US foreign shares, their fifth consecutive monthly divestment.

Canadian investment in foreign debt securities was down significantly, from \$6.4 billion in October to \$475 million in November. This decline was led by a slowdown in investment in non-US foreign government bonds and a \$1.1 billion divestment in US government bonds. In November, US long-term interest rates reached their highest level since March.

### Chart 4 Canadian investment in US 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 or 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 will be released on February 16.

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

	September 2020	October 2020	November 2020	January to November 2019	January to November 2020
	millions of dollars				
<b>Foreign investment in Canadian securities</b>	<b>4,612</b>	<b>6,931</b>	<b>11,783</b>	<b>46,480</b>	<b>121,975</b>
Debt securities	376	6,350	7,298	48,169	142,939
Money market instruments	-441	-390	1,100	-2,060	13,182
Governments	4,507	-1,764	6,614	-161	31,384
Federal government	4,454	-767	5,933	-1,777	37,623
Other governments	53	-997	681	1,615	-6,238
Corporations	-4,948	1,374	-5,514	-1,899	-18,204
Government business enterprises	-2,351	-699	-5,212	-2,226	-5,927
Private corporations	-2,597	2,073	-302	327	-12,278
Bonds	817	6,739	6,198	50,231	129,756
Governments	-8,184	11,827	6,638	9,256	69,443
Federal government	-6,410	4,628	4,273	-3,704	40,569
Other governments	-1,774	7,199	2,365	12,960	28,872
Corporations	9,001	-5,087	-440	40,978	60,315
Government business enterprises	299	449	1,576	3,852	13,981
Private corporations	8,702	-5,536	-2,016	37,123	46,335
Equity and investment fund shares	4,235	581	4,485	-1,689	-20,965
Shares	4,250	652	5,582	518	-16,248
Investment fund shares	-17	-94	-1,121	-2,207	-4,682
<b>Canadian investment in foreign securities</b>	<b>11,341</b>	<b>7,975</b>	<b>7,576</b>	<b>19,159</b>	<b>13,035</b>
Debt securities	5,177	6,422	475	28,424	1,505
Money market instruments	-511	-394	-53	-1,337	683
Bonds	5,688	6,816	527	29,759	822
Equity and investment fund shares	6,164	1,552	7,102	-9,268	11,532

**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](#), [36-10-0584-01](#) and [36-10-0642-01](#).

**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)).