

Canada's international transactions in securities, November 2021

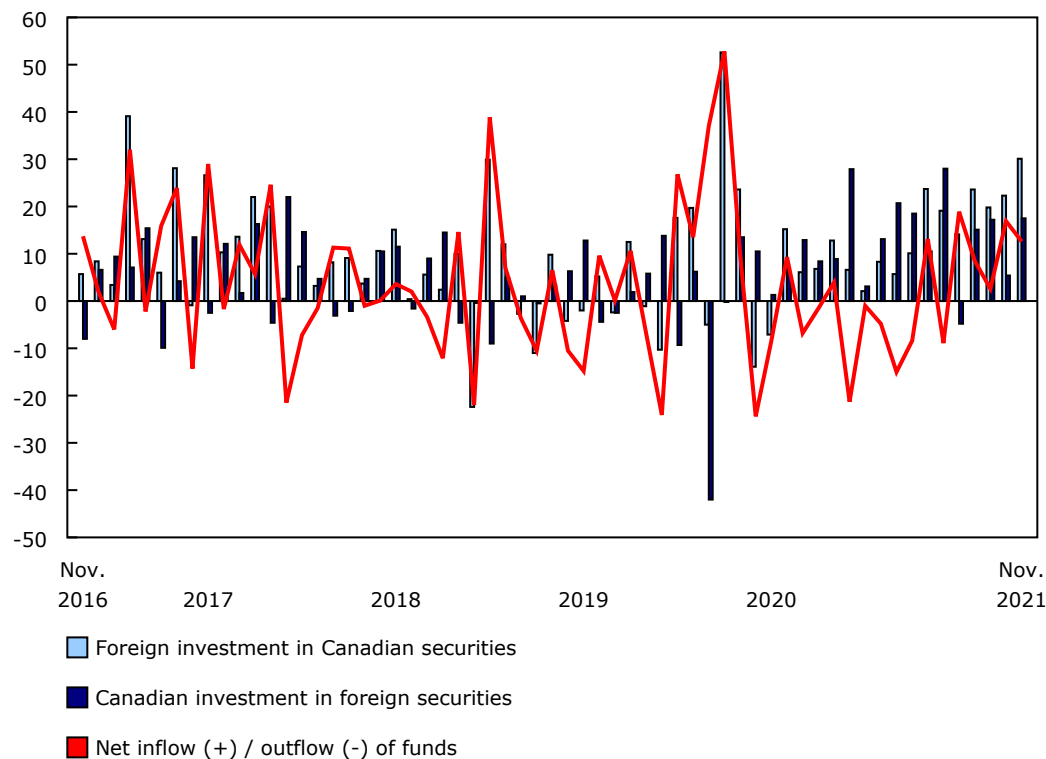
Released at 8:30 a.m. Eastern time in *The Daily*, Monday, January 17, 2022

Foreign investors acquired \$30.1 billion of Canadian securities in November, the largest investment since April 2020. At the same time, Canadian investors increased their holdings of foreign securities by \$17.5 billion, led by purchases of US shares.

As a result, international transactions in securities generated a net inflow of funds of \$12.6 billion in the Canadian economy in November.

Chart 1
Canada's international transactions in securities

billions of dollars



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

The largest foreign investment in Canadian securities since April 2020

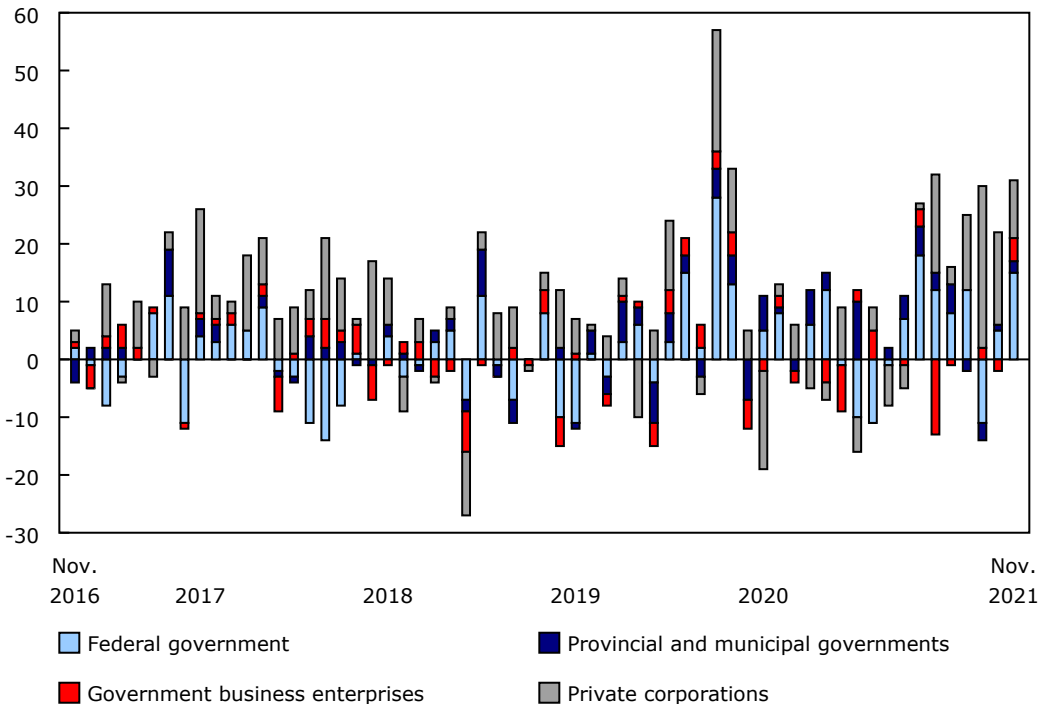
Foreign acquisitions of Canadian securities totalled \$30.1 billion in November, the largest investment since April 2020, during the first wave of the COVID-19 pandemic in Canada. In November, foreign investment targeted federal government debt securities, and to a lesser extent, private corporate debt securities. A foreign divestment in Canadian equities moderated the overall acquisition activity in the month.



Foreign investors added \$31.4 billion of debt securities to their portfolios in November, up from a \$20.4 billion investment in October. This activity mainly reflected purchases of federal government debt securities, both bonds (\$8.6 billion) and money market instruments (\$6.5 billion). In addition, investors added \$9.8 billion of private corporate debt securities to their holdings in November, a seventh consecutive monthly investment, for a total of \$87.6 billion. In November, Canadian long-term interest rates rose to the highest level since February 2019. Meanwhile, the Canadian dollar depreciated against the US dollar.

Chart 2
Foreign investment in Canadian debt securities, by sector of issuer

billions of dollars



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

Non-resident investors reduced their overall exposure to the Canadian equity market by \$1.3 billion in November, after three consecutive months of investment. The reduction reflected retirements of Canadian portfolio shares resulting from cross-border merger and acquisition activities. Foreign purchases of Canadian shares on the secondary market, led by shares of chartered banks, moderated the overall reduction in the month. Canadian share prices, as measured by the Standard and Poor's/TSX composite index, were down by 1.8% in November after reaching a record-high level in October.

Canadian investment in foreign securities rebounds

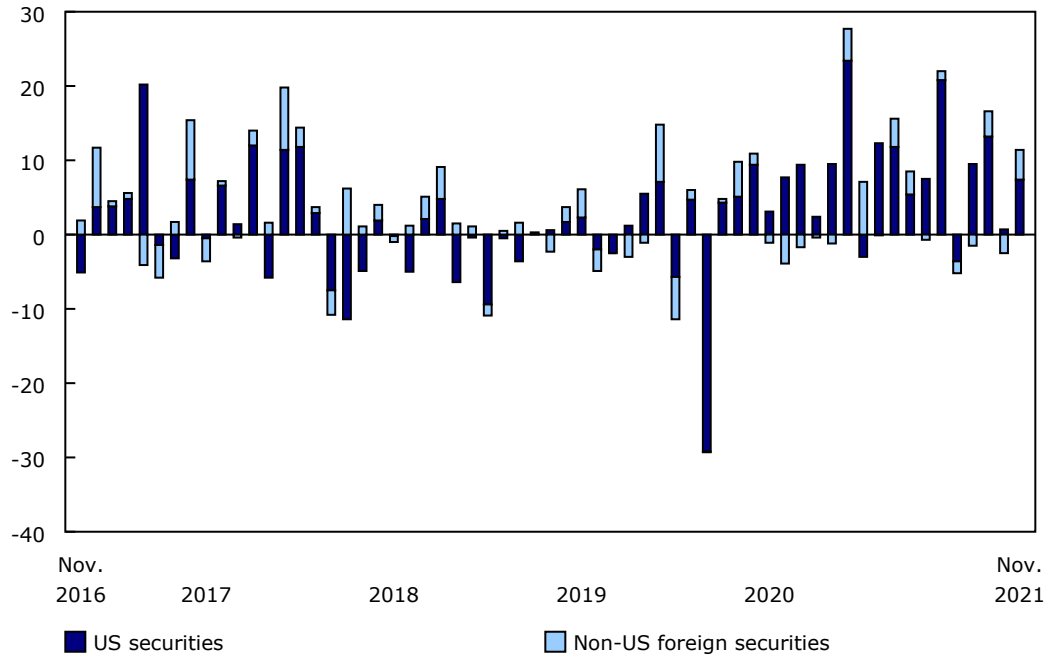
Canadian acquisitions of foreign securities reached \$17.5 billion in November, up from a \$5.4 billion investment in October and similar to the average investment observed in August and September. The investment activity in November was led by acquisitions of US shares.

Canadian investors added \$7.4 billion of US shares to their holdings in November, following an investment of \$652 million in October. The activity in November focused on shares of large capitalization technology firms and investment fund shares tracking broad market indices. US stock prices, as measured by the Standard and

Poor's 500 composite index, were down by 0.8% in November. In addition, Canadian investors purchased \$4.0 billion of non-US foreign shares, after a divestment of \$2.5 billion in October. November's investment mainly targeted British companies' shares.

Chart 3
Canadian investment in foreign equity and investment fund shares

billions of dollars

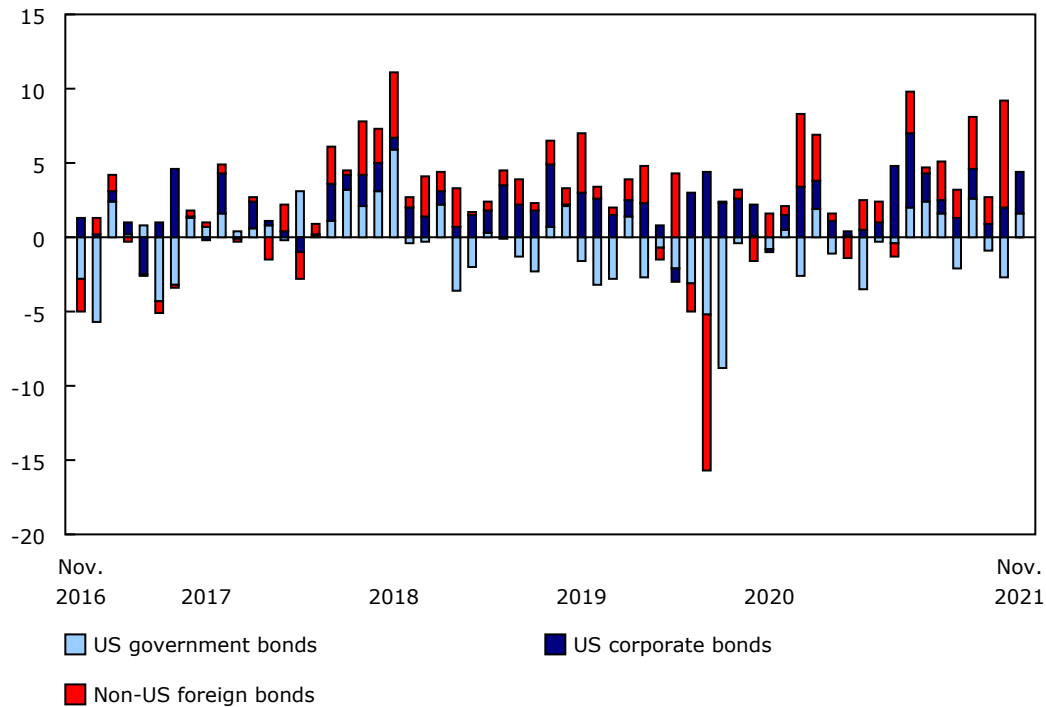


Source(s): Table 36-10-0028-01.

Meanwhile, Canadian investors added \$6.1 billion of foreign debt securities to their portfolios, mainly in US dollar-denominated instruments. This activity represented the 10th straight month of investment in foreign debt securities for a total of \$47.4 billion. Investment in November mainly focused on US corporate bonds (\$2.8 billion) and US government bonds (\$1.6 billion). In November, Canadian long-term interest rates exceeded their US counterpart with the largest value increase since August 2011.

Chart 4
Canadian investment in foreign bonds

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 international accounts.

Equity and investment fund shares include common and preferred equities, as well as units or shares of investment funds. For the sake of brevity, the terms "shares" and "equity and investment fund shares" have the same meaning.

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 2021 will be released on February 17, 2022.

Table 1
Canada's international transactions in securities

	September 2021	October 2021	November 2021	January to November 2020	January to November 2021
millions of dollars					
Foreign investment in Canadian securities	19,789	22,299	30,147	128,375	178,990
Debt securities	16,567	20,414	31,428	149,310	149,919
Money market instruments	929	-7,184	13,682	13,182	27,106
Governments	-3,276	-4,081	8,287	31,384	17,120
Federal government	-2,813	-3,659	6,531	37,623	8,803
Other governments	-463	-421	1,756	-6,238	8,316
Corporations	4,205	-3,103	5,396	-18,204	9,988
Government business enterprises	1,323	-175	1,633	-5,927	6,182
Private corporations	2,882	-2,929	3,763	-12,278	3,804
Bonds	15,638	27,598	17,745	136,128	122,812
Governments	-10,722	10,065	9,296	81,021	57,402
Federal government	-8,040	8,352	8,614	52,143	36,532
Other governments	-2,682	1,713	681	28,879	20,869
Corporations	26,360	17,533	8,450	55,106	65,412
Government business enterprises	978	-1,878	2,387	14,073	-5,831
Private corporations	25,382	19,411	6,063	41,032	71,240
Equity and investment fund shares	3,222	1,885	-1,281	-20,932	29,072
Shares	3,146	1,991	-823	-16,229	28,755
Investment fund shares	76	-106	-458	-4,702	316
Canadian investment in foreign securities	17,164	5,408	17,518	16,165	144,435
Debt securities	522	7,226	6,102	1,596	46,442
Money market instruments	-1,260	723	1,764	774	517
Bonds	1,782	6,504	4,338	822	45,925
Equity and investment fund shares	16,642	-1,818	11,416	14,572	97,992

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).