

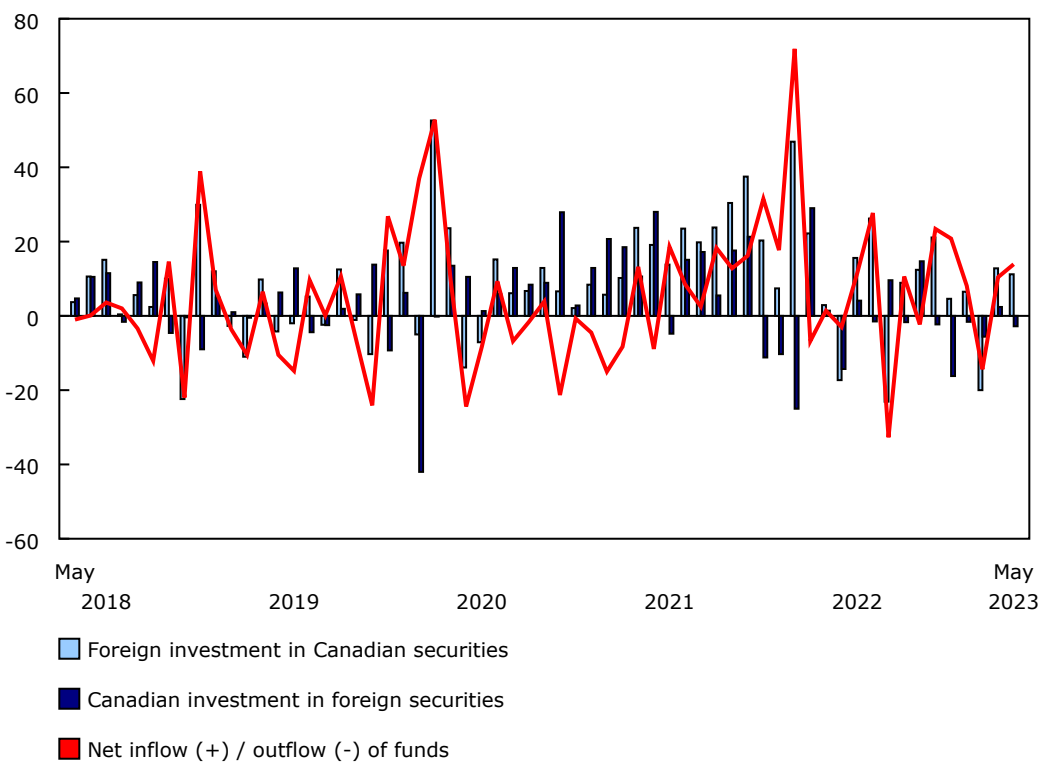
Canada's international transactions in securities, May 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, July 17, 2023

Foreign investment in Canadian securities totalled \$11.2 billion in May, led by strong foreign purchases of federal government debt securities. Meanwhile, Canadian investors reduced their holdings of foreign securities by \$2.8 billion, led by sales of US government debt securities. As a result, international transactions in securities generated a net inflow of funds of \$13.9 billion into the Canadian economy in May.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Foreign investment in Canadian securities focuses on federal government debt securities

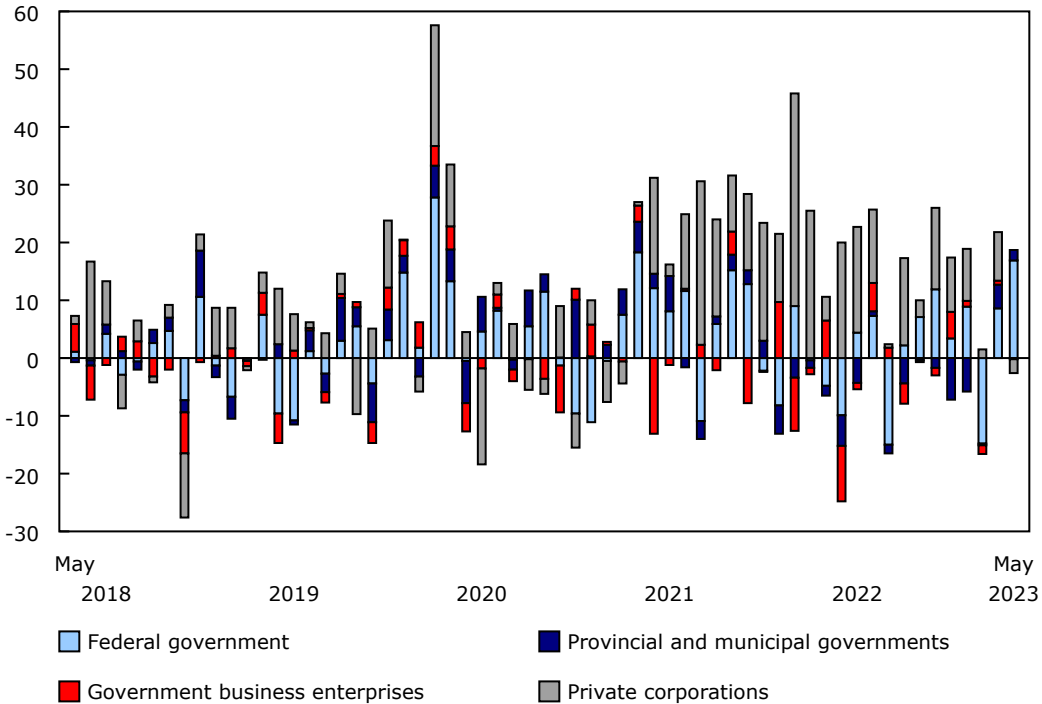
Foreign acquisitions of Canadian securities continued in May as non-resident investors purchased \$11.2 billion worth, after investing \$12.8 billion in April. In May, foreign investment targeted federal government debt securities and was moderated by a reduction in foreign holdings of Canadian private corporate instruments.

More precisely, foreign investors increased their exposure to federal government debt securities by \$16.9 billion in May, led by a record-high \$11.8 billion investment in government of Canada paper. A reduction in foreign holdings of private corporate paper moderated the investment activity in the month. In May, Canadian short-term interest rates were up to reach the highest levels since February 2001.



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

billions of dollars



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

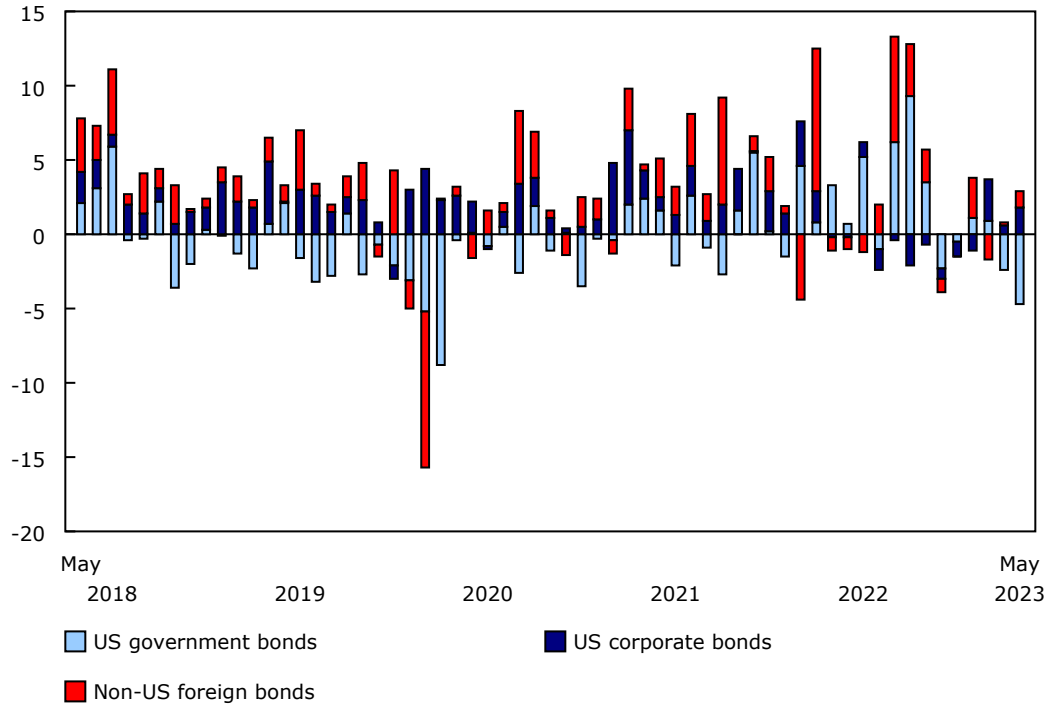
Foreign investors reduced their holdings of Canadian shares by \$4.9 billion in May, a sixth consecutive monthly divestment. Canadian share prices, as measured by the Standard and Poor's/Toronto Stock Exchange composite index, were down by 5.2% in May.

Canadian investors reduce their exposure to US government debt securities

Canadian investors reduced their holdings of foreign securities by \$2.8 billion in May, after acquiring \$2.4 billion worth in April. In May, the divestment in US government debt securities totalled \$5.6 billion, the largest amount since April 2020. This activity was moderated by investments in US corporate bonds (\$1.8 billion) and non-US foreign bonds (\$1.1 billion) in May 2023. Meanwhile, Canadian investment in foreign shares slowed to \$231 million in May compared with \$3.5 billion in April.

Chart 3
Canadian investment in foreign bonds

billions of dollars



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

Table 1
Canada's international transactions in securities

	March 2023	April 2023	May 2023	January to May 2022	January to May 2023
millions of dollars					
Foreign investment in Canadian securities	-20,012	12,778	11,159	99,681	15,017
Debt securities	-15,038	21,743	16,078	89,504	46,168
Money market instruments	-15,035	1,115	4,945	-11,006	-10,553
Governments	-4,569	1,556	12,101	-22,425	8,469
Federal government	-3,679	445	11,751	-16,764	12,903
Other governments	-890	1,111	350	-5,660	-4,434
Corporations	-10,466	-441	-7,155	11,418	-19,020
Government business enterprises	-1,541	1,557	116	6,928	990
Private corporations	-8,925	-1,998	-7,271	4,490	-20,010
Bonds	-2	20,628	11,132	100,510	56,722
Governments	-10,504	11,100	6,614	7,470	7,149
Federal government	-11,104	8,129	5,168	10,056	10,126
Other governments	599	2,971	1,445	-2,585	-2,980
Corporations	10,502	9,528	4,519	93,039	49,574
Government business enterprises	83	-850	-335	-1,150	3,648
Private corporations	10,419	10,379	4,854	94,190	45,927
Equity and investment fund shares	-4,974	-8,965	-4,919	10,179	-31,153
Shares	-3,902	-9,362	-4,968	11,523	-28,328
Investment fund shares	-1,072	396	48	-1,344	-2,826
Canadian investment in foreign securities	-5,589	2,372	-2,780	-16,011	-23,807
Debt securities	3,016	-1,114	-3,011	26,662	-117
Money market instruments	1,030	380	-1,291	3,100	-143
Bonds	1,986	-1,494	-1,720	23,561	26
Equity and investment fund shares	-8,605	3,486	231	-42,673	-23,689

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](#).

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. These 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 June will be released on August 17.

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 *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.

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

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

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

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).