

Canada's international transactions in securities, June 2023

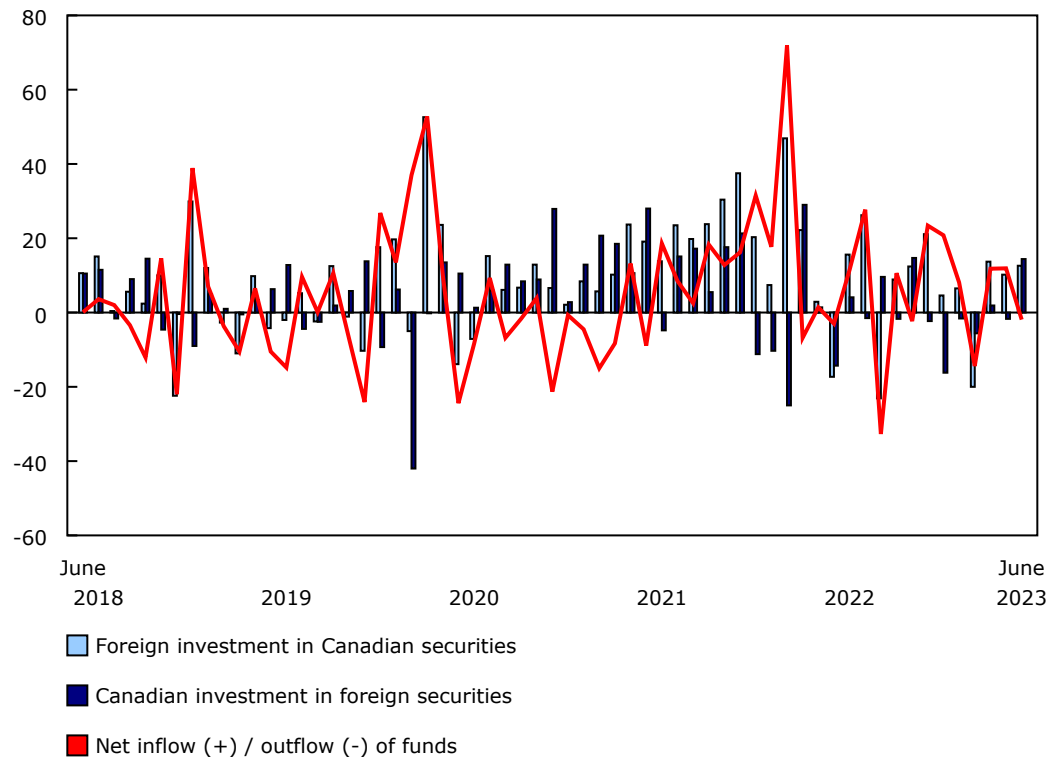
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, August 17, 2023

Canadian investors acquired \$14.4 billion of foreign securities in June, the largest investment in seven months. Meanwhile, foreign investors increased their holdings of Canadian securities by \$12.6 billion, following two months of strong investment.

As a result, international transactions in securities generated a net outflow of funds of \$1.9 billion in June and ended the second quarter with a net inflow of funds of \$21.8 billion into the Canadian economy.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Canadian investors acquire US government bonds

Canadian investment in foreign securities totalled \$14.4 billion in June, the largest amount since November 2022. The activity in June 2023 targeted US government bonds and, to a lesser extent, non-US foreign bonds. Overall, Canadian investors increased their holdings of foreign securities by \$14.6 billion in the second quarter, after reducing them by \$23.4 billion in the first quarter.



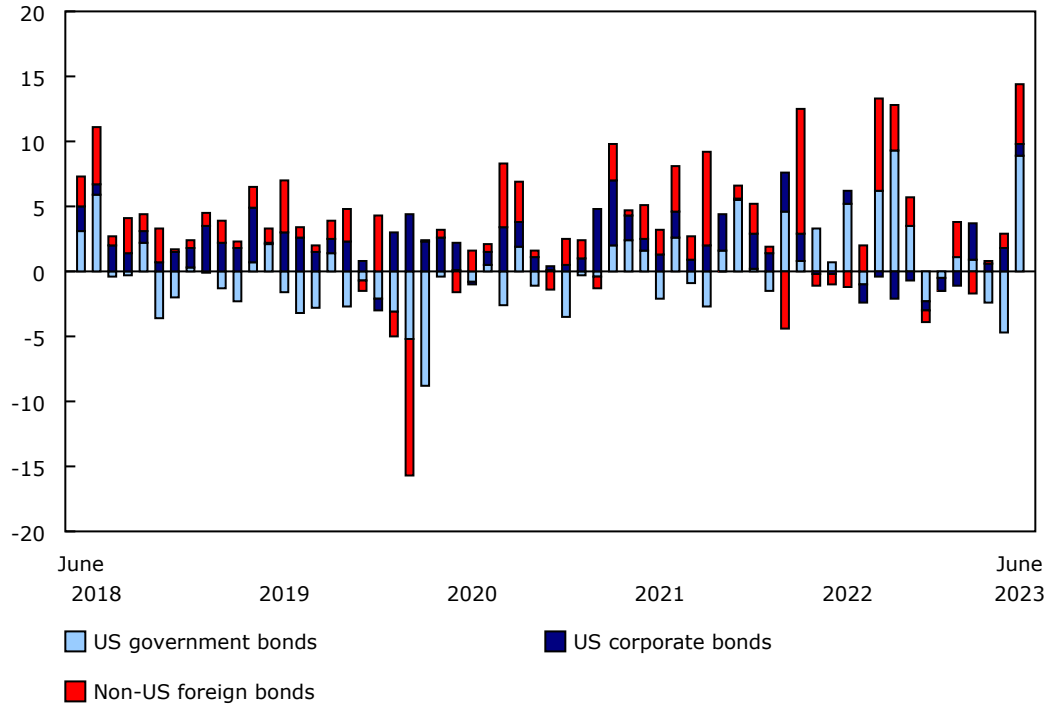
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In June, Canadian investors increased their exposure to US government bonds by \$8.9 billion, after two months of divestment. US long-term interest rates were up in June. At the same time, Canadian investment in non-US foreign bonds, mainly bonds of foreign governments and international organizations, reached \$4.6 billion. In contrast, Canadian investors reduced their holdings of foreign equities by \$1.2 billion in June, nearly all of which were non-US foreign shares.

Chart 2
Canadian investment in foreign bonds

billions of dollars



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

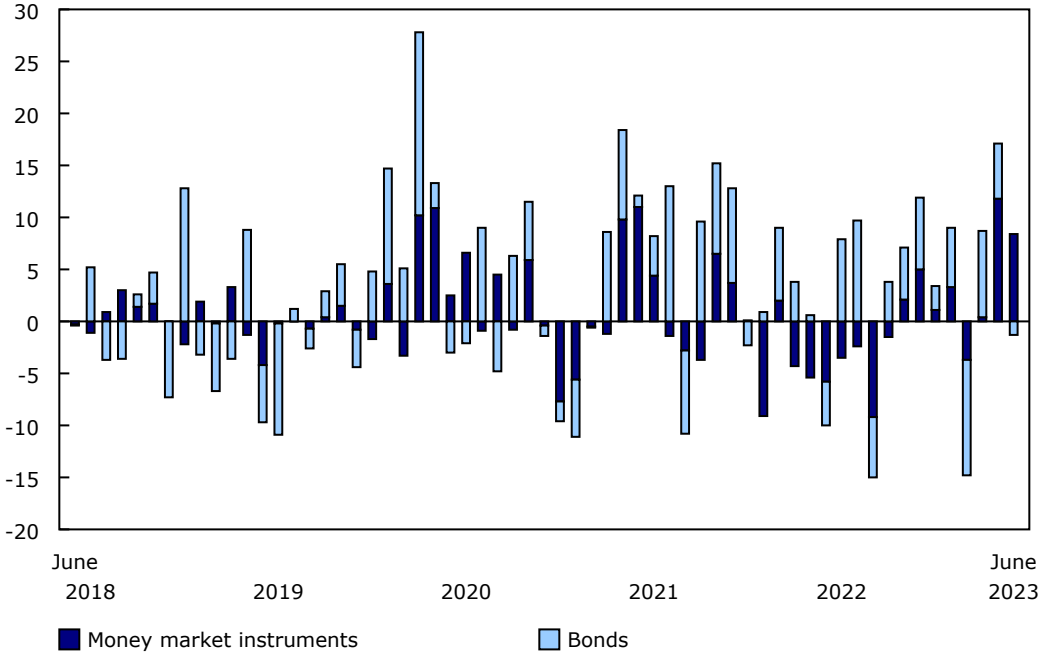
Substantial foreign investment in Canadian federal government paper

Strong foreign investment in Canadian securities continued in June, as investors purchased \$12.6 billion worth, for a total of \$36.5 billion in the second quarter. Foreign investment in June mainly targeted federal government money market instruments for a second consecutive month.

Foreign investors acquired \$8.4 billion of federal government paper in June, following a record \$11.8 billion investment in May. In June, the Bank of Canada raised its policy interest rates for the second time in 2023, and the Canadian short-term interest rates rose to the highest levels since January 2001.

Chart 3
Foreign investment in federal government debt securities

billions of dollars



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

In June 2023, non-resident investors also purchased Canadian bonds (+\$8.1 billion) but divested of Canadian shares (-\$3.9 billion) for a seventh consecutive month. June's activity focused on Canadian banking sector securities, as foreign investors acquired new issues of foreign currency bonds and reduced their exposure to shares.

Table 1
Canada's international transactions in securities

	April 2023	May 2023	June 2023	January to June 2022	January to June 2023
millions of dollars					
Foreign investment in Canadian securities	13,694	10,208	12,562	82,350	27,577
Debt securities	22,625	15,590	16,453	84,663	63,050
Money market instruments	1,115	4,945	8,377	-14,286	-2,176
Governments	1,556	12,101	7,800	-30,977	16,269
Federal government	445	11,751	8,378	-22,514	21,281
Other governments	1,111	350	-577	-8,462	-5,011
Corporations	-441	-7,155	576	16,690	-18,444
Government business enterprises	1,557	116	2,025	3,930	3,015
Private corporations	-1,998	-7,271	-1,448	12,760	-21,458
Bonds	21,510	10,645	8,076	98,949	65,226
Governments	11,298	6,698	-1,070	785	6,361
Federal government	8,329	5,252	-1,290	5,903	9,120
Other governments	2,970	1,446	221	-5,116	-2,759
Corporations	10,212	3,946	9,146	98,163	58,864
Government business enterprises	-850	-335	1,186	-7,802	4,834
Private corporations	11,062	4,282	7,960	105,966	54,031
Equity and investment fund shares	-8,931	-5,382	-3,891	-2,311	-35,473
Shares	-9,331	-5,384	-3,724	-767	-32,437
Investment fund shares	400	2	-166	-1,543	-3,034
Canadian investment in foreign securities	1,913	-1,710	14,443	-30,345	-8,753
Debt securities	-1,113	-3,010	15,622	24,931	15,507
Money market instruments	380	-1,291	1,216	1,675	1,073
Bonds	-1,493	-1,720	14,406	23,255	14,433
Equity and investment fund shares	3,027	1,301	-1,179	-55,276	-24,257

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 July will be released on September 15.

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).