

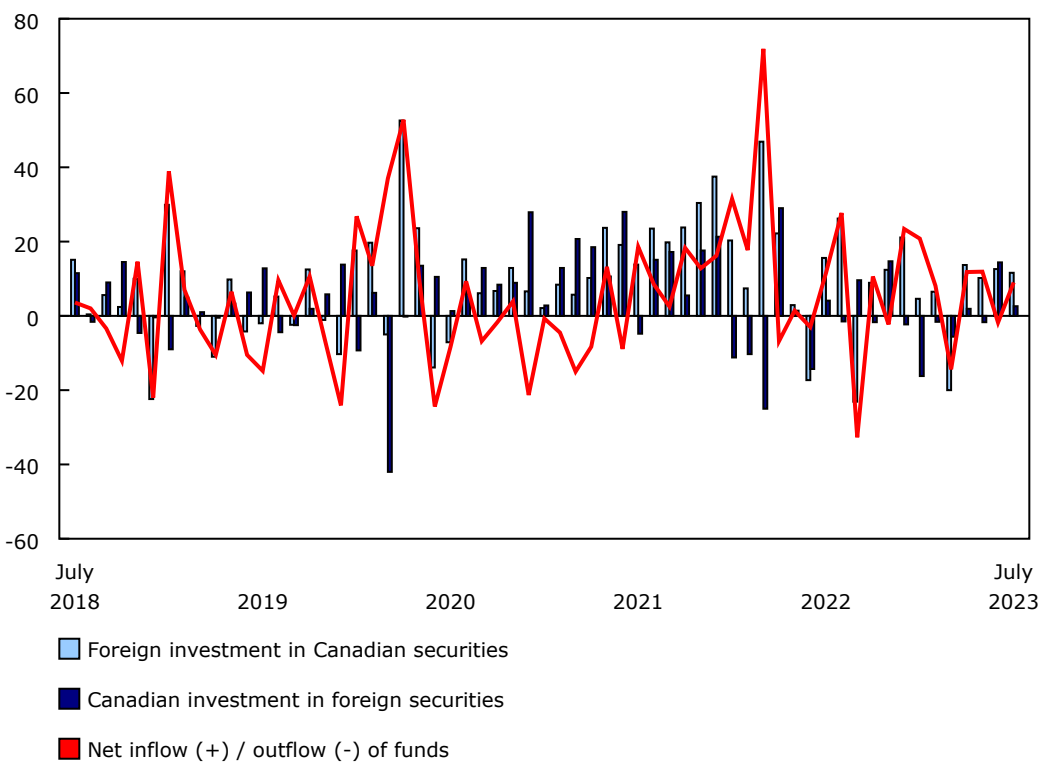
Canada's international transactions in securities, July 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, September 15, 2023

Foreign investment in Canadian securities totalled \$11.6 billion in July, a fourth consecutive month of strong investment. Meanwhile, Canadian investors acquired \$2.6 billion of foreign securities, down from a \$14.4 billion investment in June. As a result, international transactions in securities generated a net inflow of funds of \$9.0 billion into the Canadian economy.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Non-resident investors acquire Canadian private corporate and government bonds

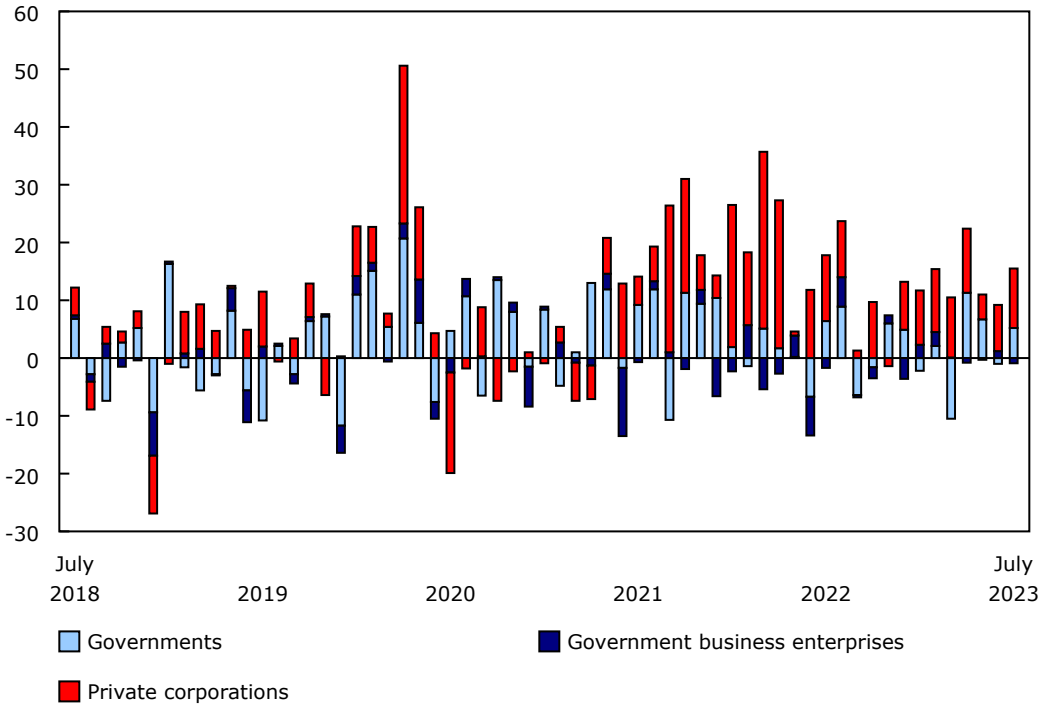
Non-resident investors increased their exposure to Canadian securities by \$11.6 billion in July, representing a fourth consecutive month of investment and bringing their total acquisition of Canadian securities during these four months to \$48.1 billion. The activity in July focused on long-term debt securities.

Foreign investors acquired \$10.3 billion of Canadian private corporate bonds in July, largely new issuances of foreign currency instruments by chartered banks. In addition, they increased their exposure to Canadian government bonds by \$5.2 billion, targeting both federal and provincial bonds. In July, Canadian long-term interest rates were up to reach the highest level since April 2010.



Chart 2
Foreign investment in Canadian bonds, by sector of issuer

billions of dollars



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

Meanwhile, foreign investors reduced their holdings of Canadian equity securities by \$1.2 billion in July, bringing their total value to \$36.7 billion so far in 2023. In contrast, non-resident investors have acquired \$75.9 billion worth of Canadian debt securities since the beginning of the year, led by investment in private corporate bonds.

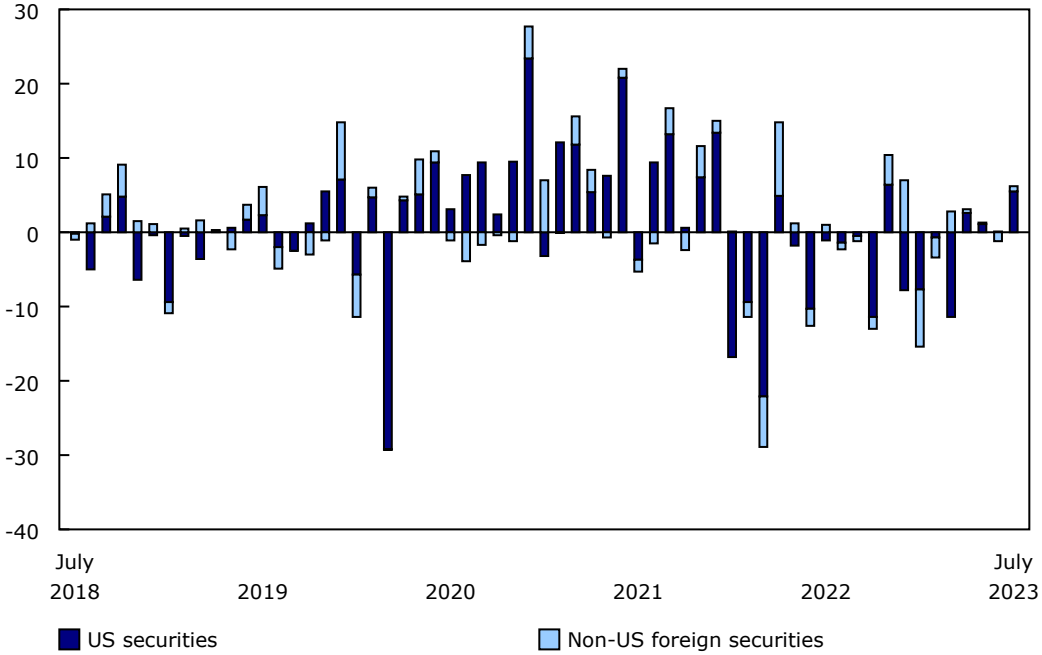
Canadian investment in foreign securities slows down

Canadian investment in foreign securities totalled \$2.6 billion in July, down from a \$14.4 billion investment in June. The investment activity in July focused on US equity securities and was moderated by a divestment in foreign bonds.

Canadian investors increased their holdings of US equity securities by \$5.5 billion in July, the largest amount since November 2022. In July 2023, investment activity focused on shares of large capitalization firms and investment funds tracking broad market indexes. US share prices, as measured by the Standard and Poor's 500 composite index, were up to reach the highest level since December 2021.

Chart 3
Canadian investment in foreign equity and investment fund shares

billions of dollars

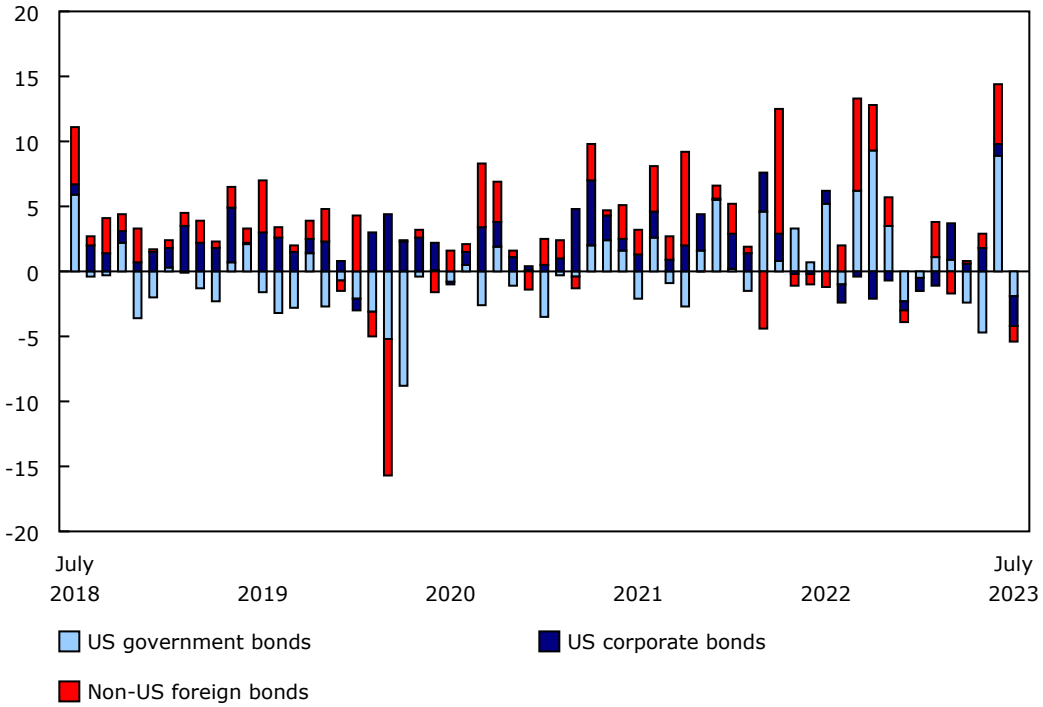


Source(s): Table 36-10-0028-01.

Meanwhile, Canadian investors reduced their holdings of foreign bonds by \$5.4 billion in July 2023, in both government and corporate bonds. This activity followed a strong \$14.4 billion investment in June. In contrast, they added \$1.9 billion of foreign money market instruments to their portfolios in July, the largest amount so far in 2023.

Chart 4
Canadian investment in foreign bonds

billions of dollars



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

Table 1
Canada's international transactions in securities

	May 2023	June 2023	July 2023	January to July 2022	January to July 2023
millions of dollars					
Foreign investment in Canadian securities	10,183	12,612	11,621	97,974	39,223
Debt securities	15,590	16,499	12,790	102,003	75,886
Money market instruments	4,945	8,377	-1,736	-13,079	-3,912
Governments	12,101	7,800	-680	-37,266	15,589
Federal government	11,751	8,378	-193	-25,998	21,088
Other governments	350	-577	-487	-11,267	-5,498
Corporations	-7,155	576	-1,056	24,185	-19,500
Government business enterprises	116	2,025	-2,039	4,575	976
Private corporations	-7,271	-1,448	984	19,611	-20,474
Bonds	10,645	8,123	14,526	115,082	79,799
Governments	6,699	-1,023	5,150	7,192	11,559
Federal government	5,252	-1,244	3,290	13,783	12,456
Other governments	1,447	221	1,860	-6,589	-898
Corporations	3,946	9,146	9,376	107,889	68,240
Government business enterprises	-335	1,186	-948	-9,506	3,886
Private corporations	4,282	7,960	10,324	117,397	64,355
Equity and investment fund shares	-5,408	-3,887	-1,169	-4,027	-36,664
Shares	-5,407	-3,721	-1,418	-1,960	-33,876
Investment fund shares	0	-166	249	-2,066	-2,787
Canadian investment in foreign securities	-1,710	14,443	2,614	-26,218	-6,139
Debt securities	-3,010	15,622	-3,553	29,177	11,954
Money market instruments	-1,291	1,216	1,858	938	2,931
Bonds	-1,720	14,406	-5,412	28,239	9,021
Equity and investment fund shares	1,301	-1,179	6,168	-55,395	-18,089

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 August will be released on October 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).