

# Canada's international transactions in securities, September 2023

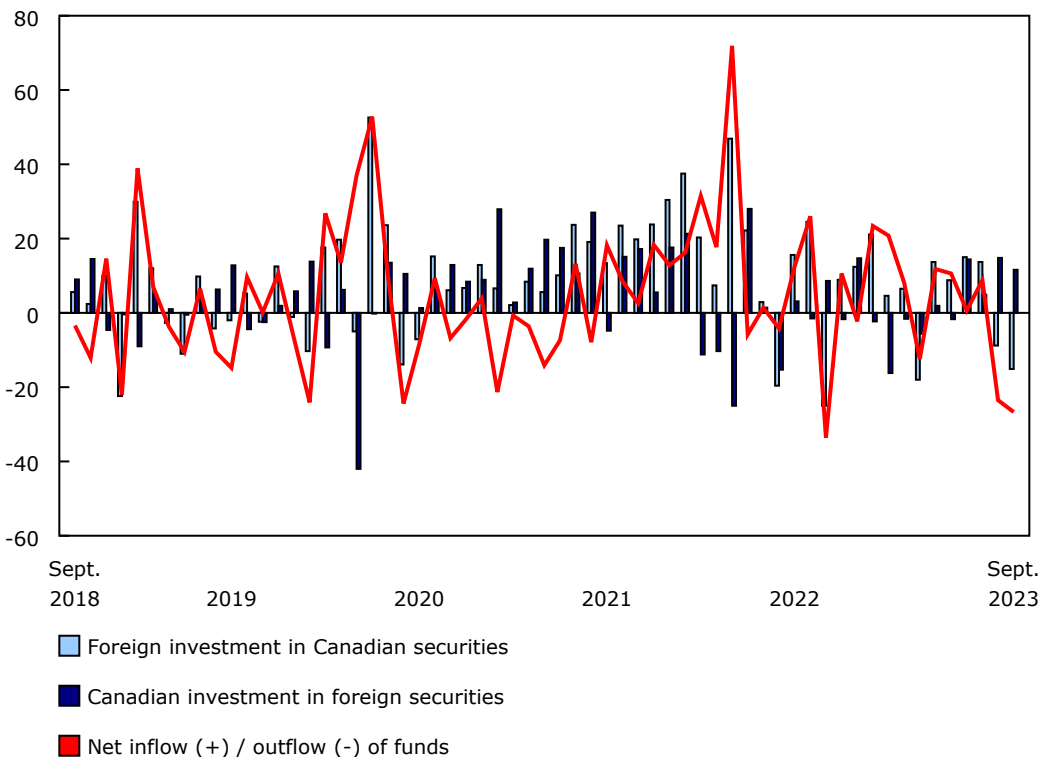
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, November 17, 2023

Foreign investors reduced their holdings of Canadian securities by \$15.1 billion in September, mainly due to retirements of bonds. Meanwhile, Canadian investors acquired \$11.6 billion of foreign securities, ending the third quarter with the largest investment since the fourth quarter of 2021.

As a result, international transactions in securities generated a net outflow of funds of \$26.7 billion from the Canadian economy in September 2023. The outflow of funds reached a record \$41.4 billion in the third quarter, completely offsetting the inflow of funds of \$39.4 billion recorded in the first half of the year.

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

billions of dollars



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

## Largest retirements of Canadian bonds since December 2018

Non-resident investors reduced their exposure to Canadian securities by \$15.1 billion in September 2023. Overall, retirements of bonds were moderated by foreign acquisitions of equity securities during the month.

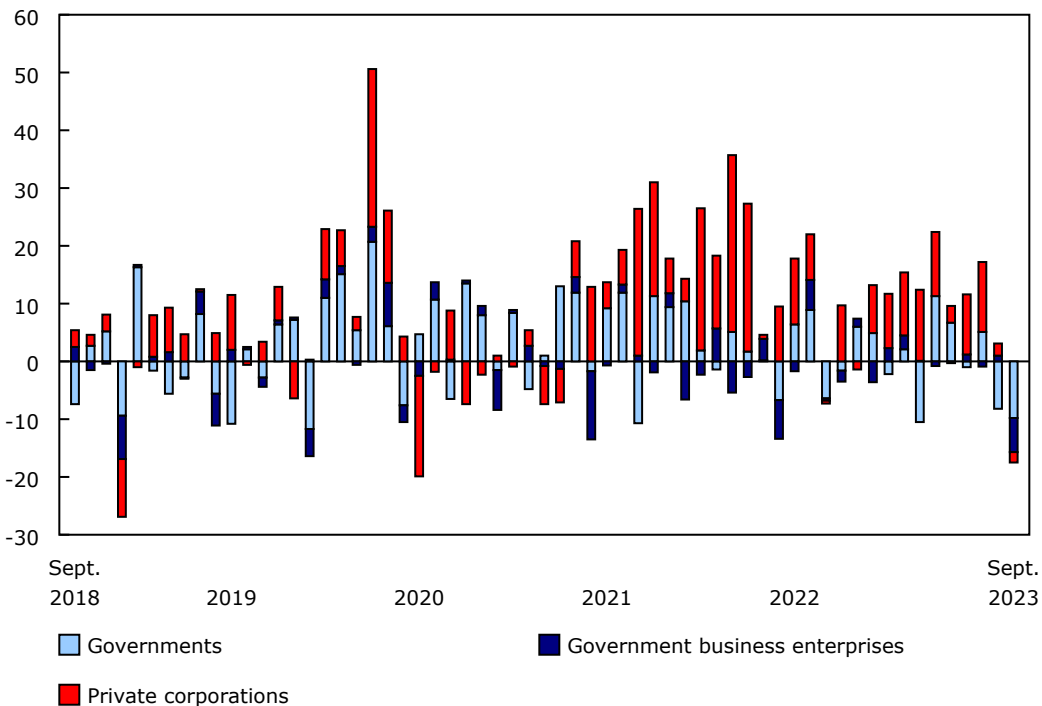


The reduction in foreign holdings of Canadian bonds totalled \$17.5 billion in September with retirements totalling \$20.4 billion, the highest amount since December 2018. These retirements were in both government and corporate bonds, with the latter mainly composed of instruments backed by mortgages. In September 2023, Canadian long-term interest rates reached the highest level since December 2007.

Non-resident investors acquired \$1.6 billion of Canadian shares in September 2023, after nine consecutive months of divestment. Investments in shares of the manufacturing as well as the trade and transportation industries were moderated by a divestment in shares of the banking sector. Canadian share prices, as measured by the S&P/TSX index, fell 3.7% in September.

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

billions of dollars



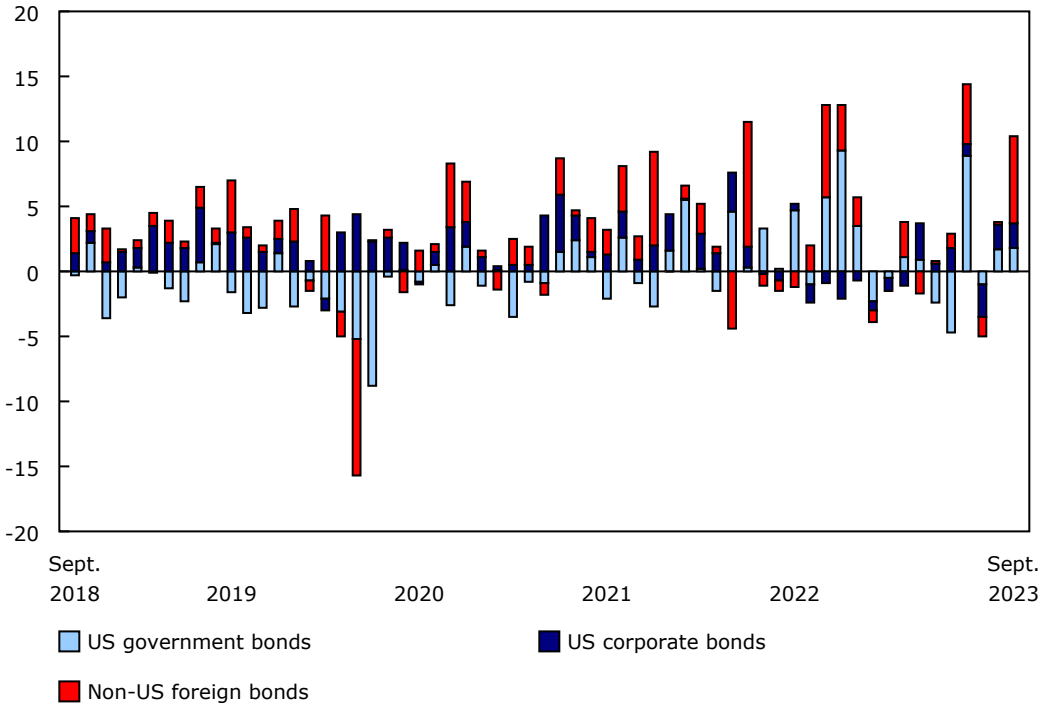
Source(s): Table 36-10-0028-01.

### Strong Canadian investment in foreign bonds

Canadian investors added \$11.6 billion of foreign securities to their holdings in September, led by a \$10.5 billion investment in foreign bonds. The investment in non-US foreign bonds (+\$6.7 billion) reached the highest amount in a year and mainly targeted government bonds. In addition, investors acquired \$3.8 billion of US bonds in September, after buying \$3.7 billion of US bonds in the previous month. US long-term interest rates rose in September, to the highest level since October 2007.

**Chart 3**  
**Canadian investment in foreign bonds**

billions of dollars



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

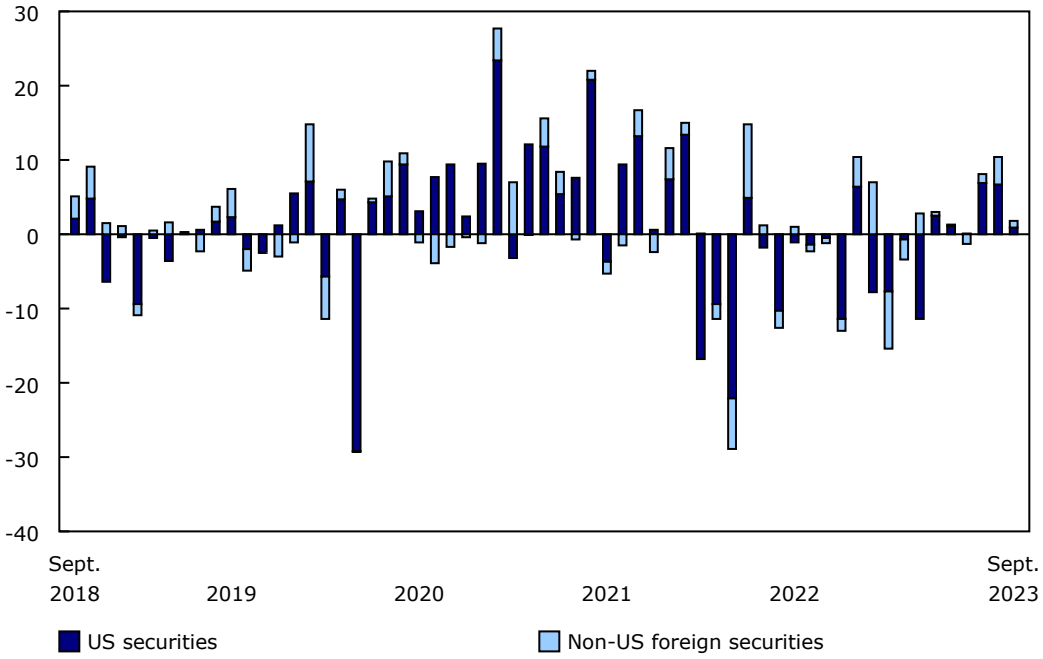
Canadian acquisitions of foreign shares slowed to \$1.7 billion in September 2023. Nonetheless, Canadian investment in foreign shares totalled \$20.3 billion in the third quarter, the highest since the fourth quarter of 2021. Share prices in major foreign equity markets decreased in September 2023.

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**Chart 4**  
**Canadian investment in foreign equity and investment fund shares**

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billions of dollars



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

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

	July 2023	August 2023	September 2023	January to September 2022	January to September 2023
millions of dollars					
<b>Foreign investment in Canadian securities</b>	<b>13,725</b>	<b>-8,770</b>	<b>-15,090</b>	<b>95,213</b>	<b>20,455</b>
Debt securities	14,627	-2,775	-16,709	107,722	61,108
Money market instruments	-1,691	2,344	837	-19,760	-686
Governments	-644	4,986	-1,658	-48,224	18,953
Federal government	-197	4,344	-2,120	-37,642	23,308
Other governments	-447	642	463	-10,581	-4,353
Corporations	-1,047	-2,642	2,495	28,462	-19,638
Government business enterprises	-2,038	-1,004	238	6,553	211
Private corporations	991	-1,638	2,257	21,910	-19,848
Bonds	16,318	-5,118	-17,546	127,484	61,794
Governments	5,130	-8,214	-9,849	9,711	-6,525
Federal government	3,301	-8,572	-7,884	17,688	-3,988
Other governments	1,829	358	-1,965	-7,976	-2,537
Corporations	11,188	3,095	-7,698	117,771	68,316
Government business enterprises	-948	1,019	-5,929	-4,794	-1,024
Private corporations	12,136	2,076	-1,769	122,566	69,342
Equity and investment fund shares	-902	-5,996	1,619	-12,511	-40,653
Shares	-1,166	-5,991	2,385	-9,937	-37,103
Investment fund shares	264	-4	-766	-2,573	-3,549
<b>Canadian investment in foreign securities</b>	<b>4,916</b>	<b>14,753</b>	<b>11,604</b>	<b>-22,128</b>	<b>22,443</b>
Debt securities	-3,196	4,294	9,862	36,799	26,467
Money market instruments	1,858	475	-596	83	2,810
Bonds	-5,055	3,819	10,458	36,716	23,655
Equity and investment fund shares	8,112	10,459	1,742	-58,926	-4,023

**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 October will be released on December 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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).