

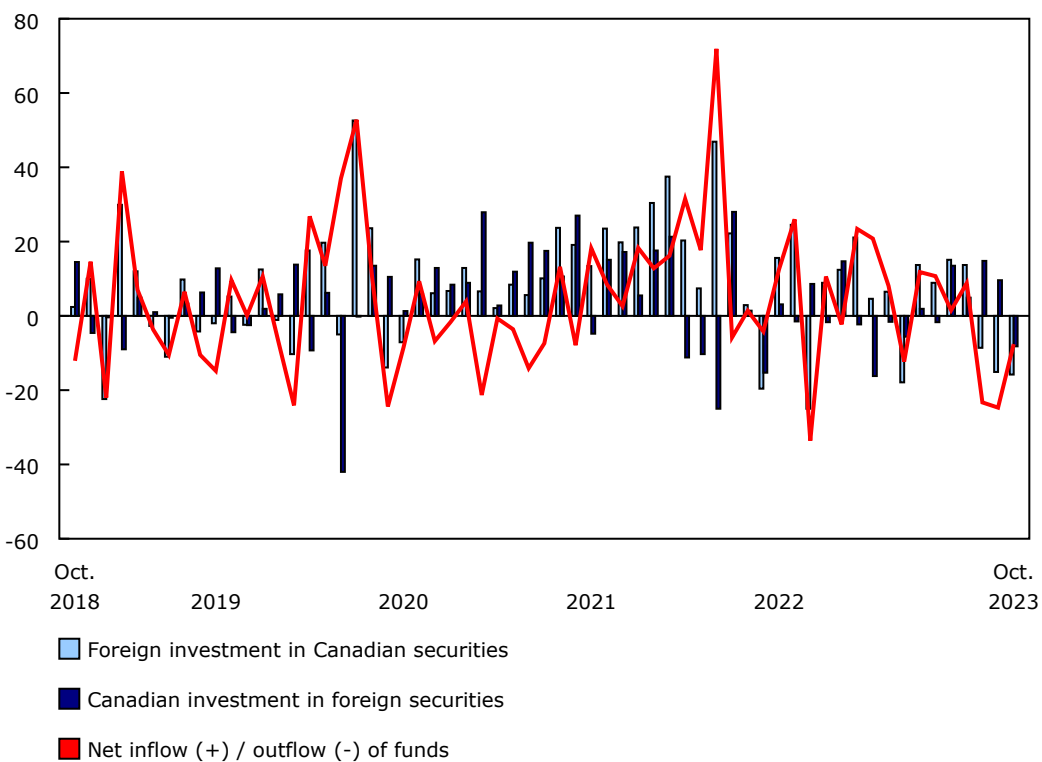
Canada's international transactions in securities, October 2023

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Non-resident investors reduced their exposure to Canadian securities by \$15.8 billion in October, led by an unprecedented divestment in private corporate debt instruments. Meanwhile, Canadian investors lowered their holdings of foreign securities by \$8.2 billion, nearly all of which was in US shares. As a result, international transactions in securities generated a net outflow of funds of \$7.6 billion from the Canadian economy in October.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Unprecedented foreign divestment in private corporate debt securities

Foreign investors reduced their holdings of Canadian securities by \$15.8 billion in October, the largest divestment since March. A record foreign divestment in Canadian private corporate debt securities was moderated by a sizable investment in Canadian government paper in October.

The divestment in Canadian private corporate debt securities totalled \$17.3 billion and was mainly attributable to substantial retirements of both short-term and long-term instruments denominated in US dollars. At the same time, foreign acquisitions of Canadian government paper reached their highest amount since June and were composed of federal government (\$3.8 billion) and provincial governments (\$2.3 billion) instruments.



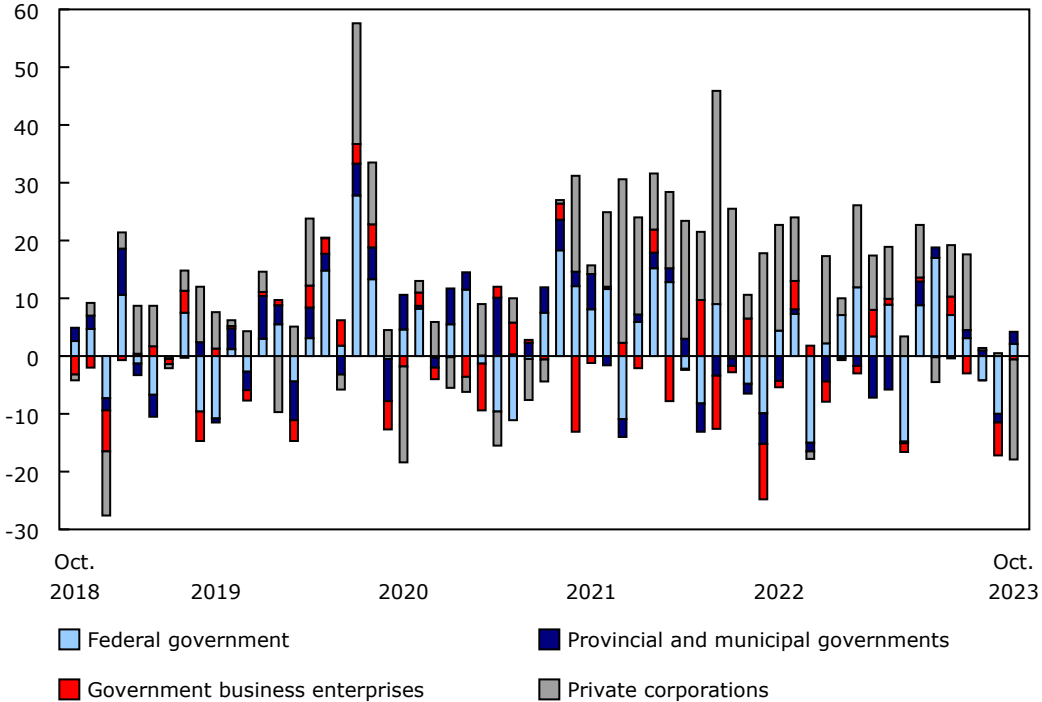
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Chart 2
Foreign investment in Canadian debt securities, by sector of issuer

billions of dollars



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

Foreign investors reduced their exposure to Canadian equities by \$2.0 billion in October, mainly in shares of the banking and the manufacturing industries. The foreign investment in Canadian shares totalled \$42.2 billion from January to October. Canadian equity prices, as measured by the Standard and Poor's (S&P)/Toronto Stock Exchange composite index, decreased by 3.4% in October.

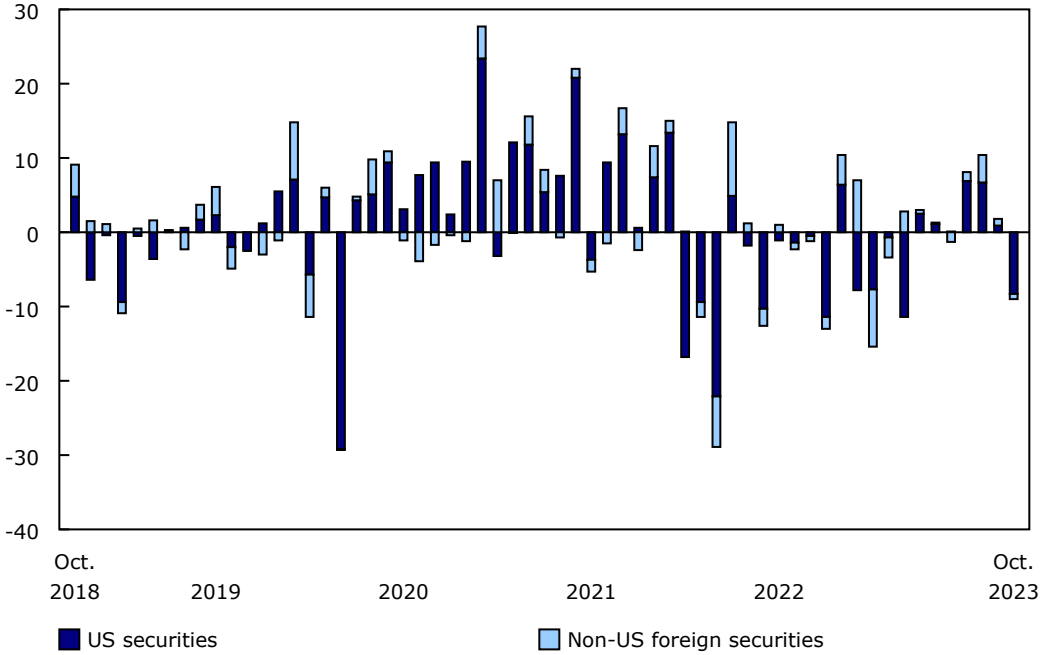
Significant reduction in Canadian holdings of US shares

Canadian investors reduced their holdings of foreign securities by \$8.2 billion in October, after four consecutive monthly investments totalling \$42.8 billion. The activity in October was led by a divestment in US shares and was moderated by an investment in US debt securities.

Canadian divestment in US shares totalled \$8.3 billion in October, the largest amount since March. The activity in October focused on shares of large capitalization US firms. US share prices, as measured by the S&P 500 composite index, were down 2.2% in October.

Chart 3
Canadian investment in foreign equity and investment fund shares

billions of dollars



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

Further, Canadian investors purchased US debt securities in October, adding \$1.5 billion of government paper and \$1.2 billion of corporate bonds to their holdings. Meanwhile, Canadian investors reduced their exposure to both non-US foreign short-term (-\$1.0 billion) and long-term (-\$1.0 billion) debt securities, mainly government instruments.

Table 1
Canada's international transactions in securities

	August 2023	September 2023	October 2023	January to October 2022	January to October 2023
millions of dollars					
Foreign investment in Canadian securities	-8,573	-15,063	-15,753	104,113	5,166
Debt securities	-2,773	-16,709	-13,741	117,197	47,369
Money market instruments	2,346	837	-6,278	-16,532	-6,962
Governments	4,986	-1,658	6,104	-48,805	25,057
Federal government	4,344	-2,120	3,833	-39,167	27,141
Other governments	642	463	2,271	-9,638	-2,082
Corporations	-2,640	2,495	-12,382	32,271	-32,018
Government business enterprises	-1,004	238	-848	4,951	-637
Private corporations	-1,636	2,257	-11,534	27,322	-31,380
Bonds	-5,118	-17,546	-7,464	133,731	54,330
Governments	-8,214	-9,849	-1,930	8,161	-8,455
Federal government	-8,572	-7,884	-1,723	21,447	-5,711
Other governments	358	-1,965	-208	-13,284	-2,745
Corporations	3,095	-7,698	-5,533	125,568	62,783
Government business enterprises	1,019	-5,929	266	-6,710	-758
Private corporations	2,076	-1,769	-5,799	132,279	63,543
Equity and investment fund shares	-5,801	1,646	-2,011	-13,086	-42,204
Shares	-5,991	2,385	-1,858	-9,944	-38,961
Investment fund shares	-4	-762	-193	-3,141	-3,738
Canadian investment in foreign securities	14,753	9,604	-8,202	-23,858	11,341
Debt securities	4,294	7,862	780	48,119	24,347
Money market instruments	475	-596	383	695	3,193
Bonds	3,819	8,458	397	47,424	21,152
Equity and investment fund shares	10,459	1,742	-8,982	-71,976	-13,005

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 November will be released on January 17, 2024.

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).