

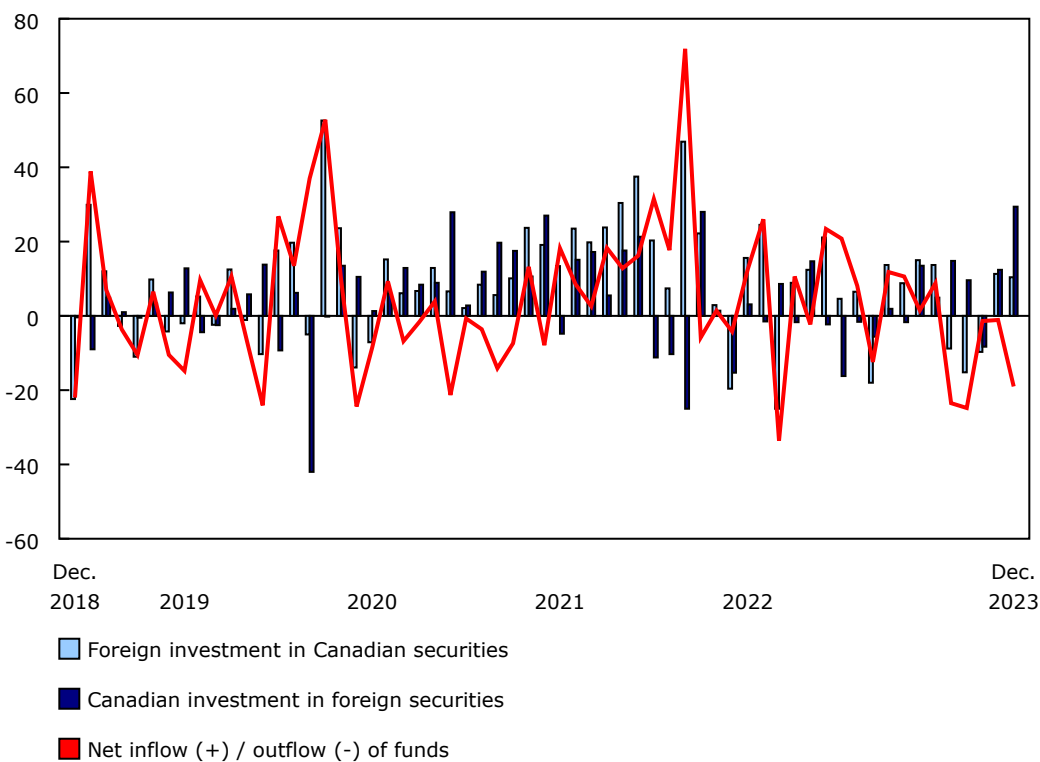
Canada's international transactions in securities, December 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, February 16, 2024

Canadian investors acquired an unprecedented \$29.4 billion of foreign securities in December, led by a record investment in foreign shares. Meanwhile, foreign investment in Canadian securities totalled \$10.4 billion, mainly in debt instruments. As a result, international transactions in securities generated a net outflow of funds of \$19.0 billion from the Canadian economy in December 2023.

Chart 1
Canada's international transactions in securities

billions of dollars



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

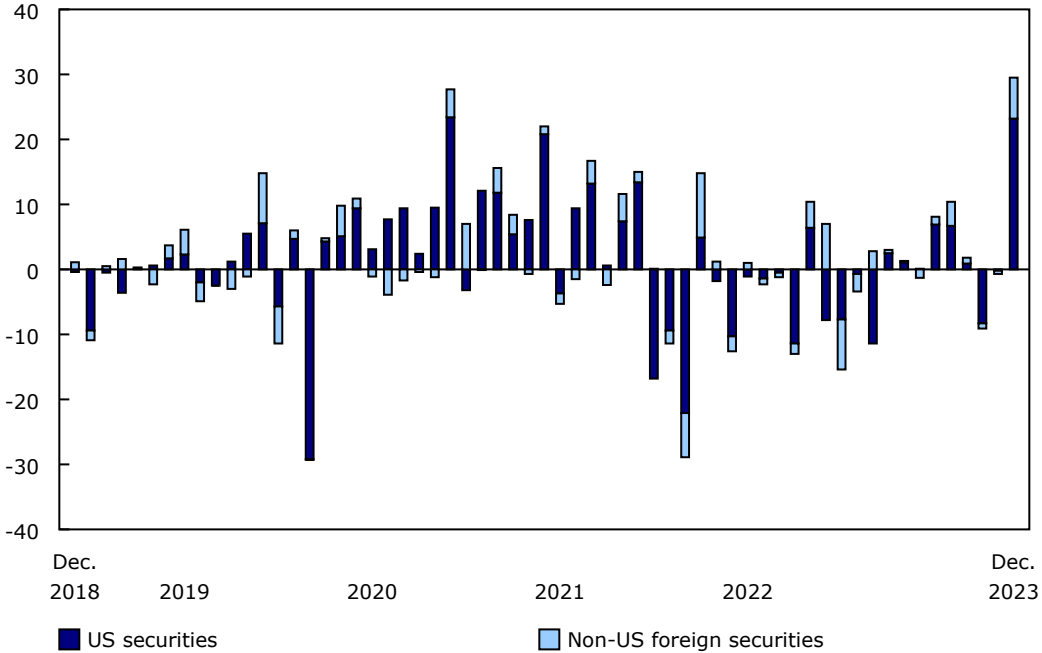
All-time high Canadian investment in foreign shares

Canadian investment in foreign securities amounted to an all-time high of \$29.4 billion in December. This investment was led by record acquisitions of foreign shares (+\$29.5 billion). Investors increased their exposure to US equity securities by \$23.2 billion, the largest investment in three years. The investment focused on large capitalization technology shares and investment fund shares tracking broad US equity market indices. In addition, Canadian acquisitions of non-US foreign shares reached \$6.3 billion, largely European shares. In December, major global equity markets increased. US share prices, as measured by the Standard and Poor's 500 composite index, were up by 4.7%.



Chart 2
Canadian investment in foreign equity and investment fund shares

billions of dollars



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

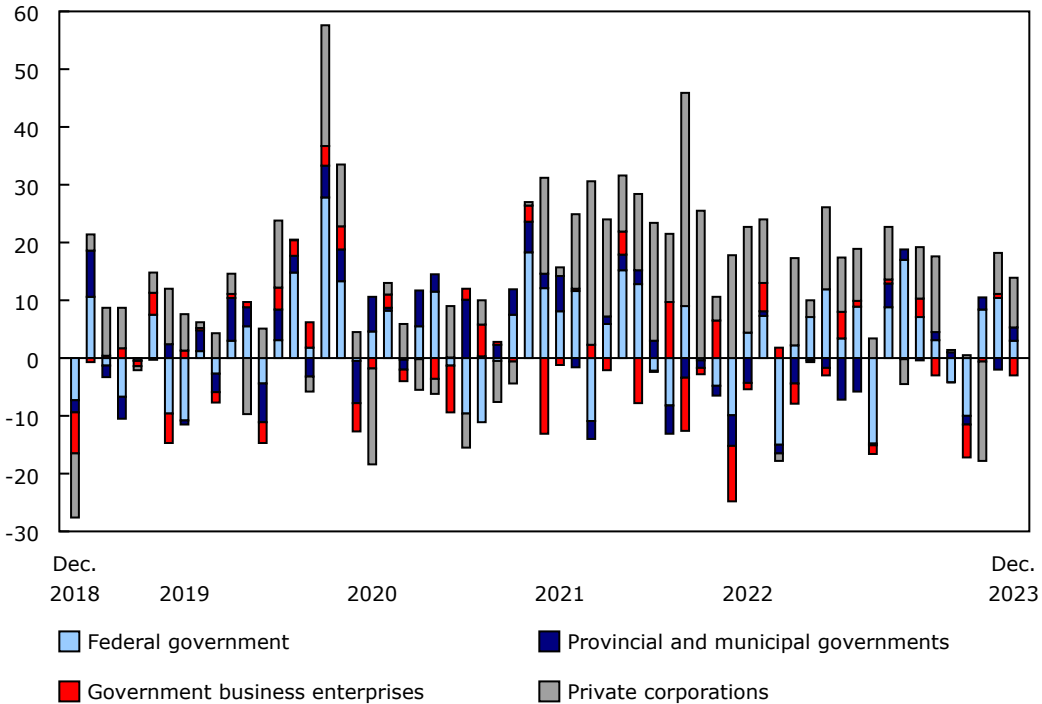
Foreign investment in Canadian securities focuses on debt instruments

Foreign acquisitions of Canadian securities totalled \$10.4 billion in December, led by investments in debt securities. A foreign divestment in equity securities moderated the overall investment activity of the month.

Foreign investors added \$11.0 billion of Canadian debt securities to their portfolios in December, after acquiring \$16.3 billion in November. December's foreign investment largely targeted private corporate debt securities, mainly new instruments denominated in US dollars and issued by Canadian chartered banks. At the same time, non-resident investors acquired \$5.3 billion of government debt securities, mainly federal government bonds (+\$4.3 billion) and provincial government paper (+\$3.7 billion). Both Canadian long- and short-term interest rates were down in December.

Chart 3
Foreign investment in Canadian debt securities, by sector of issuer

billions of dollars



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

Foreign investors divested \$532 million of Canadian shares in December, an 11th month of divestment in 2023. Canadian share prices, as measured by the Standard and Poor's/Toronto Stock Exchange composite index, increased in December.

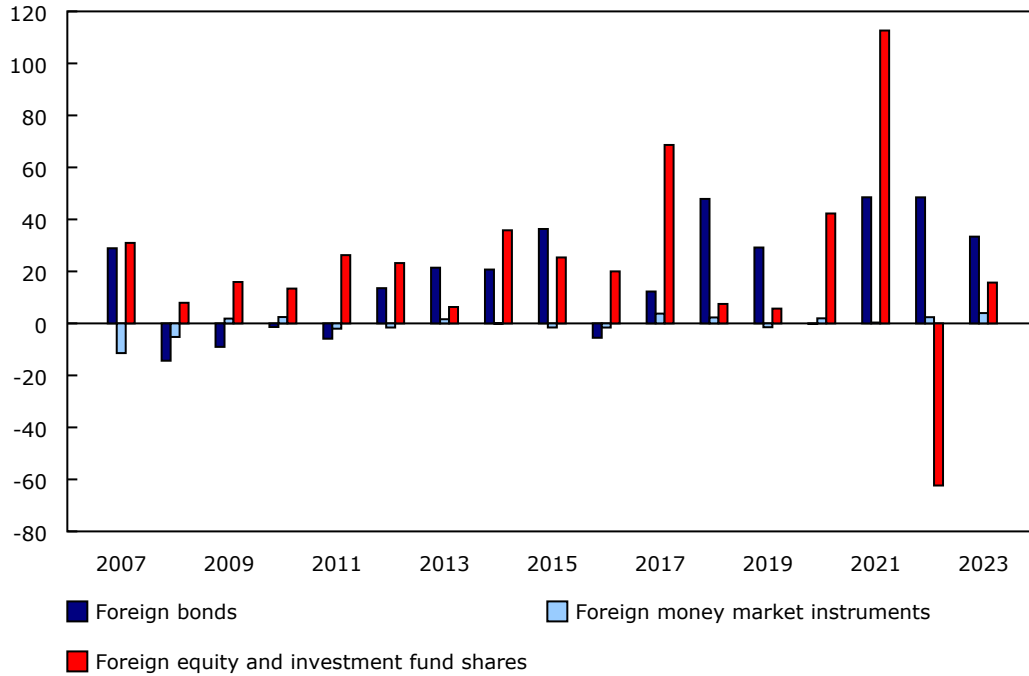
Cross-border portfolio investments in 2023

In 2023, central bank policy rates in major economies, such as the United States, the United Kingdom, Canada and the European Union, continued to increase, resulting in higher borrowing costs. Specifically, Bank of Canada policy rates ended the year at the highest level since March 2001. Meanwhile, prices in global stock markets were up in 2023.

On an annual basis, Canadian investors added \$33.4 billion of foreign bonds to their holdings in 2023, following acquisitions totalling \$48.5 billion in 2022. Investment in both years focused on foreign government bonds. In addition, Canadian investors added \$13.1 billion of US shares to their portfolios in 2023, after a divestment of \$71.3 billion in 2022. US share prices, as measured by the Standard and Poor's 500 composite index, were up by 24.5% in 2023, compared with a 19.4% decline in 2022.

Chart 4
Canadian investment in foreign securities, by type of instrument, annual

billions of dollars

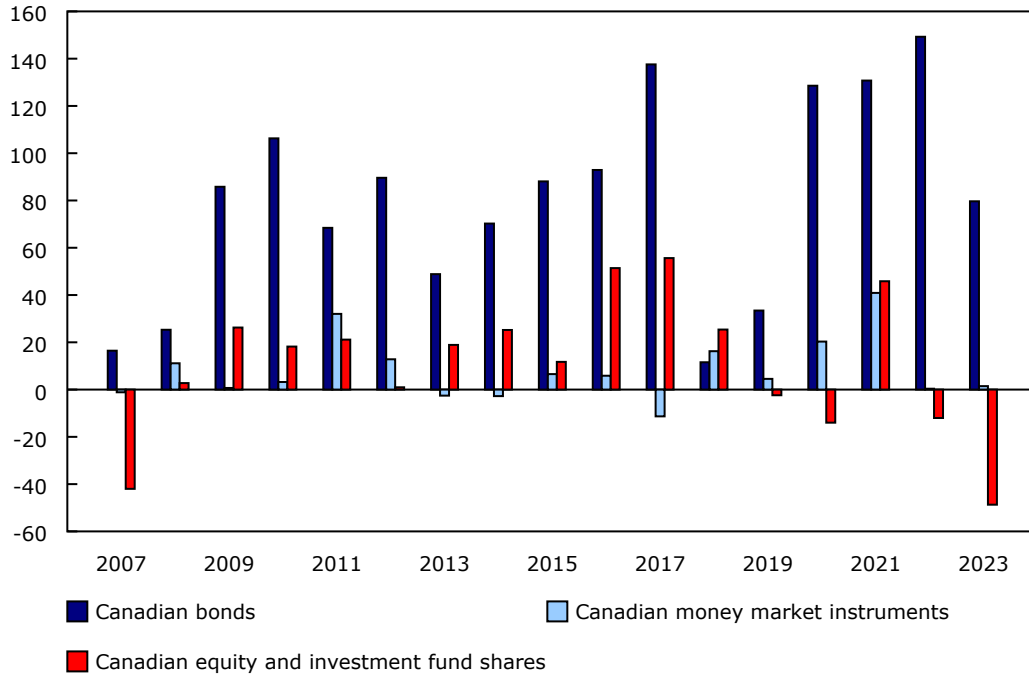


Source(s): Table 36-10-0028-01.

Strong foreign investment in Canadian bonds continued, as non-resident investors acquired \$79.7 billion worth in 2023 after an investment of \$149.3 billion in 2022. The activity in both years was led by investment in private corporate bonds, mainly new issuances denominated in foreign currencies. On the other hand, foreign investors reduced their holdings of Canadian shares by \$48.7 billion in 2023, following a \$12.0 billion divestment in 2022. Canadian share prices, as measured by the Standard and Poor's/Toronto Stock Exchange composite index, were up by 8.4% in 2023, following a decrease of 8.7% in 2022.

Chart 5
Foreign investment in Canadian securities, by type of instrument, annual

billions of dollars



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

Table 1
Canada's international transactions in securities

	October 2023	November 2023	December 2023	2022	2023
millions of dollars					
Foreign investment in Canadian securities	-9,710	11,310	10,436	137,613	32,417
Debt securities	-7,296	16,332	10,967	149,634	81,113
Money market instruments	-6,164	2,173	6,132	368	1,457
Governments	6,104	2,047	2,353	-42,695	29,457
Federal government	3,833	2,318	-1,363	-32,075	28,096
Other governments	2,271	-272	3,716	-10,619	1,362
Corporations	-12,268	127	3,779	43,059	-27,998
Government business enterprises	-848	-1,414	365	5,570	-1,686
Private corporations	-11,420	1,540	3,415	37,491	-26,311
Bonds	-1,131	14,158	4,835	149,268	79,656
Governments	4,406	6,424	2,950	19,018	7,255
Federal government	4,615	8,119	4,329	33,362	13,075
Other governments	-209	-1,696	-1,379	-14,341	-5,821
Corporations	-5,537	7,734	1,885	130,248	72,398
Government business enterprises	266	2,154	-3,322	-8,937	-1,926
Private corporations	-5,803	5,580	5,208	139,187	74,327
Equity and investment fund shares	-2,415	-5,022	-532	-12,023	-48,697
Shares	-2,221	-4,459	-136	-8,443	-43,999
Investment fund shares	-193	-563	-396	-3,579	-4,697
Canadian investment in foreign securities	-8,285	12,381	29,399	-11,486	53,038
Debt securities	779	13,070	-74	50,866	37,342
Money market instruments	383	-611	1,391	2,388	3,973
Bonds	397	13,681	-1,465	48,478	33,368
Equity and investment fund shares	-9,065	-690	29,474	-62,350	15,696

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](#).

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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 January 2024 will be released on March 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).