

Canada's international transactions in securities, February 2024

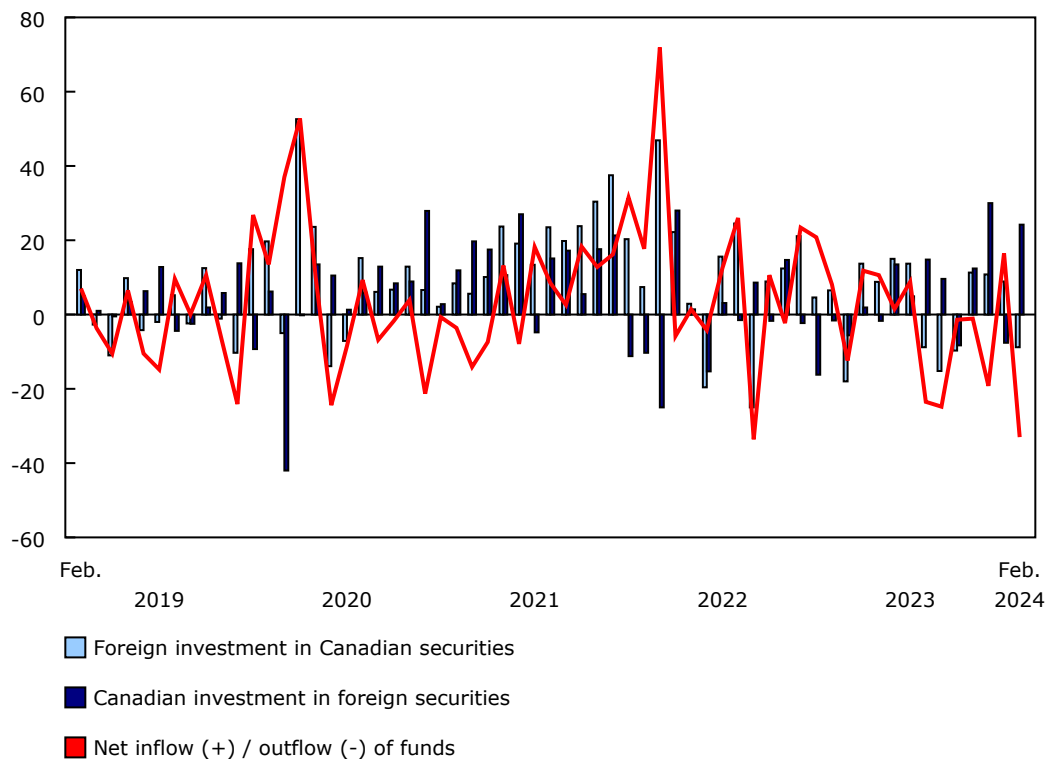
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, April 17, 2024

Canadian investors acquired \$24.2 billion of foreign securities in February, led by an all-time high investment in foreign bonds. Meanwhile, foreign investors reduced their exposure to Canadian securities by \$8.8 billion, led by a record divestment in government short-term debt securities.

As a result, international transactions in securities generated a net outflow of funds of \$33.0 billion from the Canadian economy in February.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Record high investment in foreign bonds

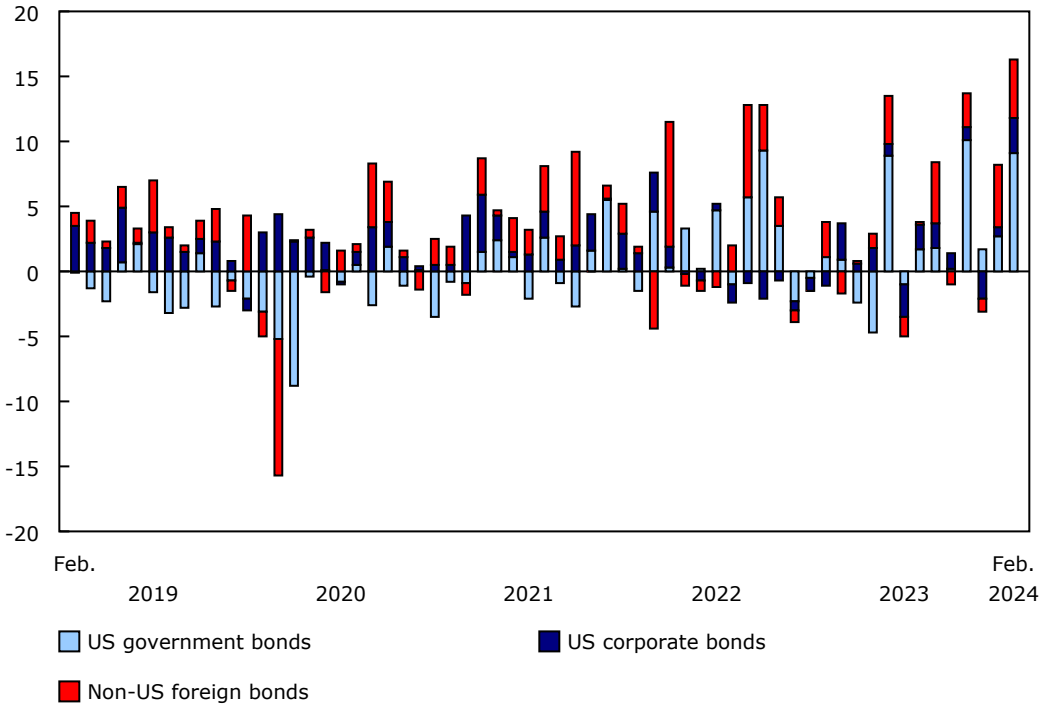
Canadian investment in foreign securities resumed in February to reach \$24.2 billion, following a \$7.6 billion divestment in January. The activity in February targeted foreign bonds and, to a lesser extent, US shares.

Canadian investors purchased a record \$16.3 billion of foreign bonds in February. Acquisitions of US government bonds (+\$9.1 billion) and non-US foreign bonds (+\$4.5 billion, mostly government instruments) accounted for the bulk of the activity. In February, US long-term interest rates were up to reach the highest levels since November 2023.



Chart 2
Canadian investment in foreign bonds

billions of dollars

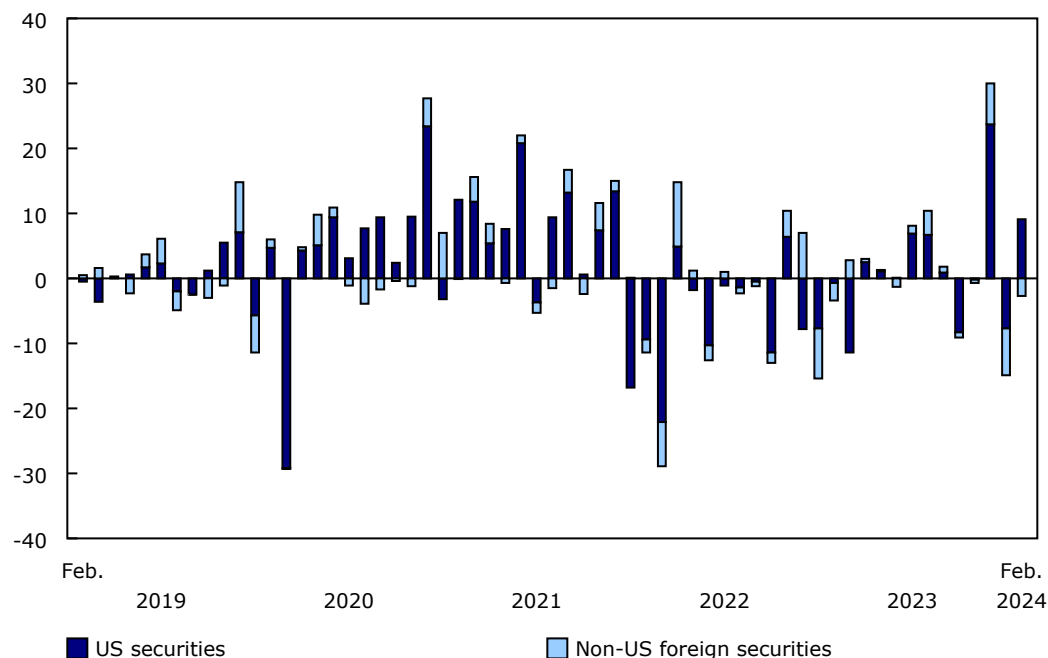


Source(s): Table 36-10-0028-01.

Canadian investment in US equities reached \$9.1 billion in February, largely offsetting the divestment of \$7.7 billion in January. The investment focused on large capitalization technology shares. US share prices, as measured by the Standard and Poor's (S & P) 500 composite index, were up 5.2% in February. At the same time, Canadian investors sold \$2.7 billion of non-US foreign shares, after divesting \$7.2 billion in January.

Chart 3 Canadian investment in foreign equity and investment fund shares

billions of dollars



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

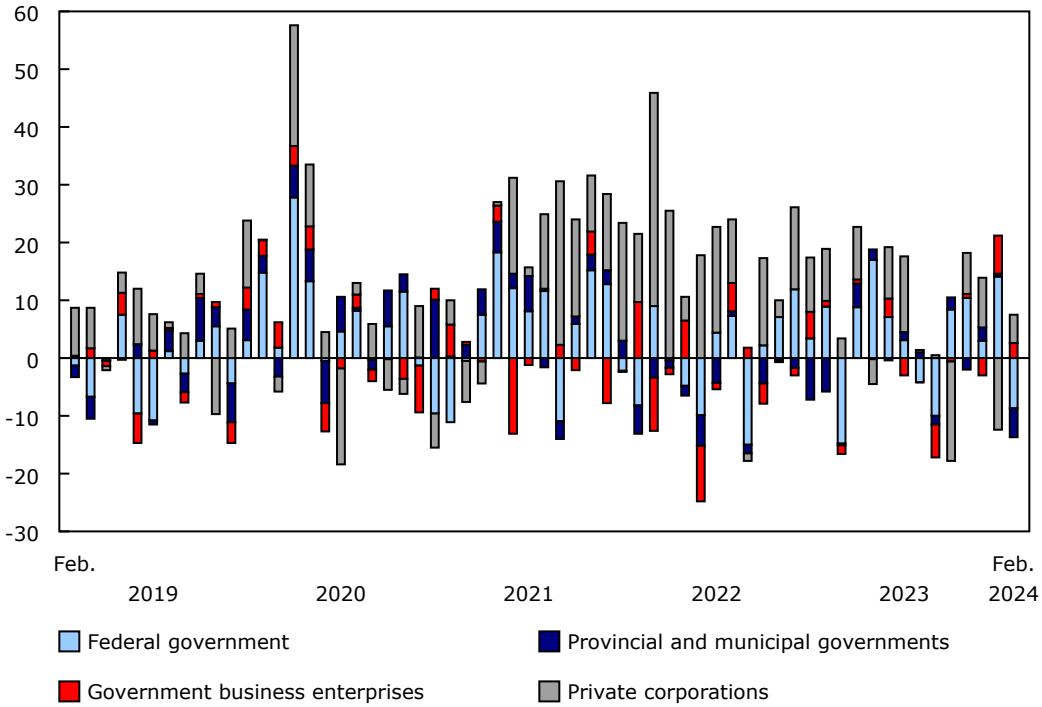
Unprecedented foreign divestment in Canadian government short-term debt securities

Foreign investors reduced their holdings of Canadian securities by \$8.8 billion in February, following three months of investment totalling \$31.0 billion. A record foreign divestment in Canadian government short-term debt securities was moderated by a sizable investment in corporate bonds over the month.

In February, foreign investors reduced their holdings of Canadian government paper by an unprecedented \$15.1 billion, composed of \$11.8 billion of federal government paper and \$3.3 billion of provincial government paper. This followed a record divestment of \$15.5 billion in Canadian private corporate paper in January. The activity in January and February was led by retirements. Meanwhile, foreign acquisitions of Canadian corporate bonds reached \$13.3 billion in February, the highest amount in one year. New issues abroad of US-dollar denominated bonds by Canadian chartered banks led the acquisitions.

Chart 4
Foreign investment in Canadian debt securities, by sector of issuer

billions of dollars



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

Non-resident investors reduced their exposure to Canadian equity securities by \$2.7 billion in February. The divestment was in nearly all sectors except for the banking sector, which saw a foreign investment of \$3.0 billion. Canadian share prices, as measured by the S & P/Toronto Stock Exchange composite index, were up for a fourth consecutive month.

Table 1
Canada's international transactions in securities

	December 2023	January 2024	February 2024	January to February 2023	January to February 2024
millions of dollars					
Foreign investment in Canadian securities	10,797	8,875	-8,776	11,089	99
Debt securities	10,967	8,857	-6,074	23,388	2,783
Money market instruments	6,132	-7,741	-20,819	-1,578	-28,560
Governments	2,353	5,169	-15,104	-619	-9,935
Federal government	-1,363	6,186	-11,812	4,386	-5,626
Other governments	3,716	-1,017	-3,292	-5,005	-4,309
Corporations	3,779	-12,910	-5,716	-958	-18,626
Government business enterprises	365	2,635	-1,003	858	1,632
Private corporations	3,415	-15,545	-4,712	-1,816	-20,257
Bonds	4,835	16,598	14,745	24,965	31,343
Governments	2,950	9,516	1,488	-61	11,004
Federal government	4,329	7,950	3,151	7,933	11,101
Other governments	-1,379	1,566	-1,663	-7,995	-97
Corporations	1,885	7,082	13,257	25,026	20,339
Government business enterprises	-3,322	3,945	3,635	4,750	7,580
Private corporations	5,208	3,137	9,622	20,277	12,759
Equity and investment fund shares	-171	17	-2,701	-12,298	-2,684
Shares	190	202	-2,187	-10,100	-1,985
Investment fund shares	-360	-184	-515	-2,198	-699
Canadian investment in foreign securities	29,964	-7,606	24,189	-17,810	16,583
Debt securities	-74	7,253	17,795	992	25,048
Money market instruments	1,391	-846	1,538	-262	692
Bonds	-1,465	8,099	16,257	1,254	24,356
Equity and investment fund shares	30,038	-14,859	6,395	-18,801	-8,464

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 March will be released on May 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).