

Canada's international transactions in securities, April 2024

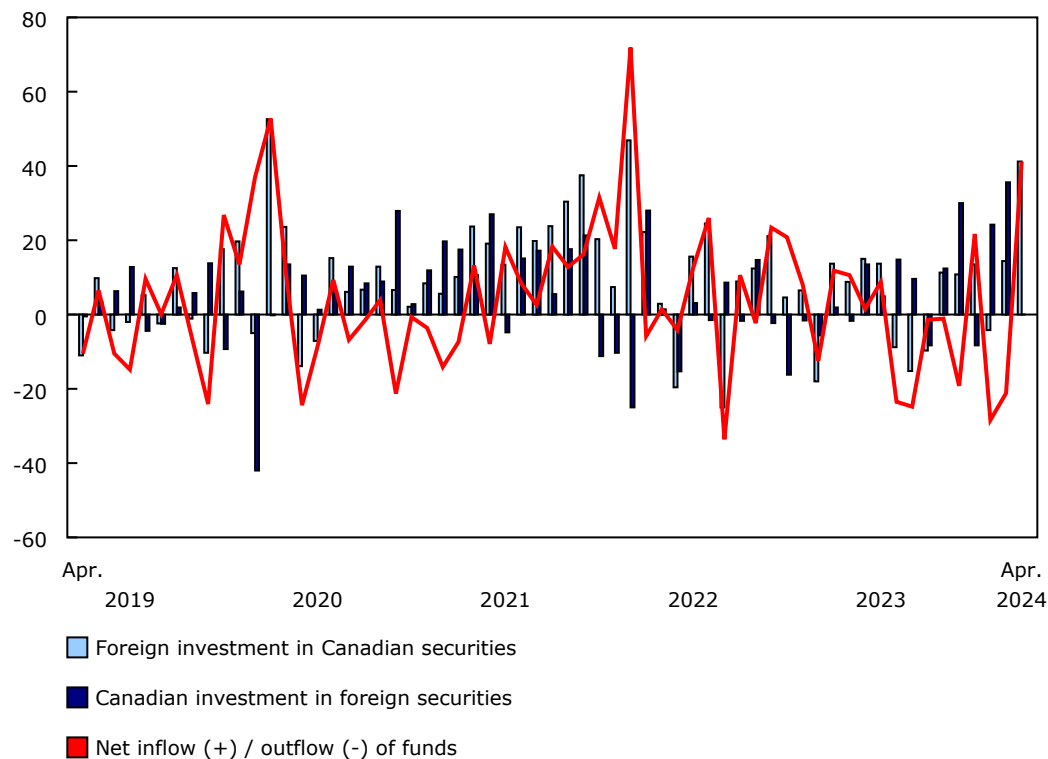
Released at 8:30 a.m. Eastern time in *The Daily*, Monday, June 17, 2024

Foreign investors acquired \$41.2 billion of Canadian securities in April, the largest investment in two years. At the same time, Canadian investment in foreign securities slowed sharply to \$2.5 million, from a record investment of \$35.6 billion in March.

As a result, international transactions in securities generated a net inflow of funds of \$41.2 billion in the Canadian economy in April, nearly offsetting the net outflow of funds of the previous two months.

Chart 1
Canada's international transactions in securities

billions of dollars



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

Largest foreign investment in Canadian debt securities since April 2020

Foreign investment in Canadian securities reached \$41.2 billion in April, the largest amount since March 2022. The investment was mainly in debt securities and, to a lesser extent, equity securities.

Foreign acquisitions of Canadian debt securities amounted to \$34.6 billion in April 2024, the highest investment since April 2020, at the onset of the COVID-19 pandemic. The activity in April 2024 was led by foreign investment in federal government securities, both in the form of bonds (+\$10.8 billion) and money market instruments



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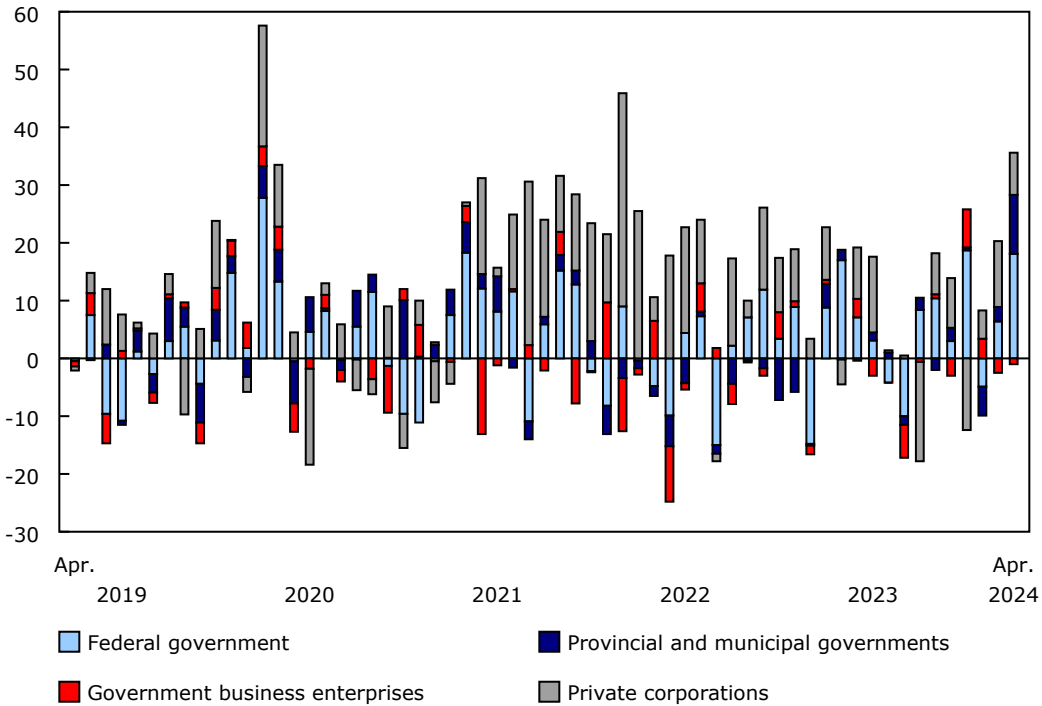
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(+\$7.3 billion). Meanwhile, non-resident investors added both private corporate bonds (+\$12.3 billion) and provincial government bonds (+\$9.8 billion) to their holdings, targeting new issues of instruments denominated in foreign currencies.

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

billions of dollars



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

Foreign investment in Canadian shares amounted to \$6.6 billion in April, following two consecutive monthly divestments totalling \$6.2 billion. The investment in April was mainly in shares of the trade and transportation industries, as well as the energy and mining industries. The Standard & Poor's (S & P)/Toronto Stock Exchange composite index was down in April for the first time following ongoing monthly growths since November 2023.

Canadian investors purchase foreign debt securities and sell foreign shares

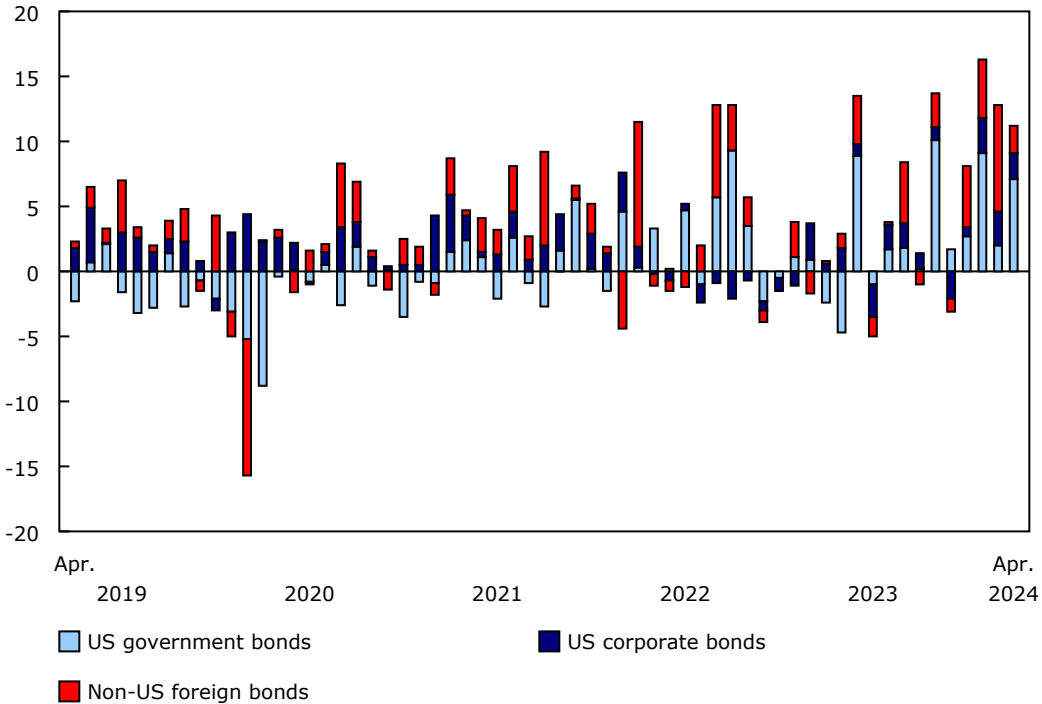
Canadian investment in foreign securities slowed sharply to \$2.5 million in April 2024, following a record investment of \$35.6 billion in March. In April, the investment activity reflected acquisitions of foreign debt securities nearly entirely offset by sales of foreign shares.

Canadian investors acquired \$11.6 billion of foreign debt securities in April, led by purchases of US government bonds totalling \$7.1 billion. In addition, investors added \$2.0 billion of US corporate bonds and \$2.1 billion of non-US foreign bonds to their holdings. Overall, Canadian investors have acquired \$48.4 billion of foreign bonds so far in 2024, compared with \$1.7 billion over the same period in 2023.

In April 2024, US long-term interest rates reached their highest levels since October 2023, and the US dollar appreciated against the Canadian dollar.

Chart 3
Canadian investment in foreign bonds

billions of dollars

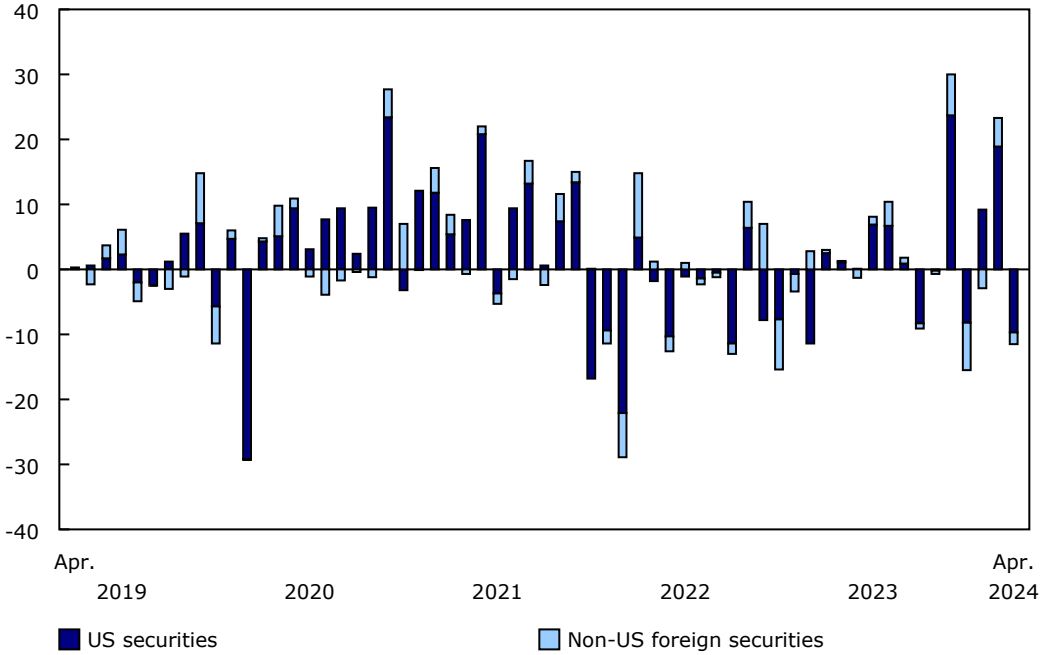


Source(s): Table 36-10-0028-01.

In contrast, Canadian investors reduced their exposure to foreign equity markets by \$11.6 billion in April 2024. Investors sold \$9.7 billion of US shares, following a significant acquisition of \$18.9 billion in March. US share prices, as measured by the S & P 500 composite index, were down by 4.2% in April.

Chart 4
Canadian investment in foreign equity and investment fund shares

billions of dollars



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

Table 1
Canada's international transactions in securities

	February 2024	March 2024	April 2024	January to April 2023	January to April 2024
millions of dollars					
Foreign investment in Canadian securities	-4,218	14,376	41,159	6,781	64,792
Debt securities	-1,520	17,911	34,554	32,839	64,299
Money market instruments	-20,819	375	1,960	-15,498	-26,225
Governments	-15,104	-1,868	7,692	-3,632	-4,111
Federal government	-11,812	-289	7,314	1,152	1,399
Other governments	-3,292	-1,579	378	-4,784	-5,510
Corporations	-5,716	2,243	-5,732	-11,865	-22,115
Government business enterprises	-1,003	-2,326	-667	874	-1,361
Private corporations	-4,712	4,569	-5,064	-12,739	-20,752
Bonds	19,299	17,536	32,594	48,336	90,524
Governments	5,219	10,783	20,623	733	50,655
Federal government	6,885	6,689	10,757	5,158	36,797
Other governments	-1,665	4,094	9,866	-4,426	13,859
Corporations	14,080	6,753	11,970	47,603	39,868
Government business enterprises	4,420	-127	-378	3,983	7,860
Private corporations	9,661	6,880	12,348	43,621	32,010
Equity and investment fund shares	-2,698	-3,536	6,605	-26,057	491
Shares	-2,184	-2,911	6,669	-23,187	1,879
Investment fund shares	-514	-625	-64	-2,870	-1,387
Canadian investment in foreign securities	24,157	35,612	2	-21,516	51,506
Debt securities	17,796	12,366	11,573	2,895	48,977
Money market instruments	1,538	-472	327	1,148	547
Bonds	16,259	12,839	11,246	1,747	48,431
Equity and investment fund shares	6,360	23,246	-11,570	-24,410	2,529

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 May will be released on July 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).