



Economics Group

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Foreigners Remain Enamored With U.S. Treasury Securities

Despite low yields, foreigners remain enamored with U.S. Treasury securities. Strong capital inflows, due in part to the safe haven status of the United States, are helping to keep the dollar resilient.

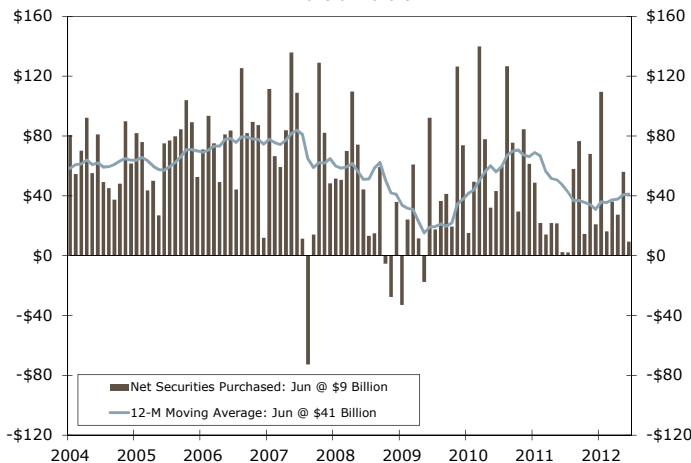
Foreigners Continue to Buy U.S. Treasury Securities

- Foreign purchases of U.S. long-term securities totaled only \$9.3 billion in June, down from \$55.0 billion in May.
- Despite their low yields, foreigners remain enamored with U.S. Treasury securities. Net purchases of Treasury securities by the foreign private sector totaled \$11.2 billion, while the “official” sector bought \$21.3 billion. Treasury securities remain a safe haven in a world of uncertainty.

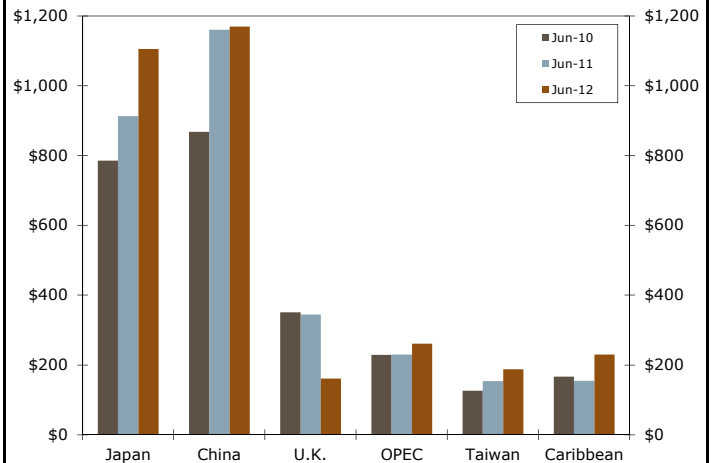
Foreigners Continue to Deposit Money in U.S. Banks

- Foreigners were net sellers of U.S. corporate bonds and equities in June. Over the past 12 months, foreign investors have offloaded \$31 billion worth of American stocks.
- Helping to support total financial inflows was the \$23.7 billion increase in deposits in American banks by foreigners. In the three months to June, total portfolio inflows totaled \$130 billion. Little wonder that the dollar was resilient during that period.

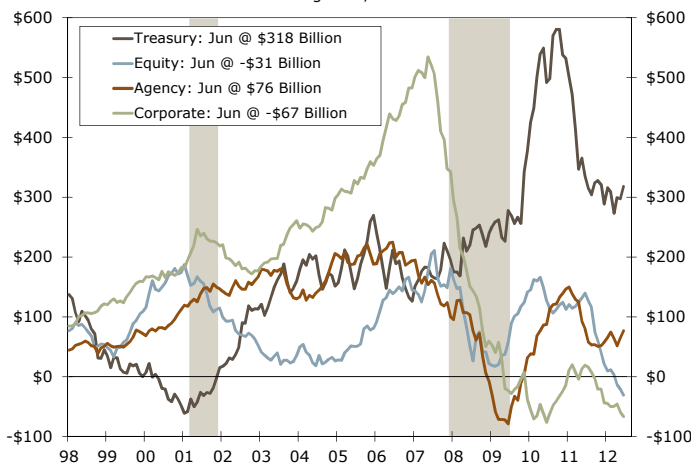
Net Long-Term Flows
Billions of Dollars



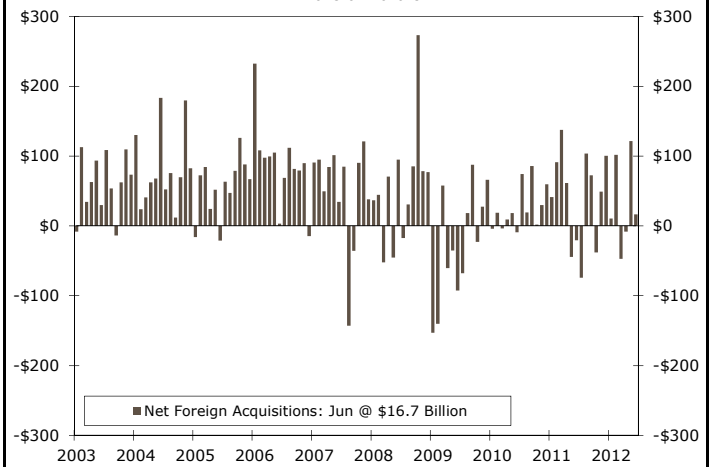
Top Holders of U.S. Treasuries
Billions of Dollars



Foreign Private Purchases of U.S. Securities
12-Month Moving Sum, Billions of Dollars



Monthly Net TIC Flows
Billions of Dollars



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