



Economics Group

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TIC Flows Remained Strong in November

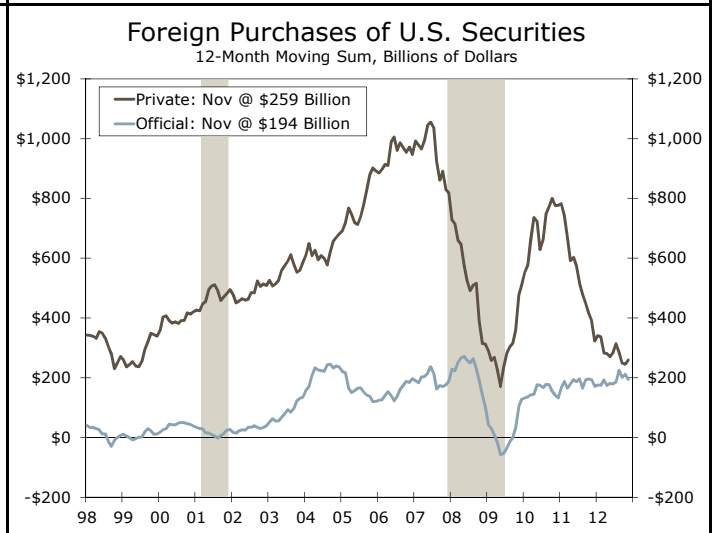
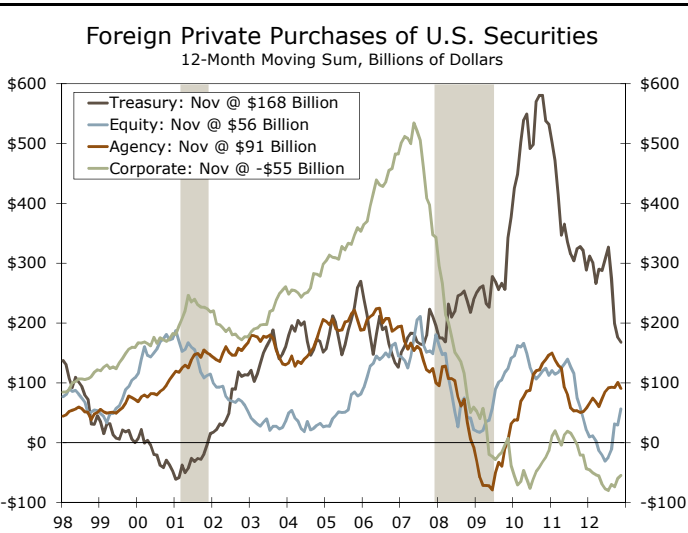
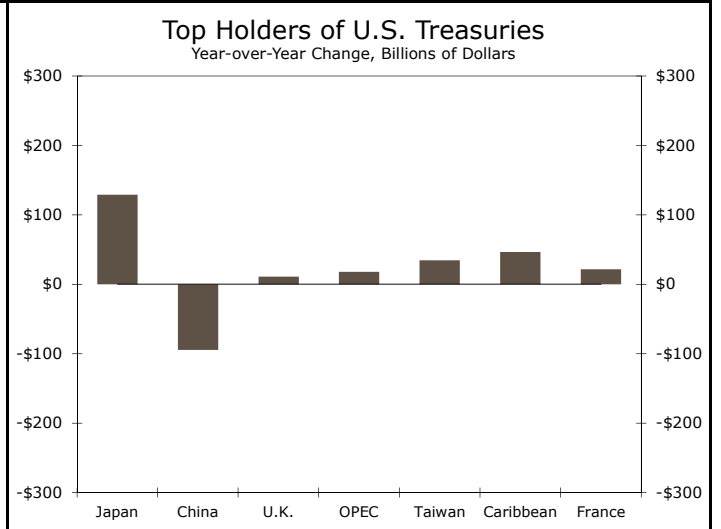
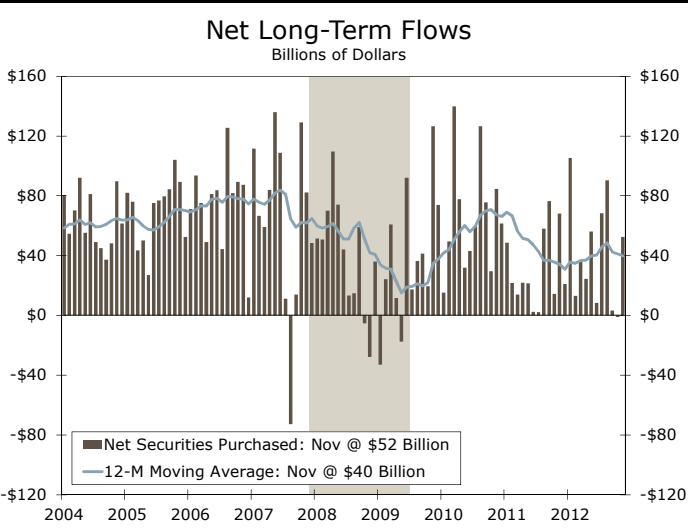
Purchases of U.S. securities by private foreign investors rose in November to their highest amount in nearly a year. Foreign investors appear to be returning to the U.S. stock market.

Private Purchases of U.S. Securities Remain Strong

- Following two months of weak net purchases, foreigners bought \$52.3 billion worth of long-term U.S. securities in November.
- Purchases made by private foreign investors totaled \$60.9 billion, the strongest month since January 2012. Notably, private investors are showing interest in U.S. equities again as they bought \$21.7 billion worth of stocks in November.

Strong Capital Inflows = Support for the Dollar

- Purchases of U.S. Treasury securities by the foreign “official” sector (e.g., central banks) were strong earlier in the year, but have subsequently cooled somewhat. In contrast, private investors remain active buyers of U.S. government debt.
- Despite the rancor in the U.S. political process, foreigners remain keenly interested in buying U.S. assets, which should help to support the dollar versus many other currencies.



Source: U.S. Department of the Treasury and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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