

Economics Group

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TIC: Less Foreign Money Flowing into U.S. Assets

Foreign private investors were net buyers of Treasuries in February, even as foreign central banks reduced Treasury holdings. Foreign private investors unloaded equities in February, reversing months of inflows.

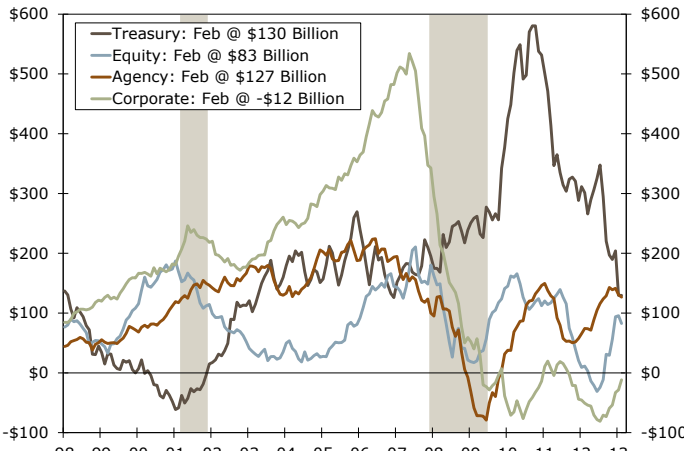
Willingness to Take Risk?

- In February, foreign private investors purchased just \$7 billion of Treasuries. Over the past 12 months, on average, foreigners bought roughly \$10 billion in Treasuries each month. In the preceding 12 months, that monthly figure was \$25 billion.
- The large foreign inflows into Treasury securities prevalent during the sovereign debt crisis has given way to slower, more diversified purchases of U.S. assets in recent months.

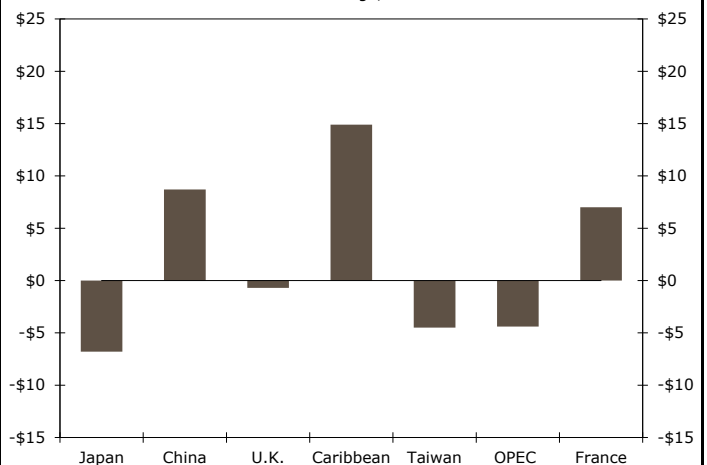
Central Banks Still Like U.S. Government Bonds

- Foreign central banks were net sellers of Treasury securities in February to the tune of \$7 billion, but that follows a rather large inflow last month of \$63.0 billion.
- Foreign private investors may be willing to take more risk, but demand for safe-haven Treasuries is still the investment of choice for foreign central banks. On average over the past year, official foreign purchases of Treasuries is \$18.8 billion/month.

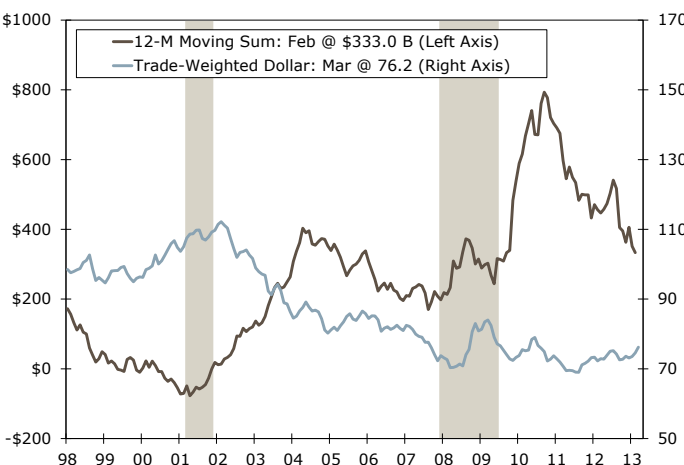
Foreign Private Purchases of U.S. Securities
 12-Month Moving Sum, Billions of Dollars



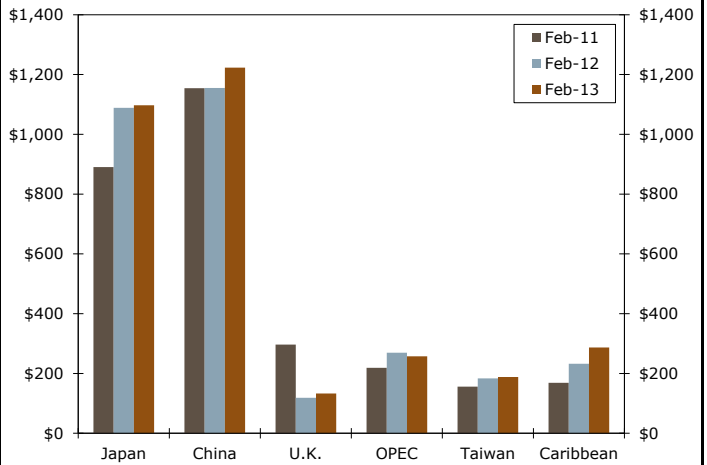
Top Holders of U.S. Treasuries
 Month-over-Month Change, Billions of Dollars



Net Foreign Purchases of Marketable US Treasury Securities
 Bonds & Notes, 12-Month Moving Sum, Billions USD



Top Holders of U.S. Treasuries
 Billions of Dollars



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