



Economics Group

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Long-Term TIC Inflows Strong in September

Foreign purchases of long-term U.S. securities were strong in September, although there was a rundown in foreign bank deposits. In general, however, foreigners remain enamored with U.S. assets.

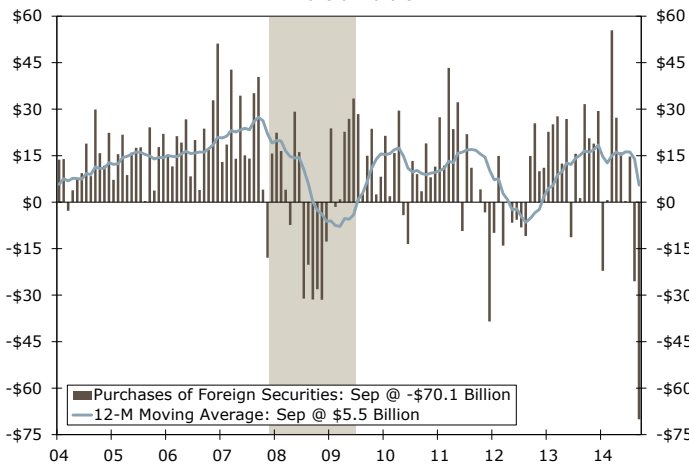
Record Amount of Long-Term Inflows in September

- Foreigners bought \$94.2 billion of U.S. long-term securities in September—the largest figure since Jan. 2012—as Treasury purchases accounted for roughly half of the total.
- When combined with the \$70.1 billion of net sales of foreign securities by American investors, the result was \$164.3 billion in net long-term inflows, which was the highest figure on record.

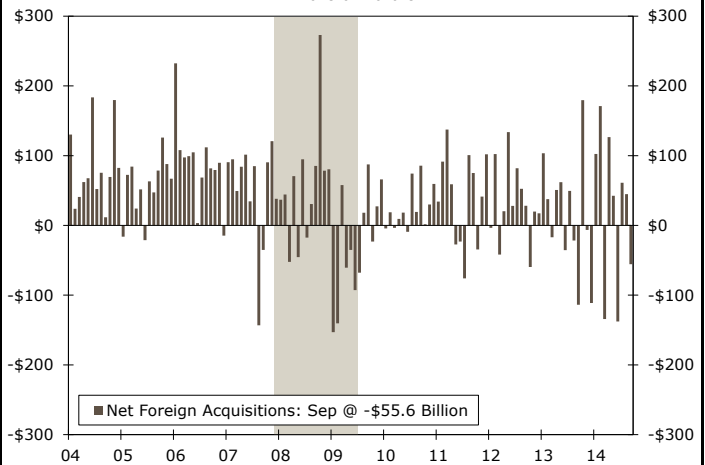
Dollar Likely Will Continue to Strengthen

- However, there were sizable outflows of short-term instruments, including the \$186.1 billion decline in foreign liabilities in American banks, which ultimately resulted in a \$55.6 billion total net outflow.
- In general, however, foreign interest in U.S. assets remains high, due in part to relatively lower rates of return in foreign countries, and we suspect that the dollar will continue to strengthen.

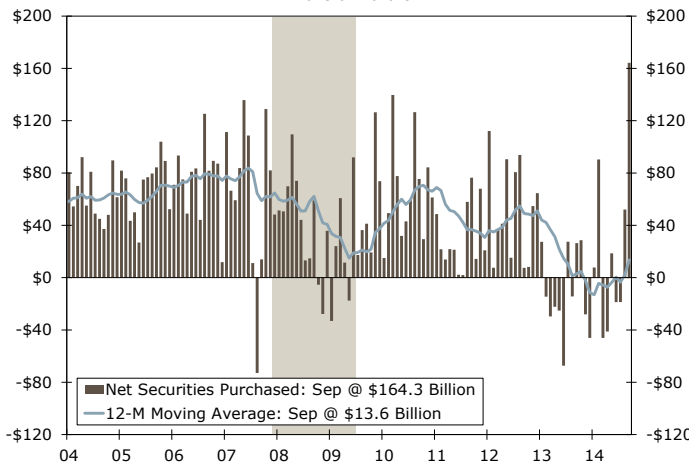
U.S. Purchases of Foreign Securities
 Billions of Dollars



Monthly Net TIC Flows
 Billions of Dollars



Net Long-Term Flows
 Billions of Dollars



U.S. Trade Weighted Dollar Index
 January 1997=100



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

Wells Fargo Securities, LLC Economics Group

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