



Economics Group

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TIC: Foreign Purchases of U.S. Securities Cool in July

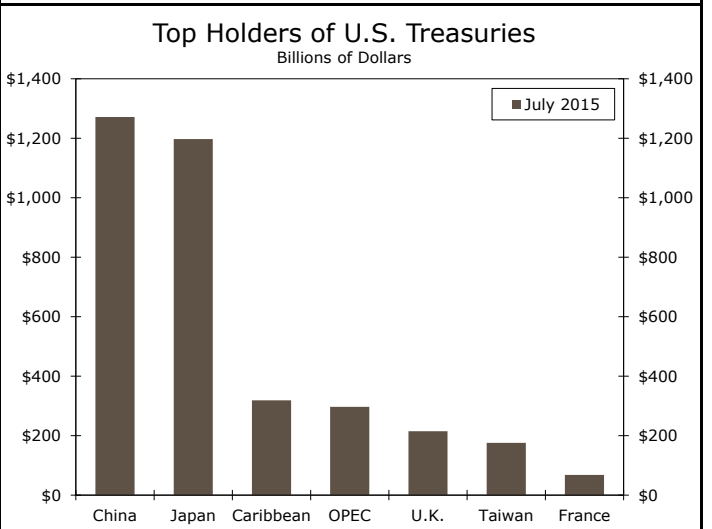
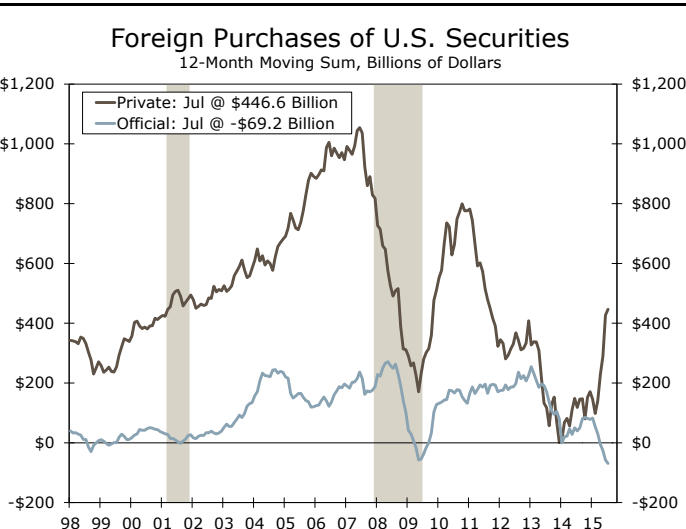
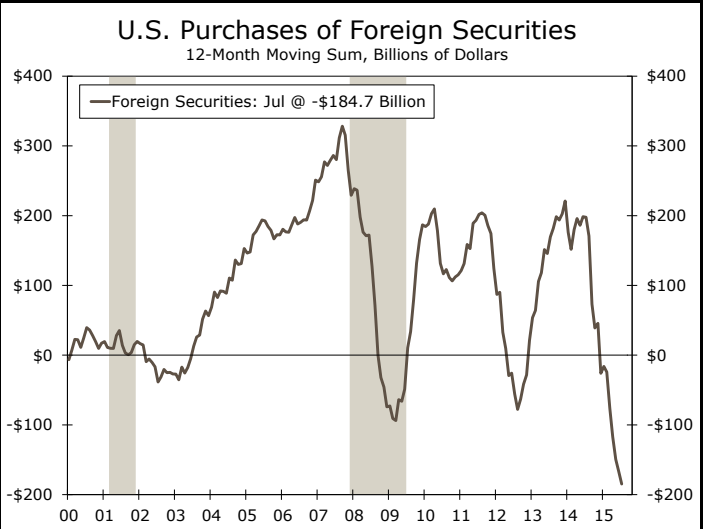
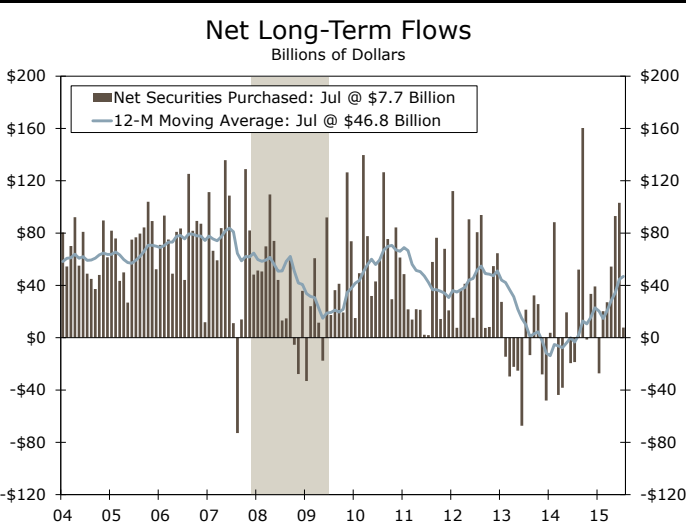
Treasury International Capital (TIC) data showed that net foreign purchases of long-term U.S. securities slowed in July. Meanwhile, U.S. residents remained net sellers of foreign securities.

Private/Official Divergence Remains in Place

- Total long-term net TIC inflows totaled just \$7.7B in July, well below the \$47B average inflow over the past 12 months.
- The divergence between foreign official and private buyers continued in July, as private buyers notched \$21.5B of net purchases of U.S. securities while official sources recorded net sales of \$17.5B. Net purchases of U.S. equities by all types of foreign buyers remained subdued over the month.

U.S. Residents Still Net Sellers of Foreign Securities

- U.S. residents sold a net \$3.7B of foreign securities, marking the fourth-straight month of net selling. Over the past year, Americans have sold, on net, a total of nearly \$200B of foreign securities. Sales have been concentrated entirely in bonds, while U.S. residents have been net purchasers of foreign equities.
- Despite selling roughly \$30B of U.S. Treasuries over the month, China maintained its spot as the largest holder of Treasury debt.



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

Wells Fargo Securities, LLC Economics Group

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