

Home > Breaking news



Take the lead

Rotman
Executive Programs

Home

News

TV

Forum

Subscribe

Contact us



REACH OVER 20,000 FINANCIAL PROFESSIONALS TODAY! CONTACT US TODAY

Canucks dump US equities, inflows to Canada securities slow in May



Share

by WP | 22 Jul 2013



REACH OVER 20,000 FINANCIAL PROFESSIONALS TODAY!

Canadian investors repatriated \$1.6 billion in funds from international financial markets in May as US equities saw the biggest selling by Canadians since October 2008. Foreign investment in Canadian securities, meanwhile, slowed to \$6.7 billion on lower investment in all types of securities, Statistics Canada data show.

Canadian investors sold a net \$2.5 billion of US securities in the month, the largest selloff since October 2008, back in the early days of the financial crisis. Nevertheless, the US stock market was up by 2.1% in May, closing the month at an all-time high. That indicates that much of the Canadian selling was profit taking.

"I suspect Canadians have prudent financial planners who are advising them," said Marc Lamontagne, a founding partner of Ryan

Lamontagne in Ottawa. "The reality is that we've had such a good run in US equities, once in a while you have to rebalance the portfolio because it isn't going to last forever. It's the old adage: sell high and buy low."

Canadians sold \$2.2 billion of foreign stocks in May, all US instruments. This marked the third consecutive month of divestment in US equities.

"It is pretty significant," said Prince George advisor Christa Marques, referring to the sell-off. Still, she qualifies that investors shouldn't make too much of a single data point. "If you look at our markets there's occasional massive sell-offs here or there, but you should focus on the long term instead of just one point because markets are resilient."

MOST DISCUSSED

Opinion: Commission bans would harm Main Street

In the name of Main Street – and not just advisors! – regula ... [READ MORE](#)

I left a comment abo ...

Embedded commissions ...

US move to fees accelerates, to be two-thirds of industry by 2015

Canadian regulators are considering a ban on commissions, bu ... [READ MORE](#)

Whoever wrote the ar ...

Commission trouble brewing

Canadian security regulators have released their three-year ... [READ MORE](#)

Good question. And i ... can someone explain ...

WP TV



Canadian federal, provincial and municipal governments are i ...

PLAY ▶



MOST READ

US move to fees accelerates, to be two-thirds of industry by 2015

Canadian regulators are considering a ban on commi ...

Jailed Ponzi scammer ordered to repay \$600K

The perpetrator of a New Brunswick Ponzi scam has ...

Looking for an ideal wedding gift? Try a financial plan

Advisors have been called a lot of things, but how ...



LATEST NEWS

OSC seeks input on disclosure rules regarding women execs

Should TSX-listed firms be required to disclose de ... [READ MORE](#)

Taking a long view, Merrill forecasts top trends to 2031

Long-term economic forecasting is risky – and the ... [READ MORE](#)

Canadian investment in foreign bonds slowed to \$0.4 billion in May, following three straight months of sizable investment. Investors adjusted their holdings of foreign bonds over the month by selling US government bonds and adding non-US foreign bonds, mostly in the government sector. In May, US long-term interest rates rose to their highest levels since March 2012.

Foreign investment in Canadian debt securities was \$5.5 billion in May, down from \$12.8 billion in April. Reduced inflows mostly resulted from lower acquisitions of Canadian bonds.

Foreign investment of \$2 billion in Canadian bonds marked a fifth straight month of acquisition of these instruments by non-residents, but this was the lowest such activity so far in 2013.

Non-resident investors favoured private corporate bonds for a second month as they added \$4.1 billion worth to their portfolios, led by new issues. These inflows were moderated by divestments, mainly foreign sales of federal government bonds and retirements of provincial government bonds.

Non-resident investors added \$3.5 billion of Canadian money market instruments to their holdings in May, following a \$5 billion acquisition in April. Purchases mainly targeted paper issued by provincial governments and federal government business enterprises. Canadian long-term interest rates were up by 35 basis points in May, leading to a widening of the spread between long- and short-term interest rates.

Foreign investors purchased \$1.2 billion of Canadian equities in May, adding to April's \$2.2 billion acquisitions. This activity was widespread across sectors, notably gold, energy, bank, communication and transportation. The Canadian stock market was up by 1.6% in May. The Canadian dollar depreciated against its US counterpart by 2.8 US cents.

[Share](#)

YOUR COMMENT

WP forum is the place for positive industry interaction and welcomes your professional and informed opinion.

Name (required)

Comment (required)

Notify me of follow-up comments

E-mail (required, but will not display)

By submitting, I agree to the [Terms & Conditions](#)

Liquid-asset growth outpaces property value rise

It was big news that the wealth of the average Can ... [READ MORE](#)

Digital generation still wants financial advice

Being technologically savvy does not necessarily m ... [READ MORE](#)

