



PORTFOLIO INVESTMENTS

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Swedish money market instruments reaching maturity led to capital outflow

Cross-border portfolio investment generated a net outflow of SEK 25 billion during January 2006. This can largely be explained by a substantial number of Swedish money market instruments, both SEK-denominated and foreign currencies, reaching maturity. Swedish investment in currency-denominated debt securities and equity securities also contributed to the outflow. All in all, investment in debt securities led to a net outflow of SEK 15.7 billion while trade in portfolio shares gave outflows of SEK 9.3 billion.

Swedish investors' holdings in currency-denominated securities increased by SEK 7.8 billion in January. British and Irish money market instruments attracted the greatest interest from investors. With regard to investment in long-term debt securities, it was mainly Norwegian, French, Japanese and US bonds that attracted Swedish capital.

Foreign investors increased their holdings in Swedish bonds, both SEK-denominated and those denominated in foreign currencies. The repo statistics indicate that foreign investors' purchases of housing bonds were partly financed through the repo market. As mentioned above, a substantial number of Swedish money market instruments maturing led to very large capital outflows.

Foreign investors increased their holdings of Swedish equity securities by a total of SEK 4.7 billion. The Nordea share proved particularly attractive, with net purchases of SEK 1.5 billion. At the same time, Swedish investors' net purchases of foreign shares amounted to SEK 13.9 billion. The major part of the outflow is attributable to investments in Japanese and US equity securities.