



# PORTFOLIO INVESTMENTS

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### The sale of Skandia led to outflow in equity trading

Cross-border portfolio investment generated capital outflows of SEK 65 billion during February. The outflows were primarily due to Swedish investors' net purchases of foreign equity securities and to foreign investors reducing their holdings in Swedish debt securities. Trade in equities and debt securities generated net outflows of SEK 36.1 billion and SEK 28.9 billion respectively.

Old Mutual's takeover of Skandia had a major impact on the equity statistics this month. Approximately 60 per cent of this transaction was implemented by Old Mutual offering Skandia's shareholders payment in its own shares. This is reflected in two ways in this publication. Firstly, an outflow of capital is reported under the item foreign equity securities as a result of Swedish investors receiving shares in Old Mutual. And secondly, the Swedish equity securities item is affected as Skandia's foreign shareholders are selling Skandia shares, which is also reported as a capital outflow. A third effect in the economic statistics of Old Mutual's purchase of Skandia is that this will be booked in the balance of payments as a direct investment in Sweden resulting in an inflow of capital. That is not reported in this publication.

Trade in Swedish debt securities generated a capital outflow of SEK 28.9 billion. This was mainly due to foreign investors' net sales of Swedish government securities, which amounted to SEK 30,3 billion, and were mainly SEK-denominated. Mortgage securities also generated net outflows during the month, corresponding to SEK 6.5 billion. A significant proportion of the outflows were attributable to certificates reaching maturity.