

Economics Group

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TIC: Long-Term Capital Inflows Remain Steady

The Treasury International Capital (TIC) report for September showed a net \$33.6B worth of long-term portfolio capital inflows into the United States. U.S. residents continue to sell foreign long-term securities.

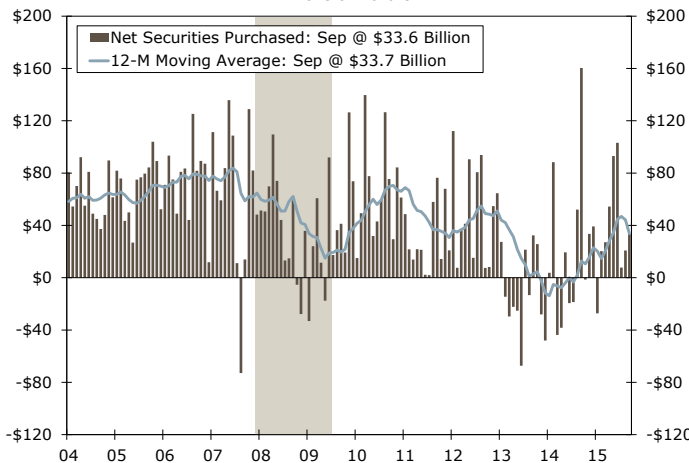
U.S. Residents Shun Foreign Long-Term Securities

- Net foreign purchases of long-term securities amounted to \$33.6B in September. Foreign residents were net purchasers of U.S. long-term securities, while U.S. residents were net sellers of foreign long-term securities for the sixth straight month.
- China sold a net \$12.5B of Treasuries over the month, but its holdings have been fairly steady on balance this year. Japan recorded net Treasury sales of \$44.7B over the month.

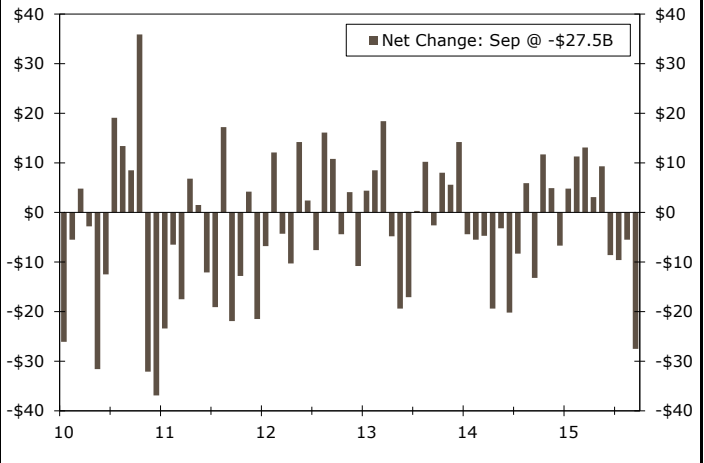
Foreigners Shed U.S. Treasury Bill Holdings

- Foreign residents recorded net sales of U.S. Treasury bills amounting to \$34.9B in September. Foreign official sources accounted for \$27.5B of these sales, the largest monthly figure since 2010, perhaps highlighting expectations of Fed rate hikes.
- More broadly, foreign official sources continue to shed holdings of all types of U.S. securities, recording net U.S. securities sales of \$156.5B over the past 12 months, the largest sum on record.

Net Long-Term Flows
Billions of Dollars



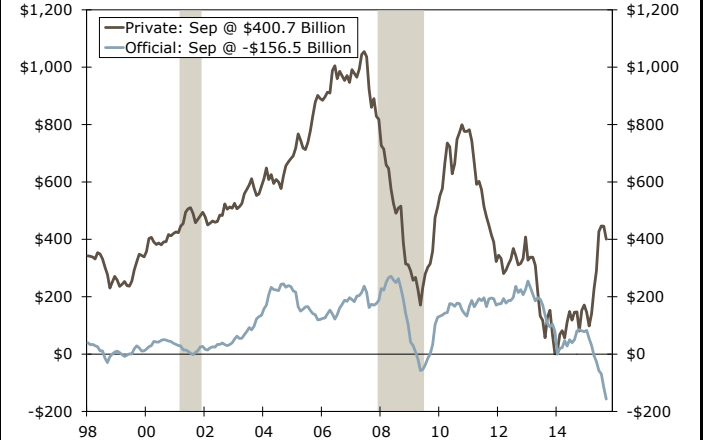
Net Change in Foreign Official T-Bill Holdings
Billions of USD



Chinese Holdings of U.S. Treasuries
Trillions of USD



Foreign Purchases of U.S. Securities
12-Month Moving Sum, Billions of Dollars



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