



Economics Group

Jay H. Bryson, Global Economist
jay.bryson@wellsfargo.com • (704) 410-3274
 Julianne Causey, Economic Analyst
julianne.causey@wellsfargo.com • (704) 410-3281

TIC: Another Record Month of Net Outflows

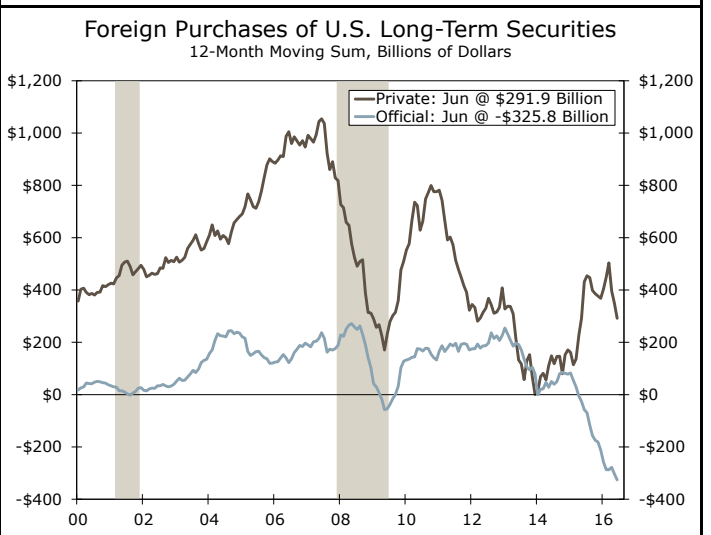
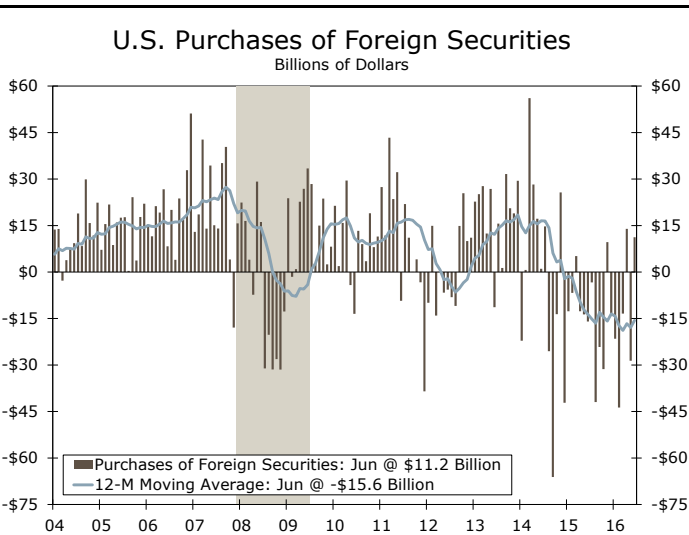
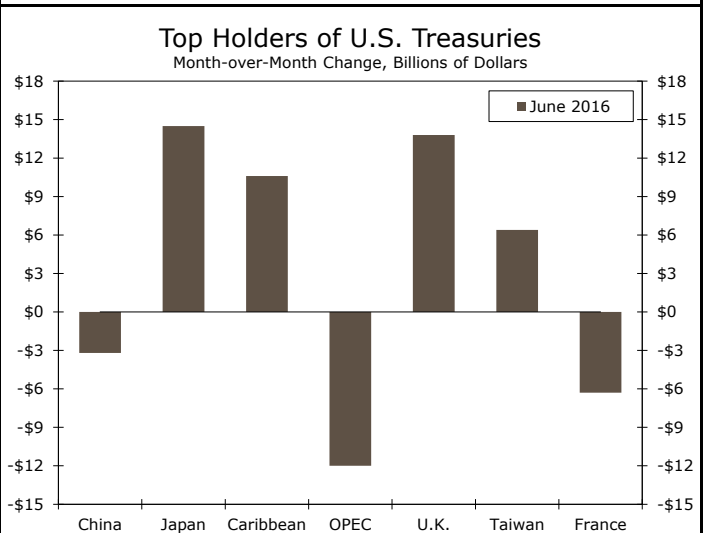
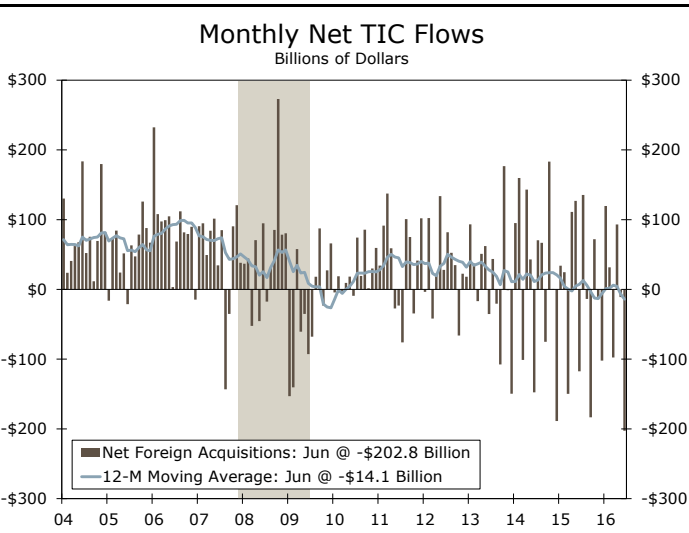
Foreigners were net sellers of \$202.8 billion worth of U.S. long-term portfolio securities in June. Most of the outflows were in banks' own liabilities to foreign residents.

Banks Decrease Liabilities to Foreigners

- June was another record month of outflows of long-term capital by foreign private investors. The steep decline in long-term capital in June was driven predominately by a \$174.4 billion decline in banks' own liability to foreign residents.
- After a steep sell off last month, U.S. investors were net purchasers in June, increasing their long-term foreign securities holdings by \$11.2 billion.

U.K. Increases U.S. Treasury Holdings

- Month-over-month, the U.K. investors increased their holdings of U.S. treasury by \$13.8 billion—the most next to Japan—as uncertainty surrounding the Brexit vote led investors to look for a safe haven. China has been steadily declining its U.S. treasury holdings (-\$3.2 billion) but remains a top holder.
- Foreign central banks continue to dial back their holdings of U.S. Treasuries.



Source: U.S. Department of the Treasury and Wells Fargo Securities

Wells Fargo Securities Economics Group

Diane Schumaker-Krieg	Global Head of Research, Economics & Strategy	(704) 410-1801 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 410-3275	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Jay H. Bryson, Ph.D.	Global Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Currency Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Anika R. Khan	Senior Economist	(704) 410-3271	anika.khan@wellsfargo.com
Eugenio J. Alemán, Ph.D.	Senior Economist	(704) 410-3273	eugenio.j.aleman@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 410-3270	azhar.iqbal@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Eric Viloría, CFA	Currency Strategist	(212) 214-5637	eric.viloria@wellsfargo.com
Sarah House	Economist	(704) 410-3282	sarah.house@wellsfargo.com
Michael A. Brown	Economist	(704) 410-3278	michael.a.brown@wellsfargo.com
Jamie Feik	Economist	(704) 410-3291	jamie.feik@wellsfargo.com
Erik Nelson	Currency Analyst	(212) 214-5652	erik.f.nelson@wellsfargo.com
Misa Batcheller	Economic Analyst	(704) 410-3060	misa.n.batcheller@wellsfargo.com
Michael Pugliese	Economic Analyst	(704) 410-3156	michael.d.pugliese@wellsfargo.com
Julianne Causey	Economic Analyst	(704) 410-3281	julianne.causey@wellsfargo.com
E. Harry Pershing	Economic Analyst	(704) 410-3034	edward.h.pershing@wellsfargo.com
May Tysinger	Economic Analyst	(704) 410-3059	may.tysinger@wellsfargo.com
Donna LaFleur	Executive Assistant	(704) 410-3279	donna.lafleur@wellsfargo.com
Dawne Howes	Administrative Assistant	(704) 410-3272	dawne.howes@wellsfargo.com

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