



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: Capital Inflow Driven by Private Foreign Investors

The Treasury International Capital report showed a net inflow of \$65.8 billion of long-term portfolio capital into the U.S. in April. Net inflows from foreign private investors offset foreign officials' modest outflow.

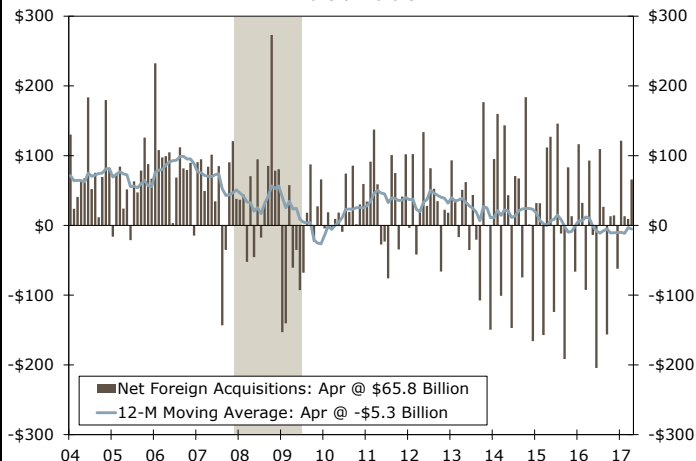
Foreign Investors Shed U.S. Treasuries

- A net purchase of \$65.8 billion of U.S. securities was made by foreign investors in April. Foreign private buyers continued to have an appetite for U.S. securities, increasing holdings by \$72.8 billion. Once again, foreign officials were net sellers, decreasing their holdings by \$7.0 billion. However, both private and official foreign investors decreased their holdings of U.S. Treasuries by \$16 billion and \$6.6 billion, respectively.

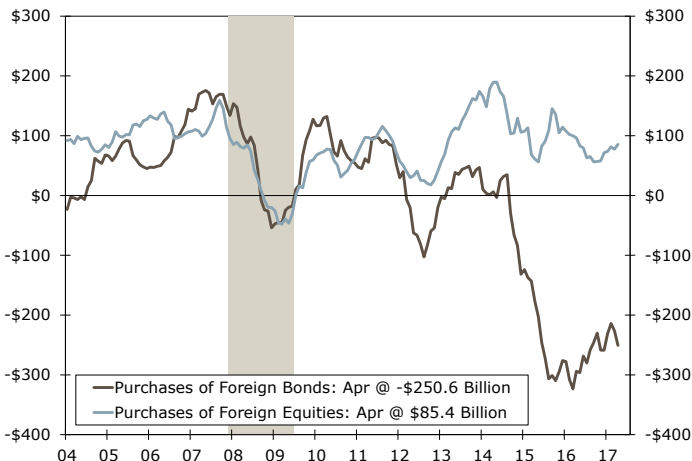
Japan Sells off U.S. Treasuries but Keeps Top Spot

- Meanwhile, U.S. investors were net sellers on the month, decreasing their holdings of foreign securities by \$2.7 billion.
- Japan and China are neck-and-neck as the top holder of U.S. Treasuries, with a difference of \$14.7 billion. That said, Japan decreased its holdings by \$12.4 billion in April, remaining the top holder of U.S. Treasuries, while China increased its holdings by \$4.6 billion.

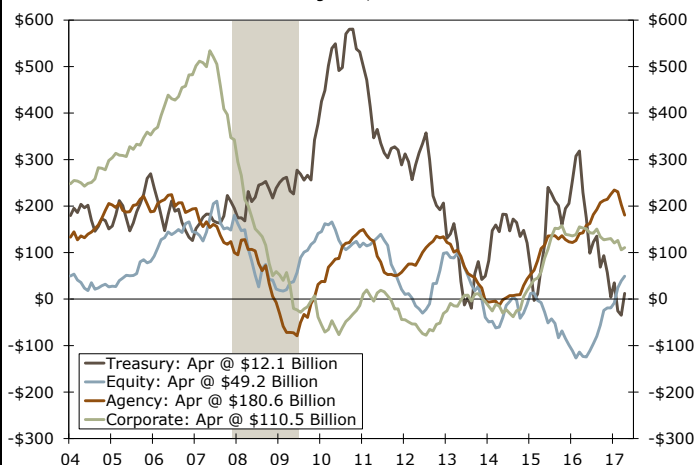
Monthly Net TIC Flows
 Billions of Dollars



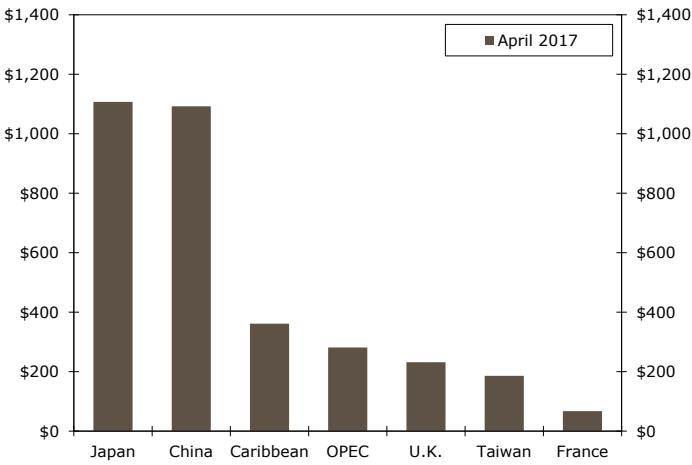
U.S. Purchases of Foreign Long-Term Securities
 12-Month Moving Sum, Billions of Dollars



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



Top Holders of U.S. Treasuries
 Billions of Dollars



Source: U.S. Department of the Treasury, Bloomberg LP 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	(212) 214-8543	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 Strategist	(212) 214-5652	erik.f.nelson@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
Hank Carmichael	Economic Analyst	(704) 410-3059	john.h.carmichael@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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