



Economics Group

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Foreign Private Buying of U.S. Securities Surges in August

The Treasury International Capital (TIC) report showed a net inflow of \$125.0 billion in August, driven entirely by private buyers. Net long-term purchases of U.S. securities were the strongest since May.

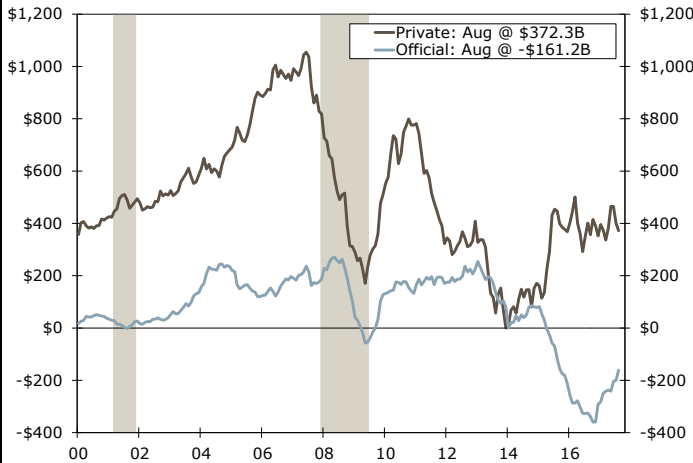
Foreign Private Demand Very Strong in August

- The total net TIC inflow was \$125.0 billion in August on the heels of \$7.3 billion inflow in July.
- Foreign private demand drove the capital inflow surge, contributing \$131.5 billion, more than offsetting the \$6.5 billion outflow from official demand. Although still negative on a 12-month moving sum basis, the trend of net foreign official selling has reversed in recent months.

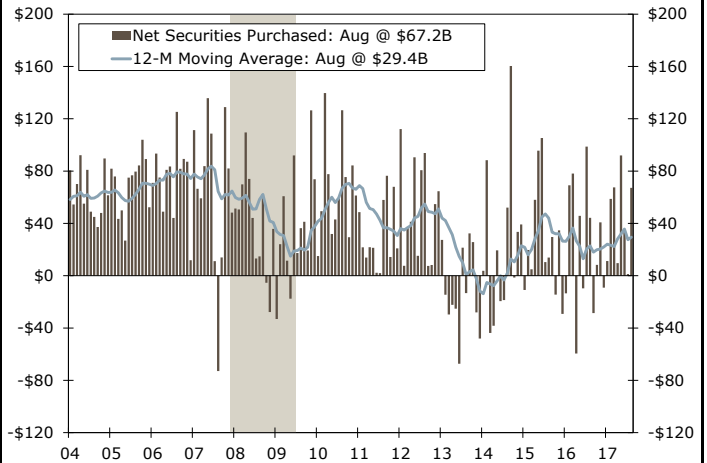
Long-Term Securities Also See Strong Inflows

- Net long-term TIC flows climbed in line with the total, rising \$67.2 billion in August. Among the major asset classes, U.S. corporates saw the largest net purchases in the month. Equities saw a modest sell-off.
- China was a large net buyer of U.S. Treasuries, increasing its holdings by \$34.5 billion in August. Japanese holdings declined a more modest \$11.4 billion.

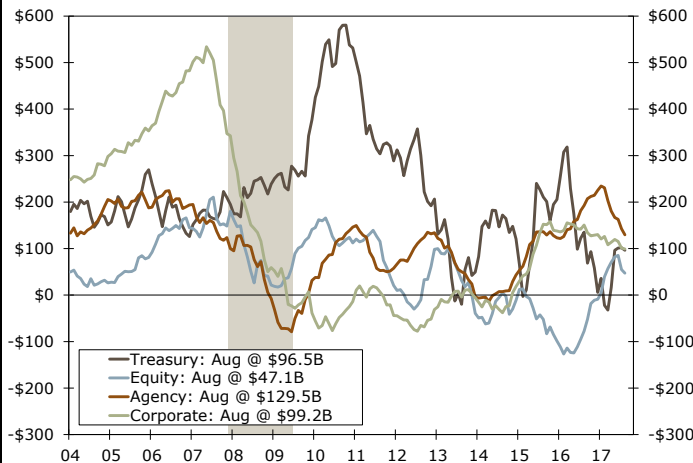
Foreign Purchases of U.S. Long-Term Securities
 12-Month Moving Sum, Billions of Dollars



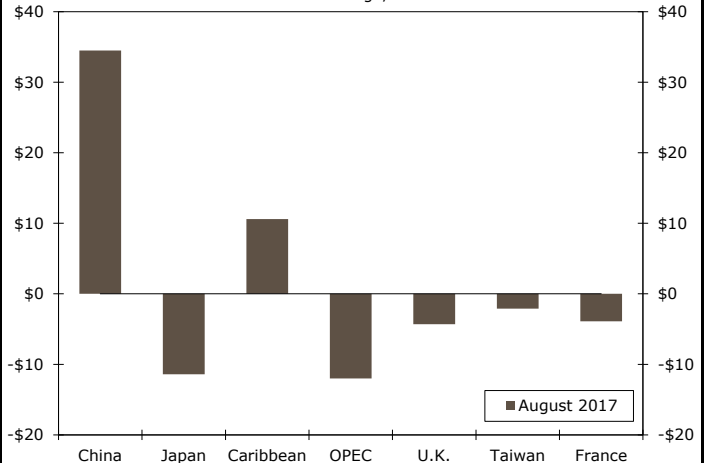
Net Long-Term Flows
 Billions of Dollars



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



Top Holders of U.S. Treasuries
 Month-over-Month Change, Billions of Dollars



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

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