

September 17, 2025 - (Vol. IX, No. 89)

They're back! (Foreign investors that is... and not a moment too soon)

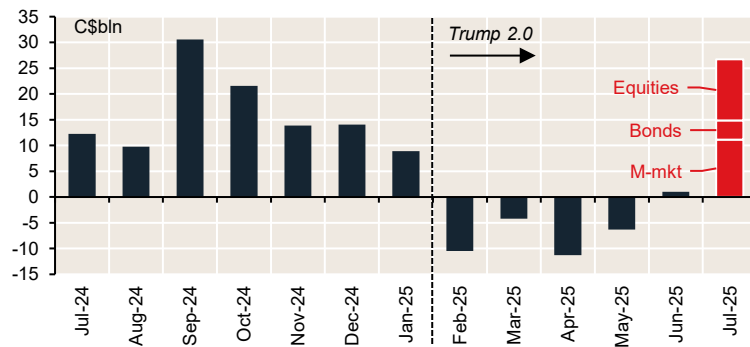
By Warren Lovely

Welcome back foreign money! Canada's missed you. Your return is propitious... which is to say timely... one might argue critical... for this country has ambitious plans and no little amount of borrowing to undertake. | Given Canada's outsized and long-standing reliance on foreign investors ([link](#)), an earlier-reported cooling in non-resident engagement ([link](#)) gave us pause. So today's reported resumption of foreign buying (for the month of July) is encouraging. | Interest was expressed broadly, extending even to Canadian equities. Imagine that. | Notably, non-residents accumulated a nice slug of CAD-denominated bonds. It was a record for the month of July actually. | All major domestic

bond sectors attracted buying: GoC, crowns, provincials, corporates. This is presumably most gratifying (vital?) for the federal government, where net borrowing needs are legitimately elevated. | Notwithstanding July's re-engagement, non-residents have absorbed a modest fraction of effective GoC supply so far this year (<20%). It's left domestic investors, namely Canadian banks, picking up most of the slack ([link](#)). | Considering Ottawa's recent pledges, no shortage of GoC debt buyers are needed... here, there and everywhere... now and into the future. The message to non-residents then: GoC debt is yours for the taking. Do domestic investors (and Canadian taxpayers) a solid and lend a hand, will you?

Chart 1: After earlier chill, non-residents came back in July

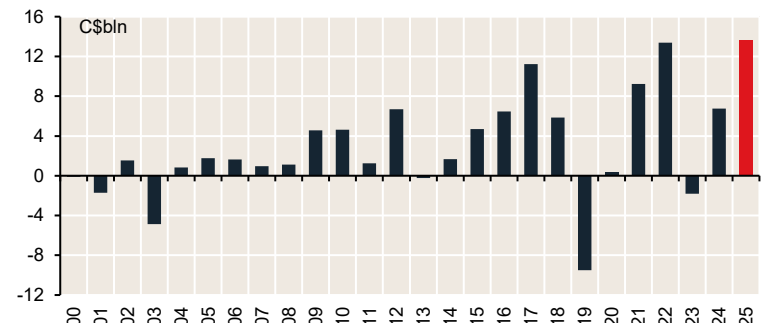
Non-resident net purchases of Canadian portfolio securities: All asset classes



Source: NBC, StatCan | Note: Breakdown by asset class shown for Jul-25 only

Chart 2: Notable buying of CAD-denominated bonds

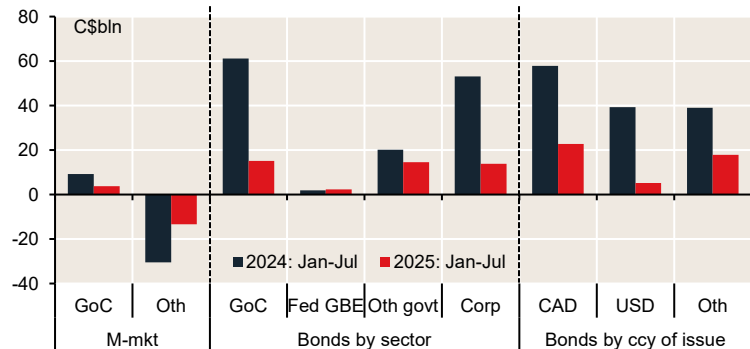
Non-resident net purchases of Canadian domestic (CAD) bonds: Month of July



Source: NBC, StatCan | Note: Refers to all Cdn bond issuers (governments & corporations)

Chart 3: Despite July's buying, YTD tallies still fairly limited

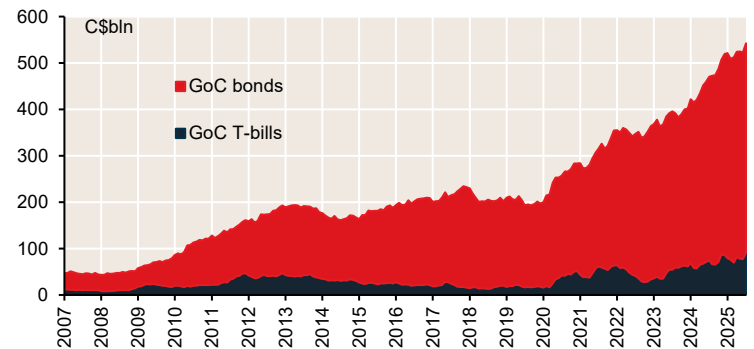
Non-resident net purchases of Canadian debt securities: YTD basis (Jan-Jul)



Source: NBC, StatCan | Note: An additional breakdown by investor geography is available

Chart 4: Non-resident GoC holdings are significant but...

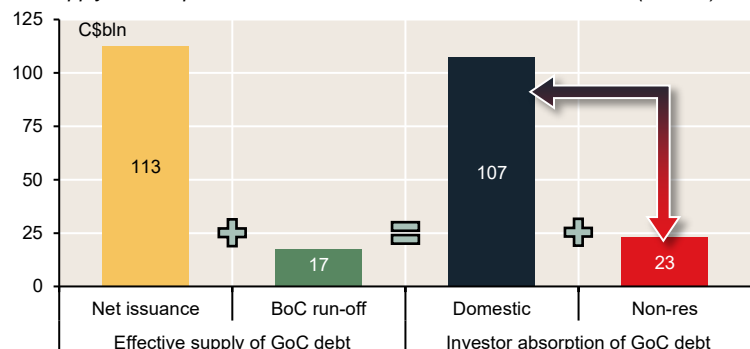
Non-resident holdings of GoC domestic T-bills & bonds



Source: NBC, StatCan | Note: Monthly book value to Jul-25

Chart 5: ... domestics absorbing bulk of GoC supply YTD

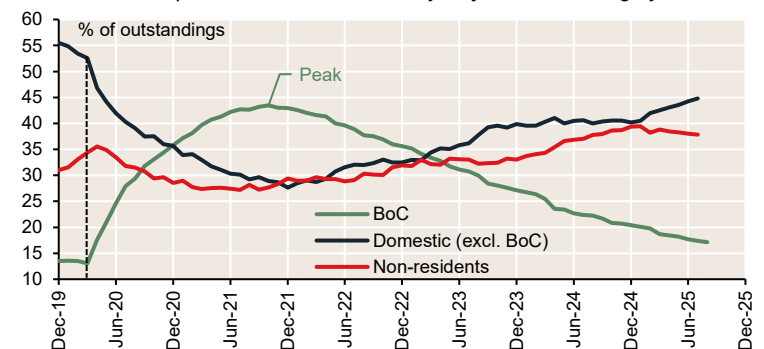
Net supply & absorption of GoC domestic T-bills & bonds: 2025YTD (Jan-Jul)



Source: NBC, StatCan, BoC | Note: Combined supply/purchases of GoC T-bills & bonds

Chart 6: Foreign ownership share of GoC bonds has dipped

Relative ownership of GoC domestic bonds by major investor category



Source: NBC, StatCan, BoC | Note: Monthly book value; domestic/non-res shares to Jul-25



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