



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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PRELIMINARY REPORT ON FOREIGN HOLDINGS OF U.S. SECURITIES AT END-JUNE 2011

WASHINGTON - Preliminary data from a survey of foreign portfolio holdings of U.S. securities at the end of June 2011 were released today on the Treasury web site at <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/fpis.aspx>. Final survey results, which will include additional detail as well as possible revisions to the preliminary data, will be reported on April 30, 2012. The survey was undertaken jointly by Treasury, the Federal Reserve Bank of New York, and the Board of Governors of the Federal Reserve System. The next survey will cover holdings at the end of June 2012; preliminary data are expected to be released by February 28, 2013.

Complementary surveys measuring U.S. holdings of foreign securities are also carried out annually. Data from the most recent survey, reporting on securities held at year-end 2011, are currently being processed. Preliminary results are expected to be reported by August 31, 2012.

Overall Preliminary Results

The survey measured foreign holdings of U.S. securities as of June 30, 2011, to be \$12,520 billion, with \$3,906 billion held in U.S. equities, \$7,733 billion in U.S. long-term debt securities¹ (of which \$1,141 billion are holdings of asset-backed securities (ABS)² and \$6,593 billion are holdings of non-ABS securities), and \$881 billion held in U.S. short-term debt securities. The previous survey, conducted as of June 30, 2010, measured total foreign holdings of U.S. securities at \$10,691 billion, with holdings of \$2,814 billion in U.S. equities, \$6,921 billion in U.S. long-term debt securities, and \$956 billion in U.S. short-term debt securities (see Table 1).

Revisions to the Major Foreign Holders of Treasury Securities Table

A revised table on Major Foreign Holders of Treasury Securities was also released at (<http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticsec2.aspx>, on line 1 of Part A). This revised table is based on the June 2011 survey data, but also includes new data on holdings of Treasury bonds and notes at the end of September 2011 and December 2011 as reported on the new Treasury International Capital Form SLT, "Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents." This inclusion of new data in the Major

Foreign Holders table differs from past practice, where the Major Foreign Holders table was constructed based upon the June survey data and subsequently included monthly transactions data on foreign net purchases of long-term Treasuries until the next survey data were available.

As of January of 2012, the new data on foreign holdings of Treasury securities is being collected monthly instead of quarterly and will be included in the Major Foreign Holders tables in the future. This new data will improve the accuracy of country attribution for foreign holdings of Treasury securities by reducing the “transactions bias” from the transactions data that was included in past Major Foreign Holders tables (see TIC FAQ #7 at: <http://www.treasury.gov/resource-center/faqs/Treasury-International-Capital/Pages/tic-faqs.aspx#q7>). Transactions bias often resulted in some sizable reallocations of holdings when the data from the comprehensive annual June survey were released.

Beginning with the April release of data, the Major Foreign Holders table will reflect monthly data on foreign holdings for January and transactions data for February. In May, the February data will be updated to reflect the monthly holdings data, and transactions data for March.

This new improvement tracks country ownership on a monthly basis, but ownership gaps remain. For example, to the extent that a foreign holder of a Treasury security keeps that security in custody in a country other than the United States, or acquires a Treasury security by purchase from a foreign holder who similarly keeps the security in custody outside the United States, country attribution of ownership may not be fully captured in the data.

1. Long-term debt securities have an *original* term-to-maturity of over one year.
2. Asset-backed securities are backed by pools of assets, such as pools of residential home mortgages or credit card receivables, which give the security owners claims against the cash flows generated by the underlying assets. Unlike most other debt securities, these securities generally repay both principal and interest on a regular basis, reducing the principal outstanding with each payment cycle.

Table 1. Foreign holdings of U.S. securities, by type of security, as of recent survey dates

<u>Type of Security</u>	(Billions of dollars)	
	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Long-term Securities	9,736	11,639
Equity	2,814	3,906
Long-term debt	6,921	7,733
Asset-backed	1,159	1,141
Other	5,763	6,593
Short-term debt securities	956	881
Total	10,691	12,520
Of which: Official	4,346	4,874

Table 2. Foreign holdings of U.S. securities, by country and type of security, for the major investing countries into the U.S., as of June 30, 2011

	<u>Country or category</u>	(Billions of dollars)				
		<u>Total</u>	<u>Equities</u>	<u>Long-term debt</u>		<u>Short-term debt</u>
				<u>ABS</u>	<u>Other</u>	
1	China (Mainland) ¹	1,727	159	220	1,343	5
2	Japan	1,587	304	165	1,052	67
3	United Kingdom	982	442	53	471	16
4	Cayman Islands	928	433	131	284	80
5	Luxembourg	817	291	50	407	69
6	Canada	560	416	10	121	13
7	Switzerland	488	227	24	222	16
8	Middle East Oil Exporters ²	446	214	13	137	82
9	Belgium	443	25	36	376	6
10	Ireland	407	105	47	139	115
11	Hong Kong	292	44	101	82	66
12	Bermuda	275	62	49	136	28
13	Netherlands	260	165	22	67	5
14	France	249	141	16	78	14
15	Germany	238	81	38	112	7
16	Taiwan	232	16	39	175	3
17	Brazil	221	2	*	214	5
18	Singapore	212	107	3	95	7
19	Norway	181	124	12	44	1
20	Australia	161	106	5	44	7
21	Russia	154	*	*	138	16
22	Korea, South	133	20	42	66	5
23	Sweden	108	65	1	40	2
24	British Virgin Islands	107	61	4	25	17
25	Mexico	97	25	1	68	3
	Country Unknown	138	2	*	136	1
	Rest of the World	1,074	270	59	520	225
	Total	12,520	3,906	1,141	6,593	881
	of which: Foreign Official	4,874	593	421	3,421	439

1. Excludes Hong Kong, Macau, and Taiwan, which are reported separately.

2. Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.