



Foreign portfolio investments

Financial transactions with abroad	The statistics show the cross-border transactions of securities, i.e. residents' and non-residents' net purchase of foreign and Danish securities respectively. The statistics are part of the financial account of the balance of payments, which is compiled in accordance with the IMF's "Balance of Payments Manual" from 1993 (BPM5).
Tables, monthly data	The Tables supplement includes the monthly external transaction data. In Table 1 is shown an overview of portfolio investments broken down by type. Tables 2-5.2 show the financial transactions of <i>others besides Danmarks Nationalbank</i> , broken down by acquiring sector (2+4) and issuing sector (3+5.1+5.2).
Sources	<p>As of end-2004, the system for collecting information on Denmark's international investment position and the financial account of the balance of payments, including portfolio investments, is based on the following four main sources:</p> <ul style="list-style-type: none">• Statistics on balance sheets and flows of the MFI sector• General-government statistics• Securities statistics• Reporting by enterprises.
Methodologies	<p>Each source is based on the following identity:</p> $\begin{aligned} & \text{stock, beginning of period} \\ & + \text{transactions during the period} \\ & + \text{valuation changes, etc. during the period} \\ & = \text{stock, end of period,} \end{aligned}$ <p>where stock data corresponds to the international investment position, cf. Danmarks Nationalbank's statistics "Denmark's external assets and liabilities", and transaction data corresponds to "Balance of payments – financial account".</p>
Sources	Data on foreign portfolio investments are primarily based on Danmarks Nationalbank's "Securities statistics", which is described in the following. For a detailed description of the other sources, please consult the sources and methodologies for "Balance of payments – Financial account".
- Securities statistics	For Danish securities issued in Denmark and held by non-residents, the primary source is VP Securities Services. Danish securities issued abroad are reported separately to Danmarks Nationalbank. For foreign securities held by

residents, the primary source of information is custodian banks in Denmark. If enterprises deposit such securities abroad, the information is included in the reports by the enterprises to Danmarks Nationalbank. It is assumed that households primarily deposit foreign securities with custodian banks in Denmark. Information is no longer obtained directly from the households. The Securities statistics are based on information on individual securities (security-by-security approach). Via master data for the individual securities, Danmarks Nationalbank can use the securities' identification numbers (ISIN codes) and the owner's holding to derive transactions and sector of issuer/owner.

Accrued interest

The monthly financial transactions comprise also accrued interest.

In the "Securities statistics" accrued interest is calculated on the basis of the master data of the security, i.e. principal, coupon interest, etc. Account is also taken of imputed interest due to reduction of maturity when the issue price deviates from par. In Danmarks Nationalbank's statistics "Balance sheets and flows of the MFI sector", accrued interest is reported on all external accounts.

The transactions are grouped by currency and sector, cf. below.

Instruments

The breakdown by instrument is based on BPM5 definition. The following definition is used:

- *Portfolio investments*, i.e. transactions in shares and other equity instruments that are not direct investments, and in bonds, etc. (also known as debt instruments). Bonds, etc. are broken down by short-term (less than 1 year) and long-term (more than 1 year) maturity.

Sectors

The breakdown by sector is in accordance with the European System of Accounts (ESA95). The following sectors apply:

- *Non-financial corporations*
- *Danmarks Nationalbank*, including specification of reserve assets by instrument, cf. Table 10
- *Other MFIs*. Banks are specified in a separate table.
- *Other financial intermediaries, etc.*, including investment associations and investment companies, leasing and other financing companies as well as financial auxiliaries
- *Insurance corporations and pension funds*, including ATP. Before 2005 ATP is included under General government
- *General government*
- *Households, etc.*, including charities, etc. that supply goods and services to households.

Preceding sign

A positive preceding sign indicates net purchase of securities, while a negative preceding sign indicates a net sale of securities.

Publication

The statistics are calculated on a monthly basis. Data for the most recent month is usually published on the 20th banking day in the following month. All financial transactions are published along with Statistics Den-

mark's overall balance of payments approximately 1½ months after the end of the reference month.

Revision

The statistics are revised according to "Danmarks Nationalbank's revision policy for financial statistics". Times of revision and revision periods for the individual statistics appear from "Danmarks Nationalbank's revision cycle for financial statistics". Both documents can be found on Danmarks Nationalbank's website under Statistics – Revision policy.

Explanation of symbols

Details may not add because of rounding-off.

- Category not applicable.
- ... Data not available.