

DANMARKS NATIONALBANK

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PORTFOLIO INVESTMENTS, NOVEMBER 2017

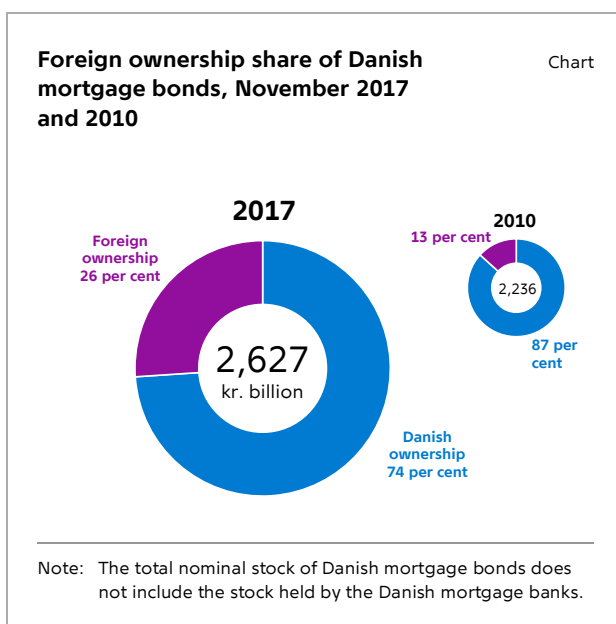
Foreign investors own 26 per cent of Danish mortgage bonds

In November 2017, foreign investors bought Danish mortgage bonds for kr. 3.0 billion. Thus the total foreign ownership of Danish mortgage bonds reached kr. 685 billion, equivalent to an ownership share of 26 per cent of the total outstanding amount.

Through several years, foreign interest in Danish mortgage bonds has been solid. The foreign ownership share was e.g. 13 per cent in the beginning of 2010 and has increased since. Since January 2016

foreign investors have invested kr. 76.3 billion. The latest year's foreign demand is among other things related to dollar-based investors achieving an excess return on their investments in Danish bonds, when the currency risk is hedged through currency swaps.¹

Foreign investors cover foreign investment funds, pension funds, banks, enterprises, etc. In addition, certain foreign investment funds investing in Danish mortgage bonds are owned by Danish investors. However, recent years' foreign purchase of Danish mortgage bonds has not been made by foreign investment funds with Danish owners – on the contrary they have decreased their holding.



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¹ Danmarks Nationalbank, Risks are building up in the financial sector, *Danmarks Nationalbank Analysis, Financial Stability*, No. 23, November 2017.