

DANMARKS NATIONALBANK

30 JUNE 2020

DENMARK'S INTERNATIONAL INVESTMENT POSITION, 1ST QUARTER 2020

Denmark's IIP reduced by kr. 289 billion

Denmark's international investment position, IIP, decreased in the 1st quarter of 2020 by kr. 289 billion, corresponding to a decrease of 16 per cent since the last quarter. The decrease is especially driven by large changes in share prices of foreign assets.

The IIP is the difference between the Danes' total foreign assets and foreigners' total holdings of Danish assets, also known as the liabilities. Denmark's total assets and liabilities were kr. 8,297 and 6,754 billion, respectively, at the end of the 1st quarter.

Decline in stock prices pulled IIP down ...

The IIP was primarily pulled down by losses in foreign portfolio shares in the 1st quarter. Overall, the value of Danes' foreign portfolio shares decreased

by kr. 377 billion of which 41 per cent of the decline was caused by losses on American shares. Consequently, the total value of the Danish investors' holdings of foreign portfolio shares constituted kr. 1,940 billion at the end of the 1st quarter.

Losses on foreigners' holdings of Danish shares affected the IIP positively by kr. 128 billion in the 1st quarter. The increase does mean that the Danes' have become richer, but rather that the value of foreigners' holdings of Danish portfolio shares decreased. Foreigners' holdings of Danish portfolio shares constituted kr. 1,490 billion at the end of the 1st quarter.

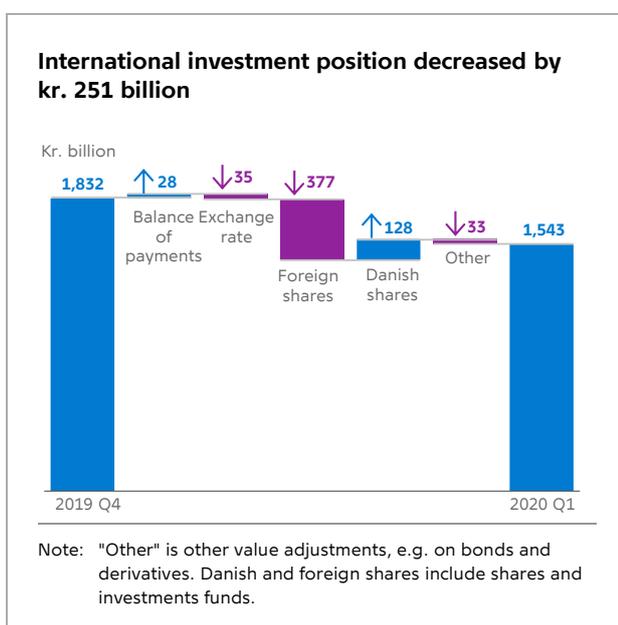
In addition, adjustment in the exchange rate contributed negatively to the IIP by kr. 35 billion. The adjustments were among other things caused by the weakening of the Swedish and Norwegian krone.

... while balance of payments surplus raised the IIP

In the longer term, the development in the IIP follows the current account surplus. In the 1st quarter, the current account surplus raised the IIP by kr. 28 billion.

Since the 1st quarter, foreign share prices have risen. In April and May, the value of Danish investors' holdings of foreign portfolio shares increased by 15 per cent. Similarly, the value of foreigners' holdings of Danish shares has increased by 15 per cent.¹

[CLICK HERE FOR FURTHER INFORMATION](#)



¹ See publications on portfolio investments ([link](#)) and securities ([link](#)).