

DANMARKS NATIONALBANK

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PORTFOLIO INVESTMENTS, APRIL 2020

Solid demand for Danish bonds

In April, foreign investors bought Danish bonds. Foreign investors bought, among other things, fixed-rate mortgage bonds and have increased their ownership to 34 per cent. Their ownership share has been in significant growth for many years, rising by 3.5 percentage points since the October pay date last year.¹

At the April pay date, prepaid fixed-rate mortgage bonds totaled just over kr. 70 billion, mainly because the Danes refinanced their mortgage loans. Since the January pay date, net issuance of bonds with a low coupon rate of 1.5 per cent or lower amounted to kr. 57 billion. Foreign investors have bought for kr. 31 billion of this amount. The foreigners' pur-

chase means that they now own Danish fixed-rate mortgage bonds for kr. 415 billion.¹

Since the January pay date, foreign investors have also increased their ownership of mortgage bonds behind interest rate adjustment loans and with reference rates. Foreign investors' net purchases amounted to kr. 5 billion during the period, and the investors now own for kr. 228 billion.

The state issues bonds

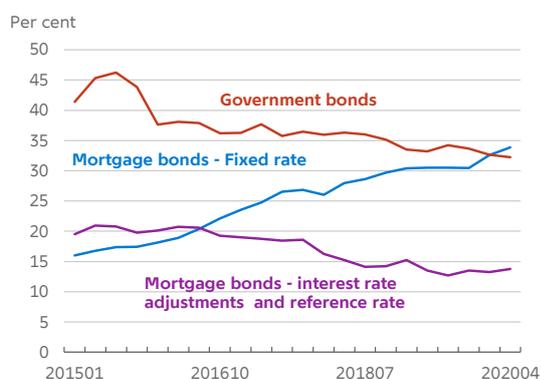
The financing of central government debt is done, among other things by issuing government bonds, treasury bills or commercial papers. In April, the state issued approximately kr. 21, 17 and 78 billion, respectively, in these papers.

In the government bonds that were issued, foreigners bought just over kr. 2 billion. In total, foreigners net sold government bonds for kr. 3 billion, owing to redemptions. In April, foreign investors bought treasury bills for kr. 13 billion.

While government bonds and treasury bills are in kroner, the Government's commercial papers are short-term securities in foreign currency, primarily dollars. Foreign investors bought the issues in April.

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Foreign ownership of Danish government and mortgage bonds issued in Danish kroner



Note: Government bonds are calculated excluding the Government's own holdings.

¹ 30-year convertible bonds account for almost 90 per cent of the foreign holdings of Danish fixed rate mortgage bonds has been the main driver of the foreign ownership share. In April, abroad owns around 40 per cent of the 30-year convertible.