

DANMARKS NATIONALBANK

30 JUNE 2020

PORTFOLIO INVESTMENTS, MAY 2020

Danes bought foreign stocks in April and May

Danish investors have bought foreign listed portfolio stocks¹ this year for a total of kr. 25 billion. The purchases were made especially in April and May in the wake of the large falls in the global stock indices. Buyers are primarily the insurance and pension sector, but other professional investors and private Danish investors have also bought.

Changes in the composition of US stocks

In total, the insurance and pension sector bought portfolio stocks for kr. 11 billion. Until May 2020, primarily Japanese, German shares and Chinese shares issued from the Cayman Islands were purchased. At the same time, there has been a major shift in US stocks. In March, the insurance and pension sector

sold for over kr. 15 billion US stocks, especially financial, oil and big tech stocks². In April and May, however, the sector bought for kr. 14.4 billion of these 3 stocks. A large part of the tech stocks were repurchased and more were purchased in US pharmaceutical and game development companies.

Private investors are buying

Until May, private investors bought for kr. 4.4 billion. The biggest buy in an individual stock was kr. 0.3 billion in Norwegian in a critical period for the company.

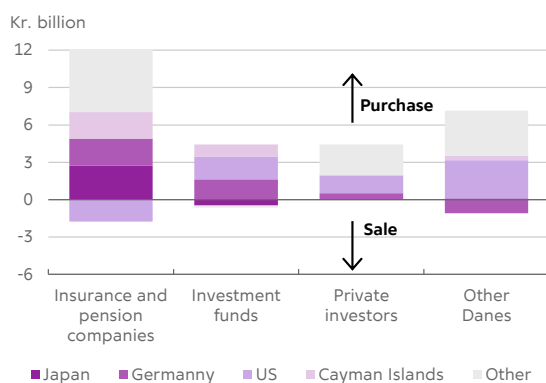
Portfolio stocks have not yet fully recovered

Overall, Danish investors' returns have fallen by 8 per cent in the past part of 2020. Up till and including March, the return was -21 per cent, while in April and May it increased by 15 per cent. American tech stocks in particular have performed well, which increased the yield, not least for private investors who are relatively exposed here.

Danish investors own a total of kr. 1,255 billion listed foreign portfolio stocks at the end of May 2020, of which the professional investors, i.e. the insurance and pension sector and the investment funds, own for a total of kr. 1,046 billion. Other Danes and private investors own for kr. 135 and 74 billion, respectively.

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Danish investors purchased foreign portfolio stocks in 2020



Note: Danish investors' net purchases of portfolio stocks. "Insurance and pension companies" (IPs) includes underlying equity funds. "Investment funds" contains the so-called UCITS associations aimed at private and other equity associations not affiliated with IP. "Other Danes" primarily includes holding companies and banks.

¹ Portfolio shares are shares in which the investor holds a non-controlling share, i.e. less than 10 per cent.

² Big tech is often used in the media about the biggest tech stocks. The top 5 US tech stocks are Facebook, Amazon, Apple, Google and Microsoft. These 5 stocks amount to approx. 8 per cent of the insurance and pension sector's foreign portfolio shares.