

DANMARKS NATIONALBANK

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The pension sector sells foreign government bonds

The Danish insurance and pension sector has sold foreign government bonds worth kr. 27 billion since March 2020, primarily euro area government bonds, with the largest divestment in Spanish, Irish and German government bonds.

The divestment follows the purchase of government bonds in 2019. At end-October 2020, the sector had invested a total of kr. 551 billion in foreign government bonds, kr. 388 billion of which in euro area government bonds, primarily German.

Purchase of Danish government bonds

Instead, the insurance and pension sector has been buying Danish government bonds since March 2020. For the sector collectively, purchases of Danish government bonds have largely offset sales of foreign government bonds. However, the insurance and pension companies buying Danish government bonds are typically not the same as those selling foreign government bonds.

Large foreign investments

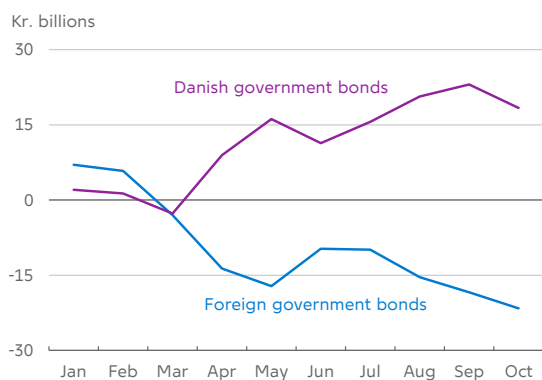
The insurance and pension sector also has large portfolios of, for instance, foreign corporate and mortgage bonds. Overall, the sector holds foreign bonds worth kr. 997 billion and also holds foreign shares worth kr. 1,217 billion. This means that the sector's total foreign portfolio investments account for more than half of the overall investments totaling kr. 4,276 billion.

Banks have bought foreign government bonds

Like the insurance and pension sector, banks and mortgage credit institutions have sold Spanish and Irish government bonds, among others; instead, they have primarily bought German and French government bonds. Overall, Danish investors have bought foreign government bonds worth kr. 12 billion since March 2020.

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Insurance and pension sector has sold foreign government bonds and bought Danish government bonds



Note: Accumulated net purchases of Danish and foreign government bonds, including investments through investment funds, by the Danish insurance and pension sector.