

DANMARKS NATIONALBANK

7 JANUAR 2021

PORTFOLIO INVESTMENTS, NOVEMBER 2020

Foreign record purchase of Danish bonds

From January to November 2020, foreign investors have increased their portfolio investments in Danish securities by kr. 286 billion. Foreign investors have in particular bought Danish bonds. The purchase of Danish bonds for kr. 252 billion in 2020 is the largest in the period where portfolio investments statistics have been compiled.

The Danish bonds market is far larger than the Danish stock market, and it is typically investments in Danish bonds which drives the trend in foreign portfolio investments. In 2020, two thirds of foreign bonds investments have been in Danish government bonds, amounting to kr. 154 billion.

Government bonds directed to foreign investors

The majority of foreign investors' purchases of Danish government bonds are issued in foreign currency. These bonds are primarily targeted to and owned by foreign investors.

Bank and corporate bonds are also typically issued in foreign currency which leads to large foreign transactions in these securities.

Great interest for Danish mortgage bonds

Foreign investors have collectively bought Danish mortgage bonds for kr. 63 billion in 2020. It is especially 30-year fixed rate mortgage bonds which foreign investors have been attracted to. The foreign demand has contributed to price increases and thus declining interest rate. This has given many home owners the possibility to convert to mortgage loans with lower interest rate.

Foreign investors invest in Danish renewable energy

Collectively, foreign investors have purchased Danish shares for kr. 34 billion in 2020. The largest acquisitions have been in the energy companies Vestas and Ørsted. Reversely, foreign investors have sold shares in Novo Nordisk and Danske bank.

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