

DANMARKS NATIONALBANK

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PORTFOLIO INVESTMENT, SEPTEMBER 2019

High return on foreign portfolio shares in 2019

Danish investors' foreign listed portfolio shares had a return of 17.7 per cent in the first nine months of 2019. Excluding exchange rate changes, the return was 15.3 per cent. In comparison, their Danish equities produced a return of 15.1 per cent.

The return on the foreign equities is well in line with the general market trends in the global equity markets. Here, according to the global stock market index, MSCI World, prices have risen 17 per cent during the same period.¹

Great return on US shares

The Danish investors received a large return from their US shares which have yielded as much as kr. 127 billion in 2019. Of this, kr. 27 billion is due a strengthened dollar exchange rate, and kr. 100 billion comes from price increases and dividends. Share prices in the US generally rose by 20 per cent according to MSCI.

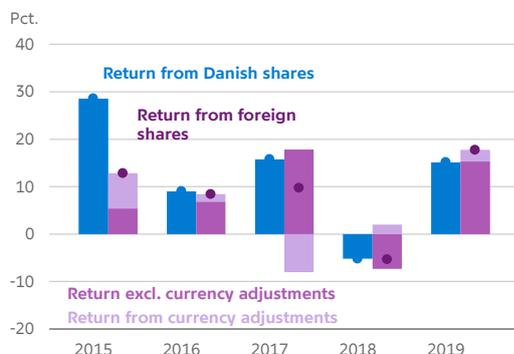
Buying US shares and selling European

In recent years, Danish investors, especially the pension sector, have made large investments in American shares. Since 2015, Danish investors have bought US shares for kr. 46 billion, of which kr. 17 billion have been purchased in the past part of 2019. US equities account for 47 per cent of the Danes' total portfolio shares abroad. Danish investors have sold for kr. 37 billion of European shares in 2019, now representing 30 per cent. Overall, in 2019, Danish investors have sold foreign portfolio shares for kr. 20 billion.

Danish investors own foreign shares for a total of kr. 1,273 billion, which is slightly more than they own in Danish shares. The majority of foreign shares are from the US (Kr. 604 billion) and Europe (kr. 382 billion).

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Equal return between Danish and foreign portfolio shares for Danish investors



Note: Listed foreign portfolio shares, ie. shares where the equity or voting rights do not exceed 10 per cent. The return on Danish portfolio shares is approximated by disregarding shares in the Group's own holding companies and own holdings in general. The return is excl. derivatives, etc.

¹ MSCI makes indexes to compare developments of, for example, equities between continents.