

# DANMARKS NATIONALBANK

29 JANUARY 2020

PORTFOLIO INVESTMENT, DECEMBER 2019

## Danish investors preferred foreign bonds in 2019

Danish investors have purchased foreign bonds net kr. 123 billion in 2019. Furthermore investors have bought foreign shares and investment funds shares for approx. kr. 17 billion 2019 in total.

Danish investors' foreign purchases in 2019 differed from the previous years, where they predominantly bought foreign portfolio shares, etc.

### European bonds were favorites

Danish investors mainly bought bonds from Europe including Swedish mortgage-backed bonds (so-

called *Hypotekobligationer*) and government bonds from Germany, Italy, Ireland and Sweden. A number of investors have also bought US bonds.

### The Danish pension sector is behind purchases

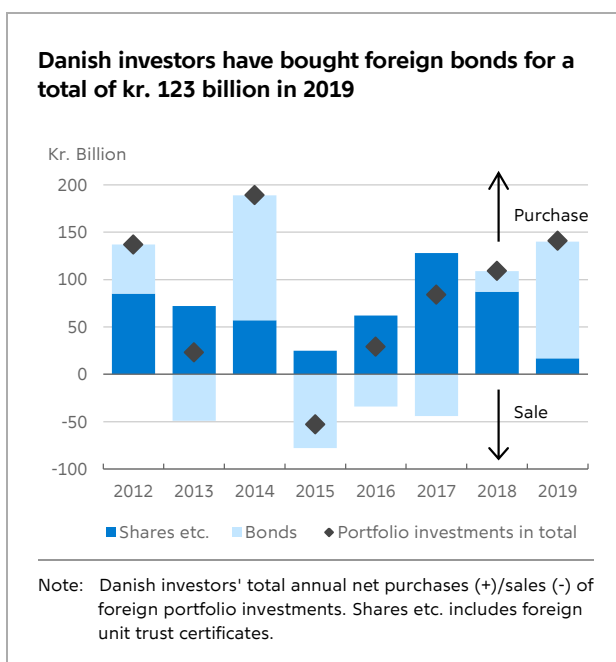
The Danish pension sector is behind most of the foreign bond purchases in 2019. The pension sector also bought foreign shares for kr. 23 billion while non-financial corporations etc. sold foreign shares for kr. 6 billion.

### Foreign stocks are still filling most

Although Danish investors largely have not bought foreign shares in 2019 the value of their foreign shareholdings has increased as a result of large price increases in the global stock market. This means that the shares' portion of Danish investors' total foreign portfolio investment is almost unchanged at 61 per cent from 2018 to 2019.

Over the past few years, however, Danish investors have built up their holdings of foreign shares. The shares' portion of their foreign portfolio has thus increased from 44 per cent in 2012.

The shift from buying shares to bonds in 2019 should be seen in the light of recent years' build-up of stocks and the large price increases in the stock market in 2019. Some investors may have reached the desired level of exposure to shares, which means they invest in other assets or sells shares at large value increases.



[CLICK HERE FOR FURTHER INFORMATION](#)