

DANMARKS NATIONALBANK

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SECURITIES, NOVEMBER 2020

Large amount of Danish government securities

In 2020, the total nominal outstanding amount of Danish government securities increased by kr. 227 billion, to a total of kr. 807 billion in November 2020. Of this, kr. 710 billion is issued in the Danish kroner, and kr. 97 billion is issued in foreign currency. The increased amount of outstanding government securities in 2020 partly reflects the government's increased borrowing needs, as a result of the corona crisis, and the build-up of a liquidity reserve.

Foreign investor's portfolio of Danish government securities is record high, kr. 349 billion. This is mainly due to the large amount of government securities

issued in foreign currency in 2020. These are primarily bought by foreign investors.

Foreigners own the securities in foreign currency

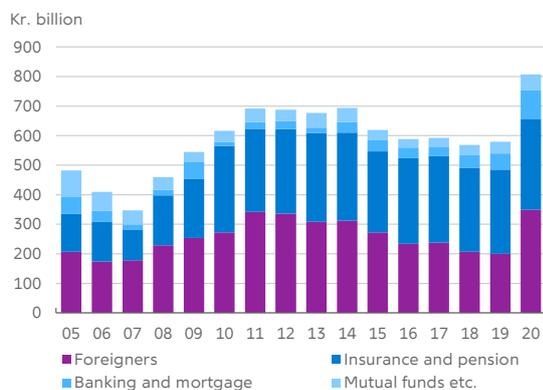
In the beginning of 2020, the government issued short-term foreign loans in euros and dollars through the two Commercial Paper (CP) programs. The nominal value of the CP programs peaked in the summer 2020 and has since been reduced to kr. 85 billion. In October 2020, the government issued a government bond in foreign currency for the first time since 2014. The bond has a maturity of 2 years and is particularly owned by foreign investors.

Increase in government securities issued in kroner

The outstanding amount of government securities in kroner increased in 2020 with kr. 130 billion to kr. 710 billion. Of this, foreign investors increased their portfolio with kr. 52 billion to kr. 252 billion. Foreign investors have in particular bought short-term treasury bills and 10-year government bonds. Their total holding of treasury bills and government bonds is kr. 59 billion and kr. 193 billion, respectively.

Overall, Danish investors still own the majority, two thirds, of the Danish government bonds in kroner. This is mainly due to the insurance and pension sector's holdings of 10- and 30-year government bonds which e.g. are used to hedge long-term pension liabilities.

Especially, foreign investors increased their holdings of Danish government securities in 2020



Note: Nominal values of outstanding government securities excl. the holdings of the government and government funds. From 2005 to 2019 the figure is based on December's data, while 2020 is based on November's data. Insurance and pension are incl. their capital funds.

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