

DANMARKS NATIONALBANK

28 SEPTEMBER 2022

SECURITIES, AUGUST 2022

Foreign countries hold fewer Danish mortgage bonds

This year, foreign investors have net sold 30-year Danish convertible mortgage bonds for kr. 55 billion. The foreign share of ownership has thus fallen from 38.1 per cent in January to 36.1 per cent in August. The value of the 30-year bonds fell by kr. 87 billion in the same period, e.g. due to conversion of mortgage loans.

Euro countries are less likely to sell

Danmarks Nationalbank receives securities information from the European Central Bank about the euro countries' investments, including Danish mortgage bonds. The securities information shows that, in the first half of the year, investors in the euro countries have been less likely to sell the Danish 30-year bonds than other foreign investors. Their investments in these bonds have remained around at

the same level, while other foreign investors have reduced their holdings by kr. 34 billion.

Eurozone investors account for more than half of the total foreign investments in Danish 30-year mortgage bonds. Germany is the largest investor country with more than half of the euro countries' investments. It is mainly the investment funds of the euro countries that have invested in the Danish mortgage bonds. Investment funds, for example, account for 80 per cent of the German investments.

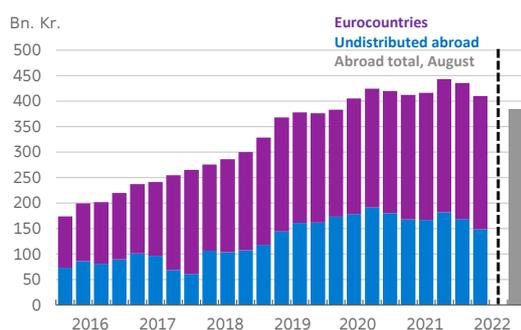
Data from the Japanese central bank also points in direction of sale for kr. 12.6 billion in the first half of the year of Danish bonds which are not government bonds.

Interest rate increases have given rise to buybacks

The significant decrease in foreign investors' holdings of Danish mortgage bonds has occurred during a period of interest rate increases and many conversions. Here, Danish home owners have bought back the bonds behind their low-interest mortgages and replaced them with fixed-rate bonds with a higher interest rate or variable-rate bonds. However, the appetite of foreign investors to buy the newly issued bonds has been less than the desire to sell the old bonds, which is why the total share of foreign mortgage bonds has fallen.

[MORE INFORMATION ABOUT THE STATISTICS HERE](#)

The foreign holdings of Danish mortgage bonds fall by kr. 55 billion.



Note: Nominal value of fixed-rate 30-year convertible mortgage bonds. Find chart data here ([link](#)).