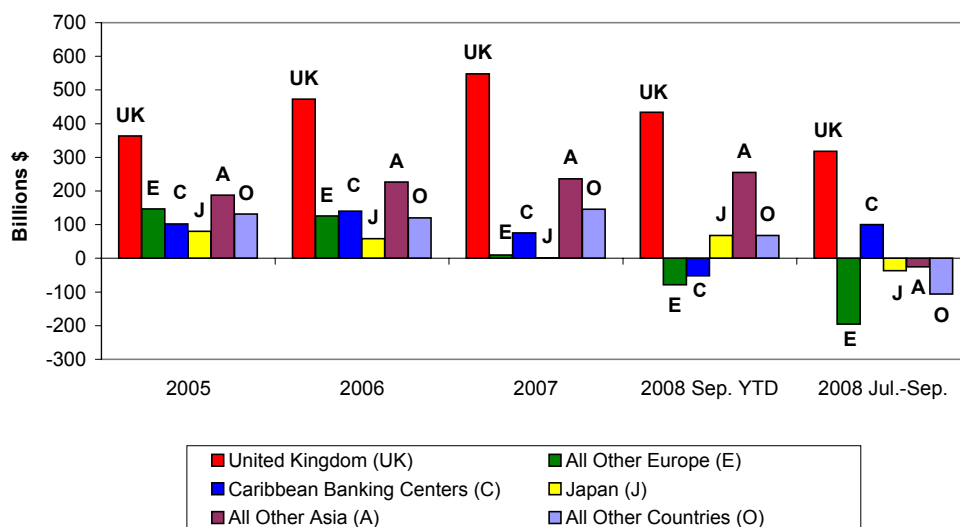


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



(In millions of dollars. Source: Treasury International Capital Reporting System)

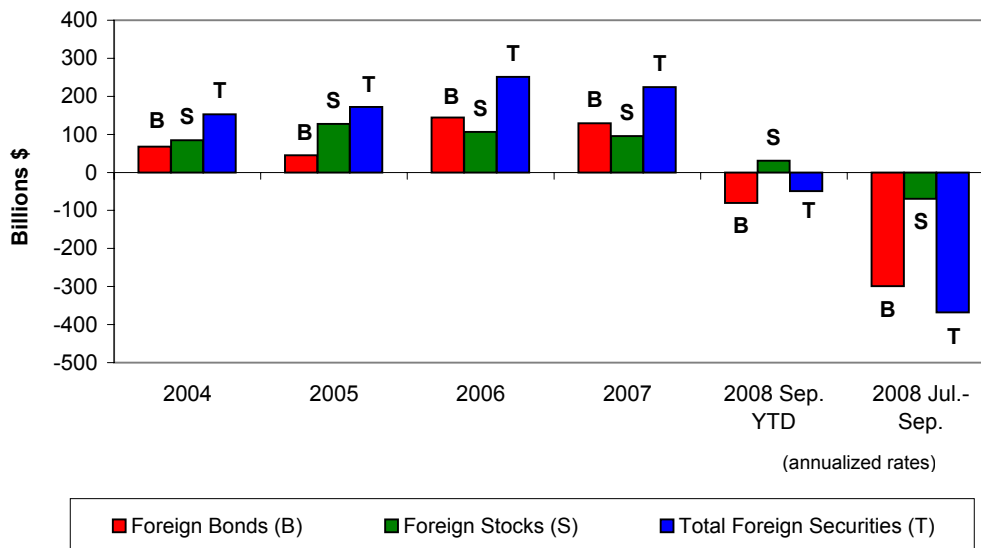
Country	2005	2006	2007	2008 Sep. YTD	2008 Jul.-Sep.
United Kingdom.....	363,593	472,380	547,527	325,476	79,583
All other Europe.....	146,910	126,118	9,724	-58,881	-48,955
Caribbean banking ctrs ¹	102,259	139,732	75,772	-38,762	25,008
Japan.....	79,814	58,050	1,269	50,636	-9,248
All other Asia.....	187,284	226,863	235,784	191,490	-6,231
Subtotal.....	879,860	1,023,143	870,076	469,959	40,157
All other countries.....	131,680	120,078	145,827	50,587	-26,577
Grand total.....	1,011,540	1,143,221	1,015,903	520,546	13,580

¹ Includes Bahamas, Bermuda, Cayman Islands, Netherlands Antilles, and Panama. For data beginning June 2006, also includes the British Virgin Islands.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquired U.S. equities through mergers and reincorporations that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps have been modest, amounting to \$36 billion in 2004, \$6 billion in 2005, \$4 billion in 2006, \$11 billion in 2007, and less than \$1 billion so far in 2008. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are available on the TIC Web site. The TIC Website also provides estimates from the Federal Reserve Bank of New York on principal repayment flows on foreign holdings of U.S. government agency and corporate asset-backed securities (ABS). These repayments, also not reported under the TIC system, are estimated to have reduced foreign net purchases of U.S. securities by \$86 billion in 2004, \$144 billion in 2005, \$160 billion in 2006, \$235 billion in 2007, and \$157 billion in the first three quarters of 2008.

Net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2005, net foreign acquisitions of U.S. securities (including stock swaps and accounting for ABS repayment flows) totaled \$873 billion. Net purchases reached a new record of \$987 billion in 2006, but then slowed to \$792 billion in 2007. Net acquisitions have slowed further to \$364 billion so far in 2008, with net acquisitions of \$391 billion in the first half of 2008, and net sales of \$27 billion (after accounting for ABS repayments) in the third quarter.

Chart CM-D -- Net Purchases of Long-Term Foreign Securities by U.S. Investors*



(In millions of dollars. Source: Treasury International Capital Reporting System)

Type	2004	2005	2006	2007	2008 Sep. YTD	2008 Jul.-Sep.
Foreign Bonds.....	67,872	45,095	144,452	129,015	-59,944	-74,785
Foreign Stocks.....	84,970	127,296	106,455	95,298	23,020	-17,300
Total.....	152,842	172,391	250,907	224,313	-36,924	-92,085

* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. In addition, when foreign firms reincorporate in the United States, the associated stock swap reduces U.S. holdings of foreign equity. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$47 billion in 2001, \$3 billion in 2002, \$17 billion in 2003, -\$12 billion in 2004, \$4 billion in 2005, \$19 billion in 2006, \$11 billion in 2007, and \$3 billion in the first three quarters of 2008. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are available on the TIC Web site.

Including the stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. U.S. investors' acquisitions of foreign securities (including stock swaps) then slowed over the 2001-2003 period before rebounding to \$141 billion in 2004 and \$176 billion in 2005. The pace of U.S. acquisitions picked up further in 2006, as U.S. investors acquired \$270 billion in foreign securities, but eased a bit in 2007, as U.S. investors acquired \$234 billion in foreign securities. The pace of acquisition has slowed further in 2008, with U.S. investors acquiring only \$71 billion in foreign securities in the first half of the year, and then selling \$92 billion in the third quarter.