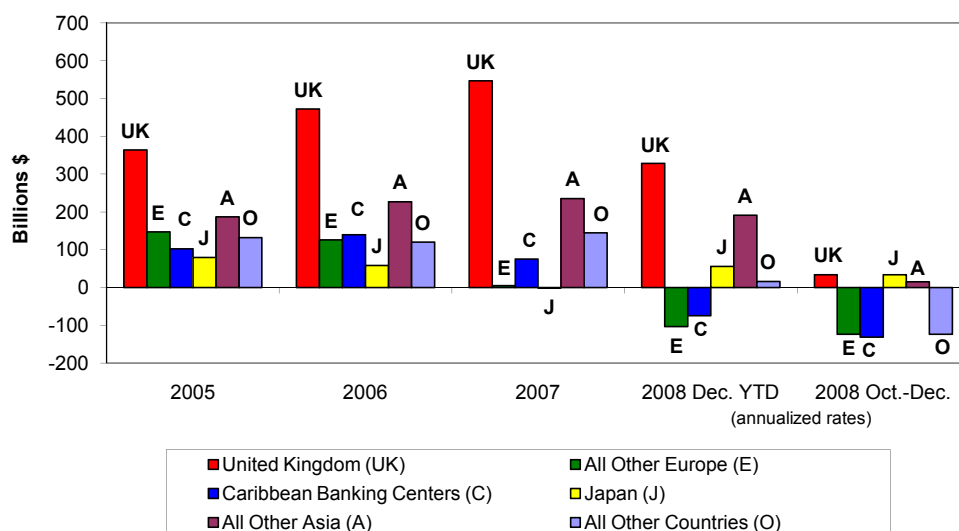


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



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

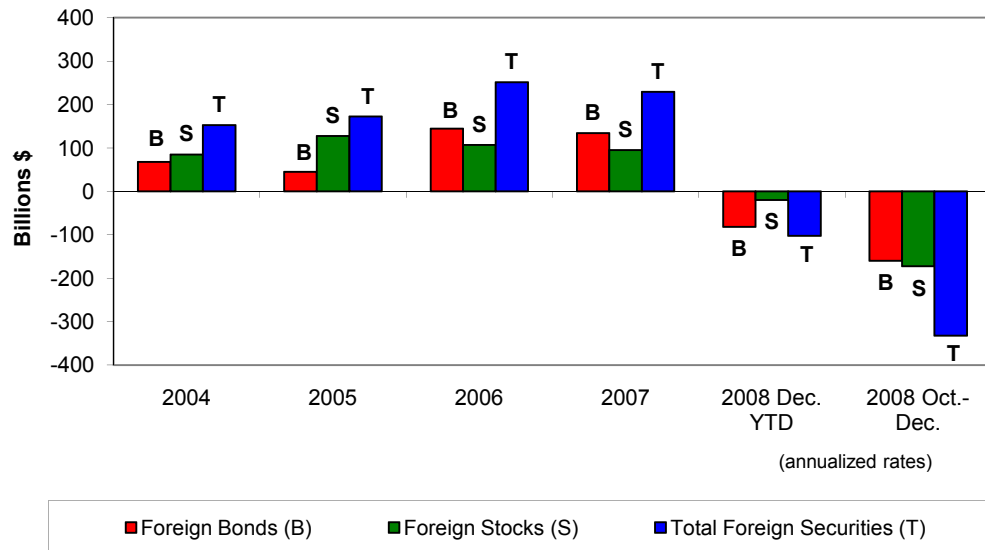
Country	2005	2006	2007	2008 Dec. YTD	2008 Oct.-Dec.
United Kingdom.....	363,593	472,380	546,592	328,553	8,316
All other Europe.....	146,910	126,118	5,310	-103,842	-30,879
Caribbean banking ctrs ¹	102,259	139,732	74,788	-75,093	-32,877
Japan.....	79,814	58,050	-303	55,822	8,419
All other Asia.....	187,284	226,863	234,778	190,978	3,666
Subtotal.....	879,860	1,023,143	861,165	396,418	-43,355
All other countries.....	131,680	120,078	144,657	16,117	-30,934
Grand total.....	1,011,540	1,143,221	1,005,822	412,535	-74,289

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 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 \$193 billion in 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 \$782 billion in 2007. Net acquisitions slowed further to \$219 billion in 2008, as foreign investors acquired \$364 billion in U.S. securities in the first half of the year, but on net sold U.S. securities in the second half of the year. For the fourth quarter, net sales (after accounting for ABS repayments) were \$110 billion.

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 Dec. YTD	2008 Oct.-Dec.
Foreign Bonds.....	67,872	45,095	144,452	133,923	-81,980	-40,043
Foreign Stocks.....	84,970	127,296	106,455	95,300	-20,070	-43,075
Total.....	152,842	172,391	250,907	229,223	-102,050	-83,118

* 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 \$4 billion 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.

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, \$176 billion in 2005, and \$270 billion in 2006. The pace of acquisition eased a bit in 2007, as U.S. investors acquired \$241 billion in foreign securities. In 2008, U.S. investors switched to net sales of \$98 billion in foreign securities, with net sales (after accounting for acquisitions through stock swaps) of \$82 billion in the fourth quarter.