

# The International Investment Position of the United States at Yearend 2009

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**T**HE NET international investment position of the United States was -\$2,737.8 billion (preliminary) at yearend 2009, compared with -\$3,493.9 billion (revised) at yearend 2008 (table 1, chart 1). At yearend 2009, the value of foreign-owned assets in the United States continued to exceed the value of U.S.-owned assets abroad.

The \$756.0 billion change in the U.S. net investment position from yearend 2008 to yearend 2009 reflected (1) price appreciation of U.S.-held foreign stocks that surpassed the price appreciation of foreign-held U.S. stocks, (2) appreciation of major currencies against the U.S. dollar that raised the dollar value of U.S.-owned assets abroad, and (3) “other” changes (such as changes in reporting panels and capital gains and losses from the sales of direct investment assets) that raised the value of U.S.-owned assets abroad more than the value of foreign-owned assets in the United States. The impact of these differences was partly offset by net foreign acquisitions of financial assets in the United States that exceeded net U.S. acquisitions of financial assets abroad.

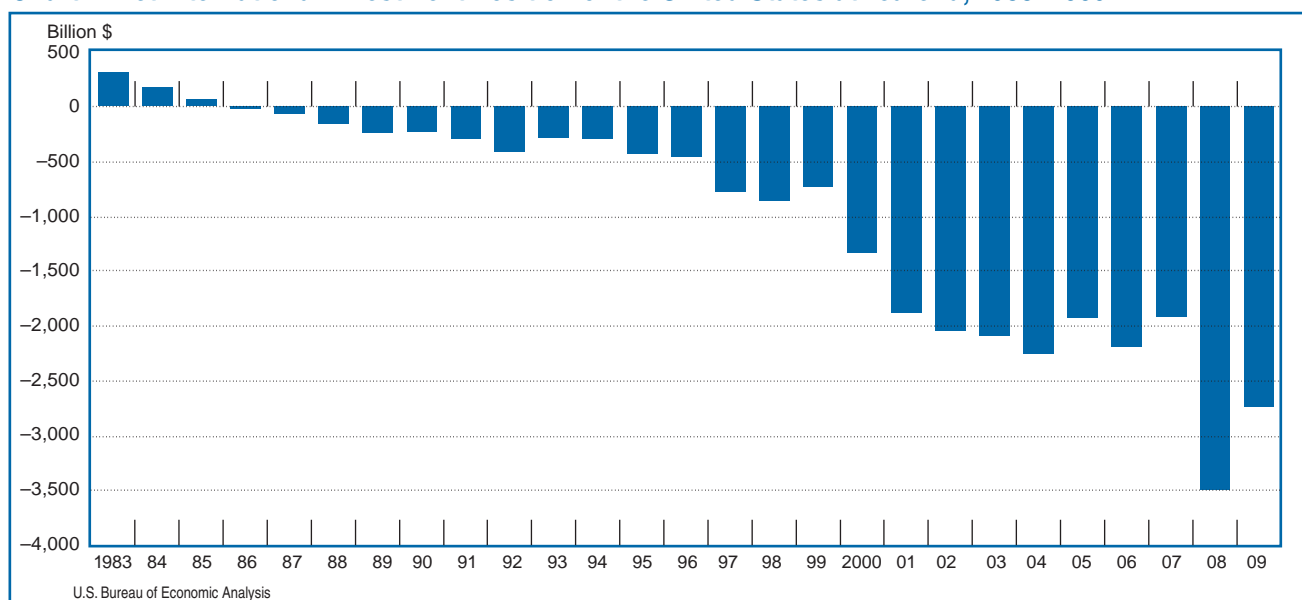
In 2009, U.S.-owned assets abroad decreased \$865.8 billion to \$18,379.1 billion, and foreign-owned assets in the United States decreased \$1,621.8 billion to \$21,116.9 billion (table A). Both of these decreases resulted from decreases in U.S. holdings of financial derivatives as assets and as liabilities that more than offset increases in U.S.-owned assets and foreign-owned assets excluding financial derivatives. U.S. holdings of financial derivatives as assets (with gross positive fair value) decreased \$2,615.4 billion and as liabilities (with gross negative fair value) decreased \$2,583.7 billion after even larger rises in 2008. These large changes

**Table A. U.S. Net International Investment Position at Yearend**

[Billions of dollars]

	2007	2008	2009
<b>Net position</b> .....	<b>-1,915.7</b>	<b>-3,493.9</b>	<b>-2,737.8</b>
Financial derivatives, net .....	71.5	159.6	127.9
Net position, excluding financial derivatives .....	-1,987.2	-3,653.5	-2,865.8
<b>U.S.-owned assets abroad</b> .....	<b>18,339.9</b>	<b>19,244.9</b>	<b>18,379.1</b>
Financial derivatives (gross positive fair value) .....	2,559.3	6,127.5	3,512.0
U.S.-owned assets abroad, excluding financial derivatives ..	15,780.5	13,117.4	14,867.1
<b>Foreign-owned assets in the United States</b> .....	<b>20,255.6</b>	<b>22,738.8</b>	<b>21,116.9</b>
Financial derivatives (gross negative fair value) .....	2,487.9	5,967.8	3,384.1
Foreign-owned assets in the United States, excluding financial derivatives .....	17,767.7	16,770.9	17,732.9

**Chart 1. Net International Investment Position of the United States at Yearend, 1983–2009**



were mainly due to decreases in U.S. assets and liabilities from interest-rate and credit-default swap contracts. In late 2008, the values of interest-rate, exchange-rate, and credit contracts hit a peak as interest rates plunged, the dollar appreciated rapidly, and credit spreads increased sharply. The value of contracts fell in 2009 as the markets adjusted to lower short-term interest rates and long-term interest rates rose, the dollar depreciated, and credit spreads were reduced. Because changes to U.S. assets and liabilities in financial derivatives were largely offsetting, they had little effect on the U.S. net investment position.

U.S.-owned assets abroad excluding financial derivatives increased \$1,749.7 billion to \$14,867.1 billion in 2009.

- Financial flows excluding financial derivatives raised the value of U.S.-owned assets abroad by \$140.5 billion in 2009 (table B). In 2009, U.S. banks' claims on foreign residents and U.S. direct investment abroad increased, and U.S. residents bought more foreign securities than they sold. These financial outflows were partly offset by a decrease in U.S. government assets resulting from the reversal of currency swaps between the U.S. Federal Reserve System and foreign central banks and by a decrease in U.S. nonbanks' claims on foreign residents.
- Valuation adjustments excluding those on financial derivatives raised the value of U.S.-owned assets abroad by \$1,609.2 billion (table B). Price appreciation of foreign stocks and exchange-rate appreciation of major foreign currencies against the U.S. dollar in 2009 sharply raised the value of U.S.-owned assets abroad, especially of U.S.-held foreign stocks.

**Table B. Changes in U.S.-Owned Assets Abroad, Excluding Financial Derivatives**  
[Billions of dollars]

	2008	2009
<b>Total change</b> .....	<b>-2,663.1</b>	<b>1,749.7</b>
<b>Financial flows</b> .....	<b>-156.1</b>	<b>140.5</b>
<b>Valuation adjustments</b> .....	<b>-2,507.0</b>	<b>1,609.2</b>
Price changes.....	-2,085.0	1,066.1
Exchange-rate changes.....	-687.2	358.0
Other valuation changes.....	265.1	185.1

Foreign-owned assets in the United States excluding financial derivatives increased \$961.9 billion to \$17,732.9 billion in 2009.

- Financial flows excluding financial derivatives raised the value of foreign-owned assets in the United States by \$305.7 billion in 2009 (table C). In 2009, foreign residents including foreign official institutions purchased more U.S. Treasury securities and U.S. stocks than they sold, and foreign direct invest-

ment in the United States increased. These financial inflows were partly offset by decreases in U.S. banks' liabilities to foreign residents and by foreign residents' net sales of U.S. corporate bonds and agency bonds.

- Valuation adjustments excluding those on financial derivatives raised the value of foreign-owned assets in the United States by \$656.2 billion, largely as a result of price appreciation of U.S. stocks (table C).

This article presents the major changes in U.S.-owned assets abroad and in foreign-owned assets in the United States in 2009. Tables 1 and 2 at the end of this article present the yearend position statistics by type of asset.

**Table C. Changes in Foreign-Owned Assets in the United States, Excluding Financial Derivatives**  
[Billions of dollars]

	2008	2009
<b>Total change</b> .....	<b>-996.8</b>	<b>961.9</b>
<b>Financial flows</b> .....	<b>454.7</b>	<b>305.7</b>
<b>Valuation adjustments</b> .....	<b>-1,451.5</b>	<b>656.2</b>
Price changes.....	-1,312.4	543.2
Exchange-rate changes.....	-99.0	81.2
Other valuation changes.....	-40.1	31.8

## Changes in U.S.-Owned Assets Abroad

### U.S. official reserve assets and other U.S. government assets

U.S. official reserve assets increased \$110.1 billion to \$403.8 billion in 2009, mostly as a result of an increase in the market value of the official U.S. gold stock and new allocations of special drawing rights (SDRs) to the United States by the International Monetary Fund (IMF). The value of U.S. gold stock increased \$56.9 billion to \$284.4 billion, reflecting a 25 percent increase in the market price of gold from yearend 2008 to yearend 2009. U.S. holdings of SDRs increased \$48.5 billion to \$57.8 billion, mostly as a result of \$47.6 billion in new SDRs allocations by the IMF during the third quarter of 2009. U.S. official holdings of foreign currencies and the U.S. reserve position at the IMF also increased, but by much smaller amounts.

U.S. government assets other than official reserve assets decreased \$541.3 billion to \$82.8 billion as a result of the reversal of swaps under temporary reciprocal currency arrangements between the U.S. central bank and foreign central banks in order to provide dollar liquidity to foreign banks during the financial crisis. These currency swaps do not meet the strict definition of U.S. reserve assets. Several central banks, mostly in Europe and Asia, repaid large amounts of dollars under these swap lines, mostly in the first half of 2009.

## Financial derivatives

U.S. holdings of financial derivatives with gross positive fair value decreased \$2,615.4 billion to \$3,512.0 billion in 2009 (table D).<sup>1</sup> Most of the decrease was attributable to decreases in over-the-counter (OTC), single-currency, interest-rate swap contracts and in "other" OTC contracts, especially credit-default swaps. By area, most of U.S. positions were with counterparties in Europe, predominantly the United Kingdom.

## Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$387.7 billion to \$4,064.1 billion in 2009. Financial outflows raised U.S. banks' and securities brokers' claims by \$277.1 billion in 2009, compared with financial inflows that lowered U.S. banks' and securities brokers' claims by \$422.6 billion in 2008. "Other" changes raised U.S. banks' and securities brokers' claims by \$96.8 billion, mainly as a result of changes in the reporting panels of data sources.

U.S. banks' and securities brokers' own claims denominated in dollars increased \$306.2 billion to \$2,868.9 billion (table E). Most of the increase in claims reflected deposits being moved from foreign-owned banks in the United States to affiliated banks abroad, mainly in the Cayman Islands, Japan, and the United Kingdom. In 2009, as deposits growth and capital ratios improved at U.S. branches, they were able to repay some of the dollar liquidity received from parent banks abroad during part of the financial crisis in 2008. Securities brokers also increased claims on non-

bank foreigners during the year in the form of resale agreements.

U.S. banks' domestic customers' claims denominated in dollars increased \$79.5 billion to \$863.1 billion. The increase reflected a sharp increase in holdings of foreign negotiable certificate of deposits and commercial paper, mostly in Western Europe, where short-term interest rates were higher than those in the United States. U.S. banks' claims payable in foreign currencies increased somewhat, as an increase in exchange-rate changes nearly offset a decrease in banks' customers' deposits overseas.

U.S. claims on foreigners reported by U.S. nonbanking concerns decreased \$0.5 billion to \$794.2 billion (table E). Financial inflows lowered nonbanks' claims by \$124.4 billion. In contrast, "other" changes raised nonbanks' claims by \$115.6 billion, mainly as a result of changes in the reporting panels of data sources.

**Table E. U.S. Claims Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend**  
[Billions of dollars]

	2007	2008	2009
<b>U.S. claims reported by U.S. banks and securities brokers ....</b>	<b>3,847.1</b>	<b>3,676.3</b>	<b>4,064.1</b>
Claims for own accounts, denominated in dollars .....	2,812.9	2,562.7	2,868.9
U.S.-owned banks' claims .....	711.4	919.2	1,006.2
Foreign-owned banks' claims .....	1,363.9	1,154.4	1,316.3
Brokers' and dealers' claims .....	737.6	489.1	546.4
Claims for customers' accounts, denominated in dollars .....	789.4	783.6	863.1
Claims, denominated in foreign currencies .....	244.8	330.0	332.1
<b>U.S. claims reported by U.S. nonbanking concerns .....</b>	<b>1,173.7</b>	<b>794.7</b>	<b>794.2</b>

## Foreign securities

U.S. holdings of foreign securities increased \$1,485.3 billion to \$5,471.0 billion in 2009, mostly as a result of price appreciation of foreign stocks and, to a much lesser extent, of foreign bonds. Exchange-rate changes and net U.S. purchases also resulted in higher U.S. holdings of foreign securities. In 2009, improved global financial market conditions and expectations of a

1. A derivatives contract with a positive fair value represents the amount that a foreign resident would have to pay to a U.S. counterparty if the contract was terminated or settled. A contract with a negative fair value represents the amount that a U.S. resident would have to pay to a foreign counterparty if the contract was terminated or settled. The gross positive (or negative) fair value is the sum of all contracts with positive (or negative) fair values. Fair values are different from notional values, which are the underlying amounts used to calculate payments on contracts.

**Table D. Gross Positive Fair Value of Financial Derivatives**  
[Billions of dollars]

	2008	2009	Changes				2008-2009
			2009				
			I	II	III	IV	
<b>Financial derivatives .....</b>	<b>6,127.5</b>	<b>3,512.0</b>	<b>-564.2</b>	<b>-1,506.6</b>	<b>79.0</b>	<b>-623.6</b>	<b>-2,615.4</b>
By type:							
Over-the-counter contracts .....	6,065.2	3,472.5	-538.8	-1,503.8	77.2	-627.4	-2,592.7
Single-currency interest rate contracts .....	4,053.4	2,596.8	-330.4	-943.2	272.7	-455.7	-1,456.5
Foreign exchange contracts .....	497.2	283.4	-167.4	-30.1	33.0	-49.4	-213.9
Other .....	1,514.6	592.3	-41.1	-530.4	-228.5	-122.3	-922.3
Exchange-traded contracts .....	62.3	39.5	-25.4	-2.9	1.7	3.8	-22.7
By area:							
Europe .....	5,562.1	3,193.1	-478.2	-1,400.6	95.5	-585.7	-2,369.0
Of which: United Kingdom .....	4,160.6	2,393.1	-342.1	-1,064.3	48.7	-409.7	-1,767.5
Canada .....	92.2	44.3	-14.3	-19.9	-1.2	-12.4	-47.9
Caribbean financial centers .....	186.1	86.8	-32.9	-41.4	-21.1	-3.8	-99.3
Of which: Cayman Islands .....	153.2	73.0	-22.0	-37.9	-19.1	-1.2	-80.2
Latin America, excluding Caribbean financial centers .....	15.7	10.7	-0.3	-1.2	-2.3	-1.2	-5.0
Asia .....	233.3	128.4	-35.0	-38.6	-5.6	-25.7	-104.9
Of which: Japan .....	141.5	72.9	-21.2	-17.2	-2.6	-27.6	-68.6
Africa .....	6.4	16.7	-1.2	-1.0	1.3	11.2	10.3
Other .....	31.7	32.1	-2.3	-3.9	12.4	-5.9	0.4

global economic recovery lifted the value of many financial assets, particularly of stocks, from depressed levels seen in 2008. The strengthening of major foreign currencies against the U.S. dollar during the year also added to the financial gains for U.S. investors who held foreign-currency-denominated assets. Major foreign currencies appreciated 8 percent against the U.S. dollar in 2009, compared with a depreciation of 9 percent in 2008.<sup>2</sup> In 2009, U.S. transactions in foreign securities shifted to net purchases of \$208.2 billion from net sales of \$197.9 billion in 2008.

U.S. holdings of foreign stocks increased \$1,229.0 billion to \$3,977.4 billion in 2009, mostly because of price changes of \$937.3 billion resulting from price increases in major foreign stock markets. The Morgan Stanley Capital International world (excluding the United States) stock index rose 28 percent in local currency. Other sources of the increase in U.S. holdings were \$228.4 billion in exchange-rate changes and \$63.3 billion in net U.S. purchases of foreign stocks.

At yearend 2009, the largest U.S. holdings were in European stocks, which stood at \$1,888.9 billion, or 47 percent of total U.S. holdings of foreign stocks (table F). U.S. holdings of Asian stocks were \$923.3 billion, or 23 percent, and U.S. holdings at Caribbean financial

2. The Federal Reserve Board's monthly index of the foreign exchange value of the U.S. dollar against major foreign currencies was used to measure the appreciation or depreciation of foreign currencies against the U.S. dollar.

**Table F. U.S. Holdings of Foreign Stocks  
by Major Area and Country at Yearend**  
[Billions of dollars]

	2007	2008	2009
<b>Total holdings</b> .....	<b>5,248.0</b>	<b>2,748.4</b>	<b>3,977.4</b>
Europe .....	2,569.4	1,378.9	1,888.9
<i>Of which:</i>			
United Kingdom .....	734.7	393.3	583.2
Switzerland .....	281.0	214.3	269.5
France .....	347.8	212.2	269.3
Germany .....	329.2	159.9	197.8
Netherlands .....	154.0	76.6	108.7
Spain .....	106.6	63.3	93.0
Italy .....	96.9	47.0	60.5
Sweden .....	57.4	30.3	47.7
Belgium and Luxembourg .....	71.7	31.6	45.8
Canada .....	379.0	180.2	289.2
Caribbean financial centers .....	588.6	283.1	390.6
<i>Of which:</i>			
Bermuda .....	256.1	143.3	193.3
Cayman Islands .....	231.9	95.2	133.1
Latin America, excluding Caribbean financial centers .....	293.8	137.3	295.8
<i>Of which:</i>			
Brazil .....	172.6	72.1	185.9
Mexico .....	85.4	46.0	74.4
Asia .....	1,193.7	659.2	923.3
<i>Of which:</i>			
Japan .....	529.2	347.6	373.2
Hong Kong .....	119.5	61.5	107.2
China .....	95.7	53.3	83.9
Korea, Republic of .....	129.2	45.3	83.3
Taiwan .....	81.0	41.2	76.9
Africa .....	65.6	35.6	53.1
<i>Of which: South Africa</i> .....	49.1	29.6	46.1
Other countries .....	157.9	74.1	136.6
<i>Of which: Australia</i> .....	138.1	65.2	121.0

centers were \$390.6 billion, or 10 percent of total U.S. holdings of foreign stocks.

U.S. holdings of foreign bonds increased \$256.3 billion to \$1,493.6 billion in 2009, mostly as a result of \$144.9 billion in net purchases. Valuation changes resulting from price appreciation in several major foreign bond markets and exchange-rate appreciation of major foreign currencies against the U.S. dollar also contributed to the increase in U.S. holdings of foreign bonds.

At yearend 2009, the largest U.S. holdings were in European bonds, which stood at \$679.7 billion, or 46 percent of total U.S. holdings of foreign bonds (table G). U.S. holdings of foreign bonds at Caribbean financial centers, mostly the Cayman Islands, were \$227.8 billion, or 15 percent, and U.S. holdings of Canadian bonds were \$215.5 billion, or 14 percent of total U.S. holdings of foreign bonds.

**Table G. U.S. Holdings of Foreign Bonds  
by Major Area and Country at Yearend**  
[Billions of dollars]

	2007	2008	2009
<b>Total holdings</b> .....	<b>1,587.1</b>	<b>1,237.3</b>	<b>1,493.6</b>
Europe .....	798.7	571.2	679.7
<i>Of which:</i>			
United Kingdom .....	296.7	189.0	191.1
Belgium and Luxembourg .....	48.9	43.4	134.7
Netherlands .....	76.4	74.9	82.6
Germany .....	84.6	75.9	65.2
France .....	78.3	52.7	48.2
Ireland .....	50.2	22.6	30.0
Sweden .....	29.1	20.2	21.8
Canada .....	185.2	165.9	215.5
Caribbean financial centers .....	296.3	227.2	227.8
<i>Of which:</i>			
Cayman Islands .....	271.3	202.4	205.4
Bermuda .....	16.7	19.2	27.1
Latin America, excluding Caribbean financial centers .....	79.1	65.9	85.9
<i>Of which:</i>			
Brazil .....	16.2	18.9	30.6
Mexico .....	23.9	19.0	24.1
Asia .....	118.9	103.2	110.4
<i>Of which:</i>			
Japan .....	49.1	39.7	38.7
Korea, Republic of .....	9.8	10.5	21.1
Africa .....	9.0	6.1	6.2
Other countries .....	99.8	97.7	168.2
<i>Of which: Australia</i> .....	73.3	71.0	126.9

## U.S. direct investment abroad

The stock of U.S. direct investment abroad increased \$308.4 billion to \$4,051.2 billion in 2009, mostly as a result of financial outflows (table H). Financial outflows increased U.S. direct investment abroad by

**Table H. U.S. Direct Investment Abroad**  
[Billions of dollars]

	2008	2009
<b>Total position at yearend</b> .....	<b>3,742.8</b>	<b>4,051.2</b>
<b>Total change</b> .....	<b>189.9</b>	<b>308.4</b>
Financial outflows .....	351.1	268.7
Equity .....	145.5	18.4
Intercompany debt .....	-33.9	10.3
Reinvested earnings .....	239.5	239.9
Price changes .....	-9.0	-12.2
Exchange-rate changes .....	-103.0	79.1
Other valuation changes .....	-49.2	-27.2

\$268.7 billion. In 2009, reinvested earnings remained especially strong at \$239.9 billion. Net equity investment slowed sharply to \$18.4 billion and was the slowest since 1992. Exchange-rate changes raised the value of U.S. direct investment abroad by \$79.1 billion. Partly offsetting were decreases in prices and other changes, mostly capital losses from sales of assets.

## Changes in Foreign-Owned Assets in the United States

### Financial derivatives

U.S. holdings of financial derivatives with gross negative fair value decreased \$2,583.7 billion to \$3,384.1 billion (table I). As with U.S. holdings of financial

**Table I. Gross Negative Fair Value of Financial Derivatives**

[Billions of dollars]

	2008	2009	Changes				2008–2009
			2009				
			I	II	III	IV	
<b>Financial derivatives.....</b>	<b>5,967.8</b>	<b>3,384.1</b>	<b>-555.7</b>	<b>-1,511.8</b>	<b>96.0</b>	<b>-612.2</b>	<b>-2,583.7</b>
By type:							
Over-the-counter contracts.....	5,904.7	3,345.3	-530.3	-1,507.0	93.5	-615.5	-2,559.4
Single-currency interest rate contracts.....	3,977.2	2,532.6	-338.9	-946.4	288.4	-447.7	-1,444.6
Foreign exchange contracts.....	481.8	251.0	-158.2	-41.5	21.8	-53.0	-230.8
Other.....	1,445.7	561.7	-33.3	-519.1	-216.7	-114.9	-884.0
Exchange-traded contracts.....	63.1	38.8	-25.4	-4.8	2.5	3.3	-24.3
By area:							
Europe.....	5,436.7	3,088.1	-466.0	-1,405.3	103.1	-580.5	-2,348.6
Of which: United Kingdom.....	4,096.8	2,357.6	-342.6	-1,056.7	64.8	-404.6	-1,739.1
Canada.....	90.6	40.3	-12.9	-22.5	-3.1	-12.0	-50.3
Caribbean financial centers.....	167.1	75.9	-34.0	-41.6	-15.0	-0.6	-91.1
Of which: Cayman Islands.....	133.6	64.0	-22.4	-35.1	-14.0	1.9	-69.6
Latin America, excluding Caribbean financial centers.....	13.0	8.0	-1.2	-0.6	-2.4	-0.8	-5.1
Asia.....	219.8	123.2	-38.0	-33.0	-0.6	-25.0	-96.6
Of which: Japan.....	142.6	71.1	-23.6	-17.9	1.4	-31.5	-71.6
Africa.....	5.5	16.6	-0.8	-1.1	1.6	11.4	11.1
Other.....	35.1	32.0	-2.8	-7.9	12.4	-4.8	-3.1

### Valuing Direct Investment Positions and Other Components of the U.S. International Investment Position

Virtually all of the categories in the international investment position accounts except direct investment positions can be directly estimated with reference to readily observable market prices. For example, the value of positions in portfolio investment securities, gold, loans, currencies, and bank deposits can be directly estimated based on face values or market prices of recent transactions. In contrast, direct investment positions typically involve illiquid ownership interests in companies that may possess many unique attributes—such as customer base, management, and ownership of intangible assets—whose values in the current period are difficult to determine, because shares in direct investment affiliates typically are not traded separately from those of their parent companies and because there is no widely accepted standard for revaluing company financial statements at historical cost into prices of the current period.

Direct investment at current cost is BEA's featured measure of direct investment in current-period prices. The current-cost method values the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. Direct investment at market value is an alternative measure of direct investment in current-period prices. The market-value

method values the owners' equity share of direct investment, using indexes of stock market prices. BEA also publishes direct investment at historical cost, which values assets and liabilities at their book value. Country and industry detail can be shown only for direct investment at historical cost. (For additional information, see J. Steven Landefeld and Ann M. Lawson, "Valuation of the U.S. Net International Investment Position," *SURVEY OF CURRENT BUSINESS* 71 (May 1991): 40–49.)

In this article, BEA features the current-cost method, because the statistics prepared using this method are comparable with BEA's current-cost statistics of the net stock of fixed assets and consumer durable goods and with the Federal Reserve Board's statistics of domestic net worth (the sum of tangible assets located in the United States, including plant and equipment, inventories, and land). Furthermore, BEA's calculation of direct investment income includes a current-cost adjustment to depreciation; this adjustment converts depreciation as reported on company financial statements to the preferred economic accounts measure, which is based on the current cost, rather than on the historical cost, of assets.

For detailed data on direct investment at historical cost by country and industry, see "Direct Investment Positions for 2009: Country and Industry Detail" in this issue.



derivatives with gross positive fair value, most of the decrease was attributable to decreases in over-the-counter (OTC) single-currency interest-rate swap contracts and in “other” OTC contracts, especially credit-default swaps. By area, most of U.S. positions were with counterparties in Europe, predominantly the United Kingdom.

### Foreign official assets

Foreign official assets in the United States increased \$433.8 billion to \$4,373.8 billion, mostly as a result of especially strong net purchases of U.S. Treasury securities. Foreign official holdings of U.S. Treasury securities increased \$470.5 billion to \$2,871.1 billion, reflecting net purchases of \$561.1 billion that more than offset price decreases of \$92.3 billion. Holdings of U.S. corporate bonds and stocks increased \$112.5 billion to \$495.2 billion, mostly as a result of increases in the prices of U.S. stocks. The U.S. government’s other liabilities to foreign official institutions increased \$58.2 billion to \$98.8 billion, mainly because of the inclusion of reserve-related liabilities resulting from \$47.6 billion of new SDR allocations to the United States by the IMF in the third quarter of 2009. In contrast, foreign official holdings of agency bonds decreased \$142.3 billion to \$721.3 billion, mostly as a result of net sales of \$120.1 billion. U.S. banks’ liabilities to foreign official institutions decreased \$65.2 billion to \$187.5 billion.

### Bank and nonbank liabilities

U.S. liabilities to private foreign residents and international financial institutions reported by U.S. banks and securities brokers decreased \$211.6 billion to \$3,593.6 billion in 2009. Financial outflows lowered U.S. banks’ and securities brokers’ liabilities by \$313.0 billion in 2009, compared with financial outflows of \$412.0 billion in 2008. These financial outflows were partly offset by “other” changes that raised U.S. banks’ and securities brokers’ liabilities by \$84.9 billion, mainly as a result of changes in the reporting panels of data sources.

Dollar-denominated liabilities for U.S. banks’ and securities brokers’ own accounts decreased \$65.3 billion to \$2,926.1 billion, reflecting outflows of deposits, mostly from U.S.-owned banks to affiliated banks in the Cayman Islands and Japan during the first half of 2009 (table J). Decreases in U.S.-owned banks’ and securities brokers’ liabilities were partly offset by an increase in foreign-owned banks’ liabilities.

Dollar-denominated liabilities for customers’ accounts decreased \$93.1 billion to \$446.3 billion, mostly as a result of decreases in foreign holdings of U.S. negotiable certificates of deposits. U.S. banks’ liabilities

payable in foreign currencies decreased \$53.2 billion to \$221.2 billion, reflecting cutbacks in loans and deposits.

U.S. liabilities to foreign residents reported by U.S. nonbanking concerns decreased \$66.0 billion to \$665.5 billion (table J). Financial outflows lowered nonbanks’ liabilities by \$1.5 billion. “Other” changes lowered nonbanks’ liabilities by \$69.2 billion, mainly as a result of changes in the reporting panels of data sources.

**Table J. U.S. Liabilities Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend**

	[Billions of dollars]		
	2007	2008	2009
<b>U.S. liabilities reported by U.S. banks and securities brokers</b>	<b>3,979.0</b>	<b>3,805.2</b>	<b>3,593.6</b>
Liabilities for own accounts, denominated in dollars.....	3,056.6	2,991.4	2,926.1
U.S.-owned banks’ liabilities .....	1,027.3	1,354.8	1,275.7
Foreign-owned banks’ liabilities .....	855.6	933.9	967.1
Brokers’ and dealers’ liabilities .....	1,173.7	702.7	683.3
Liabilities for customers’ accounts, denominated in dollars .....	642.6	539.4	446.3
Liabilities, denominated in foreign currencies .....	279.8	274.4	221.2
<b>U.S. liabilities reported by U.S. nonbanking concerns .....</b>	<b>864.6</b>	<b>731.5</b>	<b>665.5</b>

### U.S. Treasury securities

Total foreign official and private holdings of U.S. Treasury securities increased \$445.8 billion to \$3,697.2 billion in 2009 (table K). The increase reflected especially strong net purchases from foreign official institutions that were partly offset by decreases in the prices of U.S. Treasury securities.

At yearend 2009, China remained the largest holder of U.S. Treasury securities with total holdings valued at \$1,036.0 billion, an increase of \$227.7 billion from yearend 2008 (table K). Japan, the second-largest holder of U.S. Treasury securities, saw its holdings increase \$100.6 billion to \$760.7 billion. Together, Japan and China accounted for 49 percent of total foreign holdings of U.S. Treasury securities.

**Table K. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend**

	[Billions of dollars]		
	2007	2008	2009
<b>Total holdings .....</b>	<b>2,376.4</b>	<b>3,251.4</b>	<b>3,697.2</b>
<i>Of which:</i>			
China .....	486.8	808.3	1,036.0
Japan .....	616.8	660.1	760.7
OPEC Asia .....	116.1	180.6	177.3
Brazil .....	135.5	140.1	170.0
Russia .....	41.1	133.8	156.9
Hong Kong .....	54.5	78.2	148.3
Taiwan .....	52.6	94.5	115.7
Belgium and Luxembourg .....	94.6	112.9	104.3
Switzerland .....	42.0	73.6	89.0
Cayman Islands .....	50.4	104.8	76.8

### Other U.S. securities

Foreign private holdings of U.S. securities other than U.S. Treasury securities increased \$666.4 billion to \$5,287.2 billion in 2009, reflecting a record \$610.0 billion in price appreciation, mostly from increases in

U.S. stock prices. Net foreign purchases of U.S. securities were very small, as net purchases of U.S. stocks were mostly offset by net sales of corporate and agency bonds.

Foreign holdings of U.S. corporate and agency bonds increased \$70.6 billion to \$2,841.2 billion. The increase reflected \$206.9 billion in valuation changes resulting from increases in corporate bond prices and exchange-rate appreciation of foreign-currency-denominated U.S. bonds that were partly offset by net sales of \$136.3 billion. In 2009, net sales of corporate bonds by private foreign residents were a record \$130.6 billion, up sharply from \$51.4 billion in 2008. Net sales of agency bonds were \$5.7 billion, down sharply from a record \$172.6 billion in 2008.

At yearend 2009, investors from Europe accounted for \$1,782.9 billion, or 63 percent of total foreign holdings of U.S. corporate and agency bonds; most of the holdings were in Belgium and Luxembourg and in the United Kingdom (table L). Outside of Europe, investment funds in the Caribbean financial centers accounted for \$509.7 billion, or 18 percent of total foreign holdings. Investors from Asia accounted for \$398.7 billion, or 14 percent of total foreign holdings; most of the holdings were in Japan.

**Table L. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend**

[Billions of dollars]

	2007	2008	2009
<b>Total holdings</b> .....	<b>3,289.1</b>	<b>2,770.6</b>	<b>2,841.2</b>
Europe .....	2,068.3	1,753.2	1,782.9
<i>Of which:</i>			
Belgium and Luxembourg .....	753.0	668.9	719.1
United Kingdom .....	709.3	566.0	543.2
Ireland .....	168.7	153.0	151.1
Switzerland .....	97.7	98.8	101.2
Germany .....	113.4	90.5	88.0
Netherlands .....	104.2	84.7	80.7
France .....	58.4	41.0	48.7
Canada .....	78.0	63.8	64.3
Caribbean financial centers .....	590.4	480.2	509.7
<i>Of which:</i>			
Cayman Islands .....	430.7	336.8	349.2
Bermuda .....	119.8	109.5	120.2
Latin America, excluding Caribbean financial centers .....	50.0	33.8	30.3
<i>Of which: Mexico</i> .....	24.8	12.4	5.4
Asia .....	454.2	388.0	398.7
<i>Of which:</i>			
Japan .....	286.7	265.2	276.7
Taiwan .....	30.7	36.4	46.6
Hong Kong .....	35.1	23.4	28.5
China .....	56.1	27.8	15.1
OPEC Asia .....	16.0	13.0	8.5
Africa .....	3.5	3.4	2.4
Other countries .....	44.7	48.2	53.0
<i>Of which: Australia</i> .....	32.2	28.9	28.9

Foreign holdings of U.S. stocks increased \$595.7 billion to \$2,445.9 billion, reflecting substantial price appreciation and strong net purchases. Price appreciation raised foreign holdings by \$459.4 billion as the S&P 500 stock index rose 23 percent for the year, a reversal from a 38 percent decline in 2008. Net foreign purchases of U.S. stocks were \$136.4 billion in 2009, up from \$57.5 billion in 2008.

At yearend 2009, investors in Europe accounted for \$1,244.4 billion, or 51 percent of total foreign holdings of U.S. stocks (table M). Outside of Europe, investment funds in the Caribbean financial centers accounted for \$416.6 billion, or 17 percent of total foreign holdings; Asia accounted for 14 percent of total holdings, mostly in Japan; and Canada accounted for 12 percent of total holdings.

**Table M. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend**

[Billions of dollars]

	2007	2008	2009
<b>Total holdings</b> .....	<b>2,900.9</b>	<b>1,850.2</b>	<b>2,445.9</b>
Europe .....	1,560.8	964.3	1,244.4
<i>Of which:</i>			
United Kingdom .....	443.7	282.8	375.7
Belgium and Luxembourg .....	246.3	147.4	189.5
Switzerland .....	173.2	118.0	159.2
Netherlands .....	193.1	124.6	155.6
France .....	144.1	87.3	104.6
Ireland .....	82.1	56.0	73.4
Germany .....	99.2	45.3	54.3
Sweden .....	50.2	31.4	42.7
Canada .....	353.0	234.2	293.5
Caribbean financial centers .....	500.7	305.0	416.6
<i>Of which:</i>			
Cayman Islands .....	324.3	214.9	295.3
Bermuda .....	76.0	38.3	43.6
Latin America, excluding Caribbean financial centers .....	49.4	39.1	55.8
Asia .....	332.4	239.7	345.0
<i>Of which:</i>			
Japan .....	217.0	161.9	222.8
Singapore .....	44.7	20.0	30.5
Hong Kong .....	21.7	16.8	25.5
China .....	5.6	6.7	15.8
OPEC Asia .....	12.2	10.2	14.9
Taiwan .....	11.0	8.9	14.2
Africa .....	9.1	5.1	5.7
Other countries .....	95.5	62.8	84.9
<i>Of which: Australia</i> .....	88.0	57.3	75.9

## U.S. currency

U.S. currency held by foreigners increased \$12.6 billion to \$313.8 billion in 2009. Net U.S. currency shipments to foreigners were down significantly in 2009 from a record \$29.2 billion in 2008, as demand for dollars somewhat reverted to the pattern of the prefinancial crisis period.

## Foreign direct investment in the United States

The stock of foreign direct investment in the United States increased \$151.4 billion to \$2,672.8 billion in 2009. Financial inflows raised foreign direct investment in the United States by \$134.7 billion, mostly as a result of net equity investment (table N).

**Table N. Foreign Direct Investment in the United States**

[Billions of dollars]

	2008	2009
<b>Total position at yearend</b> .....	<b>2,521.4</b>	<b>2,672.8</b>
<b>Total change</b> .....	<b>110.8</b>	<b>151.4</b>
Financial inflows .....	328.3	134.7
Equity .....	261.6	94.8
Intercompany debt .....	19.8	11.5
Reinvested earnings .....	47.0	28.5
Price changes .....	-3.6	-5.8
Exchange-rate changes .....	-7.1	3.6
Other valuation changes .....	-206.8	18.9

Tables 1 and 2 follow.

### Revisions to the Statistics

Statistics on the U.S. international investment position presented in this article have been updated and revised to include newly available source data and methodological changes that are related to the improvements incorporated in the annual revision of the U.S. international transactions accounts. This year, the revised position statistics also reflect BEA's efforts to modernize and enhance the international economic accounts.

#### New international standards

BEA is completing the implementation of the latest international guidelines on the treatment of allocations of special drawing rights (SDRs) by including the associated reserve-related liabilities in "other U.S. government liabilities" (table 1, line 31). As a result, the U.S. international investment position statistics have been revised for 1976–2008 (see the table below). For 1976–2006, the only source of revision is the new treatment of allocations of SDRs.

Permanent debt between affiliated banks, bank holding companies, and financial holding companies is reclassified from direct investment (table 1, lines 18 and 35) to U.S. claims and liabilities reported by U.S. banks and securities brokers (table 1, lines 23 and 42). The reclassification of these debt positions causes offsetting revisions. Revisions to U.S. direct investment abroad and U.S. claims reported by U.S. banks are less than \$0.5 billion in 2007 and 2008, and revisions to the investment positions for foreign direct investment in the United States and U.S. liabilities reported by U.S. banks are \$3.3 billion in 2007 and \$6.5 billion in 2008. Total U.S.-owned assets abroad, foreign-owned assets in the United States, and the net investment position are not affected by these offsetting revisions.

#### New source data

The revised position statistics for 2007 and 2008 also reflect new data from BEA's annual surveys of multinational companies and new and updated data from BEA's quarterly surveys of direct investment. Other sources of revisions include (1) the effects of several U.S. nonbanking entities shifting to bank holding companies at the end of 2008, which shifted their investment positions from claims and liabilities reported by U.S. nonbanking concerns to bank-reported claims and liabilities, (2) the incorporation of results from the U.S. Treasury Department's annual survey "U.S. Ownership of Foreign Securities for December 2008" and from the benchmark survey "Foreign-Residents' Holdings of U.S. Securities for June 2009," and (3) the incorporation of late reports and correction of reporting errors of the monthly TIC data.

#### Impact of the revisions

Revisions for 2007 and 2008 did not significantly affect the trend in the net investment position for these years relative to earlier periods that were slightly revised for the addition of reserve-related liabilities (see the table below). For 2007, the newly published value of the net investment position is -\$1,915.7 billion, revised by \$224.2 billion from its previously published value of -\$2,139.9 billion. In 2008, the new value of -\$3,493.9 billion is only slightly revised by -\$24.6 billion from its previously published value of -\$3,469.2 billion. The small revisions for 1976–2006 due to the new treatment of SDR allocations also have a negligible impact on trends.

For additional information on the sources of revisions to positions, see "Annual Revision of the U.S. International Transactions Accounts" in this issue.

### Revisions to the Net International Investment Position of the United States, 1976–2008

[Billions of dollars]

	Net International Investment Position of the United States			U.S. owned—assets abroad			Foreign owned—assets in the United States					
	Previously published	Revised	Revision	Previously published	Revised	Revision	Total			Of which: Other U.S. government liabilities		
							Previously published	Revised	Revision	Previously published	Revised	Revision
1976	165.4	162.7	-2.7	457.0	457.0	0.0	291.6	294.3	2.7	8.9	11.5	2.7
1977	172.4	169.6	-2.8	512.3	512.3	0.0	339.9	342.7	2.8	10.3	13.0	2.8
1978	208.1	205.1	-3.0	621.2	621.2	0.0	413.2	416.2	3.0	12.7	15.7	3.0
1979	319.8	315.7	-4.2	786.7	786.7	0.0	466.9	471.0	4.2	12.7	16.9	4.2
1980	365.5	360.3	-5.2	929.8	929.8	0.0	564.3	569.5	5.2	13.4	18.5	5.2
1981	346.1	340.4	-5.7	1,001.7	1,001.7	0.0	655.6	661.3	5.7	13.0	18.7	5.7
1982	336.8	331.4	-5.4	1,108.4	1,108.4	0.0	771.7	777.1	5.4	13.6	19.0	5.4
1983	307.5	302.4	-5.1	1,211.0	1,211.0	0.0	903.4	908.6	5.1	14.2	19.4	5.1
1984	171.6	166.7	-4.8	1,204.9	1,204.9	0.0	1,033.4	1,038.2	4.8	15.0	19.8	4.8
1985	67.1	61.7	-5.4	1,287.4	1,287.4	0.0	1,220.3	1,225.7	5.4	15.8	21.2	5.4
1986	-21.8	-27.8	-6.0	1,469.4	1,469.4	0.0	1,491.2	1,497.2	6.0	18.0	24.0	6.0
1987	-64.0	-70.9	-7.0	1,646.5	1,646.5	0.0	1,710.5	1,717.4	7.0	15.7	22.6	7.0
1988	-160.9	-167.5	-6.6	1,829.7	1,829.7	0.0	1,990.5	1,997.1	6.6	15.2	21.8	6.6
1989	-239.8	-246.2	-6.4	2,070.9	2,070.9	0.0	2,310.7	2,317.1	6.4	15.4	21.8	6.4
1990	-223.4	-230.4	-7.0	2,179.0	2,179.0	0.0	2,402.4	2,409.4	7.0	17.2	24.2	7.0
1991	-284.7	-291.8	-7.1	2,286.5	2,286.5	0.0	2,571.2	2,578.2	7.0	18.6	25.6	7.0
1992	-404.3	-411.0	-6.7	2,331.7	2,331.7	0.0	2,736.0	2,742.7	6.7	20.8	27.5	6.7
1993	-277.7	-284.5	-6.7	2,753.6	2,753.6	0.0	3,031.4	3,038.1	6.7	22.1	28.8	6.7
1994	-291.3	-298.5	-7.2	2,987.1	2,987.1	0.0	3,278.4	3,285.6	7.2	23.7	30.8	7.2
1995	-422.9	-430.2	-7.3	3,486.3	3,486.3	0.0	3,909.2	3,916.5	7.3	23.6	30.9	7.3
1996	-456.3	-463.3	-7.0	4,032.3	4,032.3	0.0	4,488.6	4,495.6	7.0	22.6	29.6	7.0
1997	-779.6	-786.2	-6.6	4,567.9	4,567.9	0.0	5,347.5	5,354.1	6.6	21.7	28.3	6.6
1998	-851.5	-858.4	-6.9	5,095.5	5,095.5	0.0	5,947.0	5,953.9	6.9	18.4	25.3	6.9
1999	-724.3	-731.1	-6.7	5,974.4	5,974.4	0.0	6,698.7	6,705.5	6.7	21.1	27.9	6.7
2000	-1,330.6	-1,337.0	-6.4	6,238.8	6,238.8	0.0	7,569.4	7,575.8	6.4	19.3	25.7	6.4
2001	-1,868.9	-1,875.0	-6.2	6,308.7	6,308.7	0.0	8,177.6	8,183.7	6.2	17.0	23.2	6.2
2002	-2,038.0	-2,044.6	-6.7	6,649.1	6,649.1	0.0	8,687.0	8,693.7	6.7	17.1	23.8	6.7
2003	-2,086.5	-2,093.8	-7.3	7,638.1	7,638.1	0.0	9,724.6	9,731.9	7.3	16.4	23.7	7.3
2004	-2,245.4	-2,253.0	-7.6	9,340.6	9,340.6	0.0	11,586.1	11,593.7	7.6	16.3	23.9	7.6
2005	-1,925.1	-1,932.1	-7.0	11,961.6	11,961.6	0.0	13,886.7	13,893.7	7.0	15.9	22.9	7.0
2006	-2,184.3	-2,191.7	-7.4	14,428.1	14,428.1	0.0	16,612.4	16,619.8	7.4	18.7	26.1	7.4
2007	-2,139.9	-1,915.7	224.2	18,278.8	18,339.9	61.0	20,418.8	20,255.6	-163.2	24.0	31.9	7.8
2008	-3,469.2	-3,493.9	-24.6	19,888.2	19,244.9	-643.3	23,357.4	22,738.8	-618.6	32.7	40.6	7.9



Table 1. International Investment Position of the United States at Yearend, 2008 and 2009

(Millions of dollars)

Line	Type of investment	Position, 2008 <sup>r</sup>	Changes in position in 2009				Position, 2009 <sup>p</sup>	
			Attributable to:					
			Valuation adjustments					
			Financial flows (a)	Price changes (b)	Exchange-rate changes <sup>1</sup> (c)	Other changes <sup>2</sup> (d)		Total (a+b+c+d)
1	<b>Net international investment position of the United States (lines 2+3)</b> .....	<b>-3,493,882</b>	<b>-216,075</b>	<b>522,929</b>	<b>276,730</b>	<b>172,452</b>	<b>756,036</b>	<b>-2,737,846</b>
2	Financial derivatives, net (line 5 less line 25) <sup>3</sup> .....	159,635	-50,804	( <sup>4</sup> )	( <sup>4</sup> )	<sup>4</sup> 19,103	-31,701	127,934
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-3,653,517	-165,271	522,929	276,730	153,349	787,737	-2,865,780
4	<b>U.S.-owned assets abroad (lines 5+6)</b> .....	<b>19,244,875</b>	<b>(<sup>5</sup>)</b>	<b>(<sup>5</sup>)</b>	<b>(<sup>5</sup>)</b>	<b>(<sup>5</sup>)</b>	<b>-865,791</b>	<b>18,379,084</b>
5	Financial derivatives (gross positive fair value).....	6,127,450	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-2,615,443	3,512,007
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	13,117,425	140,465	1,066,119	357,956	185,112	1,749,652	14,867,077
7	U.S. official reserve assets.....	293,732	52,256	56,941	875	0	110,072	403,804
8	Gold.....	227,439	0	<sup>5</sup> 56,941	.....	<sup>6</sup> 0	56,941	284,380
9	Special drawing rights.....	9,340	48,230	.....	244	0	48,474	57,814
10	Reserve position in the International Monetary Fund.....	7,683	3,357	.....	345	0	3,702	11,385
11	Foreign currencies.....	49,270	669	.....	286	0	955	50,225
12	U.S. government assets, other than official reserve assets.....	624,100	-541,342	.....	( <sup>7</sup> )	17	-541,325	82,775
13	U.S. credits and other long-term assets <sup>7</sup> .....	69,877	1,936	.....	( <sup>7</sup> )	17	1,953	71,830
14	Repayable in dollars.....	69,604	1,936	.....	.....	17	1,953	71,557
15	Other <sup>8</sup> .....	273	0	.....	( <sup>7</sup> )	.....	0	273
16	U.S. foreign currency holdings and U.S. short-term assets <sup>9</sup> .....	554,222	-543,278	.....	( <sup>7</sup> )	.....	-543,278	10,944
17	U.S. private assets.....	12,199,593	629,552	1,009,178	357,081	185,095	2,180,906	14,380,499
18	Direct investment at current cost.....	3,742,835	268,680	-12,201	79,124	-27,247	308,356	4,051,191
19	Foreign securities.....	3,985,712	208,213	1,021,379	255,694	0	1,485,286	5,470,998
20	Bonds.....	1,237,284	144,909	84,123	27,269	0	256,301	1,493,585
21	Corporate stocks.....	2,748,428	63,304	937,256	228,425	0	1,228,985	3,977,413
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	794,699	-124,428	.....	8,404	115,550	-474	794,225
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	3,676,347	277,087	.....	13,859	96,792	387,738	4,064,085
24	<b>Foreign-owned assets in the United States (lines 25+26)</b> .....	<b>22,738,757</b>	<b>(<sup>8</sup>)</b>	<b>(<sup>8</sup>)</b>	<b>(<sup>8</sup>)</b>	<b>(<sup>8</sup>)</b>	<b>-1,621,827</b>	<b>21,116,930</b>
25	Financial derivatives (gross negative fair value).....	5,967,815	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-2,583,742	3,384,073
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	16,770,942	305,736	543,190	81,226	31,763	961,915	17,732,857
27	Foreign official assets in the United States.....	3,939,998	450,030	-13,584	219	-2,824	433,841	4,373,839
28	U.S. Government securities.....	3,264,139	441,056	-104,274	.....	-8,524	328,258	3,592,397
29	U.S. Treasury securities.....	2,400,516	561,125	-92,297	.....	1,708	470,536	2,871,052
30	Other.....	863,623	-120,069	-11,977	.....	-10,232	-142,278	721,345
31	Other U.S. Government liabilities <sup>10</sup> .....	40,577	57,971	.....	219	0	58,190	98,767
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	252,608	-70,851	.....	.....	5,700	-65,151	187,457
33	Other foreign official assets.....	382,674	21,854	90,690	.....	0	112,544	495,218
34	Other foreign assets.....	12,830,944	-144,294	556,774	81,007	34,587	528,074	13,359,018
35	Direct investment at current cost.....	2,521,353	134,707	-5,761	3,560	18,927	151,433	2,672,786
36	U.S. Treasury securities.....	850,921	22,781	-47,510	.....	0	-24,729	826,192
37	U.S. securities other than U.S. Treasury securities.....	4,620,798	59	610,045	56,261	0	666,365	5,287,163
38	Corporate and other bonds.....	2,770,606	-136,296	150,665	56,261	0	70,630	2,841,236
39	Corporate stocks.....	1,850,192	136,355	459,380	.....	0	595,735	2,445,927
40	U.S. currency.....	301,139	12,632	.....	.....	0	12,632	313,771
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	731,539	-1,460	.....	4,638	-69,240	-66,062	665,477
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,805,194	-313,013	.....	16,548	84,900	-211,565	3,593,629
<b>Memoranda:</b>								
43	Direct investment abroad at market value.....	3,103,704	268,680	737,062	194,222	-817	1,199,147	4,302,851
44	Direct investment in the United States at market value.....	2,552,572	134,707	422,683	.....	10,621	568,011	3,120,583

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\* Less than \$500,000 (+/-)

..... Not applicable

1. Represents gains or losses on foreign-currency-denominated assets and liabilities due to their revaluation at current exchange rates.

2. Includes changes in coverage due to year-to-year changes in the composition of reporting panels, primarily for bank and nonbank estimates, and to the incorporation of survey results. Also includes capital gains and losses of direct investment affiliates and changes in positions that cannot be allocated to financial flows, price changes, or exchange-rate changes.

3. Financial flows and valuation adjustments for financial derivatives are available only on a net basis, which is shown on line 2; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives. Consequently, columns (a) through (d) on lines 4, 5, and 24, 25 are not available.

4. Data are not separately available for the three types of valuation adjustments; therefore, the sum of all three types is shown in column (d).

5. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

6. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

7. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

8. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

9. Includes foreign-currency-denominated assets obtained through temporary reciprocal currency arrangements between the Federal Reserve System and foreign central banks. These assets are included in the investment position at the dollar value established at the time they were received, reflecting the valuation of these assets in the Federal Reserve System's balance sheet. The movement of exchange rates does not affect this valuation.

10. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).



