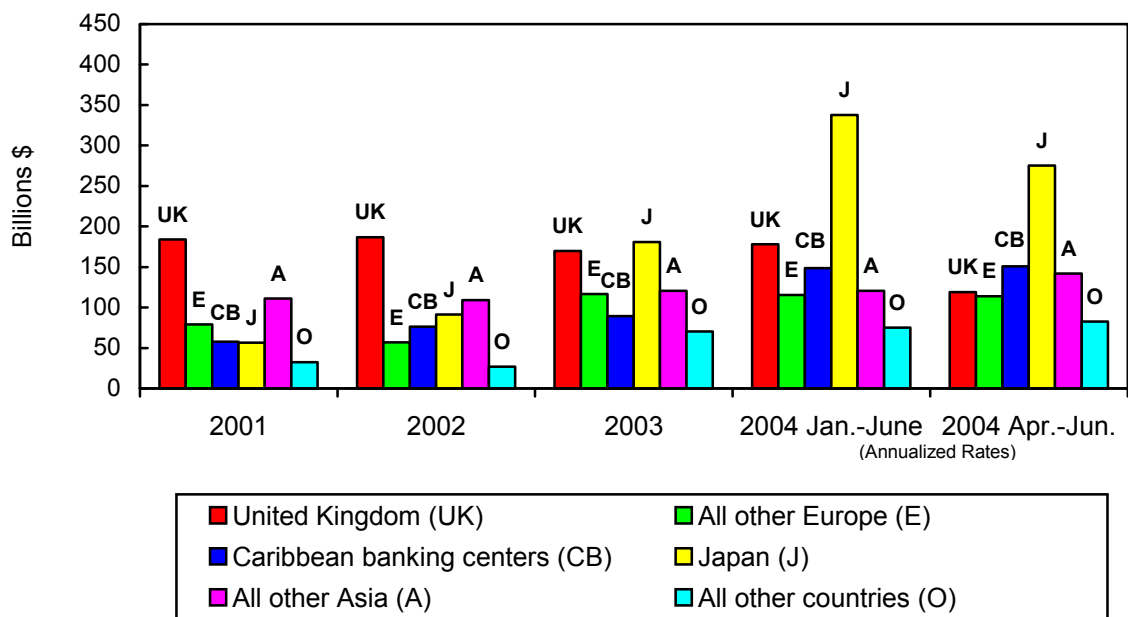


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



(In millions of dollars. Source: Office of International Financial Analysis)

Country	2001	2002	2003	2004 Jan. - June	2004 Apr. - June
United Kingdom.....	183,986	186,691	169,468	88,942	29,746
All other Europe.....	78,921	57,064	116,522	57,784	28,516
Caribbean banking ctrs\1 \2..	57,817	76,144	89,322	74,356	37,706
Japan.....	56,589	91,412	180,901	168,836	68,818
All other Asia.....	110,995	109,314	120,634	70,906	44,529
Subtotal.....	488,308	520,625	676,847	460,824	209,315
All other countries.....	32,541	26,940	70,251	37,554	20,658
Grand total.....	520,849	547,565	747,098	498,378	229,973

\1 Includes Bahamas, Bermuda, British West Indies, Cayman Islands, Netherlands Antilles, and Panama.

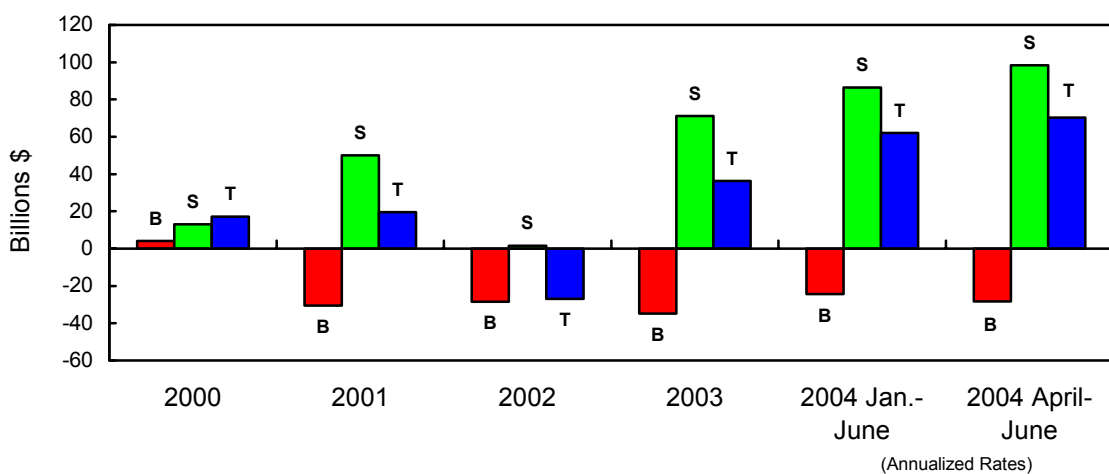
\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

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 that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps have been modest, amounting to \$7 billion in both 2001 and 2002, \$2 billion in 2003, and \$12 billion in the first half of 2004. (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 now available on the TIC web site.

The data present aggregate net purchases for 2001 through the second quarter of 2004. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 2001.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2003, net acquisitions (including stock swaps) of U.S. securities totaled a record \$749 billion. Net acquisitions in the first half of 2004 were even stronger at \$510 billion.

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



■ Foreign bonds (B) ■ Foreign stocks (S) ■ Total foreign securities (T)

(In millions of dollars. Source: Office of International Financial Analysis)

Type	2000	2001	2002	2003	2004 Jan. - June	2004 April - June
Foreign Bonds.....	4,054	-30,502	-28,492	-34,733	-12,167	-7,068
Foreign Stocks.....	13,088	50,113	1,493	71,113	43,170	24,619
Total.....	17,142	19,611	-26,999	36,380	31,003	17,551

* 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. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$47 billion in 2001, \$3 billion in 2002, \$17 billion in 2003, and \$11 billion in the first half of 2004. (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 now 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. Since then, however, U.S. investors' acquisitions of foreign securities (including stock swaps) have been more modest, with acquisitions of \$67 billion in 2001, net sales of \$24 billion in 2002, and acquisitions of \$53 billion in 2003. In the first half of 2004, acquisitions amounted to \$42 billion.