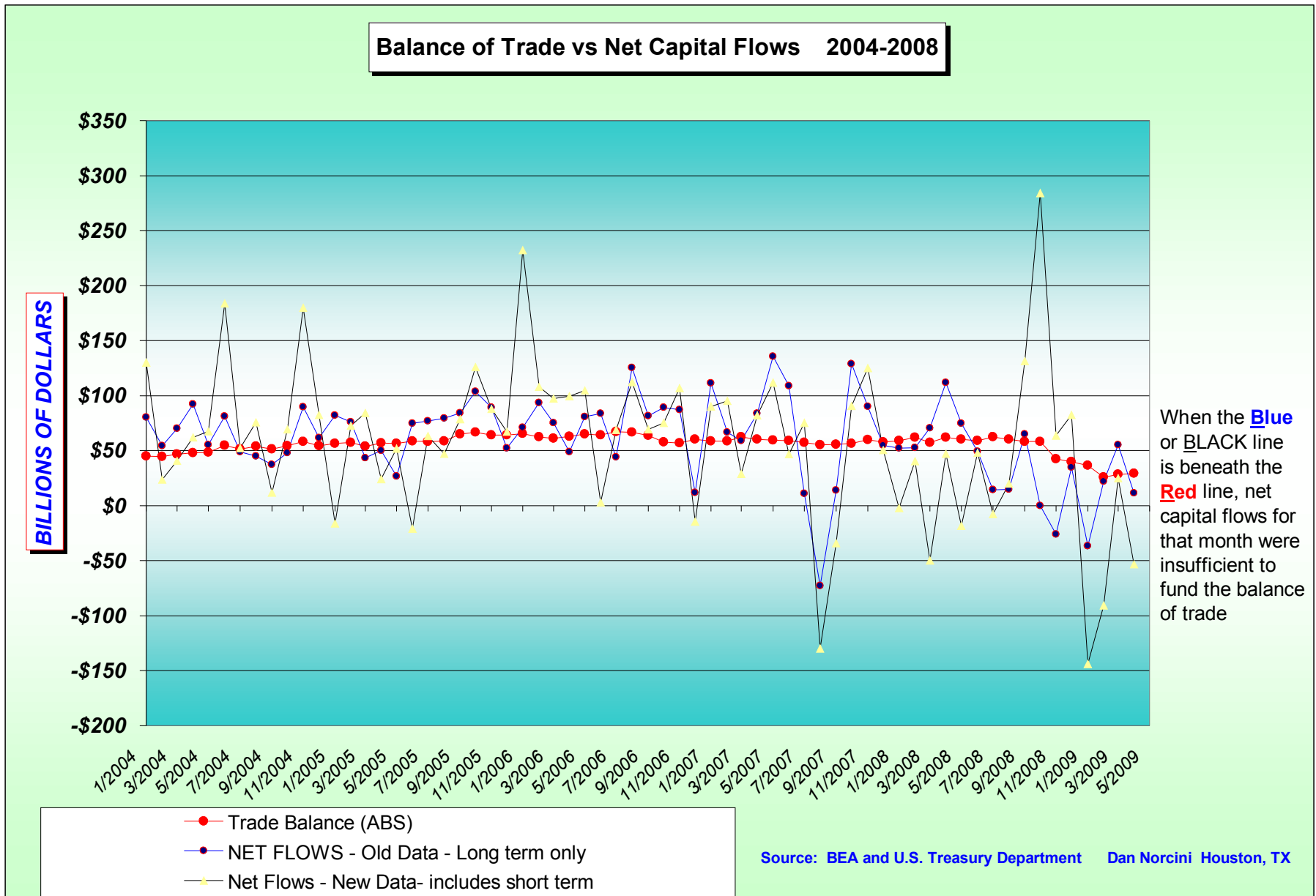
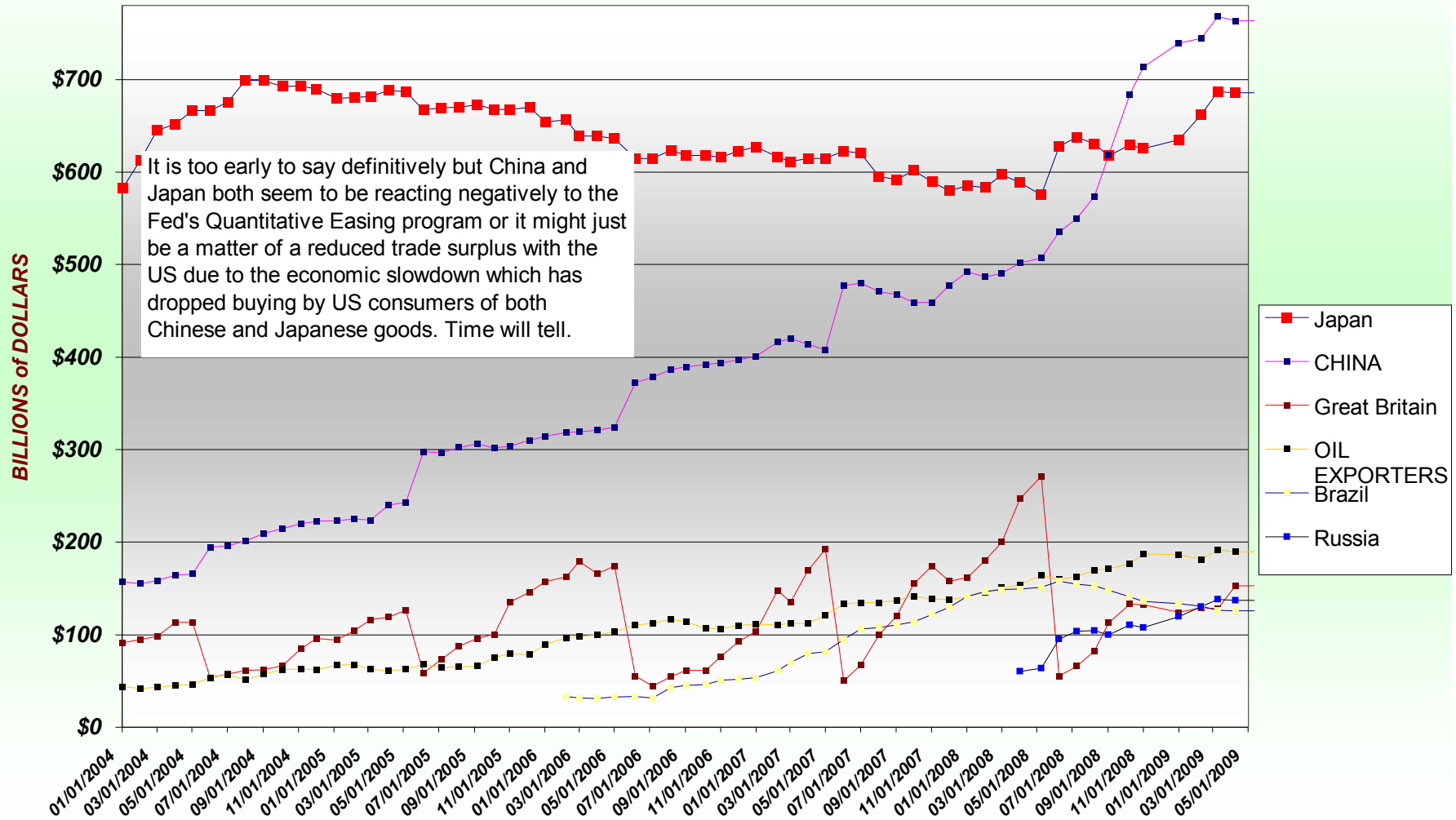


Trade flows, whether measured by the method which includes long term securities only or the method that includes both long term and short term securities, were insufficient to fund the balance of trade deficit for the month of April 2009.

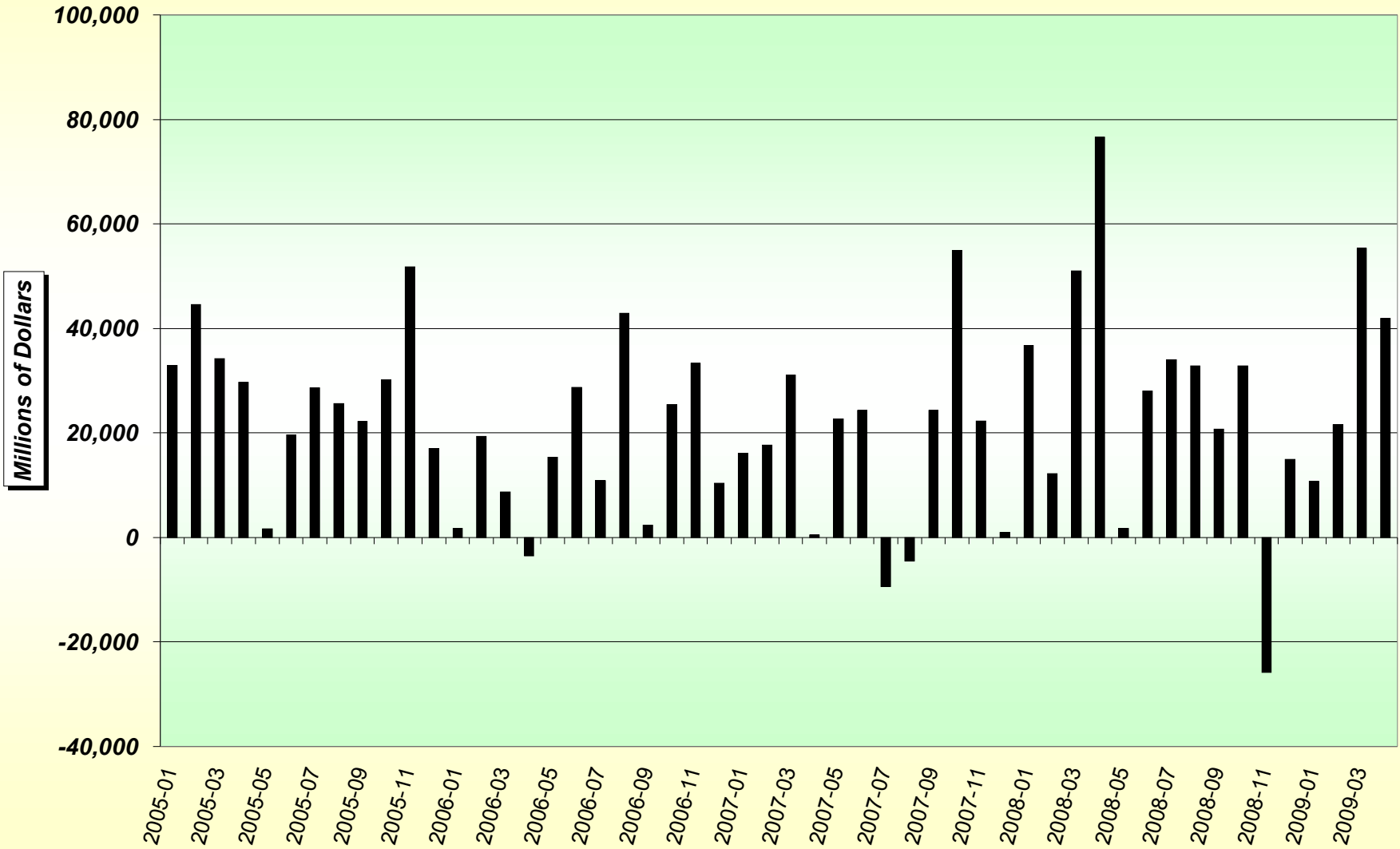


I have included Russia in this month's chart – you can see that they have been steadily accumulating US Treasuries, protestations to the contrary; however, the month of April marked a decline in the number of holdings for the first time in several months. This will be something to be monitored in the months to come to see whether or not a trend is beginning to emerge

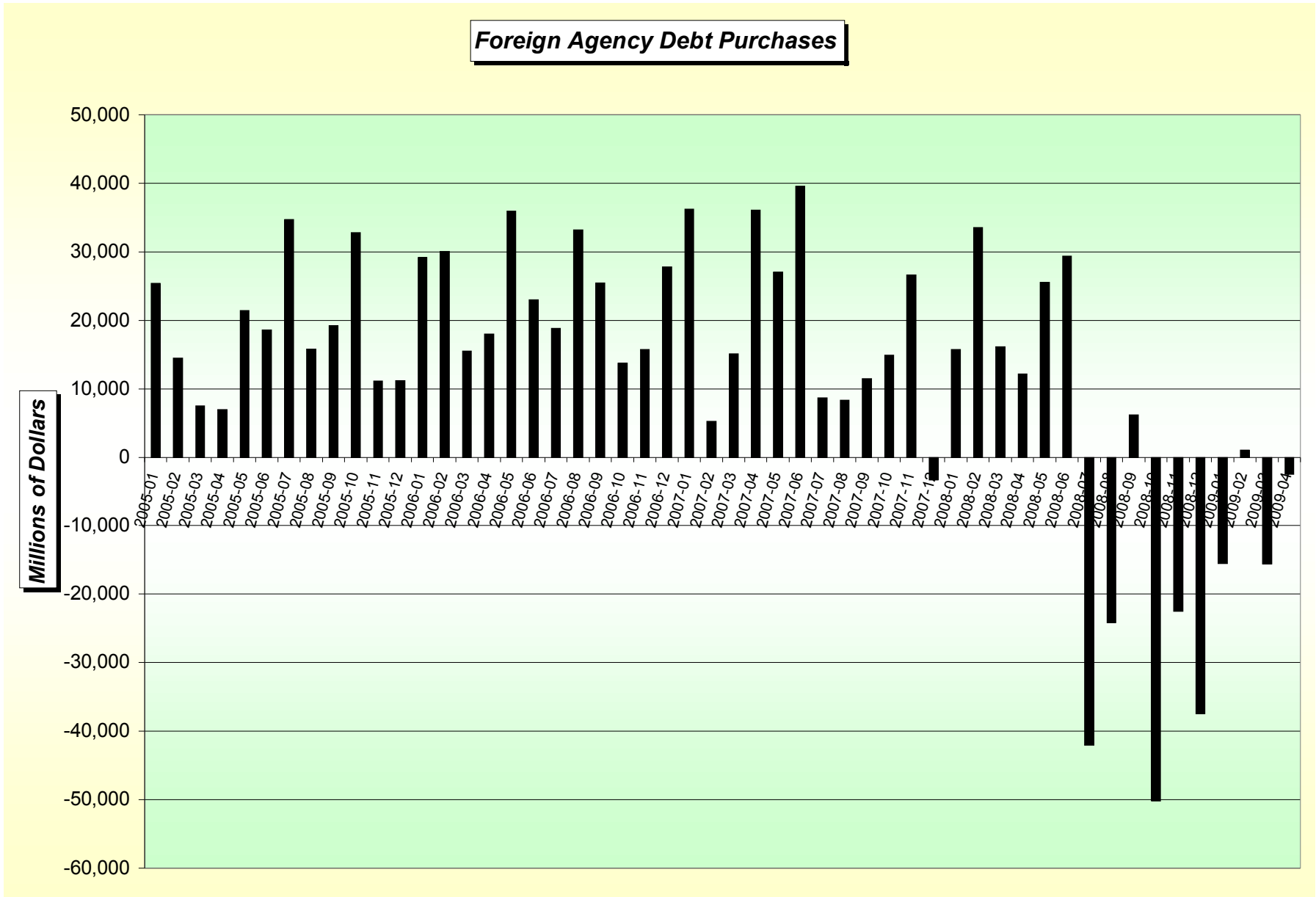
Treasury Holdings 2004-2009 Japan, China, Great Britain, Oil Exporting Nations and Russia and Brazil



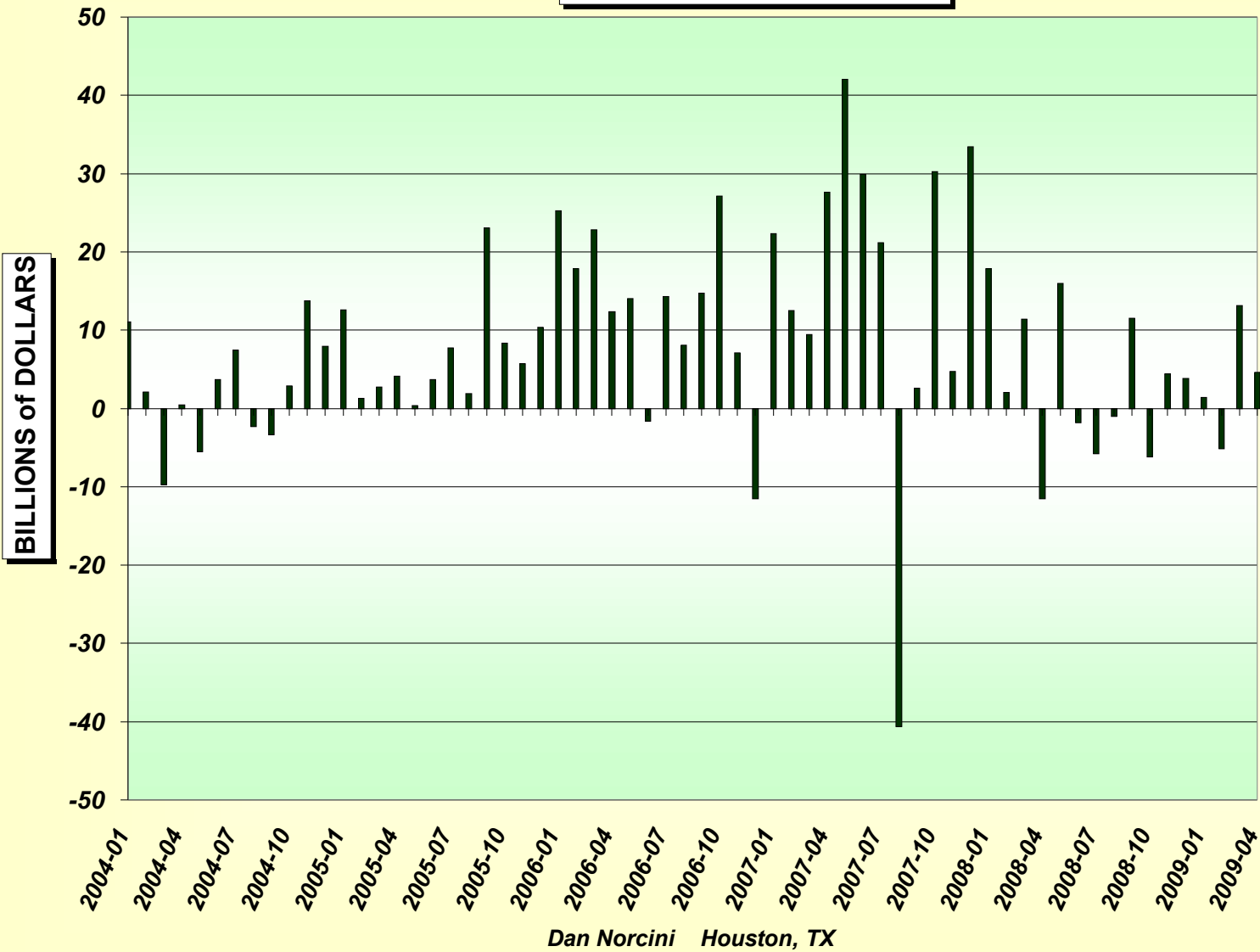
Foreign Treasuries and Notes Purchases



It would sure appear that Foreigners are falling out of love with US Agency Debt meaning that the Fed will increasingly have to become the buyer of last resort for Fannie and Freddie debt.



Foreign Net Stock Purchases



Dan Norcini Houston, TX

US Corporate debt seems to be increasingly falling out of favor with foreign buyers....

