



**SECURITIES AND
EXCHANGE COMMISSION**

Washington, D. C. 20549

(202) 272-2650



FOR RELEASE: 1:00 P.M., Thursday, March 13, 1980

80-09

**STOCK TRANSACTIONS OF SELECTED FINANCIAL
INSTITUTIONS AND FOREIGN INVESTORS:
THIRD QUARTER 1979**

A quarterly report prepared by the Directorate
of Economic and Policy Research

For further information contact:
Directorate of Economic & Policy
Research
Charles W. Bryson
(202) 523-5493

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS AND FOREIGN
INVESTORS, THIRD QUARTER 1979

Private noninsured pension funds, open-end investment companies, life insurance companies and property-liability insurance companies, combined, purchased \$15.4 billion and sold \$12.2 billion of common stock during the third quarter of 1979, resulting in net purchases of \$3.2 billion. During the third quarter of 1978, their gross purchases were \$15.4 billion; gross sales were \$12.6 billion; and net purchases were \$2.8 billion. Their common stock activity rate ^{*/} was 27.2% for the third quarter of 1979 as compared to 31.4% during the comparable period of 1978.

Private Noninsured Pension Funds

During the third quarter of 1979, private noninsured pension funds purchased \$8.3 billion of common stock and sold \$4.2 billion, yielding net purchases of \$4.1 billion. A year earlier, private noninsured pension funds had gross purchases \$7.8 billion, gross sales of \$5.1 billion, and net purchases of \$2.7 billion. Their common stock activity rate for the third quarter decreased from 24.4% in 1978 to 19.9% in 1979.

Open-End Investment Companies

Purchases of common stock by open-end investment companies during the third quarter decreased from \$4.5 billion in 1978 to \$3.7 billion in 1979; sales increased from \$4.2 billion to \$4.6 billion. Consequently, their activity resulted in net purchases of \$0.2 billion in the third quarter of 1978 and net sales of \$0.9 billion in the same quarter of 1979. Their common stock activity rate was 50.6%, down from 53.5% a year earlier.

Life Insurance Companies

Purchases of common stock by life insurance companies for their general accounts were \$1.0 billion in the third quarter of 1979, the same as a year earlier. Sales decreased to \$0.9 billion from \$1.4 billion. As a result, net purchases were \$0.1 billion in the third quarter of 1979, compared to net sales of \$0.4 billion in the third quarter of 1978. The common stock activity rate was 25.8%, compared to 35.1% in the same period of 1978.

^{*/} Activity rate is defined as the average of gross purchases and sales divided by the average market value of holdings.

For their separate accounts, life insurance companies purchased \$1.1 billion of common stock and sold \$1.2 billion during the third quarter of 1979, resulting in net sales of \$0.1 billion. These results compare with purchases of \$0.9 billion and sales of \$0.9 billion in the third quarter of 1978. The common stock activity rate for their separate accounts was 36.9%, up from 31.6% a year earlier.

Property-Liability Insurance Companies

Purchases of common stock by property-liability insurance companies totaled \$1.3 billion during the third quarter of 1979, up slightly from \$1.2 billion a year earlier. Third quarter sales increased 41% from \$1.0 billion in 1978 to \$1.4 billion in 1979. Net sales of \$0.1 billion were recorded in this period as compared to net purchases of \$0.3 billion a year earlier. Their common stock activity rate was 29.7%, nearly the same as the 29.8% rate in the comparable period of 1978.

Foreign Investors

Foreign investors purchased \$6.2 billion of corporate stock during the third quarter of 1979 and sold \$6.0 billion, yielding a net accumulation of \$0.2 billion. For the same period of 1978, their purchases were \$6.1 billion; sales were \$6.1 billion; and net purchases were \$0.2 billion.

(BILLIONS OF DOLLARS)

	1971				1979			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
PRIVATE DEFERRED PENSION FUNDS 1/								
Purchases	3,797	5,198	7,318	7,360	6,796	7,072	8,303	
Sales	4,141	4,905	5,121	4,779	4,412	3,939	4,220	
Net Purchases/Sales	(344)	292	2,697	2,581	2,384	3,133	4,083	
Activity Rate	16.3	20.7	24.4	22.3	20.2	18.8 R	19.9	
OPEN-ENDED INVESTMENT COMPANIES 2/								
Purchases	1,793	3,857	4,451	2,727	2,738	2,952	3,739	
Sales	2,685	4,274	4,205	3,239	3,571	3,375	4,592	
Net Purchases/Sales	(892)	(417)	245	(562)	(833)	(913)	(853)	
Activity Rate	30.1	54.3	53.5	37.4	40.3	42.9 R	50.6	
LIFE INSURANCE COMPANIES - TOTAL								
Purchases	930	1,546	1,907	1,374	1,349	1,373	2,072	
Sales	944	1,534	2,326	1,524	1,753	2,020	2,023	
Net Purchases/Sales	36	(13)	(419)	350	(364)	(647)	49	
Activity Rate	16.4	27.3	33.5	26.7	25.0	26.5	30.9	
LIFE INSURANCE CO. - GENERAL ACCTS.								
Purchases	332	529	990	942	353	442	992	
Sales	373	631	1,404	646	516	814	860	
Net Purchases/Sales	9	(2)	(414)	296	(153)	(372)	132	
Activity Rate	11.8	19.4	35.1	23.2	12.8	19.0	25.8	
LIFE INSURANCE CO. - SEPARATE ACCTS.								
Purchases	593	917	917	932	1,036	931	1,080	
Sales	571	1,053	922	873	1,247	1,206	1,163	
Net Purchases/Sales	27	(135)	(5)	54	(211)	(275)	(83)	
Activity Rate	22.1	36.7	31.6	30.8	39.5	36.6	36.9	
PROPERTY-LIABILITY INSURANCE COMPANIES								
Purchases	646	1,099	1,247	1,336	1,200	1,251	1,291	
Sales	391	739	996	652	719	819	1,402	
Net Purchases/Sales	243	351	251	734	481	432	(111)	
Activity Rate	15.8	26.7	29.3	26.2	23.8	24.0	29.7	
TOTAL SELECTED INSTITUTIONS								
Purchases	7,221	11,691	15,423	13,347	12,133	12,658	15,405	
Sales	8,158	11,503	12,649	10,244	10,465	10,703	12,237	
Net Purchases/Sales	(947)	38	2,774	3,103	1,668	1,955	3,168	
Activity Rate	19.8	29.2	31.4	25.9	24.6	24.3 R	27.2	
FOREIGN INVESTORS 3/								
Purchases	3,262	5,284	6,106	4,408	4,693 R	5,054 R	6,222	
Sales	2,592	5,035	6,089	3,934	4,008 R	4,703 R	6,021	
Net Purchases/Sales	670	1,249	17	424	685 R	351 R	201	

R=REVISED

P=PRELIMINARY

1/ Includes deferred profit sharing and pension funds of corporations, unions, multiemployer groups and nonprofit organizations.

2/ Mutual funds reporting to the Investment Company Institute, a group whose assets constitute about ninety percent of the assets of all open-end investment companies.

3/ Transactions of foreign individuals and institutions in domestic common and preferred stocks. Activity rates for foreign investors are not calculable.

Note: Activity rate is defined as the average of gross purchases and sales (annualized) divided by the average market value of holdings.

Source: Pension funds and property liability insurance companies, SEC; Investment companies, Investment Company Institute; Life insurance companies, American Council of Life Insurance; Foreign investors, Treasury Department.