



## KEY HIGHLIGHTS

**High frequency portfolio flows.** Monthly BOP data show an improvement in portfolio flows in Q4 (partial data) for several EMs, though Hungary and Romania have lagged through November. Notably, Brazil, Chile, Mexico, and Thailand received solid inflows. A sample of *daily* debt and equity flows show a strong finish to 2022 extended into early January (Figure 1), with Thailand, Indonesia, and South Africa in particular seeing healthy bond inflows to start the year. Brazil, Thailand, and Vietnam have seen strong equity inflows. Chinese equity inflows have recovered since mid-November, receiving nearly \$15 bn in January, the best month since before the pandemic.

**BOP Non-resident Capital Flows:** Comprehensive quarterly BOP data through Q3 shows non-resident inflows (portfolio + FDI + other) downshifted to 4.1% of GDP, compared to 4.9% of GDP over the last 4 quarters. While portfolio flows remained a drag, FDI has remained fairly strong at around 2.5% of GDP. Aggregate FDI flows to GDP into Latin American and Europe in Q3 remained high relative to recent years (Figure 7), though Asia saw inflows decelerate. Other investment flows downshifted in Q3 to 1.8% of GDP, though over the last 4-6 quarters have been running at a 2.5-3% of GDP pace, partially boosted by SDR allocation in 2021. Capital inflows to China decelerated to -1.5% of GDP in Q3 (+0.8% of GDP on 4Q basis), with FDI and portfolio reaching -0.5%. (Fig 6).

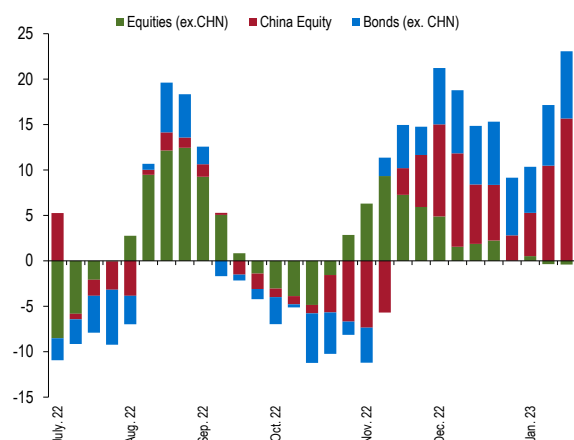
**BOP Resident Capital Flows:** Monthly BOP data shows that resident outflows resumed quarter to date (Q4) in several countries (Chile, Brazil) though remain modest overall. Comprehensive quarterly data for Q3 shows outward FDI steady at just under 1% of GDP. Other investment outflows held at 2.4% of GDP, for a 2% 4Q pace (Figure 12). Resident portfolio outflows have generally been larger to equities, though they slowed in Q3. For

**BOP Details:** Current account deficits have remained large for many emerging markets (Figure 13), notably Hungary, Colombia, and Chile. Remittances have remained healthy into Q4, though y/y growth has slowed to 11%, roughly in line with longer term averages. Reserve stocks appear to have stabilized somewhat, though losses continued over the last 3 months in several EMs (Figure 15)

## BOP Portfolio Tracking

*Local currency debt and equity flows had a strong finish to 2022 and have remained positive thus far in 2023.*

**Figure 1. Weekly Local Currency Debt and Equity Flows (USD Billions, 4 wk sum)**



*Monthly releases indicate that Brazil and Chile have seen solid inflows in contrast to CEE*

**Figure 2. BOP Non-resident Quarterly Portfolio Flows (USD Billions, \*Quarter-to-Date for 2022-Q4,**

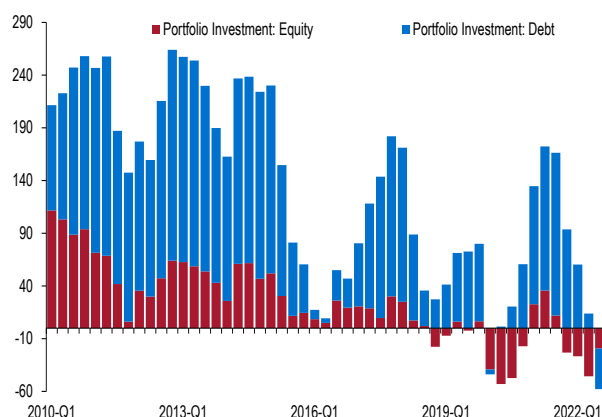
**\*\* high frequency non-BOP data for 2022-Q4)**

Year	2020				2021				2022			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4*
BRA	-21.7	-4.3	2.0	22.0	6.5	12.9	3.7	0.2	0.6	-7.6	-3.6	6.0
CHL	7.1	2.5	-1.4	-1.1	3.8	6.7	16.5	5.1	8.5	0.9	-2.5	7.6
CZE	0.0	2.7	-1.1	7.1	-2.3	-0.7	-3.9	8.1	-5.6	-12.1	-1.8	1.6
HUN	-3.4	3.2	0.3	3.5	-1.7	-1.1	5.8	-0.2	-0.2	1.3	1.8	-3.4
IND	-14.7	1.1	7.7	21.7	8.2	0.4	4.5	-4.7	-14.3	-14.7	6.6	0.6
PHL	-1.0	4.0	-1.4	2.2	-3.6	2.5	3.3	1.7	0.0	1.9	1.2	0.2
POL	-1.4	-8.7	0.2	-1.0	-3.1	-3.3	1.5	-1.5	-3.0	4.8	0.7	2.7
ROU	3.7	2.7	2.5	2.9	-0.9	2.3	3.1	-0.3	1.6	2.0	2.3	-0.7
ZAF**	-5.9	-3.0	-2.3	1.5	-0.4	0.0	-24.8	-2.6	4.0	2.6	-1.9	-0.2
IDN**	-6.3	9.9	-1.7	2.6	5.2	4.7	1.5	-4.6	-1.8	0.9	-1.9	1.5
MYS**	-6.2	5.5	0.1	3.1	3.5	7.4	0.3	2.1	0.9	-2.4	-0.6	-0.6
PHL**	-1.0	4.0	-1.4	2.2	-3.6	2.5	3.3	1.7	0.0	1.9	1.2	0.2
THA**	-7.3	-1.5	-0.7	1.6	0.4	-0.1	0.2	4.4	3.9	0.9	-0.4	4.4
MEX**	2.8	-1.2	2.5	2.0	-1.5	-4.2	-7.4	-5.9	3.5	-4.8	-4.4	5.2
TUR	-3.0	-10.9	-1.3	8.5	-1.2	2.9	5.2	-3.8	-2.1	-5.1	-3.9	1.5

## EM BOP Non-Resident Flows

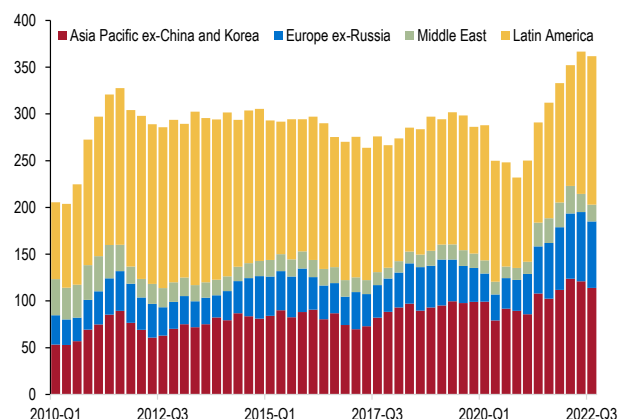
Portfolio flows turned negative in 2022 following the brief period of inflows post-COVID

**Figure 3. EM ex China: Non-Resident Portfolio**  
(4Q rolling sum, USD billions)



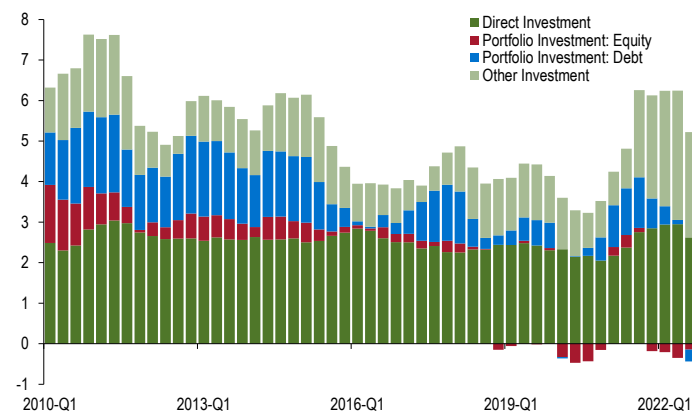
FDI flows have remained strong, particularly in Latin America

**Figure 5. EM ex China: FDI Non-Resident Flows**  
(4Q rolling sum, USD billions)



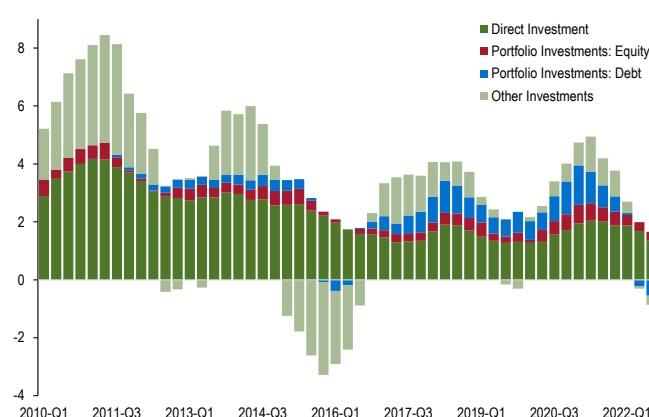
Since 2020, other investment liabilities have taken on an increased financing role and have buoyed BoP flows.

**Figure 4. EM ex China, Non-Resident Flows**  
(4Q, % of GDP)



Nonresident flows to China have slowed in recent years, with portfolio flows in particular turning negative

**Figure 6. China Non-Resident BOP Flows**  
(4Q % to GDP)



While a significant portion of countries in our sample are in their lowest quartile for portfolio flows, the majority of these countries are above their 75th percentile for Other Investments

**Figure 7. BoP Non-Resident Flows, Composition ex-China**

		Level (% of GDP)				Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2021-Q4	FDI	2021-Q4	2.0	2.9	2.5	78%	15%	25%	62%	85%	53%
2022-Q1		2022-Q1	3.6	3.0	2.6	82%	10%	30%	77%	86%	48%
2022-Q2		2022-Q2	2.4	3.0	2.6	84%	5%	40%	64%	89%	76%
2022-Q3		2022-Q3	2.5	2.6	2.6	61%	5%	30%	44%	87%	85%
2021-Q4	Port. Equity	2021-Q4	-0.1	-0.2	0.3	10%	44%	0%	28%	21%	22%
2022-Q1		2022-Q1	0.1	-0.2	0.3	9%	44%	17%	20%	17%	37%
2022-Q2		2022-Q2	-0.5	-0.4	0.3	4%	50%	11%	7%	6%	24%
2022-Q3		2022-Q3	0.0	-0.1	0.3	13%	56%	17%	14%	5%	21%
2021-Q4	Port. Debt	2021-Q4	-0.3	0.8	1.1	53%	28%	33%	34%	34%	71%
2022-Q1		2022-Q1	-0.5	0.5	1.0	34%	28%	22%	15%	39%	64%
2022-Q2		2022-Q2	-0.2	0.1	1.0	19%	33%	22%	3%	41%	45%
2022-Q3		2022-Q3	-0.2	-0.3	1.0	2%	39%	11%	0%	25%	11%
2021-Q4	Other	2021-Q4	2.8	2.6	1.3	89%	5%	55%	94%	82%	98%
2022-Q1		2022-Q1	3.0	2.9	1.3	97%	10%	75%	95%	85%	99%
2022-Q2		2022-Q2	3.2	3.3	1.3	100%	0%	80%	100%	86%	100%
2022-Q3		2022-Q3	1.8	2.7	1.4	92%	5%	50%	91%	89%	93%

## EM BOP Resident Capital Flows (Net Acquisition of Assets)

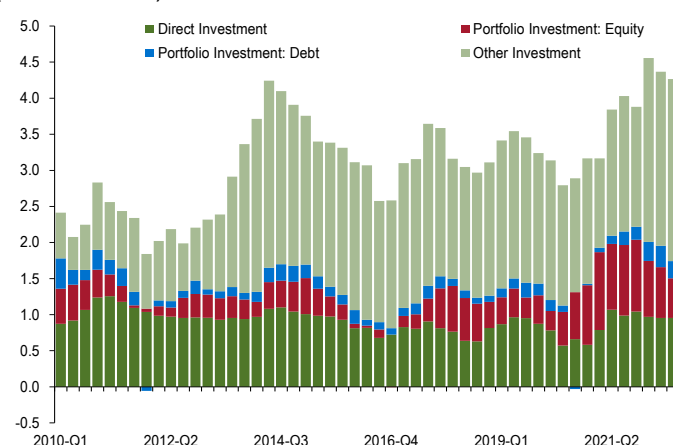
Resident portfolio outflows have picked up in some countries in Q4, though remain modest overall

**Figure 8. EMs ex China: Resident Portfolio Outflows**  
(USD Billions, \*Quarter-to-Date for 2022-Q3)

Year	2020				2021				2022			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4*
BRA	2.4	2.7	4.0	1.8	5.5	8.3	5.2	-3.6	1.3	-1.0	-1.5	0.1
CHL	4.1	4.2	-10.9	-3.4	5.1	-6.3	0.4	2.4	5.2	2.0	-2.2	0.9
CZE	-1.4	1.1	1.0	1.6	0.5	1.7	1.0	1.7	0.1	-0.9	-0.4	0.2
HUN	-0.3	0.3	0.1	0.6	0.6	0.8	0.9	0.8	-0.1	0.5	0.4	0.1
PHL	-0.3	1.8	3.7	1.3	4.5	1.9	1.0	0.4	1.3	-1.0	0.8	#N/A
POL	-0.8	2.5	1.0	-6.9	3.0	1.1	0.7	0.1	-0.8	0.0	0.0	0.4
ROU	0.1	0.0	0.0	0.0	0.2	0.3	0.2	0.7	0.3	0.0	0.9	-0.6
TUR	2.8	-2.3	1.2	1.2	-0.8	0.6	0.7	1.8	2.7	1.5	-0.7	0.3

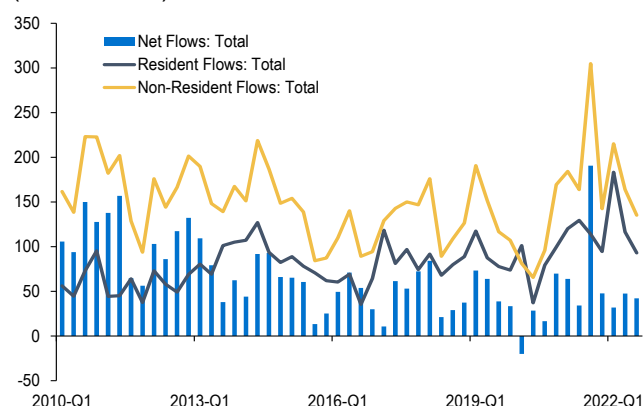
Cross border flows from EM residents have been relatively large in recent quarters

**Figure 9. EM BOP Resident Outflows**  
(4Q % to GDP)



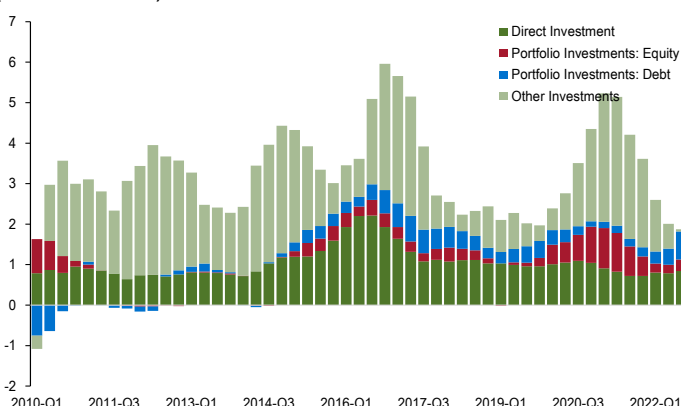
Net capital flows to emerging markets have remained positive but modest

**Figure 10. Net Capital Flows**  
(USD Billions)



Resident outflows from China have declined

**Figure 11: China Resident Flows**  
(4Q % to GDP)



**Figure 12. BoP Resident Flows ex-China (Net Acquisition of Assets)**

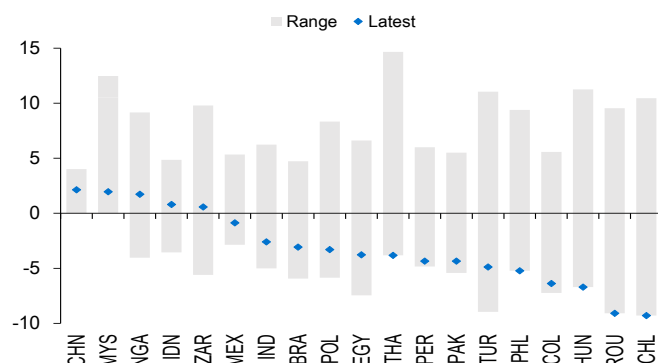
		Level (% of GDP)				Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2021-Q4	FDI	2021-Q4	0.9	1.0	0.9	79%	20%	30%	56%	84%	52%
2022-Q1		2022-Q1	1.1	1.0	0.9	70%	25%	30%	51%	87%	55%
2022-Q2		2022-Q2	1.0	1.0	0.9	61%	5%	15%	43%	74%	60%
2022-Q3		2022-Q3	0.8	1.0	0.9	60%	0%	25%	36%	69%	84%
2021-Q4	Port. Equity	2021-Q4	1.2	1.0	0.4	99%	16%	58%	95%	89%	82%
2022-Q1		2022-Q1	0.5	0.8	0.4	94%	16%	53%	93%	77%	74%
2022-Q2		2022-Q2	0.3	0.7	0.4	93%	16%	37%	83%	62%	71%
2022-Q3		2022-Q3	0.1	0.6	0.4	89%	21%	26%	74%	30%	26%
2021-Q4	Port. Debt	2021-Q4	0.0	0.3	0.2	68%	13%	33%	45%	54%	39%
2022-Q1		2022-Q1	0.7	0.4	0.2	79%	13%	33%	51%	72%	76%
2022-Q2		2022-Q2	0.2	0.4	0.2	84%	7%	47%	36%	77%	89%
2022-Q3		2022-Q3	-0.1	0.3	0.2	77%	13%	33%	59%	76%	79%
2021-Q4	Other	2021-Q4	0.9	1.2	1.2	52%	30%	25%	60%	76%	59%
2022-Q1		2022-Q1	4.6	1.8	1.2	92%	20%	35%	69%	95%	95%
2022-Q2		2022-Q2	2.4	1.7	1.2	91%	25%	35%	84%	100%	60%
2022-Q3		2022-Q3	2.4	2.0	1.2	96%	20%	30%	79%	99%	56%

## Other Balance of Payments Details

Current account deficits have remained large in CEE, Philippines, Colombia, and Chile

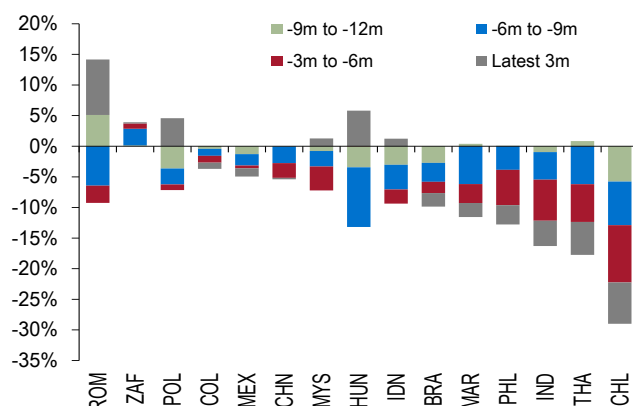
**Figure 13: Current Account Balances**

(4q, latest and historical range as share of GDP)



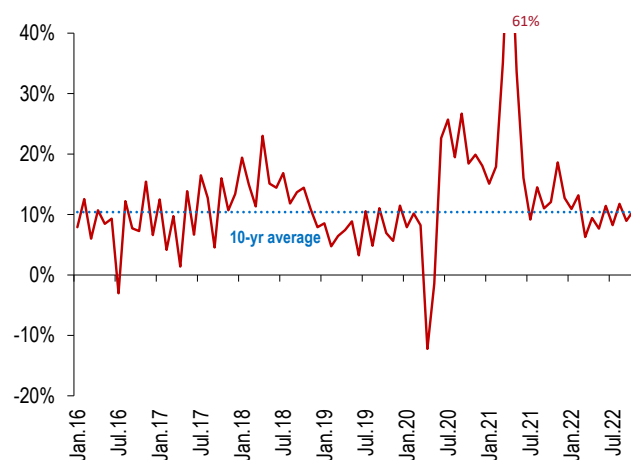
Reserve losses have stabilized in a few countries but stockpiles have continued to trend lower

**Figure 15: EM Reserve Stocks** (rolling quarterly change as share of stock)



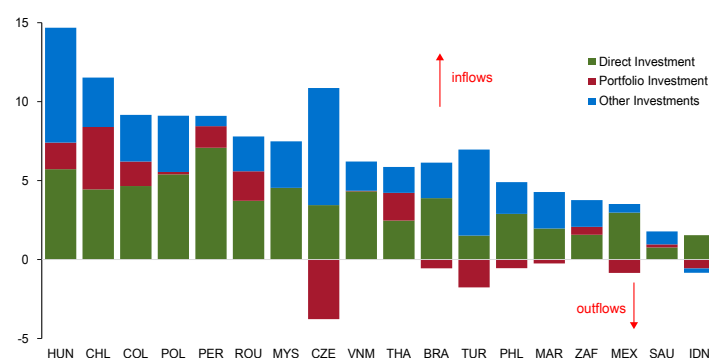
**Figure 17: Remittances, EM Median**

(y/y growth)



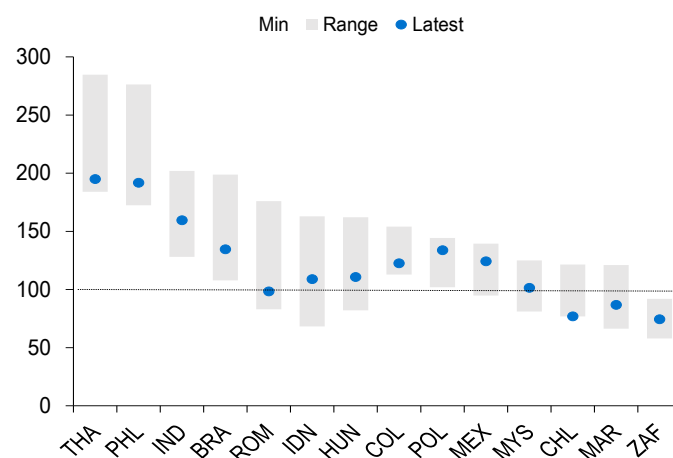
**Figure 14: External Financing Sources**

(4Q sum)

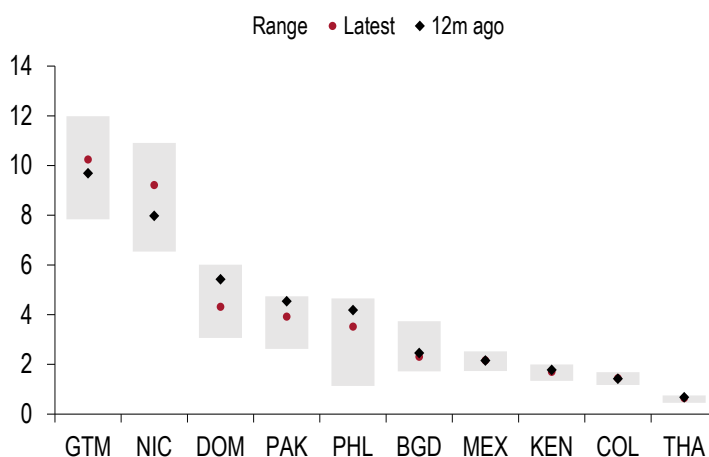


Most EMs maintain adequate buffers though a few are at lower end of historical ranges.

**Figure 16: Reserves as Share of ARA Metric** (percent, latest based on end 2022 values)

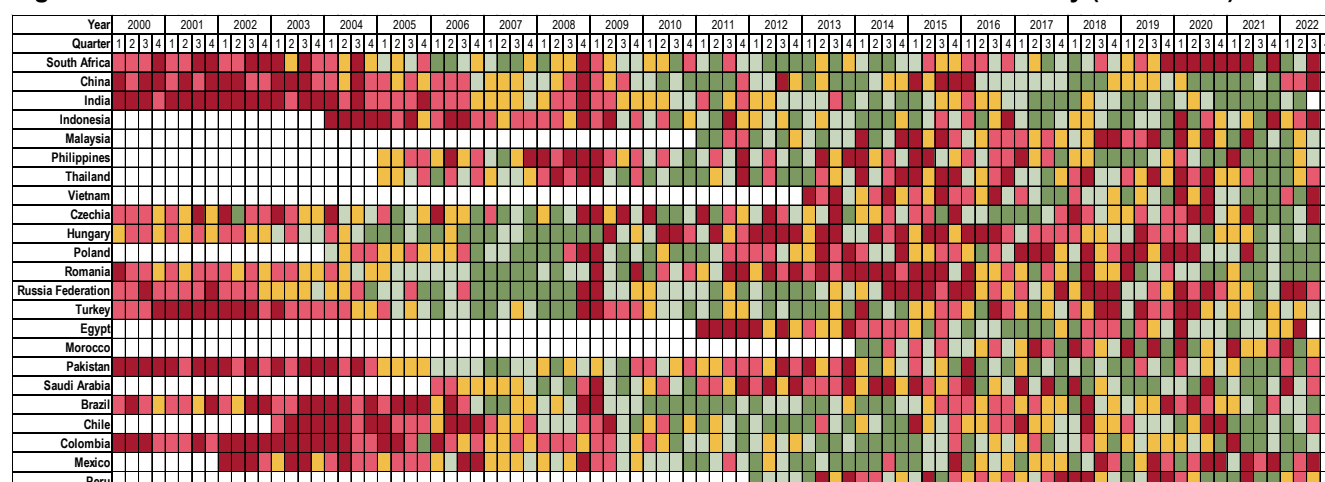


**Figure 18: Remittances as Share of GDP, 6 month sum (% of GDP, range since 2012)**

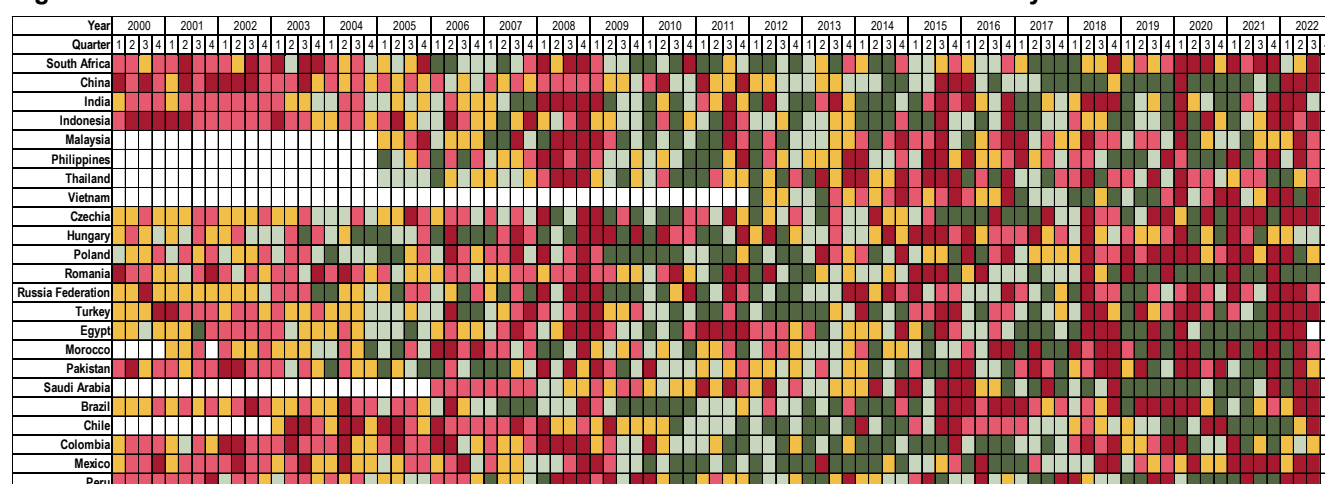


## Appendix: Long Term Heat Maps on Non-Resident Capital Flows

**Figure 19. Non-Resident BOP Flows to EMs: Percentile Rank relative to their Own History (since 2007)**



**Figure 20. Non-Resident Portfolio Flows: Percentile Rank relative to their Own History**



**Figure 22. Non-Resident FDI Flows to EMs Percentile Rank relative to their Own History (since 2000)**

