GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

EM BOP Capital Flows Monitor

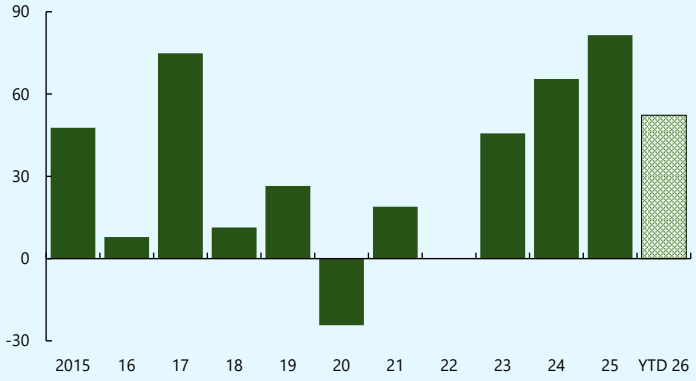
OCTOBER 28, 2026

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KEY HIGHLIGHTS

- **High-frequency data for Q3 2026 indicate that portfolio flows to EMs (excluding China) have weakened amid renewed geopolitical tensions in the Middle East, higher global yields and deterioration in risk sentiment** (Fig. 1). Nonetheless, most EMs continue to record gross inflows (Fig. 2).
- **Equity outflows persisted, while bond inflows stalled in recent weeks:**
  - Resilient inflows into local currency bonds YTD have been strong this year, in line with flows seen since 2023 (see Spotlight chart);
  - Despite positive aggregated inflows, nonresident allocation remain selective, favoring markets with stronger fiscal positions/outlooks, higher real yields, and investor-friendly measures (e.g. tax exemptions).
  - Equity flows remain subdued, continuing the weak trend observed since before the pandemic (Fig. 4).

Nonresident flows into major EM local currency bonds
(USD billion)



Sources: Bloomberg; Haver; and IMF staff calculations
Notes: LATAM = BR, MX, CL, PE, and CO; CEEMEA = HU, PL, TR, RO and ZA; ASIA = ID, IN, MY and TH. Data subject to availability as at Oct. 26, 2026.

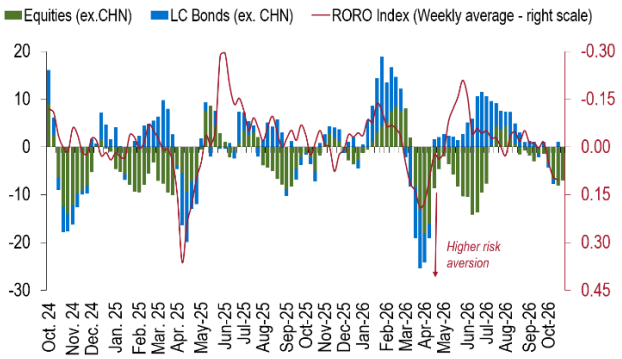
Looking back at Q2 2026: EM nonresident inflows remain resilient despite ongoing uncertainty

- **Gross capital inflows to EMs excluding China** (four-quarter rolling sum) stabilized near historical averages (Fig 4), although continued moderation in FDI and subdued portfolio equity flows weighed on the composition of flows.
- **Net capital flows** (nonresident inflows minus resident outflows) have increased gradually in recent quarters (Fig. 10) as sustained nonresident inflows have more than outpaced resident outflows.
- **Gross capital inflows into China**, on a trailing 12-month basis, remained subdued (Fig. 6) while gross capital outflows continued to hover at elevated levels (Fig. 11).

BOP Portfolio Tracking

High-frequency indicators suggest outflows from equities while inflows into bonds stalled in recent weeks

Figure 1. Weekly Local Currency Debt and Equity Inflows (USD Billion, 4-week sum; Risk Index, inverted scale)



Preliminary Q3 data point to more challenging flow dynamics, with inflows moderating from Q2 across a few major EMs while outflows intensifying for others

Figure 2. BOP Nonresident Quarterly Portfolio Inflows (USD Billion, *Quarter-to-Date for 2026-Q2, ** high frequency non-BOP data for 2026-Q1)

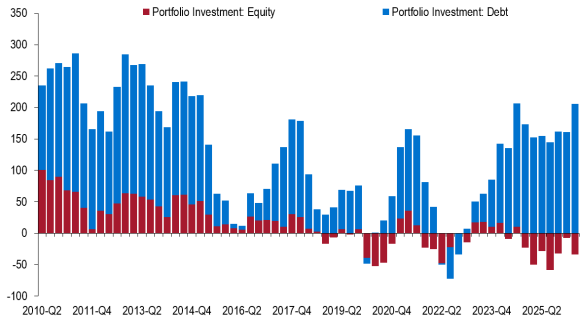
Year	2023				2024				2025				2026		
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3*
BRA	0.9	7.0	2.6	3.3	6.1	-3.4	7.8	-2.3	-3.1	6.3	7.8	6.6	15.8	-1.1	-3.2
CHL	-0.4	-0.1	4.4	0.0	2.4	0.0	1.8	0.2	3.8	1.3	2.5	3.9	5.5	5.4	7.7
CZE	0.1	2.2	1.9	-4.8	-0.3	2.8	5.3	7.6	-8.1	7.1	4.7	7.8	-2.5	1.4	0.9
HUN	5.0	3.4	2.6	5.0	4.8	-2.0	1.8	-0.2	-0.2	4.1	2.8	3.6	5.3	9.8	8.0
IND	-3.0	14.4	6.4	10.9	9.3	1.5	20.0	-10.9	-7.9	0.4	-4.4	0.1	-12.7	-10.1	0.8
POL	-0.7	7.5	-0.5	3.5	10.5	2.2	8.6	4.5	2.9	4.9	5.8	7.0	10.3	19.4	4.1
ZAF**	-1.6	-1.1	-2.3	-0.5	-2.8	-1.1	2.5	1.9	-2.9	3.8	2.3	0.2	0.5	-0.5	-1.7
IDN**	4.3	-1.8	-2.5	5.1	-0.8	4.2	10.8	-2.0	1.5	-8.0	-6.1	5.8	1.9	11.4	0.8
MYS**	-3.1	3.9	0.4	0.8	-0.5	1.5	7.8	-3.7	-2.4	8.9	-3.4	3.4	2.0	-0.5	-1.8
PHL**	0.7	0.8	0.3	0.2	-0.9	2.6	0.9	0.3	1.3	-1.4	1.4	0.2	3.3	2.5	0.6
THA**	-2.8	-3.0	-3.5	-1.0	2.2	-2.2	2.8	-5.4	-0.7	-2.4	0.2	1.2	3.4	-0.2	-1.1
MEX**	1.5	-5.0	-5.1	2.3	9.8	-6.2	2.8	-0.2	10.8	-3.0	10.4	-12.3	14.0	10.6	0.0
TUR**	-0.8	-1.1	3.1	7.1	3.5	11.6	3.0	5.2	3.4	-3.1	13.2	4.1	1.8	9.2	10.1

Please see releases of the EM Local Currency Bond Holdings Monitor and EM Hard Currency Issuance Monitor for more detail.
Comprehensive BOP data is generally lagged by a full quarter. EM includes 20 countries. Source: Bloomberg, Haver Analytics, IMF BOP, IMF staff calculations

EM BOP Nonresident Inflows (Gross Inflows)

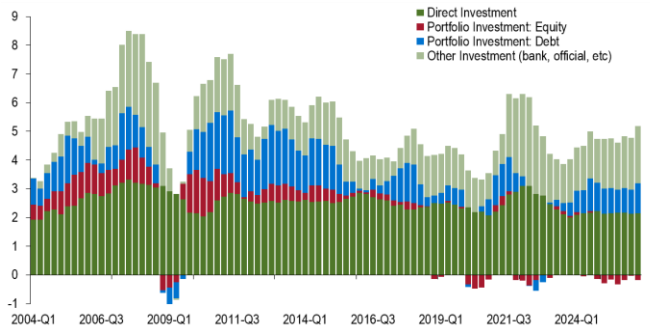
Trailing 12-month equity outflows by nonresidents continued, while debt inflows held steady through Q2

Figure 3. EMs ex-China: Nonresidentdent Portfolio
(4Q rolling sum, USD billion)



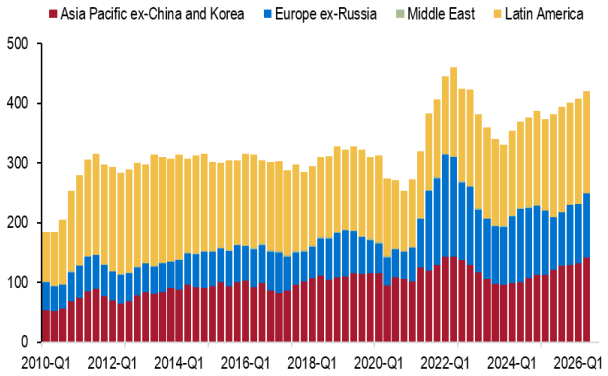
Flow composition, as a percentage of GDP, has stabilized in recent quarters, but FDI remains subdued relative to historical levels and equity flows have stalled

Figure 4. EMs ex-China: Nonresident Flows
(4Q, % of GDP)



Trailing-12-month FDI inflows, in nominal terms, continued to strengthen in Asia-Pacific ex-China and strengthened in Latin America, while Europe lagged

Figure 5. EMs ex-China: FDI Nonresidentdent Flows
(4Q rolling sum, USD billion)



Nonresident inflows into China remained at very low levels, but with tentative signs of recovery in several BOP segments

Figure 6. China Nonresident BOP Flows
(4Q % to GDP)

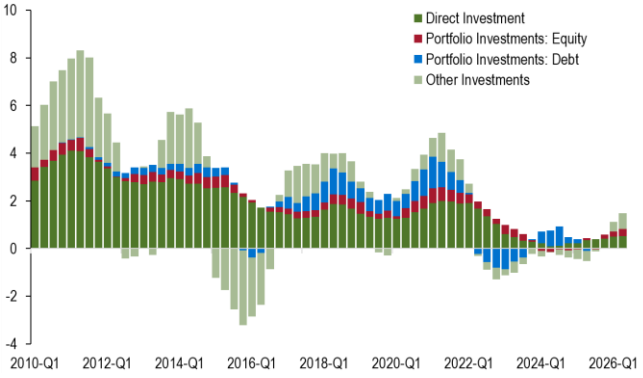


Figure 7. BOP Nonresident Flows, Composition ex-China and Russia

		Level (% of GDP)			Percentile Rank (based on 4Q)					
		Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
FDI	2025-Q3	2.1	2.2	2.5	23%	29%	14%	29%	28%	61%
	2025-Q4	1.7	2.2	2.5	20%	33%	14%	28%	41%	42%
	2026-Q1	2.5	2.1	2.5	15%	33%	14%	30%	32%	40%
	2026-Q2	2.3	2.1	2.5	16%	38%	19%	38%	42%	25%
Port. Equity	2025-Q3	-0.2	-0.3	0.2	6%	44%	28%	2%	35%	6%
	2025-Q4	0.0	-0.2	0.2	12%	39%	17%	9%	42%	11%
	2026-Q1	-0.1	0.0	0.2	21%	17%	11%	15%	51%	21%
	2026-Q2	-0.4	-0.2	0.2	11%	28%	11%	3%	49%	19%
Port. Debt	2025-Q3	1.2	0.8	0.9	51%	11%	22%	11%	55%	76%
	2025-Q4	0.6	0.9	0.9	58%	11%	28%	21%	65%	71%
	2026-Q1	1.0	0.8	0.9	54%	11%	39%	12%	49%	78%
	2026-Q2	1.5	1.1	0.9	67%	11%	28%	33%	72%	75%
Other	2025-Q3	1.5	1.6	1.4	73%	14%	14%	56%	71%	59%
	2025-Q4	2.1	1.8	1.4	79%	10%	19%	76%	69%	72%
	2026-Q1	2.0	1.8	1.4	80%	5%	14%	80%	76%	62%
	2026-Q2	2.4	2.0	1.4	87%	10%	38%	93%	78%	68%

Note: in Figure 4, other investment liabilities for India are estimated from national sources.

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

EM residents (ex-China) continued accumulating foreign portfolio assets, although the pace moderated in recent quarters

Figure 8. EMs ex China: Resident Portfolio Outflows

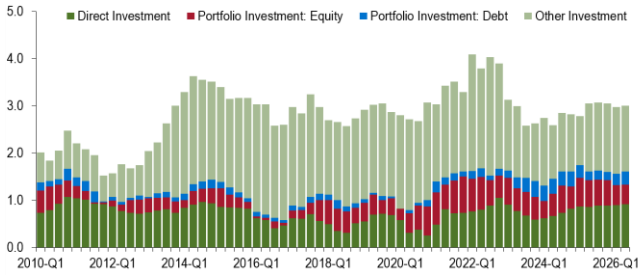
(USD Billions, *Quarter-to-Date for 2026-Q2), ** high frequency non-BOP data for 2026-Q2)

Year	2022				2023				2024				2025				2026		
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3*
BRA	1.3	-0.9	-1.5	0.9	2.0	3.4	1.3	-2.2	7.8	3.8	-1.8	-2.6	11.0	13.1	6.2	1.0	13.5	1.9	2.2
CHL	5.5	2.4	-2.2	1.9	3.2	3.2	1.1	-2.2	1.1	3.5	2.4	-1.5	5.8	3.0	3.9	6.2	6.6	5.1	2.7
CZE	0.1	-0.9	-0.4	1.5	1.5	0.8	0.1	0.9	1.6	3.1	1.6	0.8	2.3	2.0	4.7	2.6	6.3	2.6	1.4
HUN	-0.1	0.5	0.4	1.5	0.7	2.9	0.5	2.2	0.8	-0.1	2.0	2.8	1.0	-0.1	1.7	2.5	0.7	2.4	1.7
PHL	0.9	-1.2	0.7	-0.7	1.5	1.7	0.1	0.2	1.0	-1.9	1.2	0.7	4.2	-1.0	2.2	0.0	0.1	1.3	
POL	-0.7	0.0	0.1	3.9	5.0	3.0	4.7	1.9	3.6	4.5	1.0	5.4	0.8	2.1	1.2	2.9	5.6	6.6	0.0
ROU	0.3	0.2	1.0	-0.1	-0.2	1.3	0.2	0.1	-0.1	0.0	1.6	-0.3	0.2	-0.4	0.3	1.6	0.1	1.2	0.6
TUR	0.8	0.5	0.3	-0.7	1.7	-0.5	0.6	0.2	2.9	1.4	2.8	2.4	1.2	3.0	5.1	4.7	6.3	5.7	5.3

Cumulative cross-border portfolio flows from EM residents (excluding China) have stabilized as a share of GDP after gaining momentum over the past two years

Figure 9. EM BOP Resident Outflows

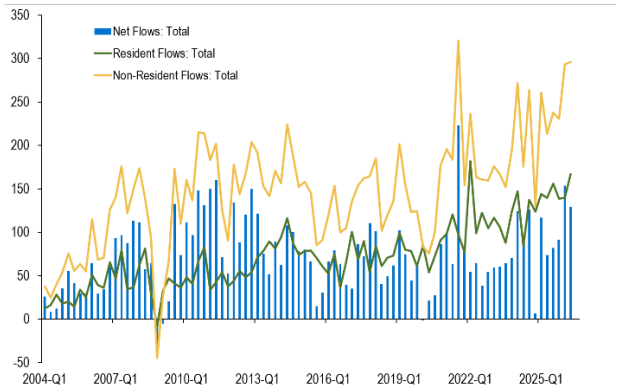
(4Q % to GDP)



Net capital inflows to EMs ex-China have increased through Q2, supported by a rebound in nonresident flows this year

Figure 10. Net Capital Flows for EMs ex China

(USD Billion)



China's resident outflows continued to rise, extending the trend that began in mid-2024

Figure 11: China Resident Outflows

(4Q % to GDP)

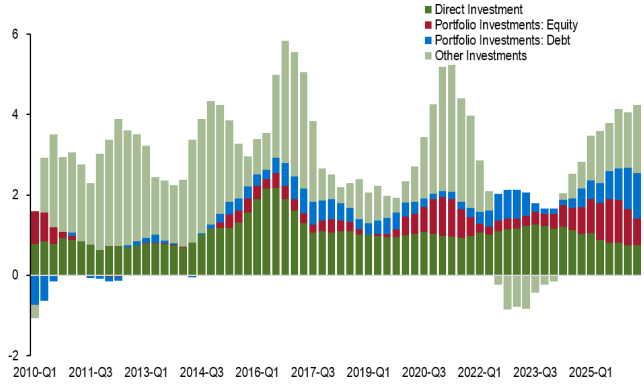


Figure 12. BOP Resident Flows ex-China and Russia *(Net Acquisition of Assets)*

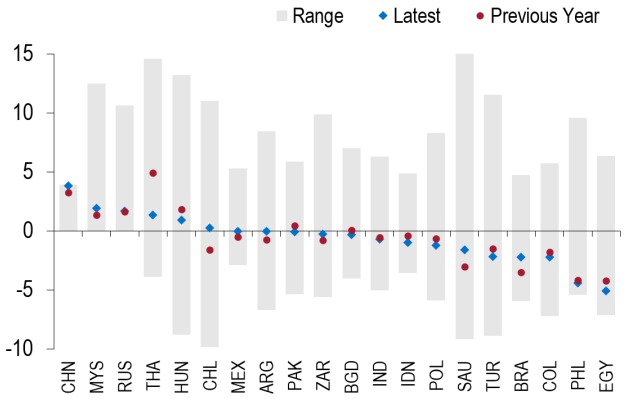
			Level (% of GDP)			Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2025-Q3	FDI	2025-Q3	0.9	0.9	0.7	75%	10%	24%	57%	80%	82%
2025-Q4		2025-Q4	1.0	0.9	0.7	75%	14%	29%	62%	69%	88%
2026-Q1		2026-Q1	0.9	0.9	0.7	72%	14%	38%	52%	67%	89%
2026-Q2		2026-Q2	1.0	1.0	0.7	84%	14%	43%	72%	64%	91%
2025-Q3	Port. Equity	2025-Q3	0.7	0.6	0.4	90%	5%	53%	82%	66%	99%
2025-Q4		2025-Q4	0.3	0.5	0.4	89%	11%	58%	44%	74%	100%
2026-Q1		2026-Q1	-0.2	0.3	0.4	54%	26%	63%	6%	16%	97%
2026-Q2		2026-Q2	0.6	0.3	0.4	60%	26%	58%	2%	35%	94%
2025-Q3	Port. Debt	2025-Q3	0.2	0.2	0.2	57%	38%	38%	24%	40%	93%
2025-Q4		2025-Q4	0.2	0.2	0.2	52%	13%	25%	31%	27%	91%
2026-Q1		2026-Q1	0.5	0.2	0.2	71%	13%	31%	40%	78%	83%
2026-Q2		2026-Q2	0.5	0.3	0.2	88%	0%	50%	62%	95%	75%
2025-Q3	Other	2025-Q3	1.5	1.4	1.2	82%	10%	38%	94%	53%	33%
2025-Q4		2025-Q4	1.2	1.5	1.2	83%	5%	33%	96%	75%	6%
2026-Q1		2026-Q1	1.5	1.5	1.2	91%	0%	33%	93%	68%	41%
2026-Q2		2026-Q2	1.3	1.4	1.2	73%	19%	24%	92%	41%	51%

Other Balance of Payments Details

Current account balance developments across EMs have been mixed, although some countries with wide deficits have shown signs of narrowing

Figure 13: Current Account Balances

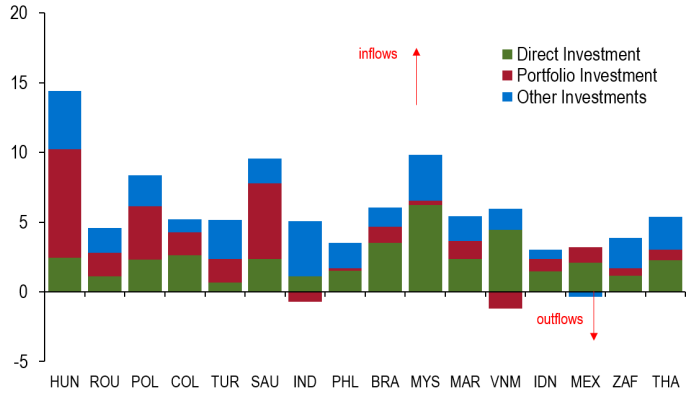
(4Q, latest and historical range as share of GDP)



FDI continues to account for a large share of major EM capital inflows, although portfolio flows have surpassed FDI in several countries

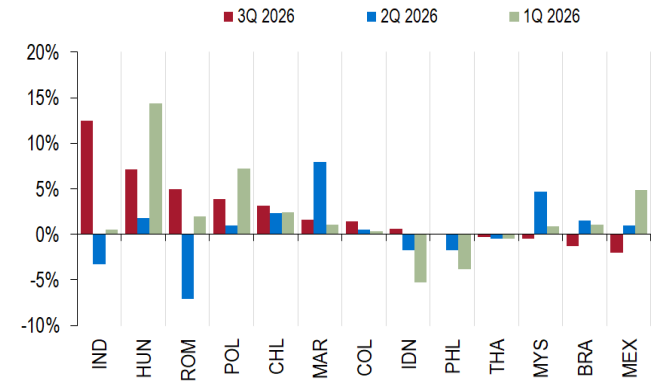
Figure 14: External Financing Sources

(4Q sum to GDP)



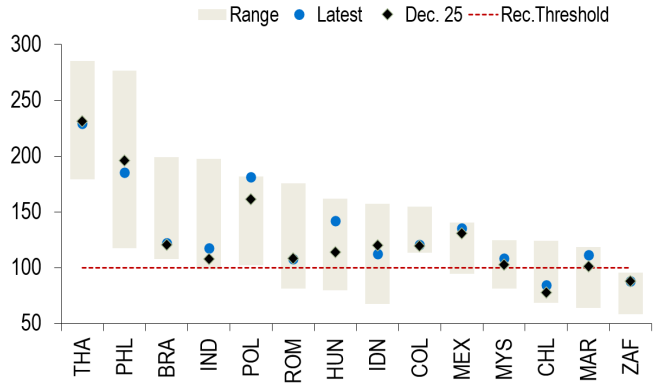
Reserve accumulation has come under pressure in some major EMs amid a more challenging external environment…

Figure 15. EM Reserve Stocks (quarterly change, percent)



… although most major EMs continue to maintain adequate buffers

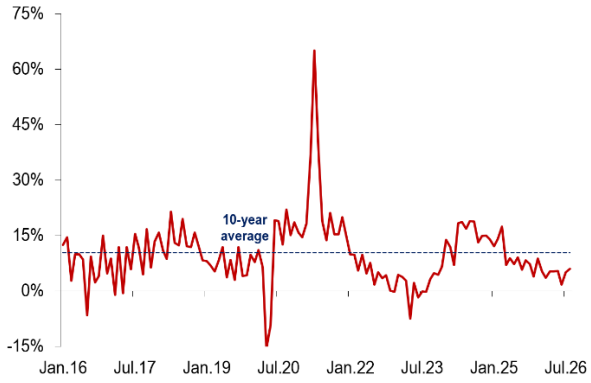
Figure 16. Reserves as Share of ARA Metric (percent, latest available for official reserve assets)



Remittance growth, while remaining near its historical average, has moderated in the past year…

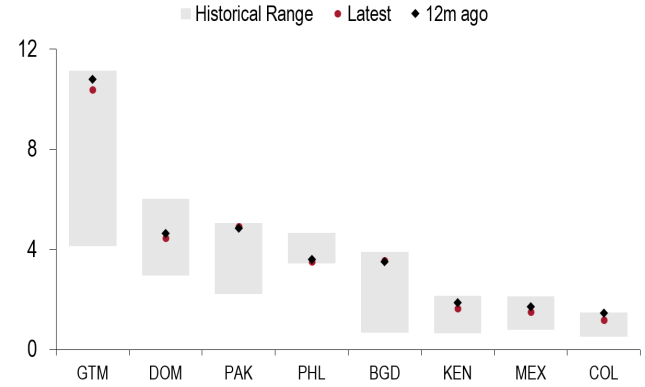
Figure 17. Remittances, EM Median

(y/y growth)



…. but levels remain elevated as a percent of GDP for most countries, compared to their historical ranges

Figure 18. Remittances as Share of GDP, 12-month rolling sum (% of GDP, range since 2012)



Appendix: Long-Term Heat Maps on Nonresident Capital Flows

Figure 19. Nonresident BOP Flows to EMs: Percentile Rank relative to their Own History

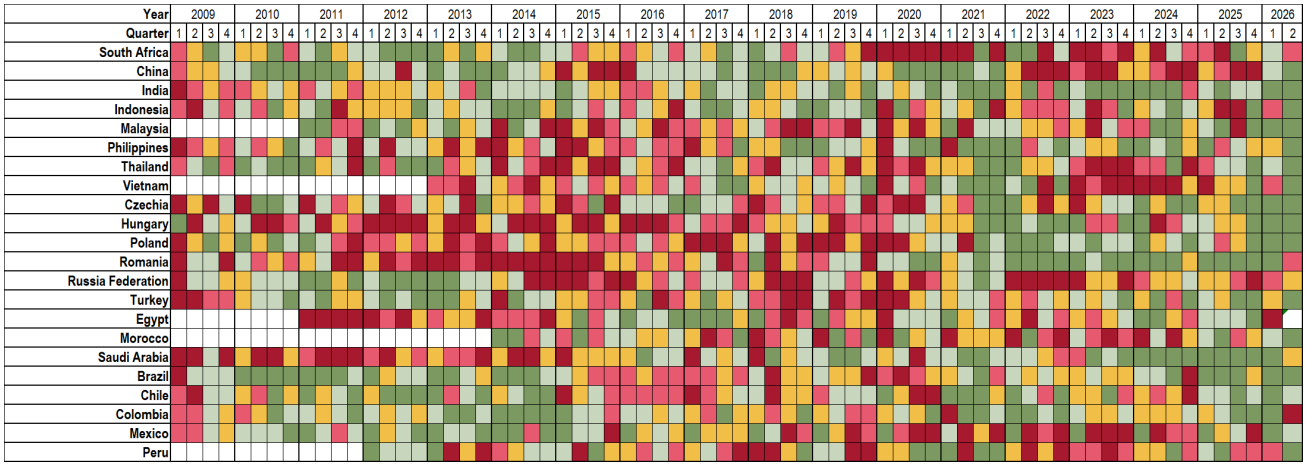


Figure 20. Nonresident Portfolio Flows: Percentile Rank relative to their Own History

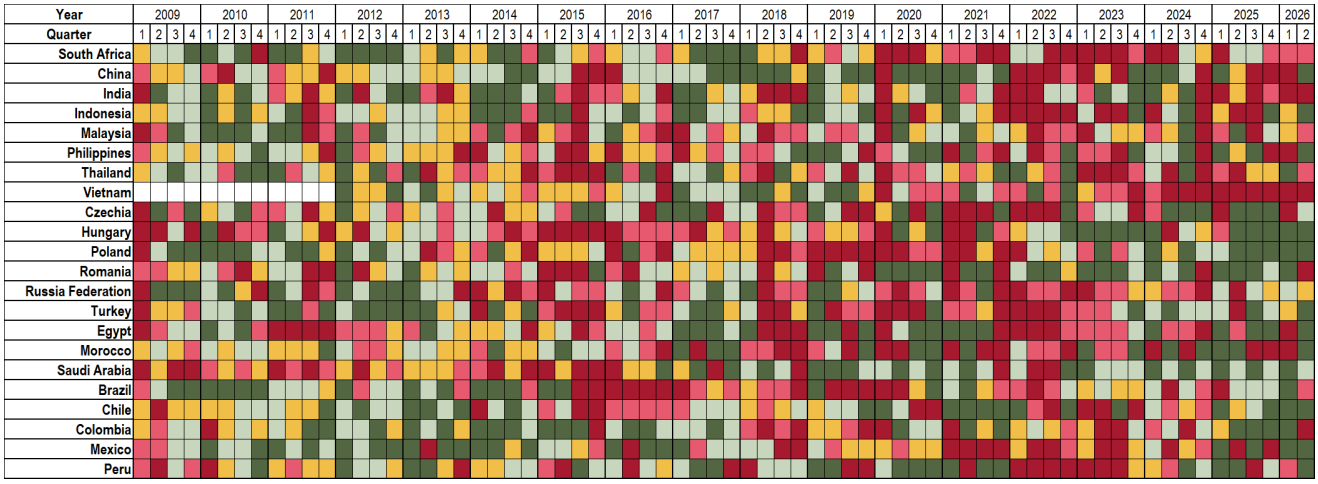


Figure 21. Nonresident FDI Flows to EMs Percentile Rank relative to their Own History

