



GLOBAL MARKETS ANALYSIS

Monetary and Capital Markets

EM LOCAL CURRENCY BOND HOLDINGS MONITOR

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SUMMARY

Daily data* show outflows in early April before some stabilization (Figure 1). Türkiye has seen very large (-\$6.8 bn) idiosyncratic outflows in April. Mexico, Indonesia, and India also had sizeable outflows amid elevated risk-off sentiment before signs of stabilization in the latter part of April. Flows to Thailand and Hungary have been fairly resilient in recent weeks.

Monthly data show strong inflows and returns in January-March before market volatility spiked (Figure 3). EM ex. China received inflows of over \$20 bn in the first quarter, helping drive returns of 4.3% on the benchmark local currency index.

- **LATAM:** Regional flows were mixed and relatively modest in March. Mexico received \$3.2 bn of inflows from February-March (\$0.6 bn March), but high frequency data suggest sizeable outflows in April. Flows were muted to Colombia and Peru. Brazil has seen small net flows over the last two months, with -\$0.1 bn in March and +\$0.3 bn in February.
- **Asia:** Net inflows accelerated in March, led by India (\$3.7 bn) and Thailand. Foreign investors bought nearly \$8 bn of Indian government bonds from December-March (\$41 bn of total foreign holdings) before net sales in April, with the central bank cutting policy rates twice in 2025 and 10y yields falling to their lowest level in three years. Thailand also has seen investor demand return since outflows in Q4, with \$0.6 bn in March, and high frequency data signaling nearly \$2 bn in net purchases in April. Inflows returned to Malaysia (\$0.7 bn), though foreign demand has been weak over the last six months. China received modest inflows in March (\$0.4 bn), with inflows to government bonds offset by sales from policy bank bonds.
- **CEEMEA:** Flows remains inconsistent and differentiated across countries, with outflows in Hungary (-\$0.7 bn) and Türkiye (-\$1.5 bn) in March. Foreign investors have sold over 40% of their stock of local currency bonds in Türkiye since late March amid political turmoil. South Africa received \$1.5 bn of inflows from February-March, mostly into fixed rate bonds, though high frequency data points to modest outflows in April.

Investor Composition: Non-resident participation has continued to edge lower (as a share of total debt) in early 2025 and 2024, though this mostly reflects large net issuance in several countries. NBFIs have stepped in YTD in Latin America and CEEMEA, though less so in Asia, where banks have played a larger role in 2025 after losing market share in 2024. Since the end of 2023, the non-resident share of debt has increased only in Egypt (T-bills only), Türkiye, Peru, India, and slightly Brazil. Broader trends are mixed, with NBFIs increasing their share of debt since end-2023 in about 60% of EMs (Figure 4, 7).

Figure 1. Weekly Local Currency (LC) Non-resident Flows (USD billion)

	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr	25-Apr	2-May
MEX	2.1	-1.0	0.1	0.0	-1.6	-0.8	0.5	
ZAF	-0.4	0.0	0.2	0.2	1.2	-1.4	-0.2	0.1
HUN	-0.4	-1.2	0.3	0.1	0.1	0.1	0.5	-0.2
UKR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	1.5	-0.4	-2.4	-2.0	-2.8	-1.0		
IDN	-0.2	0.2	-0.3		-0.4	0.2	0.7	0.0
IND	0.8	1.4	0.7	-0.2	-2.0	0.0	-0.1	-0.5
THA	0.3	0.0	0.0	0.4	0.2	0.9	0.6	-0.3

Figure 2. Flow Dispersion and Returns
(percent share, left scale; percent, right scale)

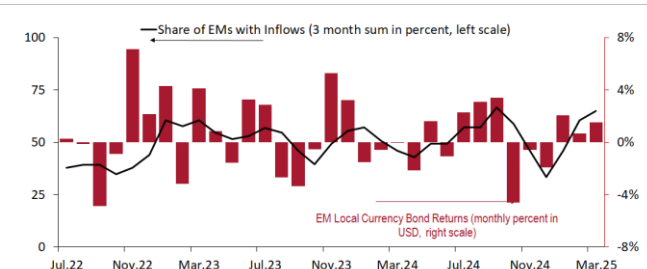


Figure 3. Local Currency Government Non-resident Debt Flows (USD billion; latest month is month-to-date)

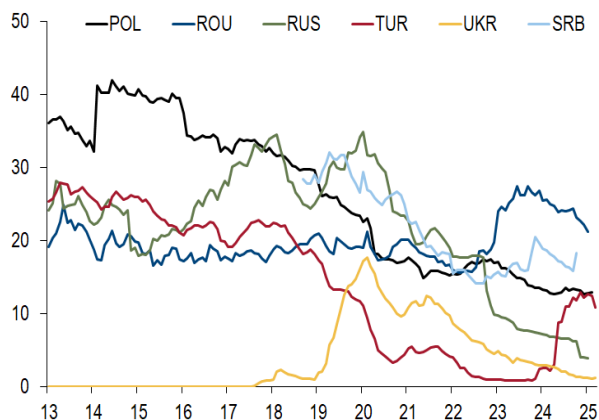
	Mar.24	Apr.24	May.24	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25 mtd	2025YTD	2024	2023
BRA	5.4	-3.2	3.3	5.5	-1.3	1.9	2.6	5.2	7.7	-9.9	-3.4	0.3	-0.1		-3.2	22.3	11.9
MEX	4.0	-0.6	0.6	0.6	-2.2	1.9	2.9	-3.6	-0.5	3.4	-1.4	2.4	0.8	-2.4	-0.6	2.1	5.0
CHL	-0.8	0.2	-0.1	-0.1	0.5	0.4	0.4	-0.6	-0.2	-0.7	0.3				0.3	-2.3	0.6
PER	0.0	0.8	0.1	-0.9	1.1	0.7	0.9	0.1	0.3	0.3	0.6	0.9	0.0		1.4	3.3	-0.3
COL	0.7	0.3	0.3	0.0	-0.4	0.5	-0.7	-0.1	-0.6	-0.4	0.5	0.6	0.0		1.2	-1.0	-2.5
HUN	-2.7	1.0	0.8	-2.1	0.7	-0.5	-1.6	0.7	-1.6	-1.5	1.4	0.6	-0.7	0.9	2.3	-2.5	1.8
POL	-0.3	-0.3	0.4	1.2	2.1	-0.5	1.5	-0.3	0.5	-0.5	1.7	1.7			3.4	4.1	-3.2
TUR	-0.3	0.9	6.8	0.7	2.9	0.6	2.2	0.2	2.3	-0.4	1.6	0.5	-1.5	-6.8	-6.2	16.1	2.0
ROU	0.1	-0.3	0.0	0.2	0.7	0.4	0.5	-0.7	-0.9	0.1	-0.7				-0.7	0.1	7.4
SRB	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.2	-0.1	0.0	0.0	0.1	0.0	0.0
UKR	0.0	0.0	-0.1	-0.1	0.0	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.6	-0.4
ZAF	0.0	0.3	1.8	-0.5	0.7	-0.2	1.3	0.5	-1.2	1.2	0.2	0.8	0.6	-0.1	1.4	4.3	2.9
EGY	24.7	3.2	1.6	-0.1	0.3	-0.7	0.0	2.5	-0.6	-4.5	3.2				3.2	27.3	6.6
GHA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
MYS	0.4	0.2	0.9	-0.1	1.4	1.8	0.1	-2.6	-0.1	-0.4	0.4	-0.4	0.7		0.8	0.4	5.9
IND	2.2	-1.9	1.0	2.1	2.6	2.8	2.3	-0.3	-0.1	1.6	1.4	1.4	3.7	-2.8	3.6	17.2	8.4
IDN	-1.7	-1.3	1.1	0.1	0.3	2.5	1.2	1.0	-0.8	0.3	0.3	0.5	0.1	0.5	1.4	2.3	5.4
THA	-0.3	-0.7	0.5	-0.3	0.8	0.8	0.1	-1.0	-0.9	0.4	-0.4	0.1	0.6	1.7	2.1	-1.1	0.3
CHN	-11.7	1.5	10.8	-0.8	3.5	4.8	-17.8	-13.1	-5.0	-6.2	-8.0	0.8	0.4	0.0	-6.8	-25.0	5.8
EM ex. CHN	31.3	-1.4	18.8	6.1	10.1	12.3	13.7	0.9	3.1	-11.1	6.0	9.3	4.2	-9.0	10.6	92.2	51.8

Figure 4. Local Currency Government Debt Holdings: Investor Composition

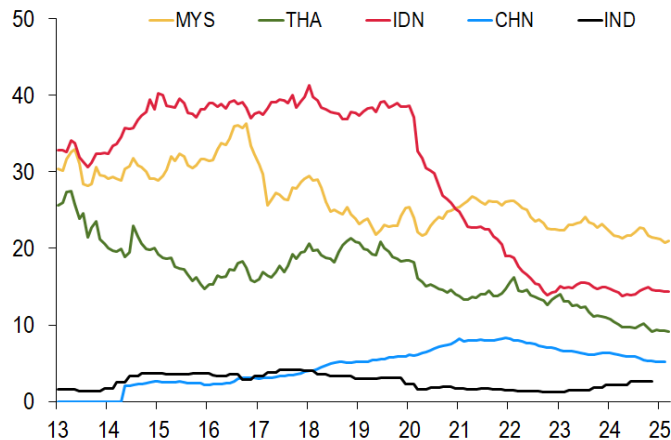
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2022 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)
BRA	121	10	-0.6	0.1	0.3	30	1.0	0.8	1.3	50	0.0	-1.0	-1.2
MEX	92	14	0.0	-2.2	-3.5	9	1.6	-0.9	-2.5	53	0.8	3.1	5.9
COL	26	17	-0.3	-4.3	-8.8	15	-0.6	2.4	1.0	47	0.4	5.3	12.3
PER	20	43	2.3	6.8	2.0	18	-1.5	-3.1	-3.1	15		-0.8	
POL	41	13	0.3	-0.6	-4.0	47	1.4	3.4	5.7	13	-0.6	-0.3	0.1
TUR	16	11	-1.4	8.4	9.9	60	-1.8	-15.4	-12.7	17	2.8	7.7	6.7
ROU	17	21	-1.0	-5.6	1.4	42	0.6	4.7	-1.1	25	0.2	0.5	0.8
GEO	0.1	1	-0.2	-1.5	-3.1	71	1.9	14.6	13.8	13	0.2	1.5	4.5
CHN	420	5	-0.2	-1.2	-1.9	61	0.2	-2.1	-0.5	22	-0.3	-0.3	-1.0
IDN	54	14	-0.2	-0.6	-0.1	18	0.6	-8.5	-14.0	22	-0.1	0.4	2.8
MYS	59	21	-0.3	-1.7	-1.5	29		-2.5	-1.8	37		0.9	3.0
THA	25	9	-0.2	-1.8	-4.5	26	0.4	2.1	3.8	6	-0.5	-0.8	-1.4
IND	28	3		0.9	1.4	39		-1.0	0.6	37		0.8	1.1
ZAF	55	25	0.4	-0.3	-0.6	21	0.1	1.0	-0.6	53	-0.5	0.3	2.2
EGY	35	42	0.0	27.2	30.1	31		-9.6	-11.9	8		-10.2	-9.8

Figure 5. Regional Look: Non-resident Share of Domestic Government Debt

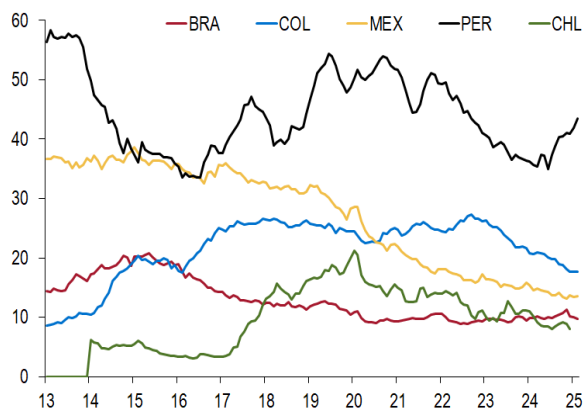
a. Eastern Europe (percent share)



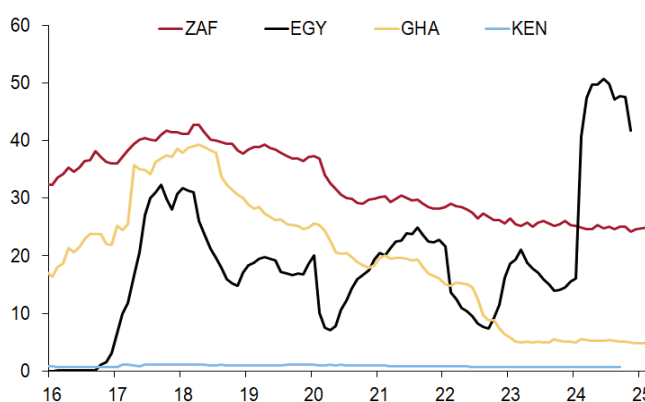
b. Asia (percent share)



c. Latin America (percent share)



d. Africa (percent share)



Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries. Data on NBFIs refers to insurance, pension (including public), and investment funds where specifically available, but exact categorization may differ across countries. South Africa includes 'other financial institutions' alongside pension funds and insurance for NBFIs.

Figure 6. Cumulative Non-resident Flows into Local Currency Govt. Bonds Since 2009 (USD billion)

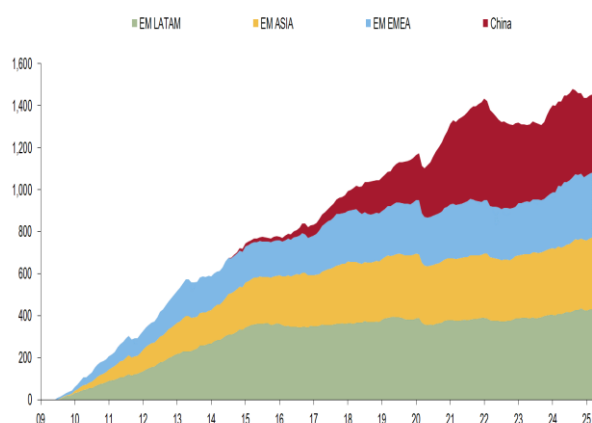


Figure 7. Contribution of Flows and Debt Issuance to Change in Foreign Share Since Dec. 2023 (%)

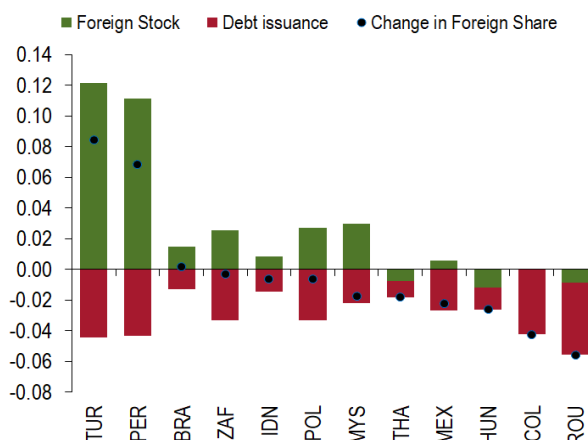


Figure 8. Non-resident Flows as Share of Foreign Holdings (USD billions; YTD figures may differ from monthly to due high frequency data).

	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	2025 YTD
BRA	1.0%	4.3%	-2.5%	2.7%	4.5%	-1.1%	1.6%	2.1%	4.1%	6.1%	-7.7%	-3.0%	0.3%		-2.7%
MEX	-3.1%	4.0%	-0.6%	0.6%	0.6%	-2.2%	2.1%	3.2%	-3.9%	-0.6%	4.0%	-1.6%	2.7%	0.9%	-0.9%
CHL	-7.5%	-11.0%	2.8%	-1.3%	-0.9%	7.4%	5.5%	5.4%	-7.3%	-3.2%	-10.1%	4.1%			14.5%
PER	-0.9%	-0.1%	5.5%	0.4%	-5.7%	7.5%	4.7%	5.3%	0.8%	1.6%	1.9%	3.2%	4.9%	-0.2%	8.0%
COL	0.4%	2.6%	0.9%	1.2%	-0.1%	-1.7%	1.9%	-2.5%	-0.4%	-2.5%	-1.8%	2.3%	2.4%	0.1%	5.0%
HUN	6.9%	-12.9%	5.5%	4.1%	-10.7%	4.1%	-2.9%	-8.6%	4.1%	-10.1%	-10.9%	12.0%	4.4%	-4.5%	20.5%
POL	1.0%	-0.9%	-0.8%	1.1%	3.7%	6.1%	-1.4%	4.1%	-0.7%	1.3%	-1.3%	4.8%	4.3%		9.4%
TUR	2.5%	-11.7%	36.2%	205.3%	6.7%	27.5%	4.1%	16.1%	1.3%	14.3%	-2.2%	9.4%	2.7%	-8.1%	-35.8%
ROU	2.6%	0.4%	-1.8%	-0.1%	0.9%	4.1%	2.3%	2.4%	-3.2%	-4.7%	0.5%	-4.0%			-4.0%
SRB	13.7%	-3.8%	-3.4%	-1.9%	-2.0%	-2.4%	-3.3%	-0.5%	-6.1%	-0.9%	-2.6%	17.2%			17.2%
UKR	-1.8%	-2.1%	-1.9%	-11.9%	-11.6%	-3.3%	-14.7%	-8.3%	-6.9%	-0.6%	-9.7%	0.5%	-6.6%	0.0%	-6.2%
ZAF	0.0%	0.1%	0.7%	3.7%	-1.0%	1.4%	-0.3%	2.5%	0.8%	-2.2%	2.4%	0.3%	1.4%	1.1%	2.3%
EGY	-0.7%	180.9%	9.5%	4.5%	-0.4%	0.7%	-1.9%	0.1%	7.1%	-1.6%	-12.1%	10.1%			10.1%
GHA	1.7%	-0.6%	-0.1%	-0.1%	0.1%	2.6%	1.4%	-1.4%	2.9%	-2.5%	-1.8%	1.4%			1.4%
MYS	-0.6%	0.7%	0.5%	1.8%	-0.3%	2.6%	3.1%	0.1%	-3.9%	-0.2%	-0.7%	0.7%	-0.7%	1.3%	1.3%
IND	7.8%	7.3%	-6.3%	3.3%	6.9%	8.5%	7.4%	6.1%	-0.9%	-0.3%	4.1%				10.7%
IDN	-0.6%	-3.1%	-2.5%	2.2%	0.1%	0.6%	5.1%	2.2%	1.7%	-1.5%	0.5%	0.5%	1.0%	0.2%	1.3%
THA	-1.7%	-1.0%	-2.9%	2.2%	-1.2%	3.3%	3.1%	0.5%	-3.5%	-3.3%	1.4%	-1.4%	0.6%	2.5%	9.4%
CHN	-0.5%	-2.5%	0.3%	2.4%	-0.2%	0.8%	1.1%	-3.9%	-2.9%	-1.2%	-1.5%	-1.9%	0.2%	0.1%	-1.6%

Figure 9. Non-resident Flows into Chinese Local Currency Bonds, by Sector (USD billions)

