



SUMMARY

Daily data* suggests local currency bond flows strengthened in late August after a choppy start to the month. South Africa and Hungary saw inflows resume after several weeks of outflows. Flows to Thailand and Mexico also stabilized after brief outflows. Inflows to India softened early in the month but improved again last week. Conversely, four strong weeks of inflows to Indonesia appear to have stalled.

Monthly inflows continued through July in EM ex. China (\$8.2 billion) despite outflows from Latin America (Figure 3). China saw inflows resume in July amid an uneven year despite net inflows YTD (\$12.3 bn).

- **LATAM:** Regional outflows were the largest since July 2023, with outflows from Brazil (-\$1.3 billion), Mexico (-\$2.2 billion), and Colombia (-\$0.4 billion). High frequency data signals a modest rebound in Mexico in August. Peru erased outflows in June with \$1.1 bn of inflows in July.
- **Asia:** Large inflows continued through July and early August. Malaysia (\$1.4 billion), India (\$2.6 billion), Indonesia (\$0.3 billion), and Thailand (\$0.8 billion) all received sizeable inflows in July after a weak first half of 2024. Preliminary data show continued inflows through August, notably in Indonesia. India continues to attract robust debt inflows, with net foreign buying for 21 consecutive months, as the country's bonds began being phased into the JPM GBI-EM bond index as of June.
- **CEEMEA:** Bond flows were generally positive despite some differentiation across countries. Turkey received inflows (\$3.0 billion) for the fourth consecutive month in July, with early data suggesting continued inflows in August. Poland received a third month of inflows, with \$2.1 billion in July. Modest inflows to Hungary (\$0.7 billion) appear to have reversed in August. South Africa received small inflows in July (\$0.7 billion). Lagged data showed another strong month of foreign inflows into Egyptian Treasury bills in May and over \$30 billion YTD.

Investor Composition: Turkey and Egypt have seen sharp increases in foreign participation in 2024, with foreigners now owning close to 50% of Treasury bills in the latter (Figure 4). Several other countries have seen modest increases in foreign ownership, notably Brazil, Peru, Georgia, and India. Elsewhere, banks have taken on a larger financing role in Colombia, Peru, Poland, Romania, Georgia, and Thailand. NBF debt absorption has eased somewhat this year despite significant net buying since 2022, though in Colombia, Turkey, and South Africa the nonbank sector has continued to increase debt share. Declining bank and foreign ownership in Indonesia has been offset by increased central bank buying.

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

	26-Jul	2-Aug	9-Aug	16-Aug	23-Aug	30-Aug
MEX	-1.82	1.93	0.92	0.25	-0.93	0.13
ZAF	-0.04	-0.82	-0.05	-0.16	-0.09	1.11
HUN	-0.47	-0.30	-0.74	0.85	-0.36	0.32
UKR	-0.02	-0.03	-0.03	-0.03	-0.03	-0.01
TUR	1.36	-0.16	0.02	1.40	-1.03	0.68
IDN	0.01	0.28	0.38	0.58	1.36	0.00
IND	0.41	1.12	0.19	0.29	0.39	0.63
THA	0.57	0.63	0.99	-0.77	0.12	0.00

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

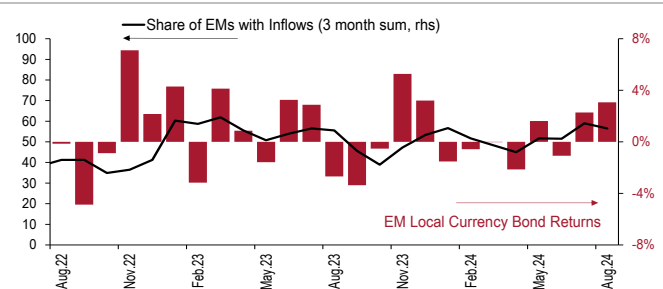


Figure 3. Local Currency Government Non-resident Debt Flows (USD bn; latest month is month to date)

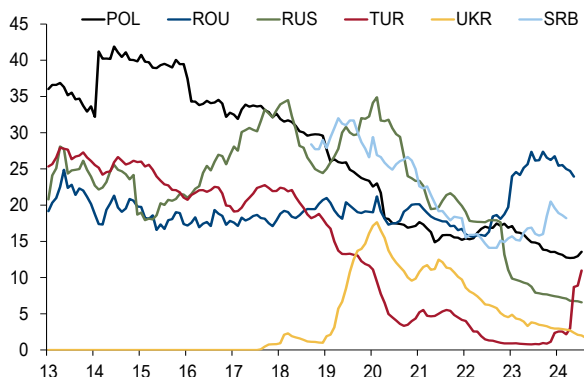
	Jul.23	Aug.23	Sep.23	Oct.23	Nov.23	Dec.23	Jan.24	Feb.24	Mar.24	Apr.24	May.24	Jun.24	Jul.24	Aug.24	2024YTD	2023	2022
BRA	-4.1	2.5	4.4	4.6	0.1	-2.0	3.8	1.2	5.4	-3.2	3.3	5.5	-1.3		14.8	11.9	-7.2
MEX	0.3	0.5	-0.1	0.7	1.0	4.9	-1.2	-3.2	4.0	-0.6	0.6	0.6	-2.2	1.3	-0.7	5.0	3.9
PER	-0.5	-0.5	0.4	-0.2	0.0	0.0	0.0	-0.1	0.0	0.8	0.1	-0.9	1.1		1.0	-0.3	-1.9
COL	-0.4	-0.4	-1.1	0.1	0.4	-0.4	-0.6	0.1	0.7	0.3	0.3	0.0	-0.4		0.3	-2.5	4.8
HUN	1.0	0.3	-2.3	2.4	-0.1	-3.3	3.1	1.4	-2.7	1.0	0.8	-2.1	0.7	-0.5	1.6	1.7	2.8
POL	0.3	-0.3	-1.2	0.1	-0.2	0.7	0.0	0.3	-0.3	-0.3	0.4	1.2	2.1		3.4	-3.2	4.9
CZE	1.7	0.0	0.6	-1.4	-0.4	10.8	-0.7	0.4	0.7	-1.1	0.2	-4.0	-2.2		-6.7	15.9	4.0
RUS	-1.5	-0.4	-0.2	-0.1	0.0	-0.2	0.0	-0.3	0.0	-0.6	0.0	0.0	-0.6		-1.5	-6.2	-16.4
TUR	0.0	0.0	0.5	0.0	0.3	1.3	0.3	0.1	-0.4	0.9	6.6	0.7	3.0	1.6	12.7	2.0	-2.2
ROU	0.1	0.3	0.2	-0.7	0.1	0.8	-0.4	0.5	-0.1	-0.3	0.0				-0.2	7.4	2.4
SRB	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	-0.1	-0.1	0.0	0.0			0.2	0.0	-0.4
UKR	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1	-0.4	-0.4	-1.1
ZAF	1.0	-0.5	-0.3	0.7	1.7	-1.6	0.3	0.0	0.0	0.3	1.8	-0.5	0.7	-0.2	2.5	2.9	0.3
EGY	0.1	0.0	0.0	-0.4	0.4	0.1	1.0	-0.1	24.7	3.2	1.6				30.4	6.6	-8.3
GHA	0.0	0.0		-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		-0.1	-0.1	-1.8
MYS	1.9	-1.1	0.0	-0.4	1.3	-0.5	-0.8	-0.3	0.4	0.2	0.9	-0.1	1.4		1.7	5.9	-1.9
IND	0.4	0.9	0.2	0.8	1.7	2.4	2.5	2.2	-1.9	1.0	2.1	2.6	2.0		12.9	8.4	-2.0
IDN	0.6	-0.6	-1.5	-0.8	1.5	0.5	0.0	-0.3	-1.7	-1.3	1.1	0.1	0.3	2.5	0.7	5.4	-9.0
THA	1.0	-1.1	-0.6	0.5	0.5	-0.3	-0.1	-0.4	-0.3	-0.7	0.5	-0.3	0.8	0.8	0.3	0.3	6.2
CHN	-7.2	-6.0	-1.9	5.8	22.9	16.8	11.2	-2.3	-11.7	1.5	10.8	-0.8	3.5		12.3	5.8	-60.0
EM ex. CHN, CZE	0.0	-0.1	-1.7	7.1	8.7	2.5	8.0	1.3	32.1	-2.3	18.7	6.2	8.2	7.4	79.5	44.8	-26.7

Figure 4. Local Currency Government Debt Holdings: Investor Composition

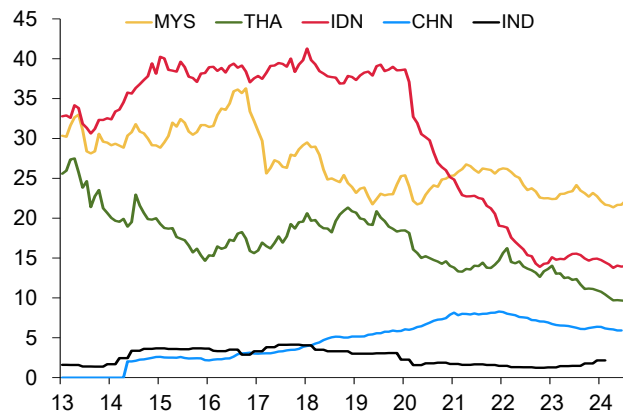
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)
BRA	118	10	0.3	0.5	31	0.9	1.4	49	-1.5	-1.8
MEX	94	14	-2.2	-3.5	10	-0.2	-1.8	50	-0.1	2.8
COL	27	20	-1.9	-6.5	15	2.1	0.6	45	3.5	10.5
PER	16	37	1.0	-3.8	30	2.1	5.5	9	-6.5	-5.7
POL	37	14	0.0	-3.3	45	1.7	4.0	14	0.0	0.4
TUR	13	11	8.6	10.0	65	-10.8	-8.1	12	3.4	2.3
ROU	18	24	-2.8	4.2	41	3.5	-2.2	24	-0.7	-0.4
CZE	38	29	-6.5	2.2	40	7.0	0.3	24	-0.7	-2.9
GEO	0	3	0.5	-1.0	66	9.4	8.6	12	0.3	3.3
CHN	449	6	-0.4	-1.1	63	-0.5	1.2	23	0.3	-0.4
IDN	50	14	-0.4	0.1	19	-7.3	-12.8	22	0.4	2.9
MYS	57	22	-0.6	-0.3	30	-1.4	-0.6	36	-0.2	1.9
THA	24	10	-1.3	-4.0	27	2.3	4.0	6	-0.4	-0.9
IND	28	2	0.4	0.9	41	0.2	1.8	36	-0.3	0.0
ZAF	52	25	-0.3	-0.6	20	0.0	-1.6	54	0.9	2.8
EGY	38	50	35.3	38.2	23	-17.4	-19.7	12	-6.6	-6.2

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

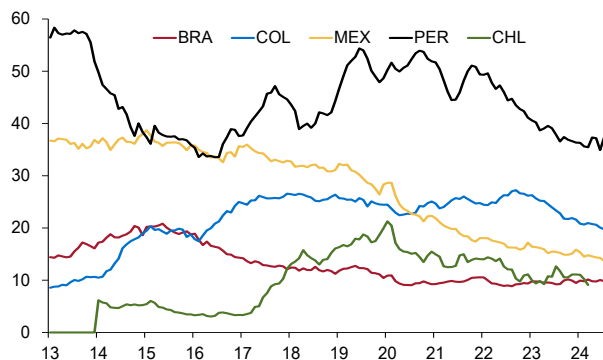
a. Eastern Europe (percent share)



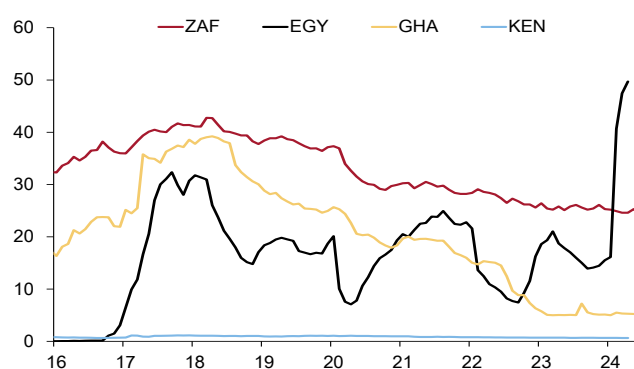
b. Asia (percent share)



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 LC Government Bonds Since 2009 (USD billions)

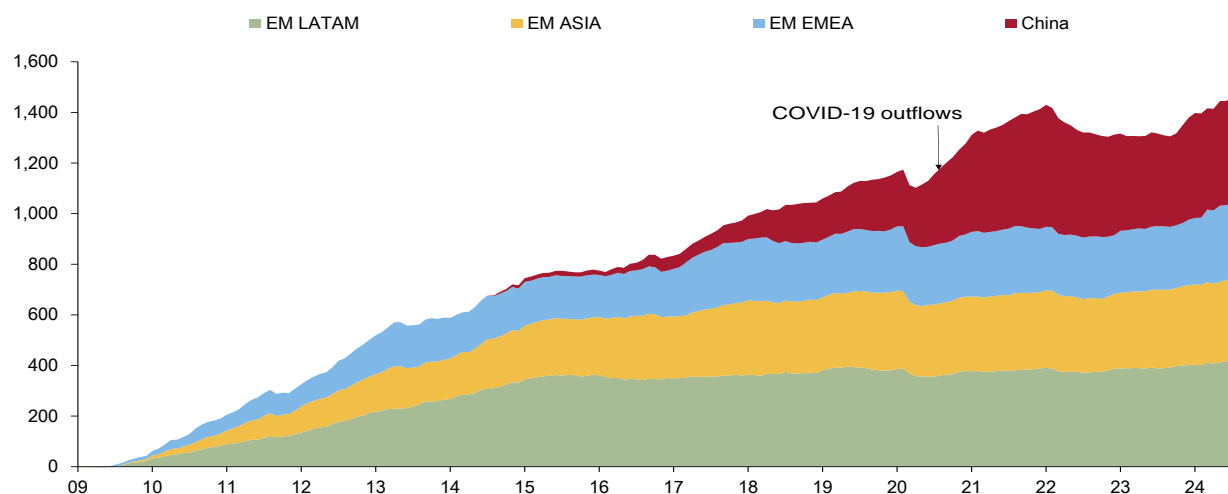


Figure 7. Regional Look: Non-resident Share of Domestic Government Debt

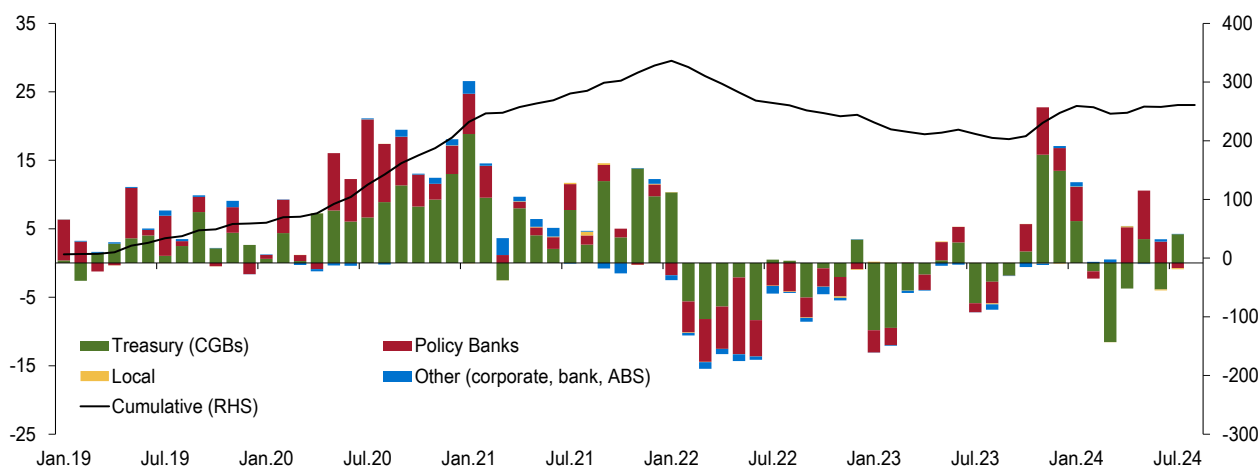


Figure 8. Non-resident Flows into Chinese Local Currency Bonds, by Sector (USD billions)*

