



SUMMARY

Inflows into EM local currency bonds have continued in August, notably in Hungary, South Africa, and India (Figure 1, partial data*). Despite fading over the last week, strong inflows early in the month should see India register net inflows for August. Elsewhere in Asia, flows to Indonesia and Thailand have been choppy, with modest net outflows for the latter in August. Inflows to Mexico have reversed in recent days, pointing towards small net outflows for the month. Returns on the EM local currency bond index were positive in August (Figure 2), rebounding from July, as the dollar broadly weakened against EM currencies.

July saw a third consecutive month of aggregate inflows into EM local currency bonds. Notable exceptions include Colombia and China, which saw sizeable outflows (Figure 3). 65% of countries in our sample have seen net inflows YTD, led by Brazil, Egypt, India, and Indonesia in USD, and Egypt, Hungary, South Africa, and Malaysia in GDP terms. The aggregate 12-month pace of inflows (to GDP) has slowed somewhat but has remained relatively strong compared to recent years (Fig 7).

- **LATAM:** Flows were mixed in July, with Colombia seeing large outflows (-\$1.5 bn), while Brazil saw a fourth consecutive month of inflows (\$1.2 bn). Outflows for Colombia were nearly three standard deviations below average since 2020. Flows to Mexico continued to lag, with outflows of \$0.5 bn in July and nearly \$5 bn since April (-\$3 bn YTD).
- **Asia:** Flows ex. China improved somewhat in July but remained negative, while China saw large outflows of over \$17 bn. Malaysia saw a second month of outflows at -\$1.2 bn (vs -\$1.4 bn in June), while flows to Thailand stabilized but remained negative at -\$0.1 bn in July (-\$0.2 bn month to date in August). After small net inflows in July (\$0.1 bn) to India, early August data showed improvement at \$1.4 bn month to date. China saw large outflows of nearly \$18 bn in July between government and policy bank bonds, bringing YTD flows to -\$20.3 bn.
- **CEEMEA:** Flows have remained inconsistent though Hungary and Türkiye saw inflows rebound in July. Hungary received inflows of \$2 bn in July and \$1.9 bn month to date in August. Türkiye rebounded with \$2.3 bn of inflows in July, with high frequency data showing further inflows in August. After modest outflows in July (-\$0.4 bn), South Africa saw renewed nonresident purchases in August.

Investor Composition: Non-resident ownership has drifted lower YTD in most EMs, with resident banks gaining market share (Figures 4 and 5). Notably, Colombia, Mexico, Romania, and especially Türkiye (-4 ppt) have seen the foreign share of LC debt fall this year. Elsewhere, the modest decline in foreign ownership amid mostly positive inflows highlights the role of sizeable domestic issuance. NBFIs have stepped up in Türkiye and banks have gained in Colombia, while in Mexico both banks and NBFIs have increased their ownership share. Only in Egypt and Peru have nonresidents increased their share of debt significantly this year, though in both countries data is lagged by several months. Elsewhere, the median EM has seen banks gain more than 1 ppt in debt share. NBFI demand has been more mixed, with no clear regional pattern.

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

	4-Jul	11-Jul	18-Jul	25-Jul	1-Aug	8-Aug	15-Aug	22-Aug	29-Aug
MEX	1.43	-1.9	-0.5	-0.6	1.3	0.7	-0.1	-0.9	
ZAF	0.23	0.5	-1.5	0.5	0.2	0.3	0.6	0.3	-0.1
HUN	0.57	-0.9	-0.2	0.0	0.7	-0.4	0.5	0.9	0.8
UKR	-0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	2.38	-0.5	0.0	0.3	0.0	-0.4	1.1	0.1	
IDN	0.76	0.2	-0.1	0.1	0.2	-0.1	1.0	-0.3	0.1
IND	1.06	-0.2	0.4	-0.5	0.3	0.2	1.0	0.1	0.0
THA	-0.18	-0.1	0.0	0.1	-0.1	0.1	-0.2	-0.1	0.0

Figure 2. EM LC Bond Returns (percent, JPM GBI-EM index)

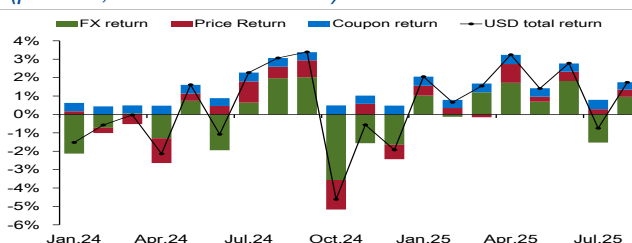


Figure 3. Local Currency Government Non-resident Debt Flows (USD billion; latest month is month-to-date)

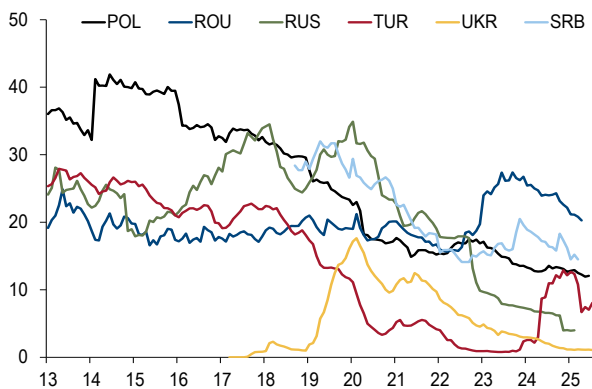
	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25	Jul.25	Aug.25 mtd	2025YTD	2024
BRA	-1.3	1.9	2.6	5.2	7.7	-9.9	-3.4	0.3	-0.1	3.3	2.9	3.4	1.2		7.5	22.3
MEX	-2.2	1.9	2.9	-3.6	-0.5	3.4	-1.4	2.4	0.8	-1.3	-2.4	-0.2	-0.5	-0.4	-3.0	2.1
DOM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		-0.1	-0.1
PER	1.1	0.7	0.9	0.1	0.3	0.3	0.6	0.9	0.0	-0.2	0.3				1.6	3.3
COL	-0.4	0.5	-0.7	-0.1	-0.6	-0.4	0.5	0.6	0.0	0.0	0.4	0.2	-1.5		0.3	-1.0
HUN	0.7	-0.5	-1.6	0.7	-1.6	-1.5	1.4	0.6	-0.7	1.3	0.6	-1.5	2.0	1.9	5.6	-2.5
POL	2.1	-0.5	1.5	-0.3	0.5	-0.5	1.7	1.7	-0.4	-0.5	-0.4	1.4			3.5	4.1
TUR	2.9	0.6	2.2	0.2	2.3	-0.4	1.6	0.5	-1.5	-5.6	1.5	-0.1	2.3	0.8	-0.5	16.1
ROU	0.7	0.4	0.5	-0.7	-0.9	0.1	-0.7	0.0	0.0	-0.1					-0.8	0.1
SRB	0.0	0.0	0.0	-0.1	0.0	0.0	0.2	-0.1	-0.1	0.0	0.0	-0.1			0.0	0.0
UKR	0.0	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	-0.6
ZAF	0.8	-0.3	1.3	0.5	-1.2	1.2	0.2	0.8	0.6	0.2	-0.2	1.9	-0.4	1.3	4.3	4.3
EGY	0.3	-0.7	0.0	2.5	-0.6	-4.5	3.2	-0.6	3.4						6.0	27.3
GHA	0.02	0.01	-0.01	0.02	-0.02	-0.01	0.01	0.03	-0.01	0.01	0.00	0.00	0.00		0.0	0.0
MYS	1.4	1.8	0.1	-2.6	-0.1	-0.4	0.4	-0.4	0.7	2.2	3.0	-1.4	-1.2		3.4	0.4
IND	2.6	2.8	2.3	-0.3	-0.1	1.6	1.4	1.4	3.7	-3.0	0.2	0.1	0.1	1.4	5.2	17.2
IDN	0.3	2.5	1.2	1.0	-0.8	0.3	0.3	0.5	0.1	0.5	1.6	-0.5	1.0	0.8	4.4	2.3
THA	0.8	0.8	0.1	-1.0	-0.9	0.4	-0.4	0.1	0.6	1.7	0.0	-0.6	-0.1	-0.2	1.2	-1.1
CHN	3.5	4.8	-17.8	-13.1	-5.0	-6.2	-8.0	0.8	0.4	9.4	-1.0	-3.9	-17.9		-20.3	-25.0
EM ex. CHN	9.7	11.8	13.3	1.5	3.3	-10.4	5.7	8.6	7.2	-1.8	7.5	2.6	2.9	5.7	38.5	94.4

Figure 4. Local Currency Government Debt Holdings: Investor Composition

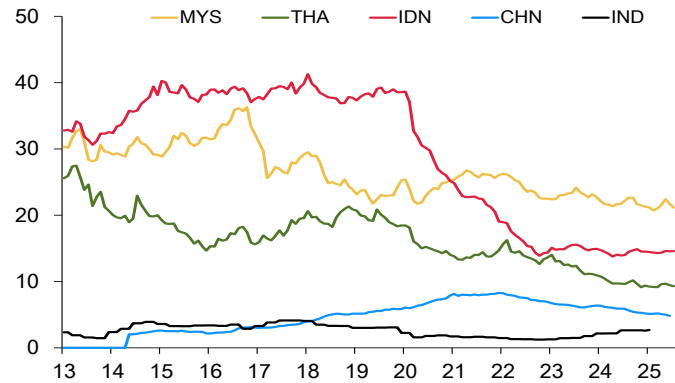
	Foreign Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)
BRA	10	-0.3	0.4	-0.6	31	1.8	1.6	6.6	49	-0.6	-1.6	-6.6
MEX	12	-1.3	-3.5	-15.9	9	1.4	-1.0	1.7	54	2.0	4.3	11.8
COL	16	-1.9	-5.8	-8.7	17	1.1	4.2	1.8	46	-0.2	4.7	8.1
PER	44	2.9	7.5	-4.8	18	-1.9	-3.5	8.4				
DOM	5	-0.6	-2.2	-5.2	30	2.1	12.8	15.1	40	1.0	-7.2	7.1
HUN	10	0.3	-3.4	-9.6	32	1.8	6.0	0.0	15	1.3	1.5	1.7
POL	12	-0.6	-1.5	-11.3	51	0.1	0.3	5.7	14	0.0	0.3	-6.0
TUR	8	-4.1	5.7	-3.6	59	-2.7	-16.3	3.3	18	3.9	8.9	9.2
ROU	20	-1.9	-6.5	1.2	43	1.0	5.0	-1.8	25	0.3	0.6	4.4
GEO	1	-0.5	-1.8	-8.9	73	4.5	17.2	1.7	13	0.6	1.9	12.4
CHN	5	-0.4	-1.5	-1.0	62	1.2	-1.2	0.3	22	-0.4	-0.4	3.5
IDN	15	0.0	-0.4	-24.0	20	2.7	-6.4	-1.0	22	-0.2	0.2	-0.1
MYS	21	-0.1	-1.6	-4.1	29	-0.8	-3.2	-0.5	36	-0.3	0.6	-1.7
THA	9	-0.1	-1.7	-9.2	28	2.1	3.8	13.6	37	1.2	1.9	-6.0
IND	3	0.2	1.0	-0.3	38	-1.3	-2.3	-3.3	37	-0.8	0.0	5.6
ZAF	25	0.1	-0.6	-12.4	22	0.8	1.7	4.9	53	-0.9	-0.1	6.8
EGY	45	3.0	30.2	27.9	30	-0.6	-10.2	-12.5	7	-1.1	-11.3	-3.2

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

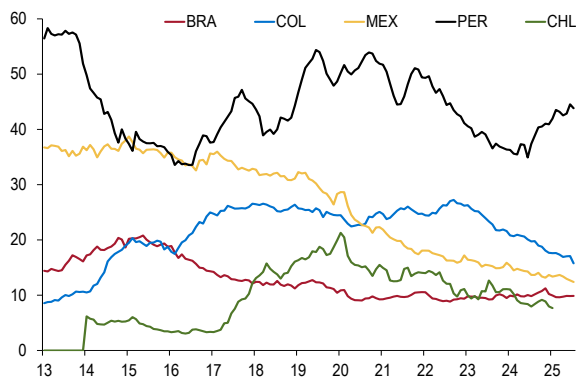
a. Eastern Europe (percent share)



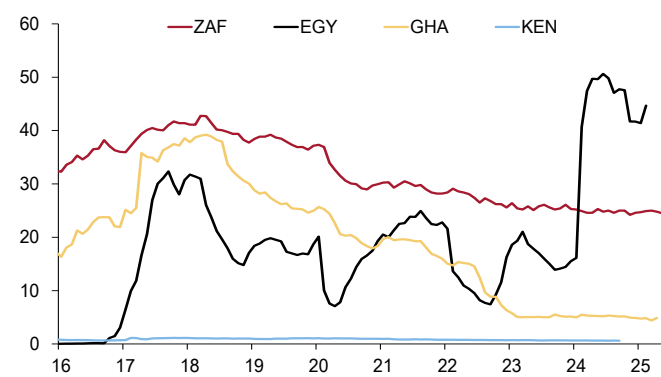
b. Asia (percent share)



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 Local Currency Govt. Bonds Since 2009 (USD billion)

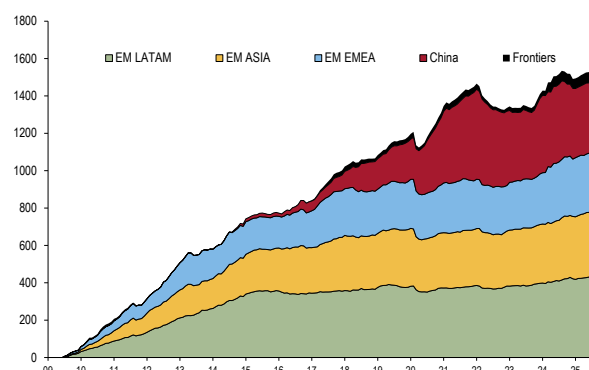


Figure 7. Non-resident Flows to LC Bonds, 12 month rolling as share of GDP (median, aggregate, and interquartile range for sample of 17 EMs)

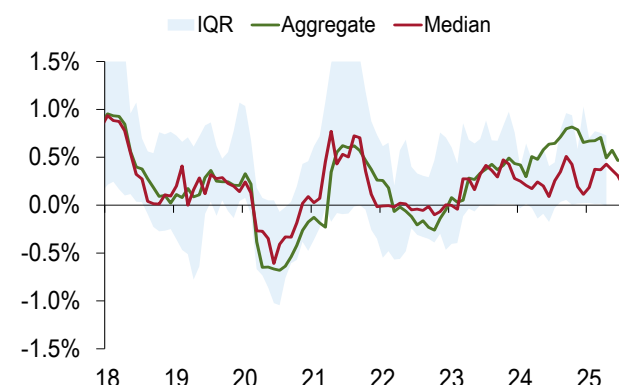


Figure 8. Non-resident Flows as Share of Foreign Holdings (USD billions; YTD figures may differ from monthly to due high frequency data).

	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	2025 YTD
BRA	4.7%	-1.1%	1.6%	2.0%	4.3%	6.4%	-7.9%	-2.8%	0.3%	-0.1%	2.7%	2.3%	2.6%	0.9%	5.8%
MEX	0.6%	-2.2%	2.1%	3.1%	-3.9%	-0.6%	3.9%	-1.6%	2.7%	0.9%	-1.5%	-2.5%	-0.3%	-0.5%	-2.8%
DOM	1.3%	-1.8%	-1.7%	-0.4%	0.0%	0.1%	-2.9%	0.1%	-0.7%	-3.5%	-4.1%	-1.1%	-1.2%	-1.3%	-11.3%
PER	-5.8%	7.5%	4.6%	5.4%	0.8%	1.6%	1.9%	3.2%	4.8%	-0.2%	-1.0%	1.6%			8.6%
COL	-0.1%	-1.7%	1.9%	-2.5%	-0.4%	-2.5%	-1.8%	2.2%	2.4%	0.1%	0.0%	1.7%	0.7%	-5.8%	1.0%
HUN	-0.2%	-1.3%	0.2%	3.7%	-9.5%	-4.2%	-17.1%	-1.4%	0.3%	-4.9%	9.9%	2.3%	2.1%		7.9%
POL	3.8%	6.0%	-1.4%	4.0%	-0.8%	1.3%	-1.3%	4.7%	4.2%	-0.9%	-1.2%	-0.9%	3.3%		9.4%
TUR	6.9%	27.6%	4.3%	16.1%	1.3%	14.5%	-2.2%	9.5%	2.7%	-8.4%	-34.6%	14.2%	-0.4%	19.8%	-8.2%
ROU	0.9%	4.0%	2.3%	2.4%	-3.3%	-4.9%	0.5%	-4.0%	-0.2%	0.2%	-0.7%	0.0%			-4.6%
SRB	-2.0%	-2.4%	-3.3%	-0.5%	-6.1%	-0.9%	-2.6%	17.2%	-5.4%	-3.9%	-8.7%	4.6%	-4.4%		-2.7%
UKR	-11.6%	-3.3%	-14.8%	-8.3%	-7.0%	-0.6%	-9.8%	0.5%	-6.6%	7.0%	-2.3%	-1.9%	1.0%	-2.2%	-4.9%
ZAF	-0.9%	1.6%	-0.5%	2.4%	0.9%	-2.3%	2.4%	0.3%	1.4%	1.1%	0.3%	-0.3%	3.4%	-0.7%	5.5%
EGY	-0.4%	0.7%	-1.9%	0.1%	7.1%	-1.6%	-12.4%	10.1%	-1.8%	9.9%					-0.5%
GHA	0.0%	2.6%	1.5%	-1.9%	3.4%	-3.3%	-0.9%	1.4%	4.6%	-1.4%	1.0%	-5.0%	-0.9%		
MYS	-0.7%	2.8%	7.4%	5.5%	-6.6%	-0.3%	-0.5%	2.3%	0.5%	0.5%	4.0%	2.5%	1.5%	0.1%	11.9%
IND	0.0%	0.0%	22.8%	0.0%	0.0%	1.6%	0.0%	0.0%	13.1%	0.0%	0.0%				13.1%
IDN	0.1%	0.6%	4.8%	2.1%	1.7%	-1.5%	0.5%	0.5%	1.0%	0.2%	0.9%	3.0%	-0.8%	1.9%	6.7%
THA	-1.4%	0.7%	4.6%	1.5%	-4.0%	-3.9%	1.0%	-0.8%	0.0%	0.8%	6.1%	1.5%	-3.8%	-1.1%	2.6%
CHN	-0.9%	1.0%	1.2%	-3.5%	-2.3%	-0.6%	-0.6%	-1.3%	0.0%	1.2%	1.6%	0.1%	-0.3%	-2.5%	-1.1%
EM ex. CHN	1.0%	1.0%	3.5%	2.7%	-0.3%	0.8%	-2.1%	0.7%	2.0%	0.5%	0.1%	1.0%	1.0%	0.3%	4.2%

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

