



### SUMMARY

**High frequency data\*** for March indicates flows to EM ex-China were choppy and turned more cautious at the end of the month (Figure 1), with investors turning their attention to increasing risk events in the coming weeks.

YTD 2025, the absolute return (in US dollar terms) on the asset class benchmark has recorded a modest gain, driven by FX returns. This marks a rebound for the asset class in 1Q2025, regaining some of the losses in 4Q2024 (Figure 2).

- **LATAM: Flows strengthened in February**, notably for Mexico. Foreign investors also rebuilt their positions in Colombia, with net inflows seen in the first two months of the year, reversing some of the outflows seen in 4Q2024. Inflows, although relatively small, also returned to Brazil in February, after two consecutive months of outflows.
- **Asia: Flows remain differentiated.** Demand for India's government bonds increased in recent weeks, marking the fourth consecutive months of inflows. Thailand is poised to post two consecutive months of inflows, although its flows were relatively small. The inflow in March also coincides with expectations for policy rate cuts, and greater interest seen in short-dated securities. In contrast, foreign investors reduced holdings of Malaysia government debt, mostly from its Islamic issuances, in February, reversing the inflows seen in January. **China ended its streak of outflows**, posting small inflows in February.
- **CEEMEA: Inflows continued to trickle-in through March.** Despite the small inflows, South Africa is on track to post its fourth consecutive month of inflows, the longest since early 2022, with greater demand seen in longer-end bonds. Türkiye's inflows also continued for the third consecutive month. However, Hungary's inflows stalled in March, with small outflows observed in recent weeks.

**Investor Composition: Non-resident participation (as a percent of total debt) has been largely declining for most major EMs in the past two years** (Figure 4). The net government debt supply slack has been largely absorbed by domestic NBFIs while domestic banks in a few EMs (most notably in CEEMEA) have also stepped-up.

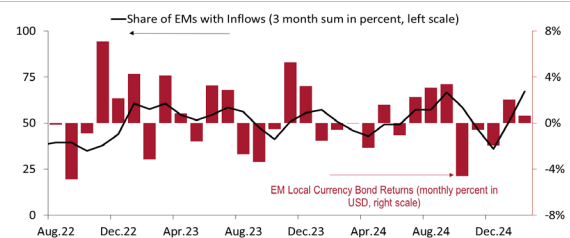
**NR Flow volatility:** For February, aggregate inflows as a percent of total NR holdings, were relatively in-line with recent months observations (Figure 9). Nonetheless, NR appear to be increasing their positioning in LATAM, which observed larger increases as a percent of their respective NR holdings. In contrast, Asia (ex-China and India) have observed smaller increases.

- NR flow volatility in Hungary has been relatively high in recent years, with some divestments seen in recent weeks. In late March, the government unveiled requirements for domestic institutional investors to increase their holdings of domestic government debt, with requirements rising in phases effective from October 2025 through April 2026.

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

|     | 14-Feb | 21-Feb | 28-Feb | 7-Mar | 14-Mar | 21-Mar | 28-Mar |
|-----|--------|--------|--------|-------|--------|--------|--------|
| MEX | 0.2    | 0.8    | 0.9    | -0.8  | 2.1    | -0.8   |        |
| ZAF | 0.5    | 0.0    | 0.3    | 0.5   | -0.4   | 0.0    | 0.2    |
| HUN | -0.1   | 0.0    | 0.7    | 0.9   | -0.4   | -1.2   | -0.1   |
| UKR | 0.0    | 0.0    | -0.1   | 0.0   | 0.0    | 0.0    | 0.0    |
| TUR | 1.9    | 0.2    | 0.1    | -0.2  | 1.5    | -0.4   |        |
| IDN | -0.2   | 0.6    | -0.2   | 0.5   | -0.2   | 0.2    | -0.3   |
| IND | -1.3   | -0.6   | 2.3    | 0.7   | 0.8    | 1.4    | 0.1    |
| THA | 0.0    | -0.1   | 0.0    | 0.2   | 0.3    | 0.0    | 0.0    |

**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)**

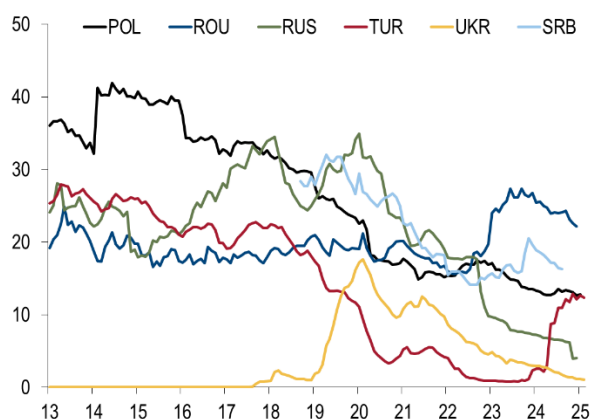
|            | Feb.24 | Mar.24 | Apr.24 | May.24 | Jun.24 | Jul.24 | Aug.24 | Sep.24 | Oct.24 | Nov.24 | Dec.24 | Jan.25 | Feb.25 | Mar.25 mtd | 2025YTD | 2024  | 2023 |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|---------|-------|------|
| BRA        | 1.2    | 5.4    | -3.2   | 3.3    | 5.5    | -1.3   | 1.9    | 2.6    | 5.2    | 7.7    | -9.9   | -3.4   | 0.3    |            | -3.1    | 22.3  | 11.9 |
| MEX        | -3.2   | 4.0    | -0.6   | 0.6    | 0.6    | -2.2   | 1.9    | 2.9    | -3.6   | -0.5   | 3.4    | -1.4   | 2.4    | 0.6        | 1.6     | 2.1   | 5.0  |
| CHL        | -0.6   | -0.8   | 0.2    | -0.1   | -0.1   | 0.5    | 0.4    | 0.4    | -0.6   | -0.2   | -0.7   |        |        |            | 0.0     | -2.3  | 0.6  |
| PER        | -0.1   | 0.0    | 0.8    | 0.1    | -0.9   | 1.1    | 0.7    | 0.9    | 0.1    | 0.3    | 0.3    | 0.6    | 0.9    |            | 1.5     | 3.3   | -0.3 |
| COL        | 0.1    | 0.7    | 0.3    | 0.3    | 0.0    | -0.4   | 0.5    | -0.7   | -0.1   | -0.6   | -0.4   | 0.5    | 0.6    |            | 1.1     | -1.0  | -2.5 |
| HUN        | 1.4    | -2.7   | 1.0    | 0.8    | -2.1   | 0.7    | -0.5   | -1.6   | 0.7    | -1.6   | -1.5   | 1.4    | 0.6    | 0.0        | 2.0     | -2.5  | 1.8  |
| POL        | 0.3    | -0.3   | -0.3   | 0.4    | 1.2    | 2.1    | -0.5   | 1.5    | -0.3   | 0.5    | -0.5   | 1.7    |        |            | 1.7     | 4.1   | -3.2 |
| TUR        | 0.1    | -0.3   | 0.9    | 6.8    | 0.7    | 2.9    | 0.6    | 2.2    | 0.2    | 2.3    | -0.4   | 1.6    | 0.5    | 1.3        | 3.4     | 16.1  | 2.0  |
| ROU        | 0.5    | 0.1    | -0.3   | 0.0    | 0.2    | 0.7    | 0.4    | 0.5    | -0.7   | -0.9   | 0.1    |        |        |            | 0.0     | 0.1   | 7.4  |
| SRB        | 0.2    | -0.1   | -0.1   | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | -0.1   | 0.0    | 0.0    | 0.2    |        |            | 0.2     | 0.0   | 0.0  |
| UKR        | 0.0    | 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     | -0.6  | -0.4 |
| ZAF        | 0.0    | 0.0    | 0.3    | 1.8    | -0.5   | 0.7    | -0.2   | 1.3    | 0.5    | -1.2   | 1.2    | 0.2    | 0.8    | 0.1        | 1.0     | 4.3   | 2.9  |
| EGY        | -0.1   | 24.7   | 3.2    | 1.6    | -0.1   | 0.3    | -0.7   | 0.0    | 2.5    |        |        |        |        |            | 0.0     | 32.4  | 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   | -0.1 |
| MYS        | -0.3   | 0.4    | 0.2    | 0.9    | -0.1   | 1.4    | 1.8    | 0.1    | -2.6   | -0.1   | -0.4   | 0.4    | -0.4   |            | 0.0     | 0.4   | 5.9  |
| IND        | 2.4    | 2.2    | -1.9   | 1.0    | 2.1    | 2.6    | 2.8    | 2.3    | -0.3   | -0.1   | 1.6    | 1.4    | 1.4    | 3.0        | 5.8     | 17.2  | 8.4  |
| IDN        | -0.3   | -1.7   | -1.3   | 1.1    | 0.1    | 0.3    | 2.5    | 1.2    | 1.0    | -0.8   | 0.3    | 0.3    | 0.5    | 0.2        | 1.0     | 2.3   | 5.4  |
| THA        | -0.4   | -0.3   | -0.7   | 0.5    | -0.3   | 0.8    | 0.8    | 0.1    | -1.0   | -0.9   | 0.4    | -0.4   | 0.1    | 0.5        | 0.3     | -1.1  | 0.3  |
| CHN        | -2.3   | -11.7  | 1.5    | 10.8   | -0.8   | 3.5    | 4.8    | -17.8  | -13.1  | -5.0   | -6.2   | -8.0   | 0.8    |            | -7.2    | -25.0 | 5.8  |
| EM ex. CHN | 1.0    | 31.3   | -1.4   | 18.8   | 6.1    | 10.1   | 12.3   | 13.7   | 0.9    | 3.7    | -6.6   | 3.2    | 7.7    | 5.6        | 16.6    | 97.3  | 51.8 |

**Figure 4. Local Currency Government Debt Holdings: Investor Composition**

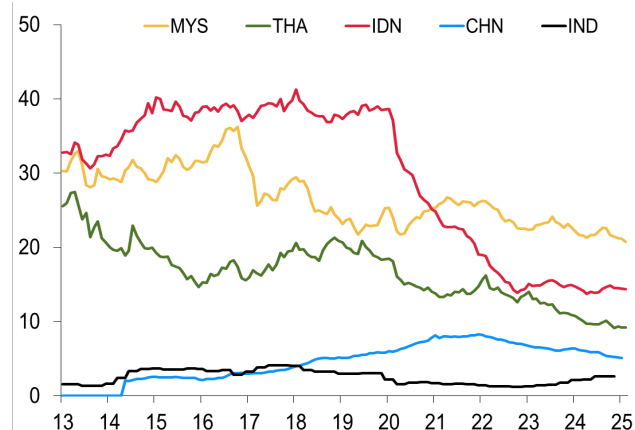
|     | Foreign Holdings (US blns) | Foreign Share (percent) | Change since Dec. 2023 (ppt) | Change since Dec. 2022 (ppt) | Domestic Bank Share (percent) | Change since Dec. 2023 (ppt) | Change since Dec. 2022 (ppt) | Domestic NBF Share (percent) | Change since Dec. 2023 (ppt) | Change since Dec. 2022 (ppt) |
|-----|----------------------------|-------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| BRA | 118                        | 10                      | 0.2                          | 0.3                          | 30                            | 0.2                          | 0.7                          | 50                           | -0.4                         | -0.6                         |
| MEX | 91                         | 14                      | -2.4                         | -3.7                         | 8                             | -1.8                         | -3.5                         | 53                           | 2.7                          | 5.5                          |
| COL | 26                         | 18                      | -4.0                         | -8.5                         | 15                            | 2.2                          | 0.7                          | 47                           | 5.7                          | 12.7                         |
| PER | 20                         | 44                      | 7.2                          | 2.4                          | 18                            | -3.1                         | -3.1                         | 8                            | -7.1                         | -6.3                         |
| POL | 38                         | 13                      | -0.7                         | -4.1                         | 46                            | 2.6                          | 4.9                          | 14                           | 0.1                          | 0.4                          |
| TUR | 19                         | 12                      | 10.0                         | 11.5                         | 58                            | -17.6                        | -14.8                        | 17                           | 8.5                          | 7.4                          |
| ROU | 18                         | 22                      | -4.6                         | 2.4                          | 42                            | 4.0                          | -1.7                         | 25                           | 0.2                          | 0.5                          |
| GEO | 0.05                       | 1                       | -1.4                         | -3.0                         | 71                            | 14.3                         | 13.5                         | 13                           | 1.2                          | 4.3                          |
| CHN | 424                        | 5                       | -1.2                         | -1.9                         | 61                            | -2.1                         | -0.5                         | 22                           | -0.6                         | -1.3                         |
| IDN | 54                         | 14                      | -0.6                         | 0.0                          | 19                            | -7.0                         | -12.5                        | 22                           | 0.3                          | 2.7                          |
| MYS | 58                         | 21                      | -2.0                         | -1.8                         | 29                            | -2.5                         | -1.8                         | 37                           | 0.9                          | 3.0                          |
| THA | 25                         | 9                       | -1.8                         | -4.4                         | 25                            | 0.6                          | 2.3                          | 6                            | -0.8                         | -1.3                         |
| IND | 28                         | 0                       | -1.8                         | -1.2                         | 39                            | -1.0                         | 0.6                          | 37                           | 0.8                          | 1.1                          |
| ZAF | 54                         | 25                      | -0.4                         | -0.7                         | 21                            | 1.4                          | -0.2                         | 53                           | -0.1                         | 1.8                          |
| EGY | 38                         | 48                      | 33.3                         | 36.2                         | 43                            | 2.3                          | 0.0                          | 18                           | -0.4                         | 0.0                          |

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

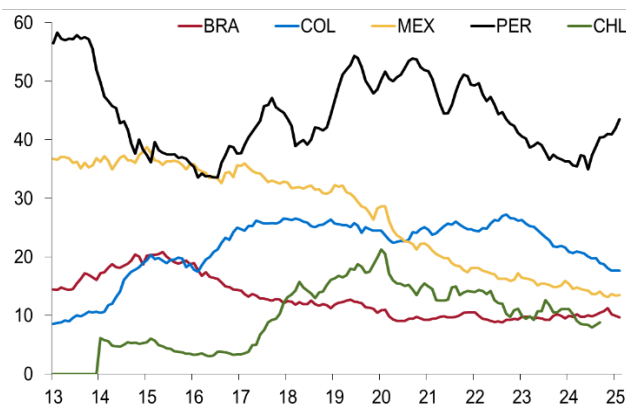
**a. Eastern Europe (percent share)**



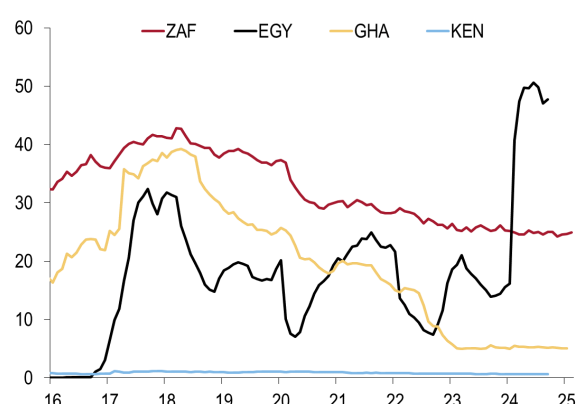
**b. Asia (percent share)**



**c. Latin America (percent share)**

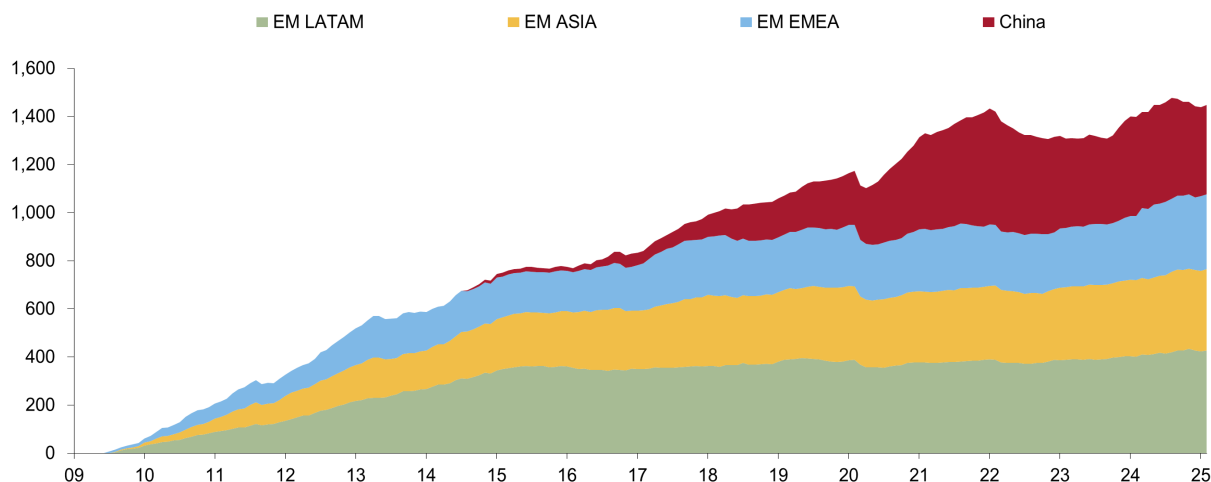


**d. Africa (percent share)**

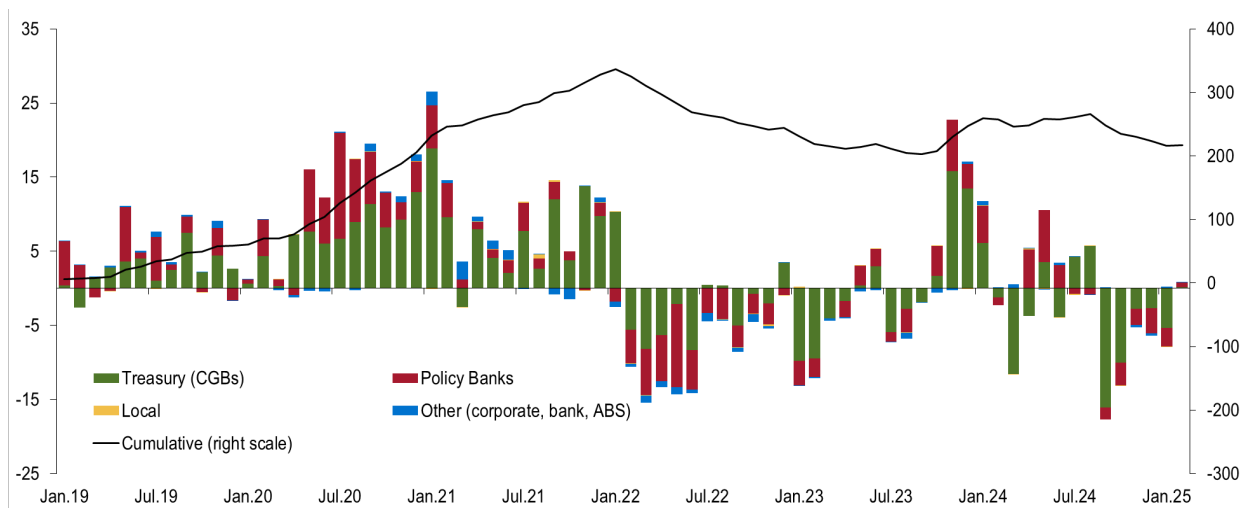


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries. Data on NBFs 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 NBFs.

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



**Figure 7. Non-resident Flows into onshore China Local Currency Bonds, by Sector (USD billions)**



**Figure 8. Non-resident Flows into India, Index Eligible Bonds, Fully Accessible Route (USD billions)**

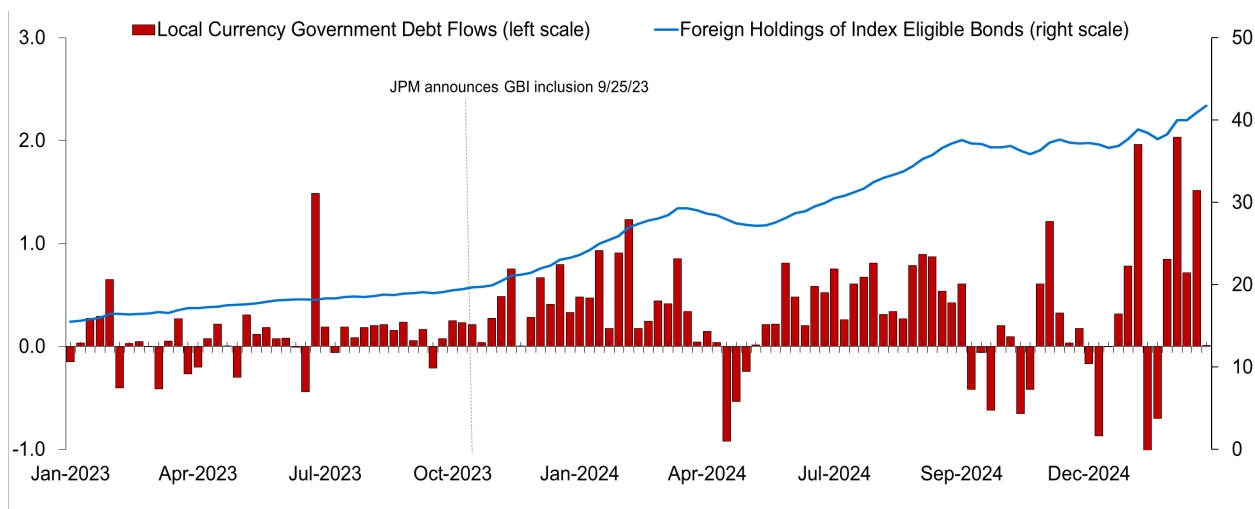
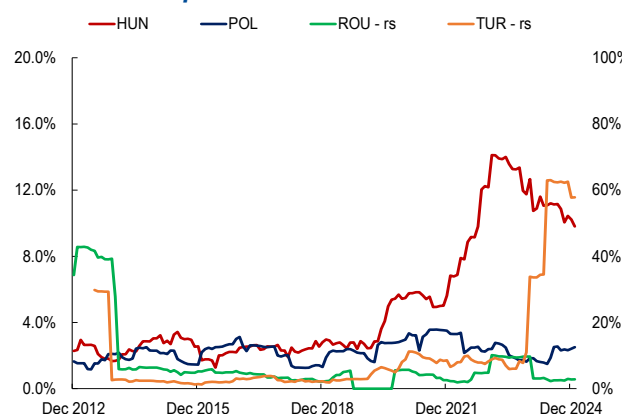


Figure 9. Monthly Non-resident Flows (percent of non-resident stock)

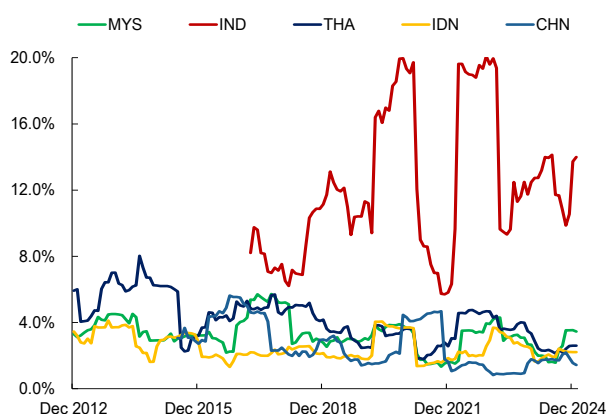
|            | Jan 24 | Feb 24 | Mar 24 | Apr 24 | May 24 | Jun 24 | Jul 24 | Aug 24 | Sep 24 | Oct 24 | Nov 24 | Dec 24 | Jan 25 | Feb 25 | 2025 YTD | 2024   | 2023   |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|
| BRA        | 3.1%   | 1.0%   | 4.4%   | -2.5%  | 2.8%   | 4.7%   | -1.1%  | 1.6%   | 2.0%   | 4.3%   | 6.4%   | -7.9%  | -2.8%  | 0.3%   | -2.7%    | 19.6%  | 11.4%  |
| MEX        | -1.5%  | -2.9%  | 3.2%   | -2.9%  | 2.0%   | -1.7%  | -1.1%  | 3.2%   | 4.5%   | -5.9%  | 0.5%   | 0.3%   | 0.3%   | 5.5%   | 1.7%     | -2.6%  | 4.5%   |
| CHL        | -2.0%  | -2.8%  | -10.8% | -1.3%  | -4.0%  | 2.7%   | 8.1%   | 1.2%   | 3.0%   | -1.7%  | -0.5%  | -8.8%  |        |        |          | -16.8% | 10.6%  |
| PER        | 0.2%   | -0.9%  | -0.1%  | 5.5%   | 0.4%   | -5.8%  | 7.5%   | 4.6%   | 5.4%   | 0.8%   | 1.6%   | 1.9%   | 3.2%   | 4.8%   | 8.2%     | 22.5%  | -2.0%  |
| COL        | -2.4%  | 0.4%   | 2.5%   | 1.0%   | 1.2%   | -0.1%  | -1.7%  | 1.9%   | -2.5%  | -0.4%  | -2.5%  | -1.8%  | 2.2%   | 2.4%   | 4.9%     | -4.4%  | -8.8%  |
| HUN        | 18.6%  | 7.0%   | -13.1% | 5.5%   | 4.0%   | -11.0% | 4.0%   | -2.8%  | -8.6%  | 4.4%   | -10.5% | -14.5% | 16.2%  | 4.4%   | 17.2%    | -20.5% | 14.0%  |
| POL        | 0.0%   | 1.0%   | -0.9%  | -0.8%  | 1.1%   | 3.8%   | 6.0%   | -1.4%  | 4.0%   | -0.8%  | 1.3%   | -1.3%  | 4.7%   |        | 4.8%     | 12.3%  | -9.6%  |
| TUR        | 13.6%  | 2.6%   | -12.2% | 36.3%  | 204.7% | 6.9%   | 27.6%  | 4.3%   | 16.1%  | 1.3%   | 14.5%  | -2.2%  | 9.5%   | 2.7%   | 19.9%    | 696.1% | 332.0% |
| ROU        | -2.0%  | 2.6%   | 0.4%   | -1.8%  | -0.1%  | 0.9%   | 4.0%   | 2.3%   | 2.4%   | -3.3%  | -4.9%  | 0.5%   |        |        | 0.5%     |        | 67.3%  |
| SRB        | 16.5%  | 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%    | 0.7%   | 1.1%   |
| UKR        | 0.5%   | -1.8%  | -2.2%  | -1.9%  | -12.1% | -11.6% | -3.3%  | -14.8% | -8.3%  | -7.0%  | -0.6%  | -9.8%  | 0.5%   | -6.6%  | -6.2%    | -53.7% | -25.9% |
| ZAF        | 0.4%   | -0.3%  | -0.3%  | 0.9%   | 3.9%   | -1.0%  | 1.8%   | -0.7%  | 2.4%   | 1.0%   | -2.2%  | 2.2%   | -0.2%  | 1.5%   | 1.9%     | 8.2%   | 6.3%   |
| EGY        | 7.9%   | -0.7%  | 266.1% | 10.0%  | 4.4%   | 0.7%   | 0.1%   | 1.9%   | 0.1%   | 7.1%   |        |        |        |        |          | 375.8% | 97.1%  |
| GHA        | 0.1%   | 1.8%   | -0.6%  | -0.1%  | -0.1%  | 0.1%   | 2.7%   | 1.4%   | -1.5%  | 2.9%   | -2.3%  | -10.0% | 1.3%   |        | 1.4%     | -6.1%  | -5.5%  |
| MYS        | -1.8%  | 0.7%   | 2.0%   | 0.8%   | 1.6%   | -0.7%  | 2.8%   | 7.4%   | 5.5%   | -6.6%  | -0.3%  | -0.5%  | 2.3%   | 0.5%   | 0.1%     | 10.7%  | 5.9%   |
| IND        | 15.4%  | 4.1%   | 17.8%  | -10.5% | 10.8%  | 17.8%  | -4.3%  | 5.1%   | 6.8%   | 13.8%  | 20.1%  | -25.9% |        |        | 15.3%    | 58.6%  | 59.8%  |
| IDN        | 0.0%   | -0.6%  | -3.2%  | -2.6%  | 2.2%   | 0.1%   | 0.6%   | 4.8%   | 2.1%   | 1.7%   | -1.5%  | 0.5%   | 0.5%   | 1.0%   | 1.8%     | 4.1%   | 10.5%  |
| THA        | -0.2%  | -2.3%  | -1.8%  | -2.9%  | 1.8%   | -1.4%  | 0.7%   | 4.6%   | 1.5%   | -4.0%  | -3.9%  | 1.0%   | -0.8%  | 0.0%   | 1.1%     | -7.1%  | -13.1% |
| CHN        | 1.3%   | -0.3%  | -2.5%  | -0.8%  | 0.8%   | -0.9%  | 1.0%   | 1.2%   | -3.5%  | -2.3%  | -0.6%  | -0.6%  | -1.3%  | 0.0%   | -1.7%    | -7.1%  | -0.05% |
| EM ex. CHN | 1.5%   | 0.2%   | 7.9%   | -0.9%  | 3.8%   | 1.2%   | 1.2%   | 2.4%   | 2.9%   | 0.6%   | 2.0%   | -3.8%  | 0.88%  | 1.8%   | 3.1%     | 15.4%  | 9.8%   |

Figure 10. Volatility of Non-resident Flows (trailing 12-month as a percent of NR stock)

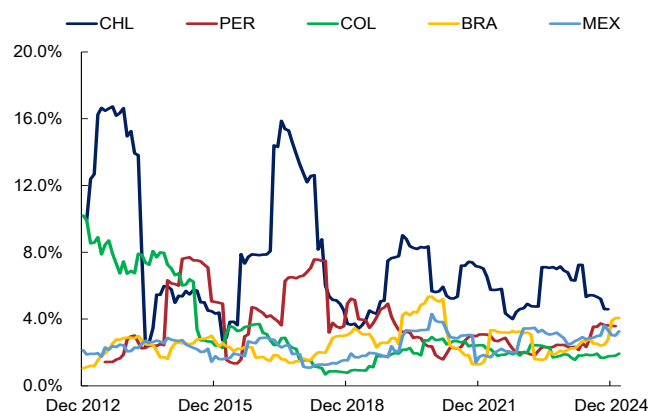
a. Eastern Europe



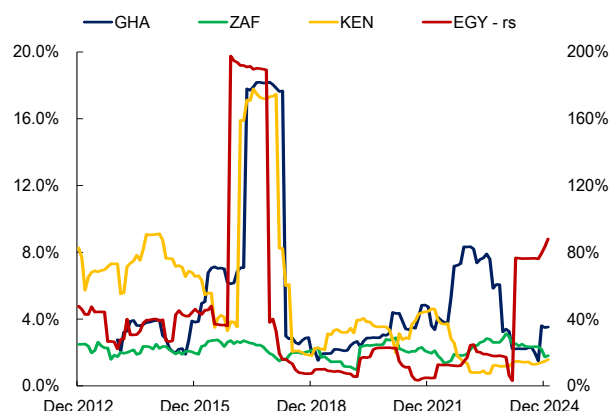
b. Asia



c. Latin America



d. Africa



Notes: China data includes government and policy bank bonds while Egypt data are only Treasury bills. Due to delayed releases and the availability of historical data, the timelines for the data points in Figures 9 and 10 may exhibit slight inconsistencies across different countries.