



### SUMMARY

**High frequency data\* for February indicates flows to EM ex-China remained mixed and differentiated** (Figure 1). Flows to Mexico strengthened in recent weeks. In contrast, flows were volatile for others with non-residents reducing their holdings of Hungarian, Indian and Indonesian govt. bonds in recent weeks, after inflows in the preceding weeks. Flows to Türkiye have also been volatile, with outflows seen at the end of January and in early February, before rebounding in the middle of the month. The differentiated, small but volatile flows could suggest some investors may be reallocating their positions amongst EM bonds. For January, non-resident flows were positive but small, and rebounded for most EM ex-China, particularly for CEEMEA and Asia, after a challenging December (Figure 3). YTD 2025, the absolute return (in US dollar terms) on the asset class benchmark recorded a modest gain, led by FX returns. This marks the first positive monthly return since 3Q 2024 (Figure 2).

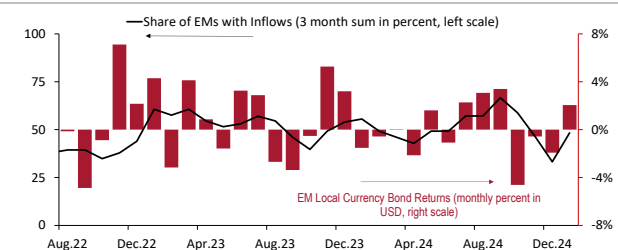
- **LATAM: Flows were mixed in December.** Mexico (+\$3.4 bn) and Peru (+\$0.3 bn) posted inflows while Brazil (-\$9.9 bn), Chile (-\$0.7 bn) and Colombia (-\$0.4 bn) posted outflows. Notably, with January inflows (+\$0.6 bn), Peru recorded its seven consecutive month of inflows, marking the longest streak since 2019. In contrast, Brazil posted its largest monthly foreign outflows in December, which continued through January, amidst fiscal concerns, marking the first monthly outflows since July 2024. The outflows also prompted the National Treasury to pause bond sales and implement bond buy-backs, the first since 2020, to maintain orderly market functionality. Foreign flows to Mexico remained choppy, and on-track to post its fourth consecutive months of alternating inflows and outflows.
- **Asia: Flows remained cautious in the past two months.** For January, India (+\$1.4 bn) and Indonesia (+\$0.3 bn) posted two consecutive months of inflows, although small compared to previous months, after a challenging November, while Malaysia ended its streak of outflows, posting small inflows (+\$0.4 bn) in January. Conversely, inflows for Thailand in December (\$0.4 bn) reversed in January. Outflows from China persisted in December (-\$8 bn), marking the fifth consecutive months of outflows and its longest streak of outflows since 2022 (Figure 7).
- **CEEMEA: Outflow pressures eased in January.** Hungary (+\$1.4 bn) and Türkiye (+\$1.5 bn) started the year with inflows after a challenging December. South Africa's flows were modest but remain choppy, with inflows in January (+\$0.2 bn) but flows seemed to have reversed in recent weeks.

**Investor Composition: Non-resident holdings for EM ex-China continued to rise in January 2025** (Figure 6) although participation declined for most in 2024 (Figure 4). Nonetheless, Egypt, Türkiye, Peru, India and Brazil experienced increased non-resident participation. Meanwhile, domestic NBF participation grew for most countries that experienced a decline in non-resident participation, including Mexico, Colombia, Indonesia, Poland, Romania, Georgia and South Africa. Additionally, domestic banks have also stepped-up, notably in the CEEMEA region and Thailand.

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

	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb
MEX	-0.2	0.2	-1.2	-1.0	0.8	0.6	0.4	
ZAF	-0.1	-0.2	0.2	0.4	0.3	-0.7	0.5	0.1
HUN	1.6	-0.3	-0.9	0.3	0.7	0.0	-0.1	-0.3
UKR		0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	0.2	0.5	1.2	0.4	-0.7	-1.5	1.9	
IDN	0.1	0.1	-0.5	0.3	0.2	0.4	-0.1	-0.1
IND	0.1	-0.9	0.0	0.3	1.8	0.9	-1.3	-0.5
THA	-0.2	-0.1	-0.3	0.3	-0.1	0.2	0.0	-0.1

**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)**

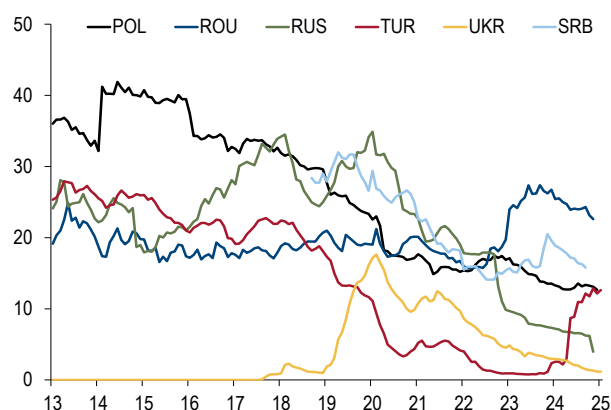
	Jan.24	Feb.24	Mar.24	Apr.24	May.24	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25 mtd	2025YTD	2024	2023
BRA	3.8	1.2	5.4	-3.2	3.3	5.5	-1.3	1.9	2.6	5.2	7.7	-9.9	-3.4		-3.4	22.3	11.9
MEX	-1.2	-3.2	4.0	-0.6	0.6	0.6	-2.2	1.9	2.9	-3.6	-0.5	3.4	-1.4	0.7	-0.7	2.1	5.0
CHL	-0.6	-0.6	-0.8	0.2	-0.1	-0.1	0.5	0.4	0.4	-0.6	-0.2	-0.7			0.0	-2.3	0.6
PER	0.0	-0.1	0.0	0.8	0.1	-0.9	1.1	0.7	0.9	0.1	0.3	0.3	0.6		0.6	3.3	-0.3
COL	-0.6	0.1	0.7	0.3	0.3	0.0	-0.4	0.5	-0.7	-0.1	-0.6	-0.4	0.5		0.5	-1.0	-2.5
HUN	3.1	1.4	-2.7	1.0	0.8	-2.1	0.7	-0.5	-1.6	0.7	-1.6	-1.5	1.4	0.0	1.4	-2.5	1.8
POL	0.0	0.3	-0.3	-0.3	0.4	1.2	2.1	-0.5	1.5	-0.3	0.5	-0.5			0.0	4.1	-3.2
TUR	0.3	0.1	-0.4	0.9	6.6	0.7	3.0	1.6	1.9	0.2	2.2	-0.3	1.6	0.0	1.6	16.8	2.0
ROU	-0.4	0.5	0.1	-0.3	0.0	0.2	0.7	0.4	0.5	-0.7	-0.9				0.0	0.1	7.4
SRB	0.2	0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0			0.0	0.0	0.0
UKR	0.0	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	-0.6	-0.4
ZAF	0.3	0.0	0.0	0.3	1.8	-0.5	0.7	-0.2	1.3	0.5	-1.2	1.2	0.2	-0.2	0.0	4.3	2.9
EGY	1.0	-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	0.0	-0.1
MYS	-0.8	-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	0.4	5.9
IND	2.5	2.4	2.2	-1.9	1.0	2.1	2.6	2.8	2.3	-0.3	-0.1	1.6	1.4	0.0	1.4	17.2	8.4
IDN	0.0	-0.3	-1.7	-1.3	1.1	0.1	0.3	2.5	1.2	1.0	-0.8	0.3	0.3		0.3	2.3	5.4
THA	-0.1	-0.4	-0.3	-0.7	0.5	-0.3	0.8	0.8	0.1	-1.0	-0.9	0.4	-0.4		-0.4	-1.1	0.3
CHN	11.2	-2.3	-11.7	1.5	10.8	-0.8	3.5	4.8	-17.8	-13.1	-5.0	-6.2	-8.0	0.0	-8.0	-25.0	5.8
EM ex. CHN	7.4	1.0	31.3	-1.4	18.7	6.1	10.2	13.4	13.4	1.0	3.6	-6.6	1.2	0.5	1.8	97.9	51.8

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

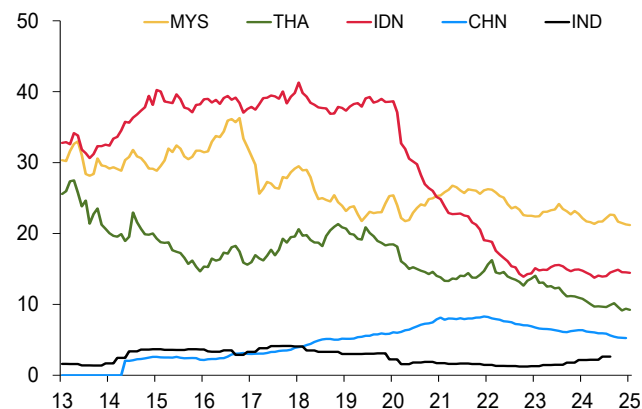
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)
BRA	119	10	0.5	0.6	29	-0.6	0.0	50	-0.1	-0.3
MEX	88	13	-2.5	-3.8	8	-2.3	-3.9	53	3.1	5.9
COL	25	18	-4.0	-8.6	15	2.1	0.7	47	5.0	12.0
PER	19	42	5.6	0.8	20	-1.5	-1.5	8	-7.1	-6.3
POL	36	13	-0.9	-4.2	46	2.5	4.8	14	0.3	0.6
TUR	19	13	10.3	11.7	59	-16.8	-14.0	17	8.0	6.9
ROU	18	23	-4.1	2.9	41	3.7	-2.1	25	0.6	0.8
GEO	0.03	1	-2.1	-3.6	70	14.1	13.3	13	1.2	4.2
CHN	427	5	-1.1	-1.8	61	-2.3	-0.7	22	-0.4	-1.1
IDN	54	14	-0.5	0.1	19	-8.0	-13.4	22	0.5	2.9
MYS	59	21	-1.6	-1.3	30	-2.3	-1.6	34	-2.1	0.0
THA	25	9	-1.7	-4.4	26	1.6	3.3	6	-0.7	-1.3
IND	28	3	0.9	1.4	39	-1.1	0.5	36	-0.3	0.0
ZAF	53	25	-0.6	-0.9	21	0.8	-0.8	53	0.7	2.6
EGY	38	48	33.3	36.2	24	-16.0	-18.3	8	-10.5	-10.1

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

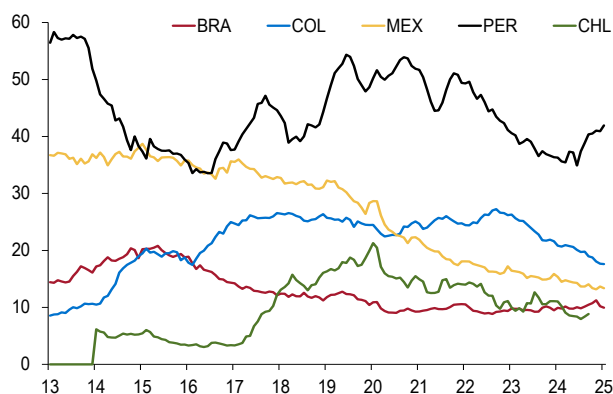
**a. Eastern Europe (percent share)**



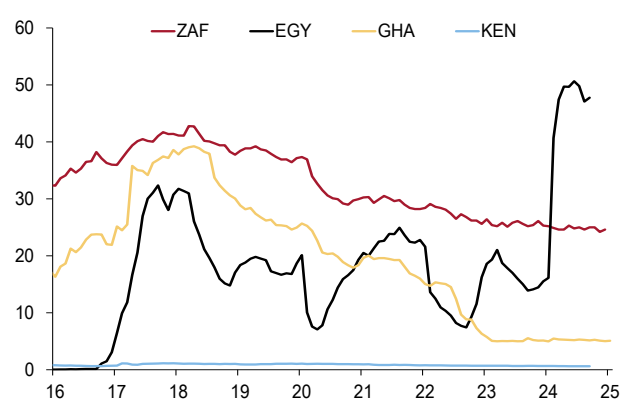
**b. Asia (percent share)**



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

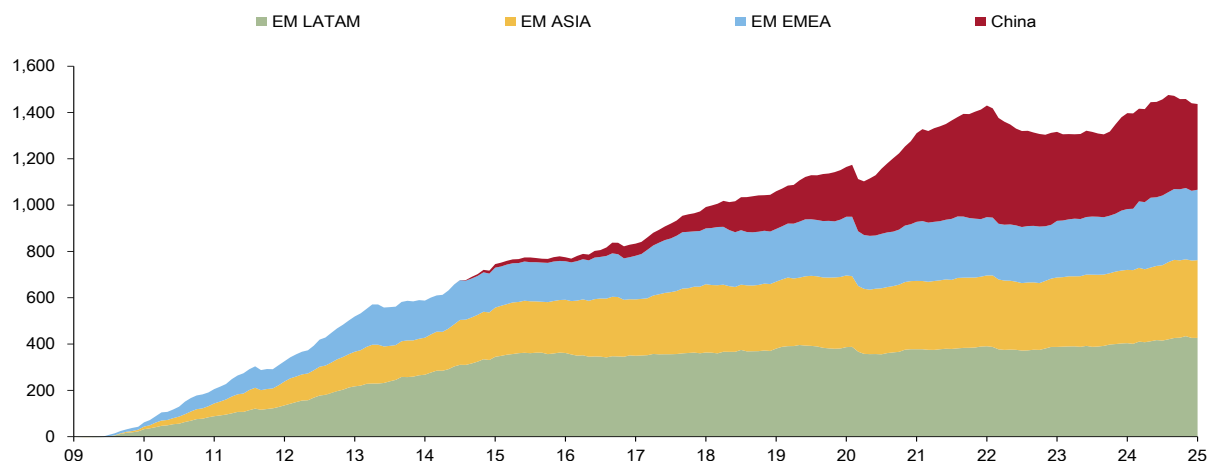


**d. Africa (percent share)**

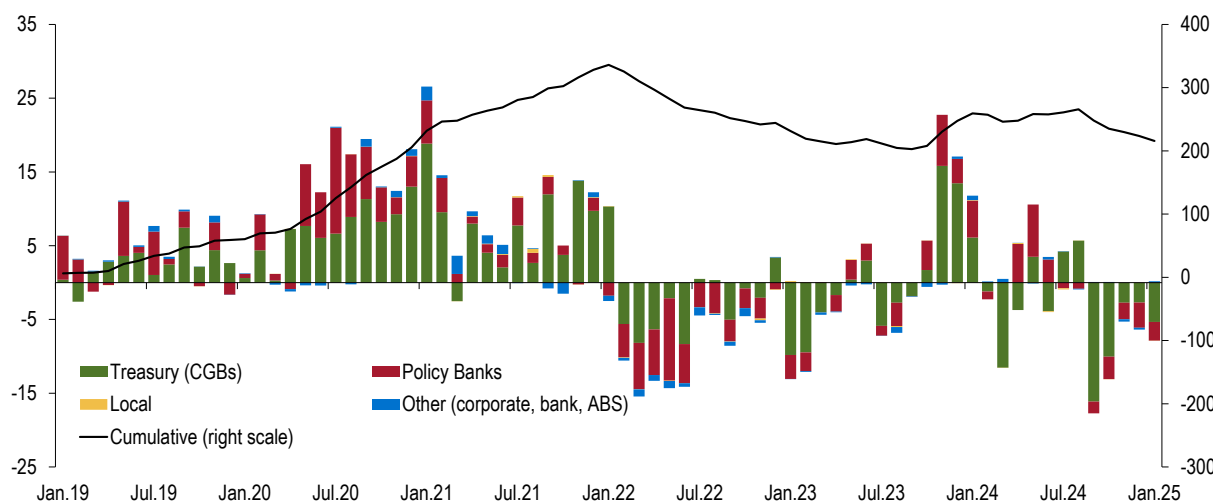


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries.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

