



WEDNESDAY, NOVEMBER 30, 2022

## SUMMARY

**Weekly local currency (LC) non-resident bond flows\* have turned positive in November** (Figure 1 & 3). Large inflows month to date in Mexico have more than wiped out October outflows. Asia has seen weekly inflows resume, particularly in Indonesia. Hungary has seen modest inflows return over the last two weeks following a weak start to the month. South African flows have been choppy, with small net outflows in November.

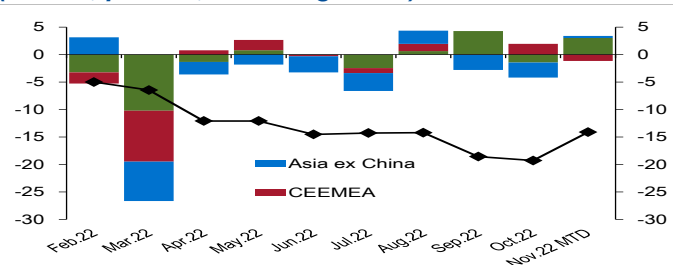
**EM ex. CHN saw monthly outflows in October (-\$2.2 bn), with weakness in Asia and Latam (ex. Brazil). Chinese outflows decelerated to -\$3.5bn.** EM ex. CHN flows stand at -\$27 bn YTD, vs inflows of \$26 bn in 2021.

- LATAM:** Following outflows of \$2 bn in October, a weaker-than-expected US Oct. CPI print (11-Nov) may have supported the strong rebound of inflows to Mexico so far in November (+\$3 bn). Inflows to Brazil continued at a more modest pace in Oct. (\$1.1 bn), though Brazilian assets have come under pressure in Nov. amid policy uncertainty following the elections. Colombia saw outflows (-\$0.3bn) in Oct for the first time since January also amid heightened policy risk. Peru continued to have modest outflows of -\$0.2bn.
- ASIA:** Outflows continued in October across the region, highlighted by Indonesia (-\$1.1 bn), Malaysia (-\$0.9 bn), India (-\$0.4 bn), and Thailand (-\$0.4 bn), with signs of improvement in partial Nov. data. Chinese outflows decelerated to -\$3.5bn, with investors withdrawing nearly \$3 bn from policy bank bonds.
- CEEMEA:** Limited new data from CEEMEA show a mixed picture. Hungary had a solid month of inflows (\$2.9 bn) in Oct., though partial Nov. data suggest a reversal. The rest of CEE received inflows in Sep. and are net positive YTD. Small outflows from South Africa have continued through mid-Nov. Investor flows to Ghana stabilized in Oct.
- Investor Composition:** CEE and Colombia are the only countries to see the non-resident share of debt increase this year. Egypt, Ghana, Indonesia, Peru, and Ukraine have seen foreign participation fall materially (>5 ppts). Egyptian banks have stepped up and now own over 50% of the Treasury bill market (vs 38% in Dec. 21). So far this year, NBFIs have gained market share in South Africa, Romania, Brazil, Malaysia, and Indonesia. In Peru (+4.4%), Hungary (+2.6%), and Turkey (+3.5%), banks have taken a larger share of the market YTD.

### 1. Weekly LC Government Debt Non-resident Flows (USDbn)

	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov
MEX	-0.54	0.24	-0.40	1.93	1.52	
ZAF	-0.29	-0.51	-0.14	-0.29	-0.06	0.15
HUN	0.20	1.13	-0.60	-0.26	0.11	0.17
TUR	-0.01	0.01	-0.01	-0.03	-0.02	
IDN	-0.39	-0.08	0.05	0.14	0.47	0.26
IND	0.09	-0.19	-0.30	0.00	0.30	-0.23
THA	-0.42	0.16	0.42	2.15	-0.69	-0.29

### 2. Monthly LC Non-resident Flows and Returns (USDbn; percent; excluding China)



### 3. Local Currency Government Non-resident Debt Flows (USDbn; latest month is month to date)

	Jan.22	Feb.22	Mar.22	Apr.22	May.22	Jun.22	Jul.22	Aug.22	Sep.22	Oct.22	Nov.22 MTD	2022YTD	2021
BRA	0.1	-3.4	-9.6	-0.5	-0.4	0.3	0.3	-2.2	3.1	1.1		-11.3	22.9
MEX	0.7	-0.4	-0.9	-0.7	0.0	-0.9	-2.7	1.3	1.0	-2.0	3.0	-1.7	-12.7
PER	0.0	0.2	-0.6	-0.3	0.4	-0.3	-0.5	0.2	-0.3	-0.2		-1.5	-0.3
COL	0.0	0.4	0.9	0.2	0.8	0.9	0.5	1.3	0.6	-0.3		5.2	3.0
HUN	1.8	0.3	-1.0	1.7	0.7	-2.0	1.5	0.1	-1.3	-2.9	-0.6	4.1	-0.5
POL	0.7	-0.1	0.7	1.1	1.3	1.4	-0.9	0.5	0.8			5.5	-2.4
CZE	2.3	0.7	-0.2	-1.2	2.0	1.4	0.6	-0.8	1.1			5.8	1.0
RUS	-1.6	-2.1	-0.1	-0.1	0.0	0.1	-0.4	0.0	0.0	0.0		-4.3	-1.4
TUR	-0.1	-0.6	-0.4	0.1	-0.5	-0.3	-0.1	0.0	-0.1	-0.1	-0.1	-2.2	1.0
ROU	-0.2	0.0	-0.2	0.1	0.1	0.0	0.5	1.1				1.3	-1.0
UKR	-0.4	-0.2	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.2	-0.1	-1.1	0.3
KAZ	-0.5	-0.1	0.1	-0.3	0.1	0.0	0.0	-0.2	0.0	0.0		-0.9	1.0
ZAF	0.8	1.2	-0.6	0.1	-0.1	-0.9	-0.9	1.9	-0.3	-0.6	-0.4	0.2	3.1
EGY	0.8	-1.2	-7.7	-0.4	-1.6	0.3	-0.8	-0.5				-11.0	2.6
ZMB	0.1	0.1	0.0	0.0	-0.1	-0.1	0.0	-0.1				-0.1	1.7
GHA	-0.3	0.0	0.3	-0.1	-0.1	-0.1	-0.4	-0.6	-0.1	0.0		-1.6	0.3
MYS	1.1	0.8	-1.1	-0.6	0.2	-1.2	-1.1	0.8	-0.6	-0.9		-2.5	7.6
IND	0.7	-0.5	-0.7	-0.5	-0.7	-0.3	-0.3	0.5	0.2	-0.4	-0.1	-1.9	-1.5
IDN	-0.3	0.6	-3.4	-1.4	-2.2	-1.0	-1.8	0.4	-1.9	-1.1	0.2	-11.9	-4.9
THA	2.4	2.2	-2.0	0.2	0.9	-0.4	-0.1	0.6	-0.4	-0.4	0.3	3.2	6.6
CHN	8.5	-10.1	-14.4	-12.5	-13.3	-13.6	-2.8	-3.8	-8.0	-3.5		-73.6	115.1
EM ex. CHN	8.0	-2.1	-26.7	-2.6	0.9	-3.3	-6.6	4.4	1.5	-2.2	2.2	-27.0	25.6

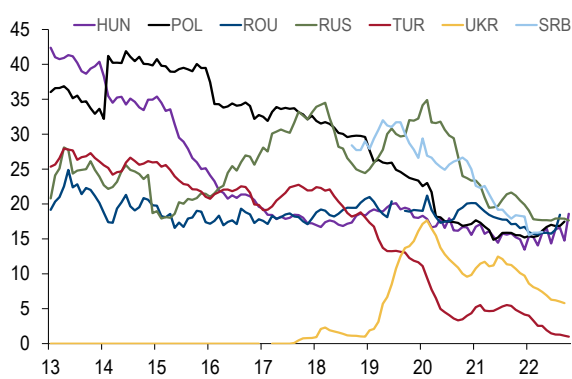
This Monitor was prepared by MCM-GA. Sources: Bloomberg, Central banks, Finance Ministries, Haver, Bond exchanges, IMF Staff calculations. Notes: Data includes local currency bonds, primarily government debt. China sovereign bonds includes government and policy banks. Egypt local currency debt refers only to Treasury bills. South Africa daily flows data from the JSE, monthly data is derived from the Treasury. \*Sample includes only the group of countries in figure 1

#### 4. Local Currency Government Debt Holdings: Investor Composition

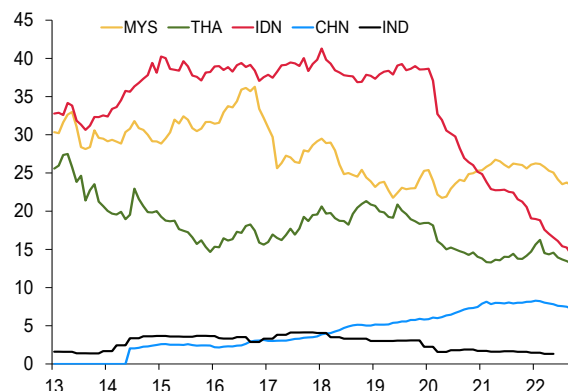
	Foreign Holdings (US blns)	Foreign Share (percent)	Monthly Change (latest, ppt)	Change Since Dec. 2021 (ppt)	Domestic Bank Share (percent)	Monthly Change (latest, ppt)	Change Since Dec. 2021 (ppt)	Domestic NBF Share (percent)	Change Since Dec. 2021 (ppt)
BRA	97	9	0.1	-1.3	29	-0.8	-0.8	52	2.0
MEX	78	16	-0.4	-2.2	10	-0.3	-1.7	47	0.5
COL	25	27	-0.6	1.9	13	-0.3	-2.1	35	-1.2
PER	15	43	-0.7	-6.6	24	-2.8	4.4	12	
HUN	14	19	3.8	5.1	33	0.5	2.6	11	0.1
POL	30	17	0.6	2.3	42	-0.7	-2.7	12	-0.6
RUS	45	18	-0.3	-2.2					
TUR	1	1	-0.1	-3.2	73	0.8	3.5	10	-0.9
ROU	9	18	2.1	1.7	44	-2.1	-3.9	23	1.4
CZE	29	28	1.0	1.6	40	-0.8	-4.3	26	0.8
UKR	2	5	-0.7	-4.6	35	-0.3	-13.7		
SRB	1	16							
KAZ	1	2	-0.1	-2.9					
GEO	0	4	-0.7	-5.5	61	-0.5	-1.1		
CHN	456	7	0.0	-1.0	58	0.2	1.1	20	2.4
IDN	46	14	-0.4	-5.1	32	0.7	-1.9	34	1.0
MYS	48	23	-0.8	-3.5				33	-2.4
THA	26	13	-0.5	-2.1	23	-0.1	0.4	32	0.0
IND	17	1			41				
ZAF	46	26	-0.6	-2.0	20	0.1	0.3	52	1.4
EGY	7	8	-1.3	-14.1	51	0.8	13.2	17	-3.9
ZMB	3	26		-1.4					
GHA	2	10	0.1	-6.0					

#### Regional Look: Non-resident Holdings of Domestic Government Debt

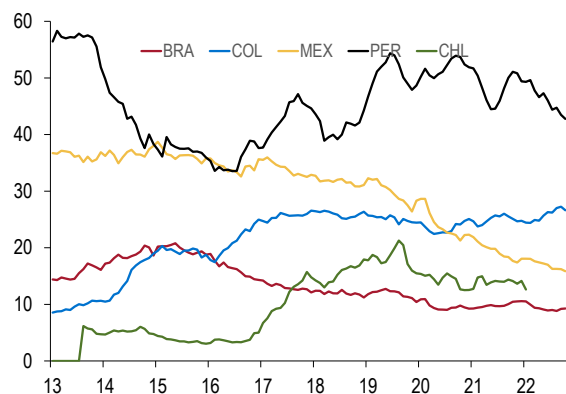
5. Eastern Europe & Turkey (percent share)



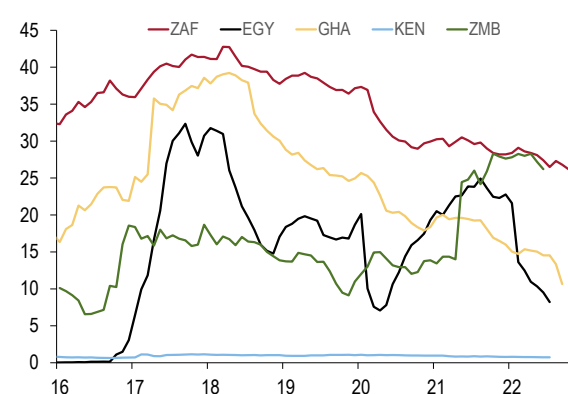
6. Asia (percent share)



7. Latin America (percent share)

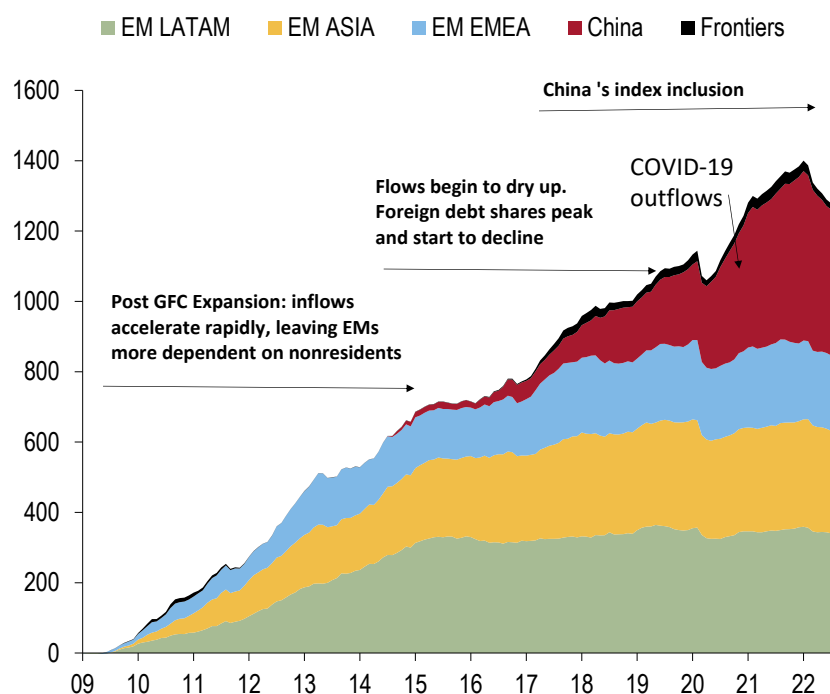


8. Africa (percent share)

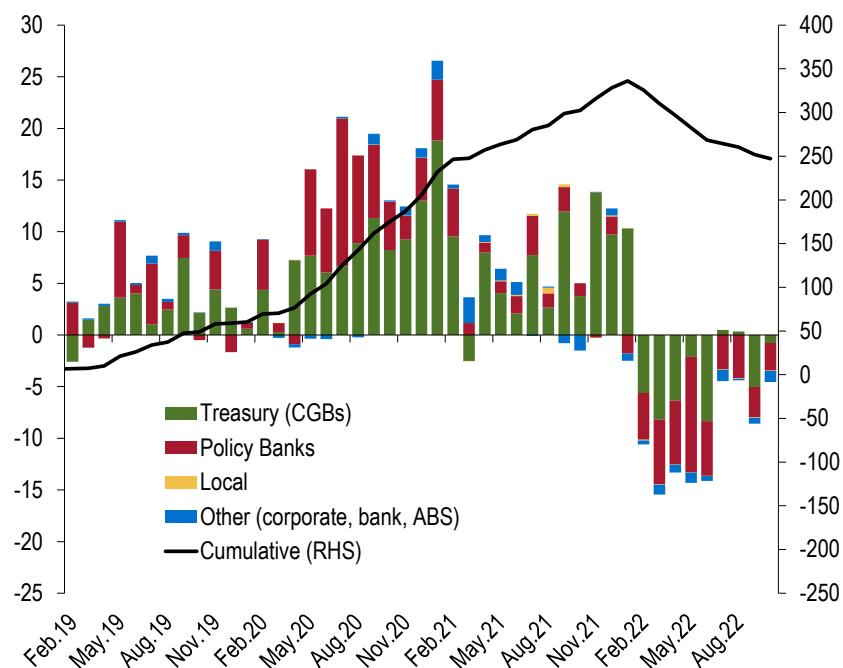


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries.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

### 9. Cumulative Non-resident Flows into LC Government Bonds Since 2012 (US dollar, billions)



### 10. Non-resident Flows into Chinese Local Currency Bonds, by Sector (US dollar, billions)



Note: In chart 9, in some cases, flows are derived from the change in stock outstanding held by foreign investors each month.