



GLOBAL MARKETS ANALYSIS

Monetary and Capital Markets

EM LOCAL CURRENCY BOND HOLDINGS MONITOR

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SUMMARY

High frequency daily data* indicates flows have been choppy in recent weeks, with small net outflows in June, notably from Asia (Figure 1). India, Thailand, Indonesia have seen outflows in June. Türkiye and Mexico show some signs of stabilization after outflows in May to early June. South Africa has received net inflows of around \$2 bn in June. Meanwhile, flows to Hungary have been inconsistent, with small net outflows.

Monthly data shows that inflows resumed in May (Figure 3) amid continued positive returns (Figure 2). Over 60% of our sample have seen net inflows YTD despite aggregate outflows in April. USD-based returns remained positive for the sixth consecutive month in June, largely driven by currencies amid persistent dollar weakness.

- **LATAM: Flows were positive on net in May, though Mexico continued to lag, with outflows of \$2.4 bn.** Peru and Colombia rebounded from April outflows, with inflows of \$0.3 bn and \$0.4 bn respectively. Brazil received \$2.9 bn in inflows in May and \$3.3 bn in April after 450 bps of hikes since September, with markets pricing in the end of the cycle (for now).
- **Asia: Inflows continued in May, led by Malaysia with its largest inflows in a decade.** Malaysia has received over \$5 bn in inflows over the last two months. Indonesia saw another strong month of inflows (\$1.6 bn), though early June data points to small outflows. India recovered to record small inflows in May before outflows returned in June (-\$1 bn). Thailand appears on track for a second consecutive month of small outflows in June (\$0.5 bn combined). China saw small outflows in May (-\$1 bn), though flows are marginally positive for the year.
- **CEEMEA: Flows have remained inconsistent and differentiated.** Turkey rebounded in May (\$1.5 bn) after large outflows in April, while early June data shows more modest inflows. After healthy inflows to Hungary in April and May (\$1.9 bn total), small outflows returned in June. South Africa saw small outflows in May (-\$0.2 bn), though early data shows June on track for the best month since December. Investor interest in Poland has waned, with three months of outflows (\$1.3 bn total).

Investor Composition: Foreign ownership has declined for most EMs over the last year, though YTD shows a more mixed picture, with a modest uptick across EM Asia, Peru, Hungary, and Egypt (Figures 4 and 5). With the exception of Peru and Turkey, banks have generally been an active buyer thus far in 2025. NBF demand has been more mixed, with the share of bond ownership declining across much of Asia, South Africa, Poland, and Egypt. Demand trends in Latin America are also mixed, with weaker foreign participation in Brazil, Mexico, and Colombia. Banks gained market share in Brazil and Mexico.

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

	9-May	16-May	23-May	30-May	6-Jun	13-Jun	20-Jun	27-Jun
MEX	-0.07	-2.1	-1.4	1.7	-0.7	0.1	0.5	
ZAF	-0.04	1.6	-1.4	-0.5	1.3	0.5	0.4	-0.6
HUN	-0.33	1.0	-0.1	0.0	0.4	-0.4	0.0	-0.6
UKR	-0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	0.93	1.9	0.1	-0.3	-3.3	0.6	0.7	
IDN	0.62	-0.1	1.0	0.3	0.2	0.2	-0.6	-0.2
IND	-0.23	-0.7	-0.8	1.9	-0.5	-0.7	0.2	0.4
THA	0.35	-0.6	0.5	-0.4	0.0	-0.3	-0.1	-0.2

Figure 2. EM LC Bond Returns (percent)

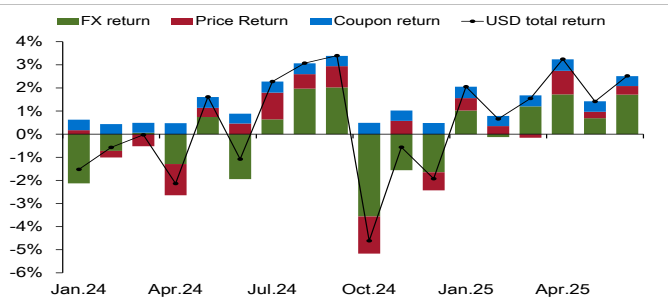


Figure 3. Local Currency Government Non-resident Debt Flows (USD billion; latest month is month-to-date)

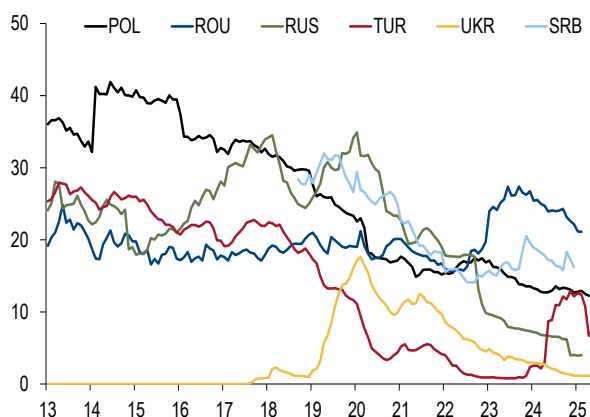
	May.24	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25 mtd	2025YTD	2024	2023
BRA	3.3	5.5	-1.3	1.9	2.6	5.2	7.7	-9.9	-3.4	0.3	-0.1	3.3	2.9	-0.1	2.9	22.3	11.9
MEX	0.6	0.6	-2.2	1.9	2.9	-3.6	-0.5	3.4	-1.4	2.4	0.8	-1.3	-2.4	-0.1	-2.0	2.1	5.0
CHL	-0.1	-0.1	0.5	0.4	0.4	-0.6	-0.2	-0.7	0.3	0.7	0.2	0.4			1.5	-2.3	0.6
PER	0.1	-0.9	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	-0.3
COL	0.3	0.0	-0.4	0.5	-0.7	-0.1	-0.6	-0.4	0.5	0.6	0.0	0.0	0.4		1.6	-1.0	-2.5
HUN	0.8	-2.1	0.7	-0.5	-1.6	0.7	-1.6	-1.5	1.4	0.6	-0.7	1.3	0.6	-0.7	2.5	-2.5	1.8
POL	0.4	1.2	2.1	-0.5	1.5	-0.3	0.5	-0.5	1.7	1.7	-0.4	-0.5	-0.4		2.1	4.1	-3.2
CZE	0.2	-4.0	-2.2	0.6	0.3	-1.0	1.6	-1.6	1.6						1.6	-6.8	15.9
RUS	0.0	0.0	-0.6	0.2	0.0	-0.7	0.0	-3.8	0.0	0.1	0.4				0.5	-5.8	-6.2
TUR	6.8	0.7	2.9	0.6	2.2	0.2	2.3	-0.4	1.6	0.5	-1.5	-5.6	1.5	0.3	-3.2	16.1	2.0
ROU	0.0	0.2	0.7	0.4	0.5	-0.7	-0.9	0.1	-0.7	0.0	0.0				-0.7	0.1	7.4
SRB	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.2	-0.1	-0.1				0.1	0.0	0.0
UKR	-0.1	-0.1	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6	-0.4
ZAF	1.8	-0.5	0.7	-0.2	1.3	0.5	-1.2	1.2	0.2	0.8	0.6	0.2	-0.2	1.6	3.0	4.3	2.9
EGY	1.6	-0.1	0.3	-0.7	0.0	2.5	-0.6	-4.5	3.2	-0.6	3.4		0.0		6.0	27.3	6.6
MYS	0.9	-0.1	1.4	1.8	0.1	-2.6	-0.1	-0.4	0.4	-0.4	0.7	2.2	3.0		6.1	0.4	5.9
IND	1.0	2.1	2.6	2.8	2.3	-0.3	-0.1	1.6	1.4	1.4	3.7	-3.0	0.2	-0.7	2.9	17.2	8.4
IDN	1.1	0.1	0.3	2.5	1.2	1.0	-0.8	0.3	0.3	0.5	0.1	0.5	1.6		2.6	2.3	5.4
THA	0.5	-0.3	0.8	0.8	0.1	-1.0	-0.9	0.4	-0.4	0.1	0.6	1.7	0.0	-0.6	1.5	-1.1	0.3
CHN	10.8	-0.8	3.5	4.8	-17.8	-13.1	-5.0	-6.2	-8.0	0.8	0.4	9.4	-1.0		1.5	-25.0	5.8
EM ex. CHN	18.8	6.1	9.6	12.5	13.7	0.2	3.1	-14.9	6.0	9.4	7.9	-1.2	7.6	-0.7	29.0	86.4	45.7

Figure 4. Local Currency Government Debt Holdings: Investor Composition

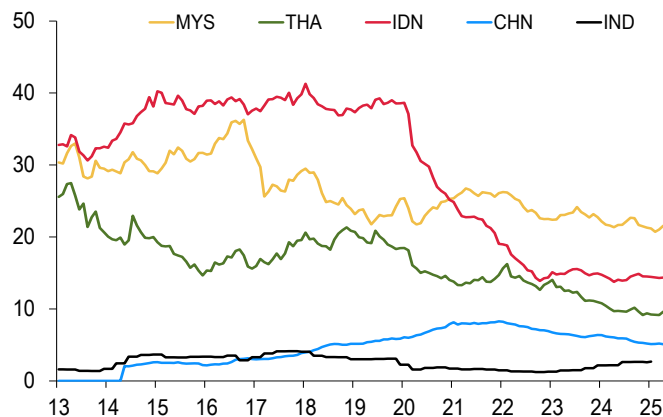
	Foreign Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)	Domestic NBFI Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)
BRA	10	-0.3	0.4	-0.5	30	0.6	0.5	5.4	50	0.2	-0.7	-5.7
MEX	13	-0.7	-2.9	-15.4	8	0.2	-2.2	0.5	54	1.9	4.2	11.7
COL	17	-0.6	-4.6	-7.4	16	-0.2	2.9	0.5	46	-0.2	4.6	8.0
PER	43	1.9	6.5	-5.8	16	-4.0	-5.5	6.3	8		-7.1	-18.0
HUN	15	2.7	-1.3	-3.0	34	3.2	7.4	1.4	14	0.5	0.7	0.9
POL	12	-0.7	-1.6	-11.4	47	1.7	3.7	1.6	14	-0.1	0.1	-6.1
TUR	7	-4.7	5.1	-4.2	60	-1.6	-15.3	4.3	17	2.9	7.9	8.2
ROU	21	-1.3	-5.9	1.7	42	0.2	4.3	-2.6	26	0.7	1.0	4.8
GEO	1	-0.3	-1.5	-8.7	73	4.0	16.7	1.1	13	0.5	1.8	12.4
CHN	5	-0.2	-1.2	-0.7	62	0.9	-1.4	0.0	22	-0.2	-0.2	3.6
IDN	15	0.1	-0.3	-24.0	18	0.5	-8.6	-3.2	22	-0.2	0.3	0.0
MYS	22	1.1	-0.3	-2.8	29		-3.2	-0.5	36	-0.3	0.6	-1.7
THA	10	0.3	-1.3	-8.8	27	1.3	3.0	12.8	6	-0.6	-0.9	0.9
IND	3	0.2	1.0	-0.3	38		-2.3	-3.3	37	-0.8	0.0	5.6
ZAF	25	-0.1	-0.8	-12.6	22	0.7	1.6	4.8	53	-0.7	0.1	7.0
EGY	45	3.0	30.2	27.9	30		-10.2	-12.5	7	-1.1	-11.3	-3.2

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

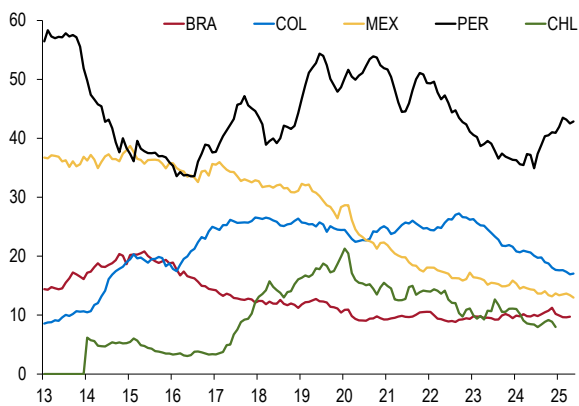
a. Eastern Europe (percent share)



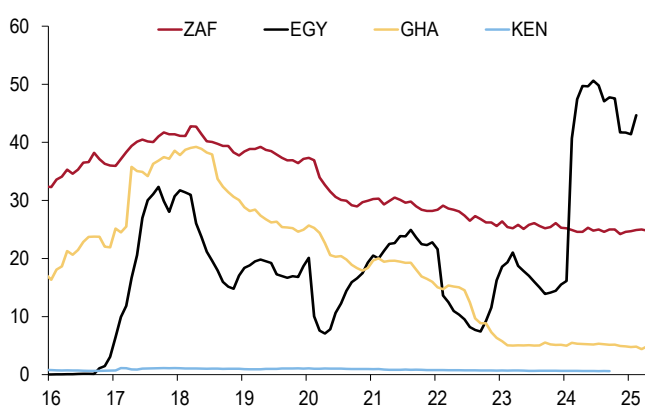
b. Asia (percent share)



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)

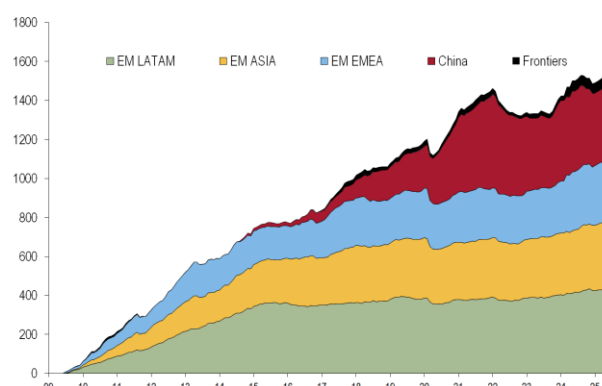


Figure 7. Change in Foreign holdings and Total Local Currency Debt Since Dec. 2023 (percent)

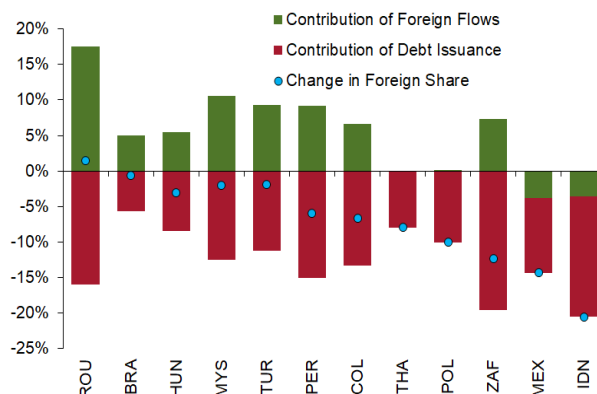


Figure 8. Non-resident Flows as Share of Foreign Holdings (USD billions; YTD figures may differ from monthly to due high frequency data).

	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	2025 YTD	2024	2023
BRA	-2.5%	2.8%	4.7%	-1.1%	1.6%	2.0%	4.3%	6.4%	-7.9%	-2.8%	0.3%	-0.1%	2.7%	2.3%	2.3%	19.6%	11.4%
MEX	-2.9%	2.0%	-1.7%	-1.1%	3.2%	4.5%	-5.9%	0.5%	0.3%	0.3%	5.5%	1.2%	-0.9%	-1.9%	4.2%	-2.6%	4.5%
CHL	-1.3%	-4.0%	2.7%	8.1%	1.2%	3.0%	-1.7%	-0.5%	-8.8%	3.7%	5.9%	1.7%	5.0%	1.6%	17.3%	-16.8%	10.6%
PER	5.5%	0.4%	-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%	22.5%	-2.0%
COL	1.0%	1.2%	-0.1%	-1.7%	1.9%	-2.5%	-0.4%	-2.5%	-1.8%	2.2%	2.4%	0.1%	0.0%	1.7%	6.5%	-4.4%	-8.8%
HUN	5.5%	4.0%	-11.0%	4.0%	-2.8%	-8.6%	4.4%	-10.5%	-14.5%	16.2%	4.4%	-4.3%	8.4%	3.3%	30.0%	-20.5%	14.0%
POL	-0.8%	1.1%	3.8%	6.0%	-1.4%	4.0%	-0.8%	1.3%	-1.3%	4.7%	4.2%	-0.9%	-1.2%	-0.9%	5.9%	12.3%	-9.6%
TUR	36.3%	204.7%	6.9%	27.6%	4.3%	16.1%	1.3%	14.5%	-2.2%	9.5%	2.7%	-8.4%	-34.6%			696.1%	332.0%
ROU	-1.8%	-0.1%	0.9%	4.0%	2.3%	2.4%	-3.3%	-4.9%	0.5%	-4.0%	-0.2%	0.2%			-4.0%	0.5%	67.3%
SRB	-3.4%	-1.9%	-2.0%	-2.4%	-3.3%	-0.5%	-6.1%	-0.9%	-2.6%	17.2%	-5.4%	-3.9%			6.6%	0.7%	1.1%
UKR	-1.9%	-12.1%	-11.6%	-3.3%	-14.8%	-8.3%	-7.0%	-0.6%	-9.8%	0.5%	-6.6%	7.0%	-2.3%	-1.9%	-3.7%	-53.7%	-25.9%
ZAF	0.9%	3.9%	-1.0%	1.8%	-0.7%	2.4%	1.0%	-2.2%	2.2%	-0.2%	1.5%	1.1%	0.1%		2.5%	8.2%	6.3%
EGY	10.0%	4.4%	-0.4%	0.7%	-1.9%	0.1%	7.1%	-1.6%	-12.4%	10.1%	-1.8%	9.9%			2.4%	375.8%	97.1%
GHA	-0.1%	-0.1%	0.1%	2.7%	1.4%	-1.5%	2.9%	-2.3%	-1.5%	1.3%	-5.2%	-1.4%	1.2%			2.7%	-5.5%
MYS	0.8%	1.6%	-0.7%	2.8%	7.4%	5.5%	-6.6%	-0.3%	-0.5%	2.3%	0.5%	0.5%	4.0%	2.5%	10.2%	10.7%	5.9%
IND	0.0%	2.6%	0.0%	0.0%	22.8%	0.0%	0.0%	1.6%	0.0%	0.0%	13.1%	0.0%	0.0%		13.1%	58.6%	59.8%
IDN	-2.6%	2.2%	0.1%	0.6%	4.8%	2.1%	1.7%	-1.5%	0.5%	0.5%	1.0%	0.2%	0.9%		5.7%	4.1%	10.5%
THA	-2.9%	1.8%	-1.4%	0.7%	4.6%	1.5%	-4.0%	-3.9%	1.0%	-0.8%	0.0%	0.8%	6.1%	1.5%	7.8%	-7.1%	-13.1%
CHN	-0.8%	0.8%	-0.9%	1.0%	1.2%	-3.5%	-2.3%	-0.6%	-0.6%	-1.3%	0.0%	1.2%	1.6%	0.1%	1.7%	-7.1%	0.0%
EM ex. CHN	-0.3%	3.4%	0.3%	1.4%	3.5%	2.5%	-0.2%	0.8%	-2.7%	1.3%	2.5%	0.5%	0.3%	1.0%	5.2%	17.5%	8.3%

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

