



## HIGHLIGHTS

**Portfolio flows to EM local currency debt remain positive but have moderated on net, with considerable country differentiation.** A majority of our EM sample have seen net inflows YTD after a strong Q3, though not clearly along regional lines. Hungary, Egypt, Colombia, South Africa, Peru, and Brazil have seen inflows of at least 1% of GDP in 2025, while outflows have generally been more modest, with Indonesia and Mexico among the laggards. Returns on the EM local currency bond index rebounded to 1.3% in November and are tracking +17.5% YTD but have softened from earlier in the year.

- **Partial daily data\* for November shows a mixed picture, with concentrated outflows from a few countries despite resilient investor demand elsewhere** (Fig. 1). Flows to Indonesia have remained persistently weak, with outflows of \$1.1 bn over the last six weeks despite some stabilization. Outflows from Mexico also resumed after a hiatus early in the month. Flows to South Africa have deteriorated, with net outflows over the last six weeks (-\$1.5 bn). In contrast, nonresident demand for LC bonds from Thailand, Hungary, and Türkiye has remained firm. Inflows to India also have continued on net despite being inconsistent in recent weeks.
- **Monthly data for October show inflows to EM ex. China decelerated (\$7.1 bn) but continued for the sixth consecutive month** (Fig. 3). *In Latin America*, Brazil received another \$6.4 bn of inflows in October (\$22.2 bn YTD). Mexico saw \$2.4 bn of outflows, with November tracking for over \$1 bn of outflows as well. Peru received inflows of \$0.4 bn, bringing YTD inflows to \$4.0 bn for the best year since 2019. The Dominican Republic reported large outflows in October (-\$0.3 bn), which represented almost one-third of foreign holdings. Colombia saw modest outflows of \$0.5 bn. *In Asia*, Malaysia (\$0.8 bn), India (\$0.6 bn), and Thailand (\$0.5 bn) all received inflows in October. Both Thailand (\$2.6 bn) and Malaysia (\$3.4 bn) are tracking positive YTD inflows, with significant improvement over 2024. After recording outflows in October (-\$1.8 bn), Indonesia was tracking modest outflows again in November (-\$0.4 bn), bringing YTD flows negative. Flows to China remained positive (\$3.0 bn) for the second month, though large outflows in July have kept YTD flows negative. *In CEEMEA*: South Africa saw outflows of \$2.1 bn in October, followed by continued net sales in November (-\$1.2 bn), though YTD inflows remain solid at \$6 bn. Hungary rebounded from September, with inflows in both October (\$2.5 bn) and November (\$0.8 bn), bringing YTD inflows close to 3% of GDP. Poland also rebounded, with \$1.6 bn of inflows in October. After large outflows in March-April, Türkiye has seen persistent inflows, including in \$1.4 bn in October-November.

**Positive risk sentiment towards local currency debt has increased non-resident participation in nearly half of EMs YTD, though broader absorption patterns have varied:** The non-resident share of LC debt has increased YTD in Peru, South Africa, Hungary, Egypt, Colombia, and Brazil amid strong inflows (Fig. 4 and 5). In contrast, despite positive YTD inflows in Poland and Türkiye, non-resident participation has fallen amid heavy domestic issuance. Non-resident share also has fallen in Mexico and Romania due to both outflows and higher debt stock, while in the Dominican Republic the decline was largely driven by outflows (Fig. 8). Where non-resident share has fallen, NBFIs have mostly stepped in and gained market share. Elsewhere, banks have been active, increasing their ownership share by more than 2 ppt in Thailand, Indonesia, China, Georgia, and Brazil.

Figure 1. Weekly LC Non-resident Flows (US billions)

	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	6-Wk Sum
MEX	-0.3	-0.5	0.1	1.4	-1.6	-0.4		-1.4
ZAF	-0.1	1.2	-1.5	0.8	-0.3	-0.8	-0.9	-1.5
HUN	-0.2	0.5	0.4	-0.2	0.1	0.3	0.7	1.7
UKR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	0.2	-0.4	0.4	0.3	0.5	0.2		1.1
IDN	-0.8	-0.2	-0.5	-0.2	-0.3	0.2	-0.1	-1.1
IND	1.1	0.1	0.5	-0.3	0.6	-0.1	-0.2	0.6
THA	0.1	0.3	0.2	0.3	0.1	0.1	0.0	1.0

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

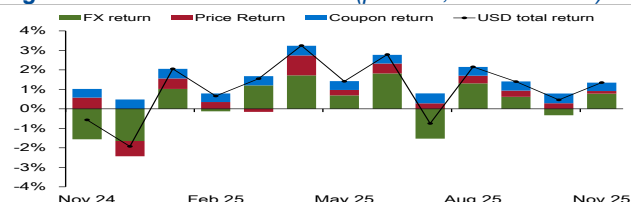


Figure 3. Local Currency Government Non-resident Debt Flows (USD billion; latest month is month-to-date)

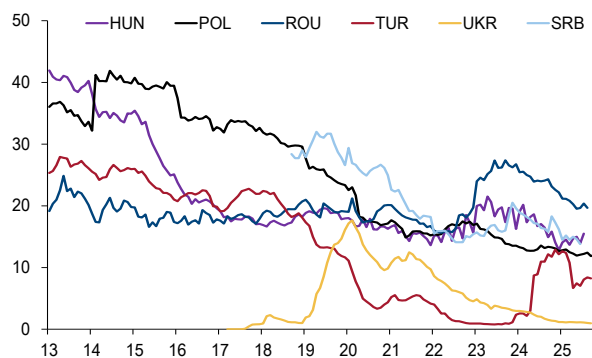
	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	2025YTD	2024	2023	2022
BRA	7.7	-9.9	-3.4	0.3	-0.1	3.3	2.9	3.4	1.2	3.5	4.8	6.4		22.2	22.3	11.9	-7.2
MEX	-0.5	3.4	-1.4	2.4	0.8	-1.3	-2.4	-0.2	-0.5	-0.6	-1.4	-2.4	-0.9	-7.8	2.1	5.0	3.9
DOM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3		-0.4	-0.1	0.4	0.5
PER	0.3	0.3	0.6	0.9	0.0	-0.2	0.3	1.6	-0.3	0.6	0.1	0.4		4.0	3.3	-0.3	-1.9
COL	-0.6	-0.4	0.5	0.6	0.0	0.0	0.4	0.2	-1.5	0.8	8.0	-0.6		8.5	-1.0	-2.5	4.8
HUN	-1.6	-1.5	1.4	0.6	-0.7	1.3	0.6	-1.5	2.0	2.5	-2.1	2.5	0.8	7.1	-2.5	2.0	2.7
POL	0.5	-0.5	1.7	1.7	-0.4	-0.5	-0.4	1.4	1.1	1.3	-1.2	1.6		6.2	4.1	-3.2	4.9
TUR	2.3	-0.4	1.6	0.5	-1.5	-5.6	1.5	-0.1	2.3	1.4	0.4	0.1	1.3	1.8	16.1	2.0	-2.4
ROU	-0.9	0.1	-0.7	0.0	0.0	-0.1	-0.6	0.3	0.7	-0.4				-0.8	0.1	7.4	2.4
SRB	0.0	0.0	0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.0	-0.1			-0.2	0.0	0.0	-0.4
UKR	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.6	-0.4	-1.1
ZAF	-1.2	1.2	0.2	0.8	0.6	0.2	-0.2	1.9	-0.4	1.9	4.4	-2.1	-1.2	6.4	4.3	2.9	0.3
EGY	-0.6	-4.5	3.2	-0.6	3.4	-1.8	2.1	-0.3	3.2					9.0	27.3	6.6	-8.3
MYS	-0.1	-0.4	0.4	-0.4	0.7	2.2	3.0	-1.4	-1.2	0.7	-1.5	0.8		3.4	0.4	5.9	-1.9
IND	-0.1	1.6	1.4	1.4	3.7	-3.0	0.2	0.1	0.1	1.7	1.2	2.0	0.0	9.0	17.2	8.4	-2.0
IDN	-0.8	0.3	0.3	0.5	0.1	0.5	1.6	-0.5	1.0	1.1	-2.7	-1.8	-0.4	-0.2	2.3	5.4	-9.0
THA	-0.9	0.4	-0.4	0.1	0.6	1.7	0.0	-0.6	-0.1	-0.1	0.2	0.6	0.5	2.6	-1.1	0.3	6.2
CHN	-5.0	-6.2	-8.0	0.8	0.4	9.4	-1.0	-3.9	-17.9	-3.8	2.2	3.0		-18.8	-25.0	30.4	-76.0
EM ex. CHN	3.3	-10.4	5.7	8.6	7.3	-3.6	9.0	4.2	7.5	14.3	10.2	7.1	0.2	70.7	94.4	51.8	-8.4

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

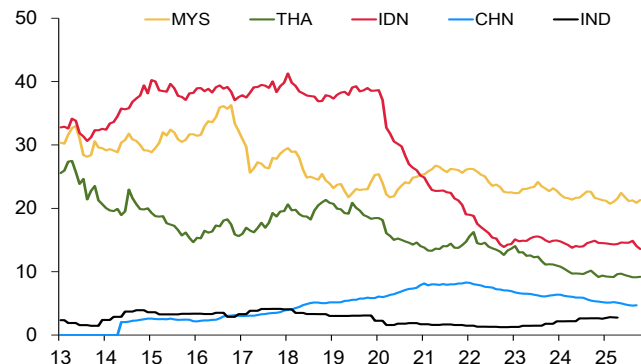
	Foreign Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec. 2019 (ppt)
BRA	10	0.3	1.0	0.0	32	2.7	2.5	7.5	48	-1.8	-2.8	-7.7
MEX	12	-2.2	-4.4	-16.8	8	0.3	-2.1	0.6	55	2.5	4.8	12.3
COL	20	1.9	-2.0	-4.8	15	-1.1	2.0	-0.4	45	-1.3	3.6	6.9
PER	45	3.7	8.3	-4.0	14	-7.8	-8.3	4.2				
DOM	3	-2.5	-4.1	-7.1	28	-0.3	10.4	12.8	44	5.6	-2.6	11.7
HUN	12	2.0	-1.8	-7.9	32	1.8	6.0	0.0	0	-14.0	-13.8	-13.5
POL	12	-0.6	-1.5	-11.3	51	-0.1	0.1	5.5	15	0.7	0.9	-5.3
TUR	8	-4.0	5.8	-3.5	56	-6.3	-19.9	-0.3	19	5.5	10.5	10.8
ROU	20	-2.5	-7.1	0.6	42	0.3	4.4	-2.5	27	1.7	2.0	5.8
GEO	2	0.2	-1.1	-8.2	72	3.2	15.9	0.3	15	1.9	3.2	13.7
CHN	5	-0.6	-1.6	-1.1	64	2.6	0.3	1.7	21	-1.0	-1.0	2.9
IDN	14	-0.9	-1.4	-25.0	22	4.9	-4.2	1.2	23	1.0	1.4	1.1
MYS	21	0.0	-1.5	-4.0	30	0.3	-2.2	0.6	36	-0.4	0.5	-1.8
THA	9	-0.2	-1.8	-9.3	30	4.5	6.1	15.9	35	-0.1	0.6	-7.3
IND	3	0.0	0.8	-0.5	37	-2.4	-3.4	-4.4	37	-0.8	0.0	5.6
ZAF	26	1.1	0.4	-11.4	20	-0.6	0.3	3.5	53	-0.7	0.1	7.0
EGY	43	1.6	28.8	26.5	29	-2.1	-11.7	-13.9	8	0.1	-10.1	-2.1

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

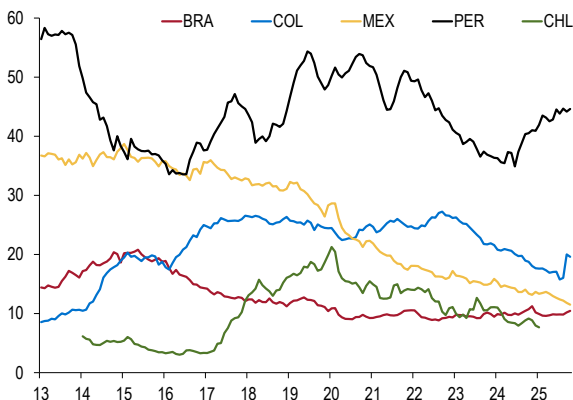
**a. Eastern Europe (percent share)**



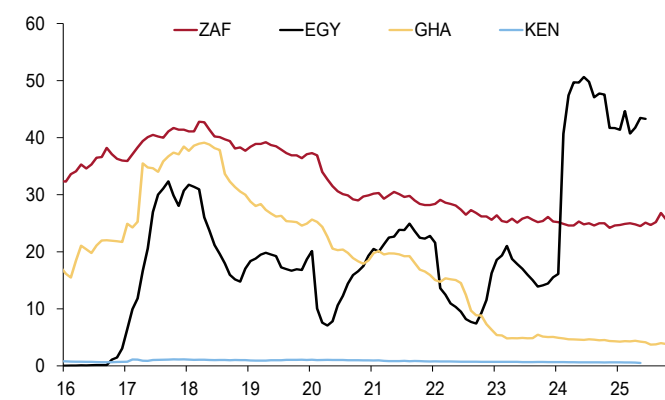
**b. Asia (percent share)**



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

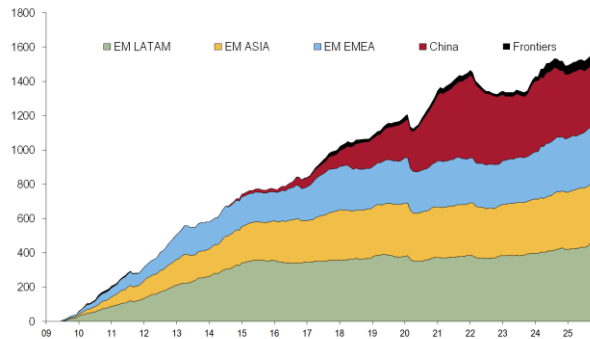


**d. Africa (percent share)**

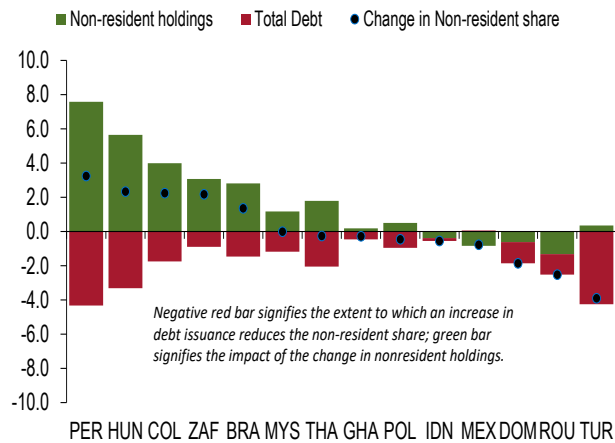


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. For Hungary, nonresident investor composition accounts for repo transactions per the source, which may lead to a divergence between flows and share. In Figure 4, the 'latest' figures may refer to different 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.

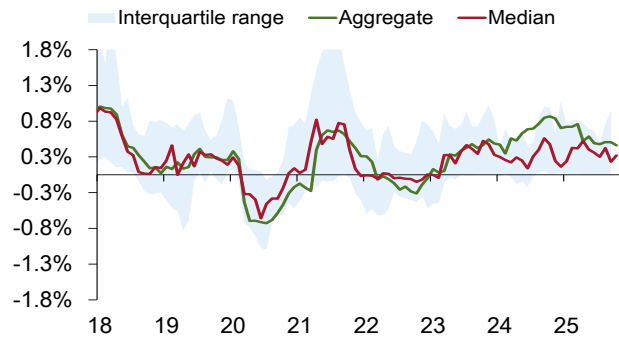
**Figure 6. Cumulative Non-resident Flows into Local Currency Govt. Bonds Since 2009 (USD billion)**



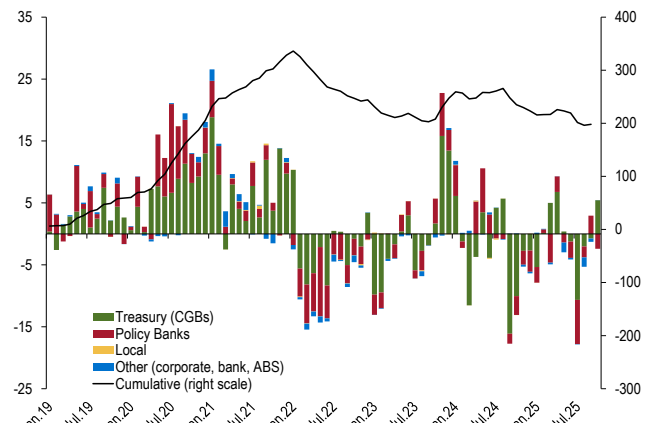
**Figure 8. Contribution of Total Issuance and Non-resident Holdings to Change in Nonresident Share Since Dec. 24 (percentage points).**



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



**Figure 10. Non-resident Flows as Share of Foreign Holdings (USD billions; flow figures may differ from monthly to due high frequency data).**

	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	2025 YTD	2024	2023
BRA	4.3%	6.4%	-7.9%	-2.8%	0.3%	-0.1%	2.7%	2.3%	2.6%	0.9%	2.5%	3.3%	4.3%	16.9%	19.6%	11.4%
MEX	-3.9%	-0.6%	3.9%	-1.6%	2.7%	0.9%	-1.5%	-2.5%	-0.3%	-0.5%	-0.6%	-1.4%	-2.5%	-7.1%	2.4%	4.8%
DOM	0.0%	0.1%	-2.9%	0.1%	-0.7%	-3.5%	-4.1%	-1.1%	-1.2%	-1.3%	-3.4%	-0.8%	-33.2%	-43.2%	-12.4%	43.4%
PER	0.8%	1.6%	1.9%	3.2%	4.8%	-0.2%	-1.0%	1.6%	7.9%	-1.2%	2.7%	0.5%	1.8%	21.5%	22.5%	-2.0%
COL	-0.4%	-2.5%	-1.8%	2.2%	2.4%	0.1%	0.0%	1.7%	0.7%	-5.8%	3.2%	29.3%	-1.8%	32.3%	-4.4%	-8.8%
POL	-0.8%	1.3%	-1.3%	4.7%	4.2%	-0.9%	-1.2%	-0.9%	3.3%	2.5%	2.8%	-2.6%	3.4%	16.2%	12.3%	-9.6%
TUR	1.3%	14.5%	-2.2%	9.5%	2.7%	-8.4%	-34.6%	14.2%	-0.4%	19.8%	10.0%	2.5%	0.6%	4.2%	696.1%	332.0%
ROU	-3.3%	-4.9%	0.5%	-4.0%	-0.2%	0.2%	-0.7%	0.0%	-1.6%	3.9%	-2.3%			-4.8%	0.5%	67.3%
SRB	-6.1%	-0.9%	-2.6%	17.2%	-5.4%	-3.9%	-8.7%	4.6%	-4.4%	-4.6%	-2.7%	-4.5%		-13.8%	0.7%	1.1%
UKR	-7.0%	-0.6%	-9.8%	0.5%	-6.6%	7.0%	-2.3%	-1.9%	1.0%	-2.2%	-5.6%	-5.5%	-11.4%	-23.2%	-53.7%	-25.9%
ZAF	0.9%	-2.3%	2.4%	0.3%	1.4%	1.1%	0.3%	-0.3%	3.4%	-0.7%	3.3%	7.2%	-3.2%	13.1%	8.8%	6.1%
EGY	7.1%	-1.6%	-12.4%	10.1%	-1.8%	9.9%	-4.9%	5.7%	-0.9%	8.2%					375.8%	97.1%
GHA	3.4%	-3.3%	-0.9%	1.4%	4.6%	-1.4%	1.0%	-5.0%	-3.8%	-6.6%	0.8%	4.2%	-12.2%	-16.9%	0.6%	-3.6%
MYS	-4.2%	-0.2%	-0.7%	0.7%	-0.7%	1.3%	3.7%	4.8%	-2.1%	-1.9%	1.1%	-2.3%	1.3%	5.8%	0.8%	11.5%
IND	0.0%	1.6%	0.0%	0.0%	13.1%	0.0%	0.0%	-8.8%	0.0%	0.0%					58.6%	59.8%
IDN	1.7%	-1.6%	0.5%	0.5%	1.0%	0.2%	0.9%	3.0%	-0.8%	1.9%	1.9%	-4.8%	-3.3%	-0.5%	4.1%	10.5%
THA	-4.0%	-3.9%	1.0%	-0.8%	0.0%	0.8%	6.1%	1.5%	-3.8%	-1.1%	-1.2%	0.7%	1.8%	3.9%	-7.1%	-13.1%
CHN	-2.3%	-0.6%	-0.6%	-1.3%	0.0%	1.2%	1.6%	0.1%	-0.3%	-2.5%	-0.5%	-0.2%	1.3%	-0.5%	-7.1%	0.0%
EM ex. CHN	0.2%	1.0%	-1.8%	0.6%	1.9%	0.6%	-0.4%	0.9%	0.7%	0.8%	1.6%	1.8%	0.4%	6.3%	18.6%	8.6%