



### SUMMARY

**Daily data\* show flows into EM local currency bonds have been choppy in October** (Figure 1\*). Flows to Indonesia have been underperforming with outflows near \$1.8 bn over the last five weeks. South African flows have been volatile, though only marginally negative on net in October. After sizeable outflows earlier, flows to Mexico have stabilized in recent days but look set to remain negative in October. Elsewhere, India is tracking about \$2 bn of inflows, while Hungary also has been the recipient of inflows surpassing \$1 bn. Returns on the EM local currency bond index remained positive in October for the third consecutive month (Figure 2), supported by a global bond rally and modest currency gains.

**Monthly data show inflows decelerated but continued in September, bolstered by the initiation of a total return swap for Colombia** (see below). Excluding Colombia, flows to EM ex. China were \$3.5 bn in September (vs \$13.9 bn in August), with sizeable outflows from Indonesia, Malaysia, Hungary, and Mexico (Figure 3). Nevertheless, about two-thirds of our sample have seen net inflows YTD, led by Peru, Hungary, South Africa, Egypt, and Colombia in GDP terms.

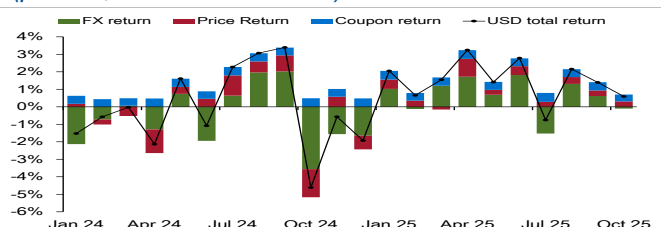
- **LATAM: Mexico continues to lag, while Colombia registered over \$8 bn of inflows in September.** For Colombia, the swap arrangement, with the ultimate liability in CHF, saw foreign banks take ownership of a large amount of domestic debt (both TES and shorter-term notes), and is scheduled to mature in July 2026. Historically, monthly flows have been less than \$1 bn in either direction. Mexico saw outflows of \$1.4 bn, with high frequency data for October pushing YTD outflows to over \$6 bn. In Brazil, inflows remained solid at \$4.8 bn in September (\$15.9 bn YTD), with markets pricing no rate cuts until March. Peru received small inflows of \$0.1 bn.
- **Asia: Flows diverged across countries, with inflows for India, Thailand, and China.** Foreign appetite for Indian debt seems to be recovering at \$4.4 bn from August-October, compared to net outflows (-\$2.6 bn) from April-July. Thailand eked out inflows for September (+\$0.2 bn), with October tracking at +\$0.5 bn, though inflows have been relatively soft YTD. Malaysia saw substantial outflows (-\$1.5 bn) in September.
- **CEEMEA: Flows have generally been positive in recent months, led by South Africa (\$4.5 bn) in September.** Despite outflows in September (-\$2.1 bn), daily data show Hungarian inflows return in October, building on strong inflows earlier in third quarter. Poland received inflows near \$4 bn from June-August. In Türkiye, inflows have continued at a slower pace at +\$0.4 bn in September (\$0.3 bn October), with YTD flows now marginally positive after the large outflows in March-April. Nonresident holdings in Zambia also have been steadily rising, up to around \$2.6 bn in June, from \$2.1 bn in December.

**Investor Composition: The non-resident share of local currency debt has drifted lower YTD in just over half of EMs, though Peru, South Africa, and Hungary are among those that have seen participation increase materially** (Figures 4 and 5). Among the laggards, heavy domestic issuance in Türkiye has largely driven the decline in nonresident share, while in Mexico and Romania both weak flows and issuance have played a role (Figure 8). In other countries, the decline has been modest. Otherwise, NBFIs have gained market share substantially in Mexico, Dominican Republic, Türkiye, and Hungary. In contrast, banks have increased ownership share by more than 2 ppt YTD in Brazil, Georgia, China, Indonesia, and Thailand.

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

	12-Sep	19-Sep	26-Sep	3-Oct	10-Oct	17-Oct	24-Oct	31-Oct
MEX	-0.8	-0.2	0.2	-1.3	-0.8	-0.3	0.1	
ZAF	2.4	-1.1	2.1	-2.2	0.4	-0.1	1.2	-1.7
HUN	-0.6	0.4	0.7	-0.1	0.5	-0.2	0.5	0.5
UKR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	0.6	0.2	0.4	-0.4	0.3	0.2		
IDN	-0.7	-0.5	-0.4	-0.6	0.1	-0.8	-0.2	-0.3
IND	0.4	0.8	-0.2	0.5	0.1	1.1	0.1	0.3
THA	0.3	0.3	-0.3	0.0	0.0	0.1	0.3	0.1

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



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

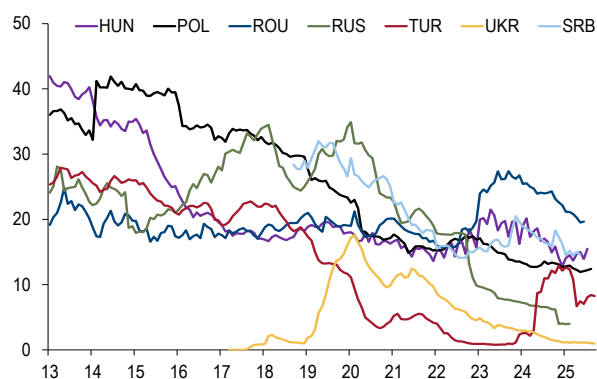
	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25 mtd	2025YTD	2024	2023
BRA	2.6	5.2	7.7	-9.9	-3.4	0.3	-0.1	3.3	2.9	3.4	1.2	3.5	4.8		15.9	22.3	11.9
MEX	2.9	-3.6	-0.5	3.4	-1.4	2.4	0.8	-1.3	-2.4	-0.2	-0.5	-0.6	-1.4	-1.8	-6.3	2.1	5.0
DOM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		-0.1	-0.1	0.4
PER	0.9	0.1	0.3	0.3	0.6	0.9	0.0	-0.2	0.3	1.6	-0.3	0.6	0.1		3.6	3.3	-0.3
COL	-0.7	-0.1	-0.6	-0.4	0.5	0.6	0.0	0.0	0.4	0.2	-1.5	0.8	8.0		9.1	-1.0	-2.5
HUN	-1.6	0.7	-1.6	-1.5	1.4	0.6	-0.7	1.3	0.6	-1.5	2.0	2.5	-2.1	2.6	6.7	-2.5	2.0
POL	1.5	-0.3	0.5	-0.5	1.7	1.7	-0.4	-0.5	-0.4	1.4	1.1	1.3			5.9	4.1	-3.2
TUR	2.2	0.2	2.3	-0.4	1.6	0.5	-1.5	-5.6	1.5	-0.1	2.3	1.4	0.4	0.3	0.7	16.1	2.0
ROU	0.5	-0.7	-0.9	0.1	-0.7	0.0	0.0	-0.1	-0.6	0.3					-1.1	0.1	7.4
SRB	0.0	-0.1	0.0	0.0	0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.0			-0.1	0.0	0.0
UKR	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	-0.6	-0.4
ZAF	1.3	0.5	-1.2	1.2	0.2	0.8	0.6	0.2	-0.2	1.9	-0.4	1.9	4.5	-1.3	8.0	4.3	2.9
EGY	0.0	2.5	-0.6	-4.5	3.2	-0.6	3.4	-1.8	2.1						6.2	27.3	6.6
MYS	0.1	-2.6	-0.1	-0.4	0.4	-0.4	0.7	2.2	3.0	-1.4	-1.2	0.7	-1.5		2.6	0.4	5.9
IND	2.3	-0.3	-0.1	1.6	1.4	1.4	3.7	-3.0	0.2	0.1	0.1	1.7	1.2	1.8	8.6	17.2	8.4
IDN	1.2	1.0	-0.8	0.3	0.3	0.5	0.1	0.5	1.6	-0.5	1.0	1.1	-2.7	-1.6	0.4	2.3	5.4
THA	0.1	-1.0	-0.9	0.4	-0.4	0.1	0.6	1.7	0.0	-0.6	-0.1	-0.1	0.2	0.5	2.0	-1.1	0.3
CHN	-17.8	-13.1	-5.0	-6.2	-8.0	0.8	0.4	9.4	-1.0	-3.9	-17.9	-3.8	2.2		-21.9	-25.0	38.8
EM ex. CHN	13.3	1.5	3.3	-10.4	5.7	8.6	7.3	-3.6	9.0	4.6	3.6	14.7	11.5	0.5	61.8	94.4	51.8

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

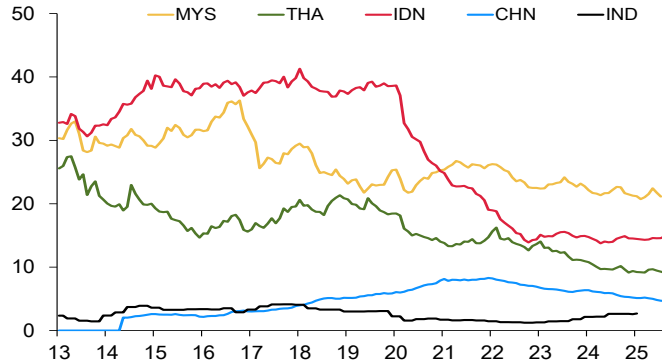
	Foreign Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2024 (ppt)	Change since Dec. 2023 (ppt)	Change Since Dec 2019 (ppt)
BRA	10	0.0	0.7	-0.2	33	3.0	2.9	7.8	35	-14.8	-15.7	-20.7
MEX	12	-1.9	-4.1	-16.5	8	0.8	-1.7	1.1	54	1.9	4.2	11.8
COL	20	2.3	-1.6	-4.4	15	-0.9	2.2	-0.2	46	-1.2	3.7	7.1
PER	44	3.3	7.8	-4.5	17	-4.0	-4.5	8.0				
DOM	5	-0.8	-2.4	-5.4	28	-0.5	10.2	12.6	43	4.5	-3.7	10.6
HUN	12	1.6	-2.2	-8.3	32	1.8	6.0	0.0	15	1.3	1.5	1.7
POL	12	-0.3	-1.1	-10.9	50	-1.3	-1.0	4.3	14	0.6	0.9	-5.4
TUR	8	-3.9	5.9	-3.4	56	-5.4	-19.1	0.5	19	4.9	9.9	10.2
ROU	20	-2.5	-7.1	0.6	43	1.0	5.0	-1.9	26	1.2	1.4	5.2
GEO	1	-0.4	-1.6	-8.8	73	4.0	16.7	1.1	14	1.3	2.6	13.1
CHN	5	-0.6	-1.7	-1.2	64	2.6	0.2	1.7	21	-1.2	-1.2	2.7
IDN	15	0.4	-0.1	-23.7	21	3.9	-5.2	0.2	22	-0.1	0.4	0.1
MYS	21	-0.4	-1.9	-4.4	30	0.6	-1.9	0.9	36	-0.6	0.2	-2.0
THA	9	-0.3	-1.8	-9.3	29	2.8	4.5	14.3	36	0.9	1.6	-6.3
IND	3	0.2	1.0	-0.3	38	-1.3	-2.3	-3.3	37	-0.8	0.0	5.6
ZAF	27	2.2	1.5	-10.3	20	-1.2	-0.3	2.9	52	-1.2	-0.4	6.5
EGY	42	0.1	27.3	24.9	32	1.4	-8.2	-10.4	8	-0.6	-10.8	-2.7

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

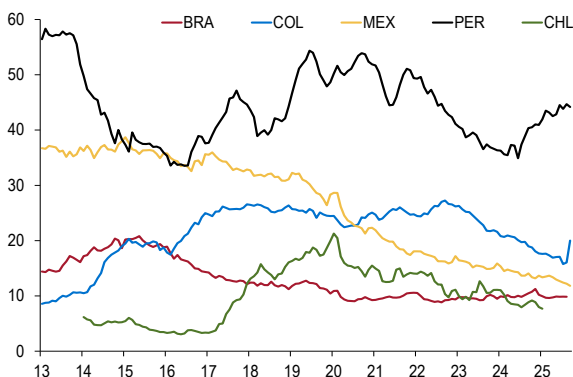
**a. Eastern Europe (percent share)**



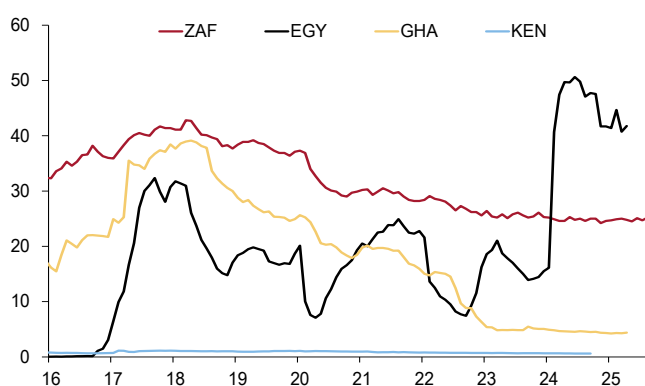
**b. Asia (percent share)**



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

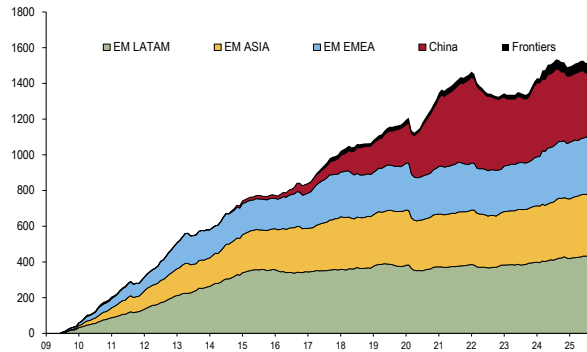


**d. Africa (percent share)**

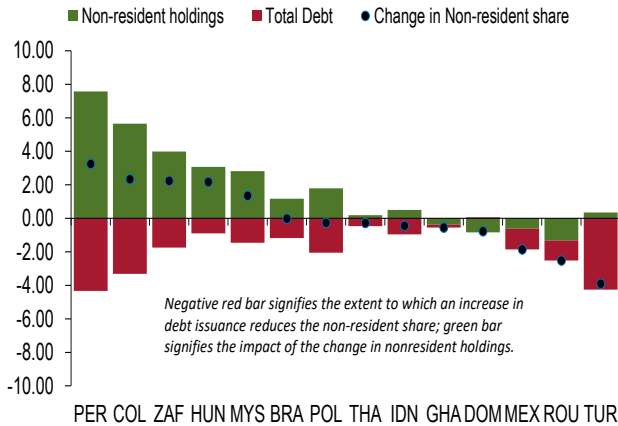


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. For Hungary, nonresident investor composition accounts for repo transactions per the source, which may lead to a divergence between flows and share. In Figure 4, the 'latest' figures may refer to different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

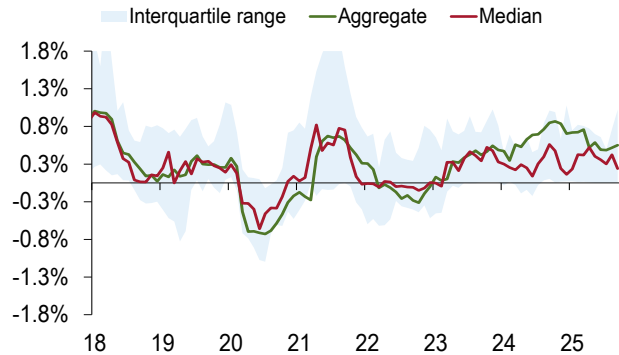
**Figure 6. Cumulative Non-resident Flows into Local Currency Govt. Bonds Since 2009 (USD billion)**



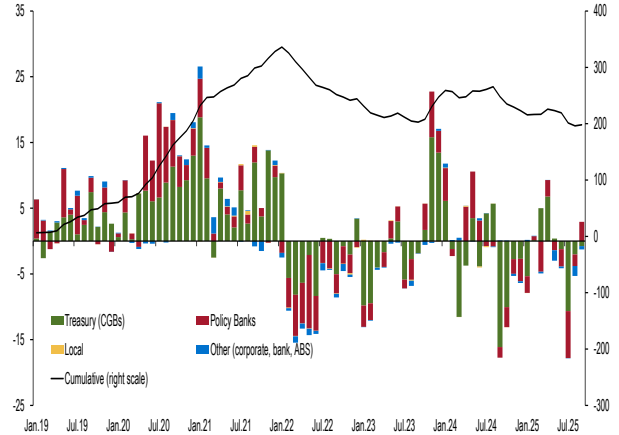
**Figure 8. Contribution of Total Issuance and Non-resident Holdings to Change in Nonresident Share Since Dec. 24 (percentage points)**



**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).**

	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	2025 YTD	2024
BRA	1.6%	2.0%	4.3%	6.4%	-7.9%	-2.8%	0.3%	-0.1%	2.7%	2.3%	2.6%	0.9%	2.5%	3.3%	12.1%	19.6%
MEX	2.1%	3.1%	-3.9%	-0.6%	3.9%	-1.6%	2.7%	0.9%	-1.5%	-2.5%	-0.3%	-0.5%	-0.6%	-1.4%	-4.8%	2.4%
DOM	-1.7%	-0.4%	0.0%	0.1%	-2.9%	0.1%	-0.7%	-3.5%	-4.1%	-1.1%	-1.2%	-1.3%	-3.4%		-14.3%	-12.4%
PER	4.6%	5.4%	0.8%	1.6%	1.9%	3.2%	4.8%	-0.2%	-1.0%	1.6%	7.9%	-1.2%	2.7%	0.5%	19.5%	22.5%
COL	1.9%	-2.5%	-0.4%	-2.5%	-1.8%	2.2%	2.4%	0.1%	0.0%	1.7%	0.7%	-5.8%	3.2%	29.3%	34.7%	-4.4%
POL	-1.4%	4.0%	-0.8%	1.3%	-1.3%	4.7%	4.2%	-0.9%	-1.2%	-0.9%	3.3%	2.5%	2.8%		15.3%	12.3%
TUR	4.3%	16.1%	1.3%	14.5%	-2.2%	9.5%	2.7%	-8.4%	-34.6%	14.2%	-0.4%	19.8%	10.0%	2.5%	3.5%	696.1%
ROU	2.3%	2.4%	-3.3%	-4.9%	0.5%	-4.0%	-0.2%	0.2%	-0.7%	0.0%	-1.6%				-6.1%	0.5%
SRB	-3.3%	-0.5%	-6.1%	-0.9%	-2.6%	17.2%	-5.4%	-3.9%	-8.7%	4.6%	-4.4%	-4.6%	-2.7%		-9.7%	0.7%
UKR	-14.8%	-8.3%	-7.0%	-0.6%	-9.8%	0.5%	-6.6%	7.0%	-2.3%	-1.9%	1.0%	-2.2%	-5.6%	-5.5%	-15.1%	-53.7%
ZAF	-0.5%	2.4%	0.9%	-2.3%	2.4%	0.3%	1.4%	1.1%	0.3%	-0.3%	3.4%	-0.7%	3.3%	7.2%	16.8%	8.8%
EGY	-1.9%	0.1%	7.1%	-1.6%	-12.4%	10.1%	-1.8%	9.9%	-4.9%	5.7%						375.8%
GHA	1.5%	-1.9%	3.4%	-3.3%	-0.9%	1.4%	4.6%	-1.4%	1.0%	-5.0%	-3.8%	-6.6%	0.8%		-9.1%	0.6%
MYS	7.4%	5.5%	-6.6%	-0.3%	-0.5%	2.3%	0.5%	0.5%	4.0%	2.5%	1.5%	0.1%	1.4%	-0.4%	13.0%	10.7%
IND	22.8%	0.0%	0.0%	1.6%	0.0%	0.0%	13.1%	0.0%	0.0%							58.6%
IDN	4.8%	2.1%	1.7%	-1.5%	0.5%	0.5%	1.0%	0.2%	0.9%	3.0%	-0.8%	1.9%	1.9%	-4.8%	3.6%	4.1%
THA	4.6%	1.5%	-4.0%	-3.9%	1.0%	-0.8%	0.0%	0.8%	6.1%	1.5%	-3.8%	-1.1%	-1.2%	0.7%	2.0%	-7.1%
CHN	1.2%	-3.5%	-2.3%	-0.6%	-0.6%	-1.3%	0.0%	1.2%	1.6%	0.1%	-0.3%	-2.5%	-0.5%	-0.2%	-1.8%	-7.1%
EM ex. CHN	3.6%	2.7%	-0.1%	0.9%	-1.8%	0.7%	2.0%	0.6%	-0.4%	1.3%	1.1%	0.4%	1.9%	2.3%	7.0%	19.5%