



THURSDAY, JUNE 30, 2022

SUMMARY

Weekly local currency (LC) non-resident bond flows* have deteriorated somewhat in June (Figure 1 and 2). After modest inflows in late-May, outflows emerged again in June, particularly in Hungary (-\$1.7 bn), alongside Thailand, Indonesia, and India. South Africa has received small inflows over the last week.

Monthly outflows (ex. China) slowed in April (\$-2.3 bn) and May (\$-0.9 bn) with Latin America generally outperforming. China continued its losing streak, with outflows of over \$50 bn during the last 4 months.

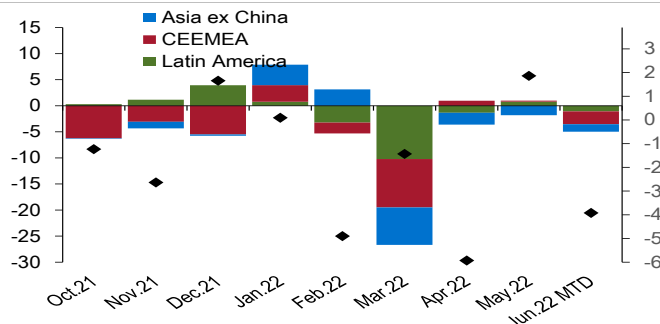
- **LATAM:** Brazil stabilized with only marginal outflows in April-May. Inflation-linked bonds pulled in another ~\$1 bn in April, though holdings were flat in May. Colombia continued to see solid inflows for the 4th straight month in May with \$0.8 bn. Peru recovered in May with inflows of \$0.4 bn. Mexico has seen modest outflows over the last 3 months. Nonresident flows to Mexico were flat in May before trending negative in early June data.
- **ASIA:** Outflows have broadly persisted since March as inflationary pressures have picked up and the regional central banks have begun to tighten policy. Although Thailand saw substantial inflows in May, flows have since turned negative again. Indonesia has seen 4 months of outflows with YTD losses of \$7.6 bn that appear to have continued into June. Malaysia attracted small inflows in May (\$0.2 bn). Outflows from Chinese bonds* accelerated slightly to \$13.3 bn in May, with YTD outflows accounting for just under 10% of foreign holdings from end-2021.
- **CEEMEA:** CEE flows have been relatively resilient in recent months, with Hungary receiving \$2.5 bn of inflows in Apr.-May, though higher frequency data shows a resumption of outflows. Poland and Romania received inflows in April as well. Nonresident flows to South Africa have been choppy since March, with modest outflows again in May. Egypt saw large outflows in March (-\$8 bn, t-bills)—roughly 40% of foreign holdings—which eased in April. Kazakhstan saw inflows (\$0.1 bn) resume in May, while small outflows from Ghana continued (-\$0.1 bn).

Investor Composition: NBFIs have increased their holdings of LC debt in many countries YTD, while banks are mixed. Foreign participation continues to trend lower, with Hungary and Colombia key exceptions. In Türkiye, nonresidents now hold less than 2% of domestic debt, down from 12% in Jan. 2020 and over 20% in 2018.

1. Weekly LC Government Debt Non-resident Flows (USD bns)

	20-May	27-May	3-Jun	10-Jun	17-Jun	24-Jun	1-Jul
MEX	-0.6	0.1	-0.2	-1.2	0.2		
ZAF	-0.3	-0.3	0.2	-0.6	0.0	-0.2	0.2
HUN	0.3	0.2	0.2	0.1	-0.2	-1.4	
TUR	-0.1	-0.1	0.0	-0.1	-0.1		
IDN	-0.2	0.1	0.5	0.4	-0.9	-0.7	0.0
IND	0.1	0.0	0.2	-0.4	0.1	0.2	-0.1
THA	0.4	0.6	0.0	-0.1	-0.2	-0.1	0.0

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



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

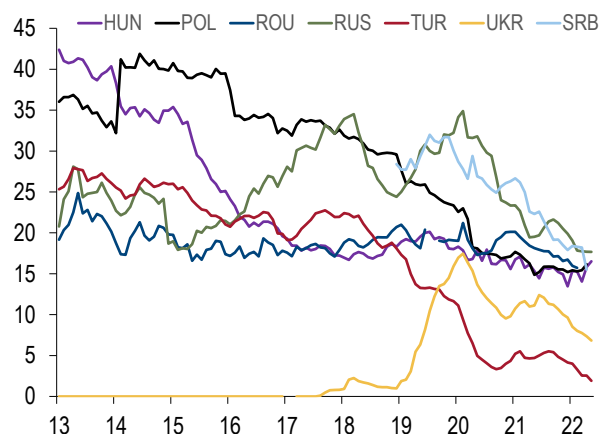
	Oct.21	Nov.21	Dec.21	Jan.22	Feb.22	Mar.22	Apr.22	May.22	Jun.22 MTD	2022YTD	2021
BRA	2.2	3.0	2.6	0.1	-3.4	-9.6	-0.5	-0.4		-13.9	22.9
MEX	-2.2	-1.4	1.8	0.7	-0.4	-0.9	-0.7	0.0	-1.1	-2.4	-12.7
PER	0.4	-0.1	-0.5	0.0	0.2	-0.6	-0.3	0.4		-0.3	-0.3
COL	-0.1	-0.4	0.0	0.0	0.4	0.9	0.2	0.8		2.3	3.0
HUN	-0.7	-0.3	-0.9	1.8	0.3	-1.0	1.7	0.7	-1.7	1.8	-0.5
POL	-0.9	0.0	-0.3	0.7	-0.1	0.7	1.1			2.4	-2.4
CZE	-0.1	0.2	-2.4	2.3	0.7	-0.2	-1.2			1.6	1.0
RUS	-0.8	-1.4	-1.9	-1.6	-2.1	-0.1	-0.1	0.0		-3.9	-1.4
TUR	-0.5	0.0	-0.2	-0.1	-0.6	-0.4	0.1	-0.5	-0.4	-1.9	1.0
ROU	-0.2	-0.2	0.2	-0.2	0.0	-0.2	0.1			-0.4	-1.0
UKR	-0.2	-0.1	0.0	-0.4	-0.2	0.0	0.0	-0.1	0.0	-0.7	0.3
KAZ	0.0	0.2	-0.2	-0.5	-0.1	0.1	-0.3	0.1		-0.7	1.0
ZAF	-0.4	0.0	0.4	0.8	1.2	-0.6	0.1	-0.1	-0.4	1.0	3.1
EGY	-1.9	-1.5	-0.2	0.8	-1.2	-7.7	-0.4			-8.4	2.6
GHA	-0.4	-0.1	-0.1	-0.3	0.0	0.3	-0.1	-0.1		-0.2	0.3
MYS	0.6	-0.7	1.6	1.1	0.8	-1.1	-0.6	0.2		0.4	7.6
IND	-0.1	0.2	-1.6	0.7	-0.5	-0.7	-0.5	-0.7		-1.7	-1.5
IDN	-0.9	-2.2	-1.9	-0.3	0.6	-3.4	-1.4	-2.2	-1.1	-7.7	-4.9
THA	0.3	1.4	1.6	2.4	2.2	-2.0	0.2	0.9	-0.3	3.4	6.6
CHN	5.0	13.5	11.4	8.5	-10.1	-14.4	-12.5	-13.3		-41.9	115.1
EM ex. CHN	-6.0	-3.2	-1.8	7.9	-2.2	-26.7	-2.6	-0.8	-5.0	-29.6	25.8

4. Local Currency Government Debt Holdings: Investor Composition

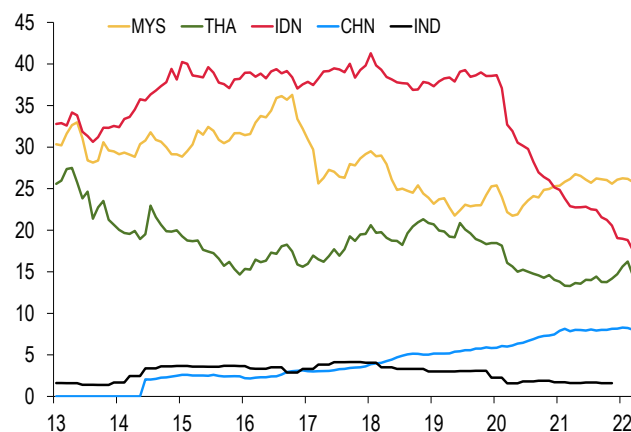
	Foreign Holdings (US blns)	Foreign Share (percent)	Monthly Change (latest, ppt)	Change Since Dec. 2021 (ppt)	Change since Dec. 2020 (ppt)	Domestic Bank Share (percent)	Change Since Dec. 2021 (ppt)	Domestic NBFI Share (percent)	Change Since Dec. 2021 (ppt)
BRA	105	9	-0.2	-1.5	-0.2	30	0.2	50	0.6
MEX	82	17	-0.2	-0.8	-5.1	10	-1.5	47	-0.2
COL	27	26	0.9	0.9	0.6	14	-1.4	37	0.7
PER	17	47	0.7	-2.1	-4.6	20	0.6		
HUN	15	17	0.7	3.0	0.9	33	2.5	11	-0.2
POL	31	16	0.7	1.0	-1.0	45	-0.1	12	-0.7
RUS	44	18	0.0	-2.2	-5.7	47	1.5	20	
TUR	2	2	-0.6	-2.2	-2.4	71	1.1	12	1.1
ROU	8	16	0.2	-0.9	-4.3	48	-0.4	24	1.5
CZE	27	27	-0.9	0.2	-4.5	40	-4.4	27	2.3
UKR	2	7	-0.5	-2.8	-3.0	44	-4.5		
SRB	1	16	-2.7	-2.4	-10.8				
KAZ	1	3	0.3	-1.9	0.5				
GEO	0	7	-0.2	-2.7	3.5	65	2.9		
CHN	505	8	-0.1	-0.3	0.4	58	1.1	86	
IDN	55	17	-0.5	-2.5	-8.6	34	-0.2	19	1.4
MYS	55	25	-0.2	-1.0	-0.2	33	0.9	33	0.3
THA	31	15	0.2	-0.1	0.5	23	-0.3	34	-1.8
IND	18	1			-0.4	41		32	0.2
ZAF	55	28	-0.3	-0.1	-1.8	19	-1.5	51	1.1
EGY	10	12	-1.1	-9.8	-5.0	48	10.1	19	-1.5
ZMB	3	28		0.2	13.9				
GHA	4	15	0.6	-0.6	-3.0	32		1	0.0

Regional Look: Non-resident Holdings of Domestic Government Debt

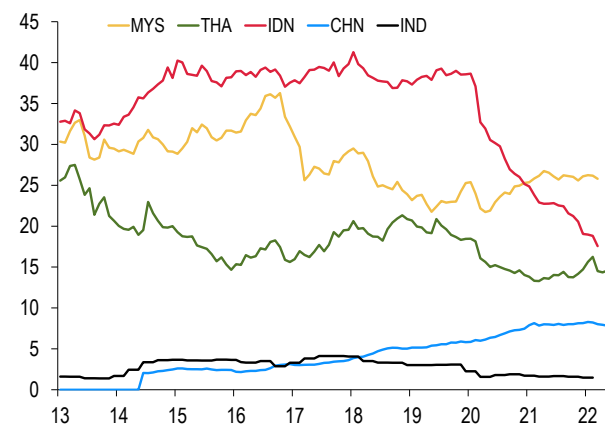
5. Eastern Europe & Turkey (percent share)



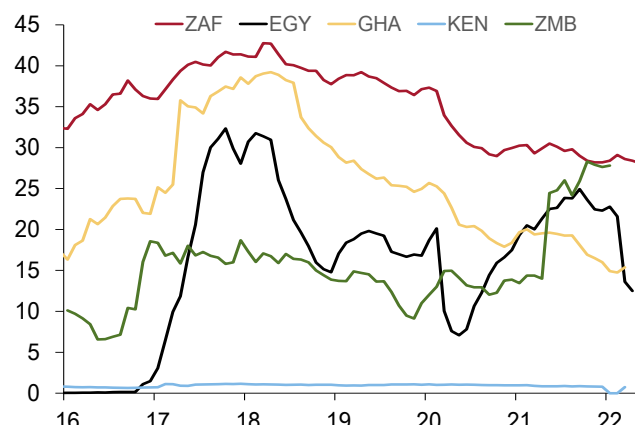
6. Asia (percent share)



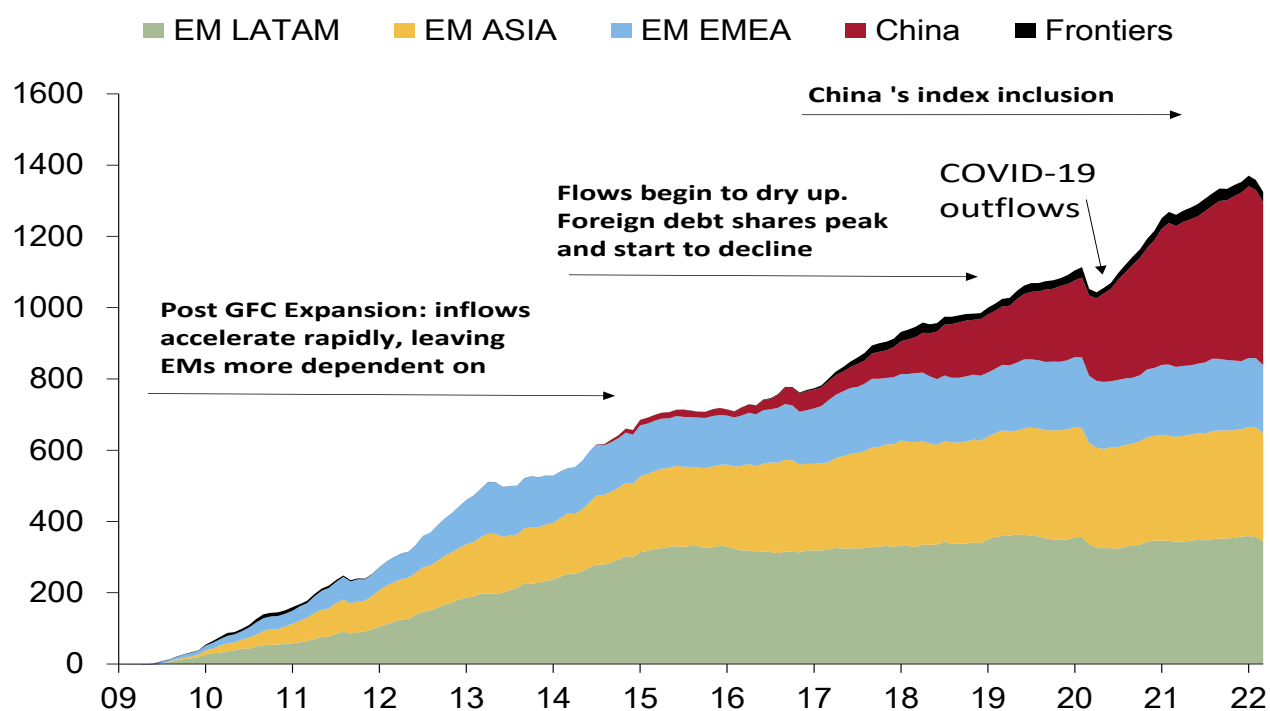
7. Latin America (percent share)



8. Africa (percent share)



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



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