



KEY HIGHLIGHTS

- Provisional data for Q1 2025 (until February, Fig. 2) suggests that EMs, on aggregate, experienced portfolio outflows across both equities and bonds. Although there was a modest recovery in bond inflows in March, EMs posted further outflows in April, alongside a tightening of financial conditions (Fig. 1).

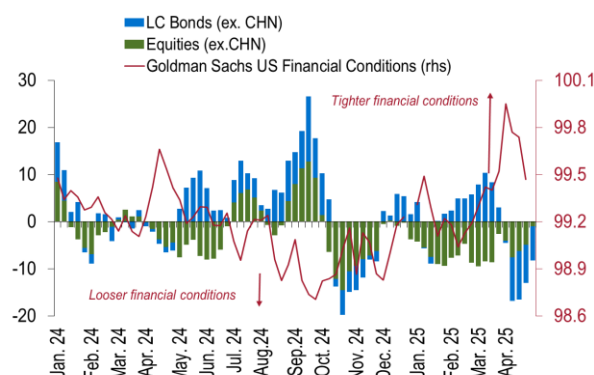
Highlights for Q4 2024: Challenging period for EM non-resident flows

- Portfolio flows were mostly negative for most EMs (Fig. 2) in Q4. Notably, some countries in EM Asia were particularly affected, with India ending its six-quarter streak of inflows, while Malaysia and Thailand recorded their largest quarterly outflows since Q1 2020. Nonetheless, there were some positives, with Türkiye, Poland, Chile, and the Philippines managing to sustain inflows.
- FDI inflows for EMs (as a percentage of GDP) appear to be stabilizing, albeit at low levels (Fig. 7). Nominal FDI flows (trailing 12-month) have been gradually rebounding (Fig. 5), led by Latin America, although Asia continues to lag.
- Capital outflows among EM residents are gradually rising since the second half of 2024 (Fig. 9). Nonetheless, high-frequency and provisional data suggest that residents' portfolio flows have been moderating as of early this year (Fig. 8). Net capital flow (non-resident inflows minus resident outflows) for EMs were negative in Q4, marking the first quarterly net capital outflows since Q1 2020, led by a sharp decline in non-resident inflows (Fig. 10).
- Capital inflows into China, on a trailing 12-month basis continued to moderate in Q4 (Fig. 6). Debt, equity and other investments posted outflows in Q4 while direct investments saw small inflows. Meanwhile, resident outflows (net acquisition of foreign assets) continued their steady increase with all subcomponents posting positive figures in Q4.
- Other BOP Details: While reserves for most EMs rose on net in 2024 (Fig. 16), alongside portfolio inflows, Q4 saw some decline in EM reserves (Fig. 15). Remittances, as a share of GDP, are trending towards the higher end for most EMs, with nominal growth remaining near historical averages (Fig. 17, 18).

BOP Portfolio Tracking

EMs experienced outflow pressures in April as financial conditions tightened

Figure 1. Weekly Local Currency Debt and Equity Flows (USD Billion, 4-week sum)



Outflows were more broad-based earlier this year, compared to Q4, although some EMs posted modest inflows

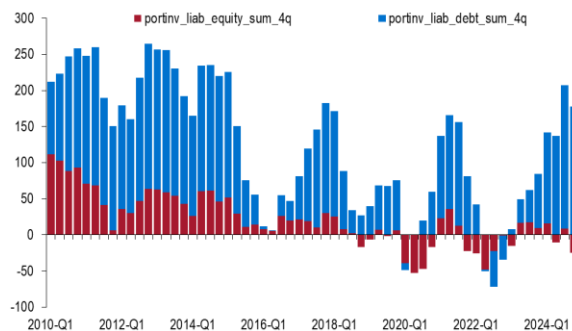
Figure 2. BOP Non-Resident Quarterly Portfolio Flows (USD Billion, *Quarter-to-Date for 2025-Q1, ** high frequency non-BOP data for 2025-Q1)

Year	2021				2022				2023				2024				2025
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1*
BRA	6.5	12.9	3.7	0.2	0.8	-7.5	-2.8	6.5	0.9	7.0	2.6	3.3	6.2	-1.5	7.5	-2.4	-1.7
CHL	4.2	6.5	16.6	5.5	8.4	0.8	-2.5	6.5	-0.4	-0.1	4.4	0.0	2.4	0.0	1.8	0.5	1.6
CZE	-2.3	-0.7	-3.9	8.1	-5.6	-12.1	-1.8	4.8	0.1	2.2	1.9	-4.8	-0.3	2.8	5.3	7.6	-8.7
HUN	-1.7	-1.1	5.8	-0.2	-0.2	1.3	1.8	4.0	5.0	3.4	2.6	5.0	4.8	-2.0	1.8	-0.2	-0.3
IND	7.6	0.3	5.0	-5.9	-15.5	-14.3	6.9	4.9	-3.0	14.4	6.4	10.9	9.3	1.5	20.0	-10.9	-11.8
POL	-3.2	-3.3	1.4	-1.7	-3.0	4.7	0.7	3.3	-0.7	7.5	-0.4	3.5	10.5	2.2	8.6	4.6	8.6
ZAF**	-0.4	0.0	-24.8	-2.6	4.0	2.5	-1.9	-1.5	-1.6	-1.1	-2.3	-0.5	-2.8	-1.1	2.5	1.9	-2.9
IDN**	5.2	4.7	1.5	-4.6	-1.8	-2.3	-1.5	-1.0	4.3	-1.8	-2.5	5.1	-0.8	4.2	10.8	-2.1	-0.7
MYS**	3.5	7.4	0.3	2.1	1.5	-2.7	-0.7	-2.4	-3.1	3.9	0.4	0.8	-0.5	1.5	8.0	-3.7	-0.9
PHL**	-3.6	2.5	3.3	1.7	2.6	1.3	1.2	0.0	0.7	0.8	0.3	0.2	-0.9	2.6	0.9	0.3	3.2
THA**	0.4	-0.1	0.2	4.3	3.9	0.9	-0.4	3.8	-2.8	-3.0	-3.5	-1.0	2.2	-2.2	2.8	-5.4	-0.7
MEX**	-1.5	-4.2	-7.4	-5.9	3.5	-4.8	-4.4	0.3	1.5	-5.0	-5.1	2.3	9.8	-8.0	2.8	-0.2	0.1
TUR**	-0.4	0.5	1.0	-7.8	-6.4	-8.2	-3.5	0.5	-1.0	-1.3	2.9	6.9	3.1	11.2	2.4	4.7	5.4

EM BOP Non-Resident Flows

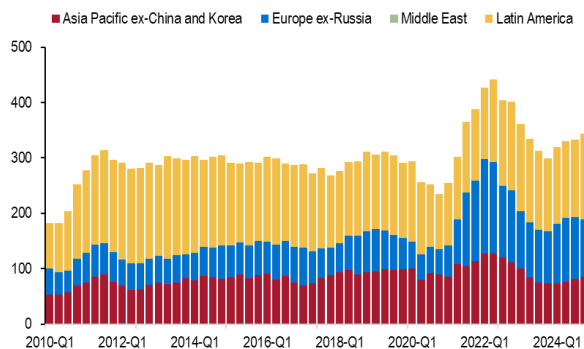
Trailing 12m equity outflows worsened in the past year, while debt inflows have moderated

Figure 3. EM ex-China: Non-Resident Portfolio
(4Q rolling sum, USD billion)



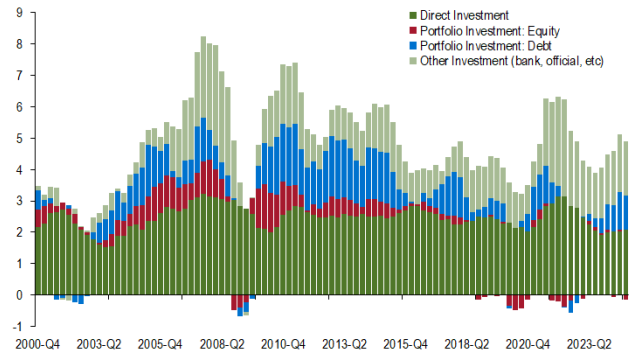
In nominal terms, trailing-12m FDI flows have made some recovery, primarily driven by flows into Latin America

Figure 5. EM ex-China: FDI Non-Resident Flows
(4Q rolling sum, USD billion)



Foreign direct investments appear to be stabilizing at low levels

Figure 4. EM ex-China: Non-Resident Flows
(4Q, % of GDP)



Non-resident flows into China have tapered to low levels. Although portfolio debt posted some inflows, direct investments and portfolio equity flows remained challenged

Figure 6. China Non-Resident BOP Flows
(4Q % to GDP)

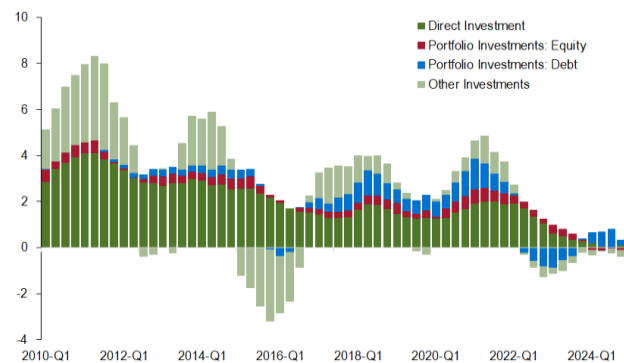


Figure 7. BOP Non-Resident Flows, Composition ex-China and Russia

			Level (% of GDP)			Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2024-Q1	FDI	2024-Q1	3.1	2.0	2.5	8%	30%	10%	19%	70%	20%
2024-Q2		2024-Q2	1.9	2.0	2.5	11%	35%	10%	21%	76%	15%
2024-Q3		2024-Q3	1.9	2.0	2.5	10%	45%	10%	23%	69%	18%
2024-Q4		2024-Q4	1.6	2.1	2.5	16%	35%	5%	24%	59%	33%
2024-Q1	Port. Equity	2024-Q1	-0.1	0.1	0.2	33%	17%	6%	52%	39%	8%
2024-Q2		2024-Q2	-0.4	-0.1	0.2	15%	33%	11%	32%	29%	5%
2024-Q3		2024-Q3	0.4	0.1	0.2	22%	28%	11%	51%	32%	7%
2024-Q4		2024-Q4	-0.6	-0.2	0.2	11%	39%	11%	24%	24%	3%
2024-Q1	Port. Debt	2024-Q1	1.8	0.8	0.9	55%	33%	28%	24%	67%	52%
2024-Q2		2024-Q2	0.6	0.8	0.9	56%	28%	28%	35%	70%	50%
2024-Q3		2024-Q3	1.6	1.2	0.9	71%	0%	39%	72%	76%	64%
2024-Q4		2024-Q4	0.4	1.1	0.9	66%	0%	33%	51%	74%	66%
2024-Q1	Other	2024-Q1	1.2	1.6	1.3	74%	35%	15%	80%	59%	51%
2024-Q2		2024-Q2	2.0	1.7	1.4	78%	25%	25%	88%	65%	55%
2024-Q3		2024-Q3	2.0	1.8	1.4	82%	20%	20%	96%	54%	66%
2024-Q4		2024-Q4	1.6	1.7	1.4	77%	20%	25%	89%	64%	49%

Note: in Figure 4, other investment liabilities for India are estimated from national sources.

EM BOP Resident Capital Flows (Net Acquisition of Assets)

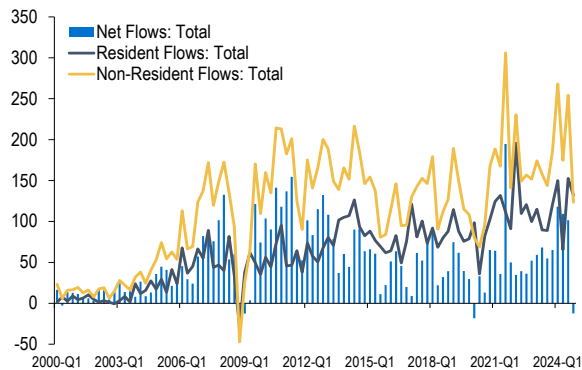
EM residents continued to acquire foreign assets in Q1, albeit at a more moderate pace

Figure 8. EMs ex China: Resident Portfolio Outflows
(USD Billions, *Quarter-to-Date for 2025-Q1), ** high frequency non-BOP data for 2025-Q1)

Year	2021				2022				2023				2024				2025
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1*
BRA	5.5	8.3	5.2	-3.6	1.3	-0.9	-1.5	0.9	2.0	3.4	1.3	-2.2	7.8	3.6	-1.8	-3.0	2.7
CHL	4.8	-5.7	0.7	0.3	5.4	2.4	-2.2	1.9	3.2	3.2	1.0	-2.0	1.1	3.4	2.5	-0.3	3.6
CZE	0.5	1.7	1.0	1.7	0.1	-0.9	-0.4	1.5	1.5	0.8	0.1	0.9	1.6	3.1	1.6	0.8	1.4
HUN	0.6	0.8	0.9	0.8	-0.1	0.5	0.4	1.5	0.7	2.9	0.5	2.2	0.8	-0.1	2.0	2.8	0.6
PHL	4.6	1.8	1.0	0.4	0.9	-1.2	0.7	-0.7	1.5	1.7	0.1	0.2	1.0	-1.9	1.6	1.1	
POL	3.0	1.1	0.7	0.2	-0.7	0.0	0.1	3.9	5.0	3.0	4.7	1.8	3.6	4.5	0.9	5.4	-0.3
ROU	0.2	0.3	0.3	0.7	0.3	0.2	1.0	-0.1	-0.2	1.3	0.2	0.1	-0.1	0.0	1.6	-0.5	-0.1
TUR	-0.2	0.2	0.2	0.7	0.8	0.5	0.3	-0.7	1.7	-0.5	0.6	0.2	2.9	1.4	2.8	2.4	0.4

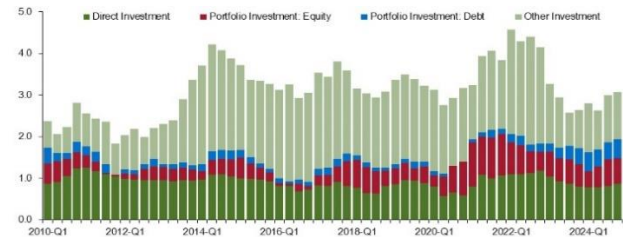
On aggregate, EMs posted net capital outflows for Q4 2024, marking the first quarterly net outflows since Q1 2020, led by the sharp decline in non-resident flows

Figure 10. Net Capital Flows
(USD Billion)



On aggregate cumulative cross border flows from EM residents, as a percent of GDP, are rising gradually

Figure 9. EM BOP Resident Outflows
(4Q % to GDP)



China resident outflows have increased in the most recent two quarters, with portfolio investments rebounding but direct investments continue to decline

Figure 11: China Resident Flows
(4Q % to GDP)

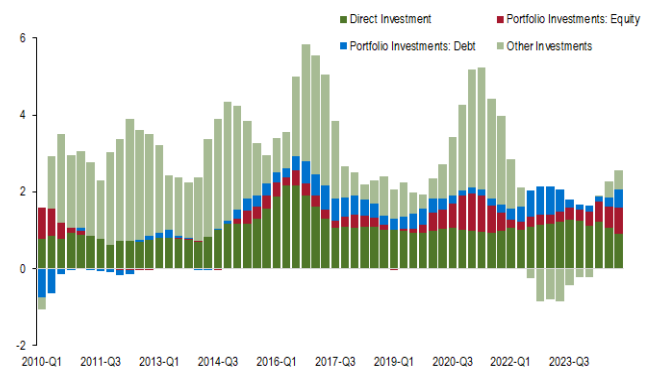


Figure 12. BOP Resident Flows ex-China and Russia (Net Acquisition of Assets)

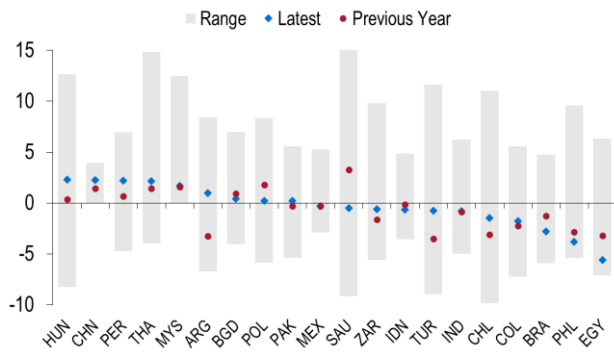
		Level (% of GDP)				Percentile Rank (based on 4Q)					
			Quarter	4Q Sum	Historical Avg (4Q)	All	% in lower quartile	% in upper quartile	Asia	Europe	LATAM
2024-Q1	FDI	2024-Q1	0.9	0.8	0.9	33%	25%	15%	38%	61%	34%
2024-Q2		2024-Q2	0.6	0.8	0.9	31%	15%	15%	34%	54%	39%
2024-Q3		2024-Q3	0.9	0.8	0.9	40%	25%	10%	45%	58%	40%
2024-Q4		2024-Q4	1.1	0.9	0.9	49%	15%	15%	47%	64%	49%
2024-Q1	Port. Equity	2024-Q1	0.3	0.4	0.4	66%	11%	37%	63%	61%	80%
2024-Q2		2024-Q2	0.6	0.5	0.4	79%	5%	37%	70%	73%	92%
2024-Q3		2024-Q3	0.9	0.6	0.4	91%	11%	42%	86%	84%	97%
2024-Q4		2024-Q4	0.5	0.6	0.4	89%	5%	47%	93%	65%	96%
2024-Q1	Port. Debt	2024-Q1	0.8	0.4	0.2	89%	0%	47%	52%	99%	60%
2024-Q2		2024-Q2	0.4	0.4	0.2	84%	33%	47%	54%	97%	55%
2024-Q3		2024-Q3	0.2	0.4	0.2	83%	27%	47%	66%	98%	33%
2024-Q4		2024-Q4	0.4	0.4	0.2	90%	27%	47%	65%	100%	31%
2024-Q1	Other	2024-Q1	1.7	1.2	1.2	55%	25%	25%	78%	58%	17%
2024-Q2		2024-Q2	0.0	0.9	1.2	45%	35%	25%	82%	34%	0%
2024-Q3		2024-Q3	1.7	1.1	1.2	51%	25%	35%	90%	39%	10%
2024-Q4		2024-Q4	1.1	1.1	1.2	53%	25%	30%	88%	41%	14%

Other Balance of Payments Details

Current account balance developments were mostly idiosyncratic, with mixed performances in recent quarters

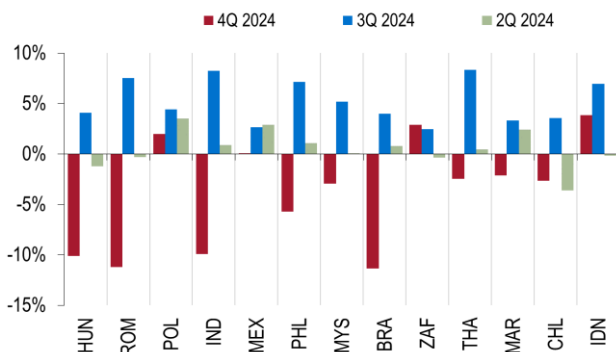
Figure 13: Current Account Balances

(4Q, latest and historical range as share of GDP)



Reserves drawdowns were observed for many EMs in Q4 2024, alongside non-resident portfolio outflows...

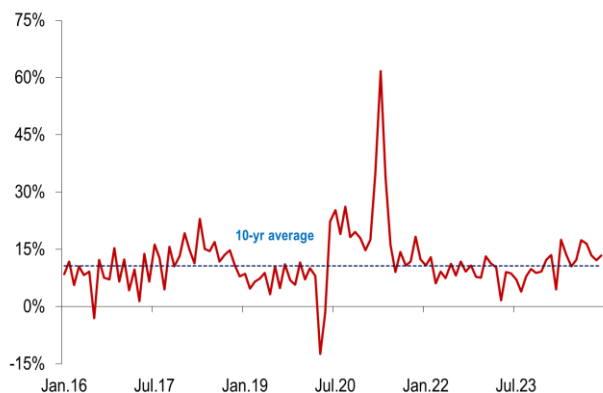
Figure 15: EM Reserve Stocks (quarterly change, percent)



Remittance growth continues to trend above long-term averages...

Figure 17: Remittances, EM Median

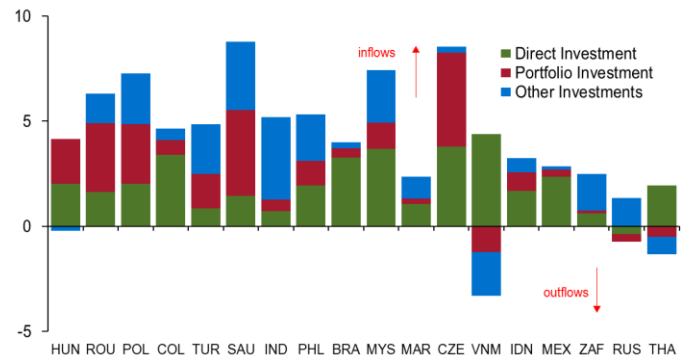
(y/y growth)



FDI flows represents a significant portion of total EM flows, but portfolio flows have outpaced FDI for some EMs

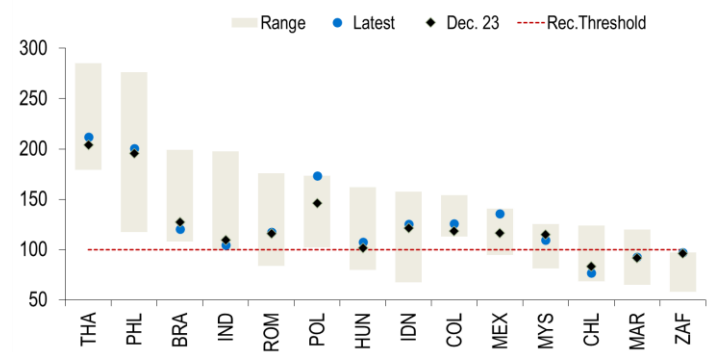
Figure 14: External Financing Sources

(4Q sum to GDP)



...but most EMs' reserves, on net, have improved over the past year but a few are narrowly operating near the recommended 100% threshold

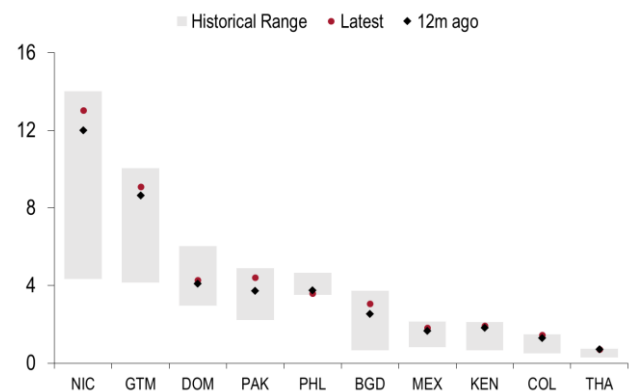
Figure 16: Reserves as Share of ARA Metric (percent, latest available for official reserve assets)



.... and remains on the high side for most countries, as a share of GDP, compared to their respective historical range

Figure 18: Remittances as Share of GDP, 12 month rolling sum (% of GDP, range since 2012)

(% of GDP, range since 2012)



Appendix: Long Term Heat Maps on Non-Resident Capital Flows

Figure 19. Non-Resident BOP Flows to EMs: Percentile Rank relative to their Own History

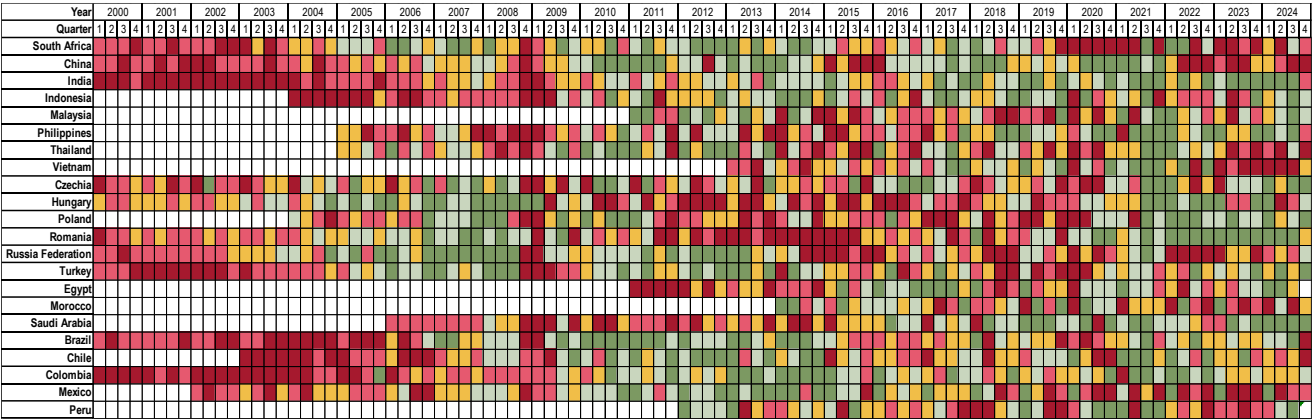


Figure 20. Non-Resident Portfolio Flows: Percentile Rank relative to their Own History

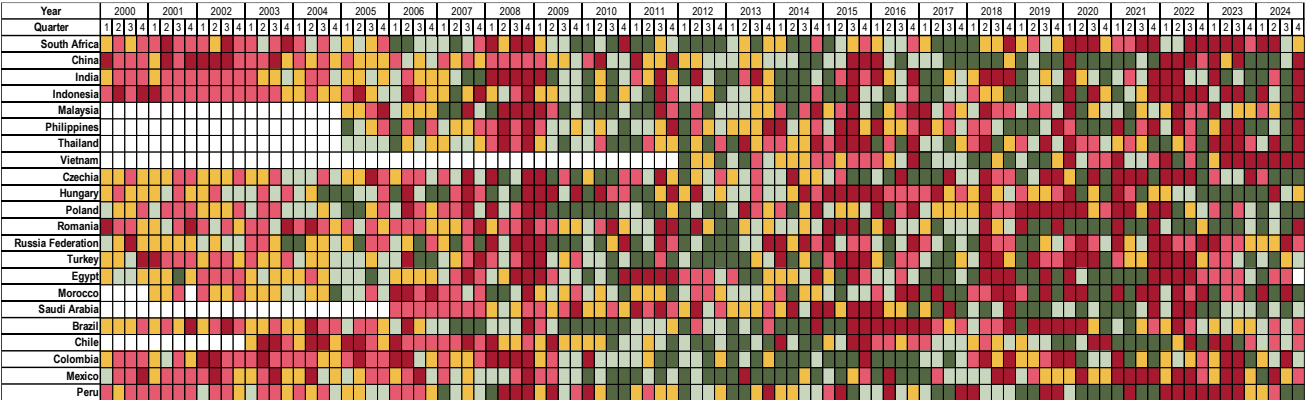


Figure 21. Non-Resident FDI Flows to EMs Percentile Rank relative to their Own History

