



SUMMARY

Weekly data* suggest local currency bond flows have remained choppy, with modest inflows in March led by Mexico and India. Indonesia, Turkey, Hungary, and Thailand have generally seen outflows, with Thailand seeing small inflows the last week of March. South African flows lacked clear direction and were nearly flat (Figures 1 & 3).

After a strong January, monthly flows data showed small net inflows in February for EM ex. China, with outflows from ASEAN countries offset by inflows to CEE, Brazil, and India (Figure 3). YTD inflows stand at \$9.8 billion. Outflows from Chinese bonds resumed (-\$2.3 billion) after three consecutive months of inflows, with contacts noting that gains from FX hedged returns had bolstered inflows in previous months despite fairly negative sentiment overall. EM local currency returns were marginally negative in March for the third straight month.

- **LATAM:** Regional flows were mixed in February, with inflows to Brazil (\$1.2 billion) offset by outflows from Peru and Mexico. Colombia received tepid inflows (\$0.1 billion). Flows to Mexico have been volatile, with outflows of \$3.2 billion in February offset by \$3.5 billion of inflows in March.
- **Asia:** While India has continued to outperform, sentiment remains weak for other regional peers. Despite a week of outflows, Indian bonds still pulled in just under \$2 billion in March, marking \$11.4 billion of inflows since October. Indonesia (-\$0.3 billion) and Thailand (-\$0.4 billion) have seen outflows in February (-\$0.3 billion) spill over into March. Malaysia also has experienced outflows for three consecutive months (-\$0.3 billion in Feb).
- **CEEMEA:** Positive inflows in Jan-Feb have reversed in March (based on early data). In February, Hungary (\$1.4 billion), Poland (\$0.3 billion), and Turkey (\$0.1 billion) all received inflows. However, outflows appear to have resumed in March in Hungary and Turkey. Flows to South Africa have generally been tame over the last couple months, with small net outflows Feb-March. Serbia saw its largest inflows (\$0.2 billion) in January since 2020, while Georgia also had its largest inflows in over a year. The level of flows to/from Kenya and Ghana have been small in the last two months.

Investor Composition: Domestic banks have increased their share of debt in 2024 in most countries, notably in Thailand, Mexico, and Georgia. Foreign participation has generally lagged, with small gains in Brazil, Turkey, Georgia, and China. On a regional basis (Figure 5), Africa saw a decline in foreign participation in 2023, notably in Ghana and Egypt. However, in Egypt, while no data is available yet, media reports suggest increased foreign demand for T-bills at auction in March following the recent policy shift and improved external position.

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

	9-Feb	16-Feb	23-Feb	1-Mar	8-Mar	15-Mar	22-Mar	29-Mar
MEX	-1.18	0.66	0.21	-3.19	2.29	0.91	0.22	
ZAF	-0.37	-0.28	-0.07	-0.62	0.39	0.15	-0.33	-0.02
HUN	-0.19	0.69	-0.38	0.63	-0.45	-0.18	-0.02	-0.62
TUR	0.01	0.06	0.03	-0.05	-0.26	-0.07	-0.10	
IDN	-0.09	-0.15	-0.26	0.06	-0.72	-0.25	0.09	-0.44
IND	0.80	0.28	0.37	0.27	0.97	0.44	-0.20	0.47
THA	-0.28	-0.16	0.13	0.04	0.01	-0.31	-0.43	0.42

Figure 2. Flow Dispersion and Returns (percent share, left scale; percent, right scale)

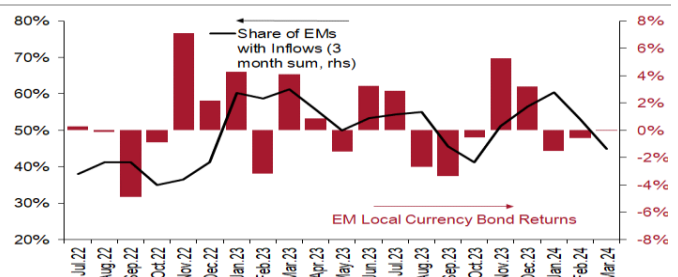


Figure 3. Local Currency Government Non-resident Debt Flows (USD bn; latest month is month to date)

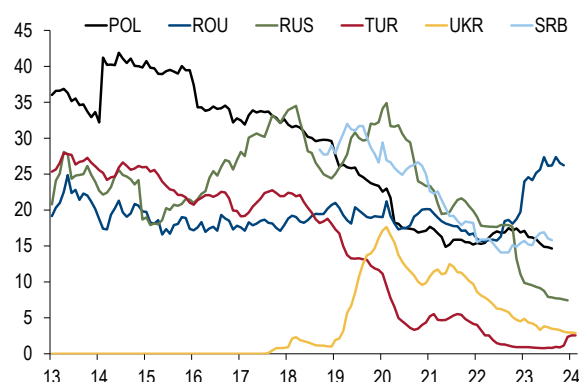
	Mar.23	Apr.23	May.23	Jun.23	Jul.23	Aug.23	Sep.23	Oct.23	Nov.23	Dec.23	Jan.24	Feb.24	Mar.24	2024YTD	2023	2022
BRA	0.6	0.0	0.0	2.8	-4.1	2.5	4.4	4.6	0.1	-2.0	3.8	1.2		5.0	11.9	-7.2
MEX	0.1	-0.2	-3.6	1.7	0.3	0.5	-0.1	0.7	1.0	4.9	-1.2	-3.2	3.5	-1.0	5.0	3.9
PER	-0.4	0.4	0.6	0.1	-0.5	-0.5	0.4	-0.2	0.0	0.0	0.0	-0.1		-0.1	-0.3	-1.9
COL	0.0	0.3	-0.2	-0.5	-0.4	-0.4	-1.1	0.1	0.4	-0.4	-0.6	0.1		-0.5	-2.5	4.8
HUN	-0.7	2.5	-0.6	-2.0	1.0	0.3	-2.3	2.4	-0.1	-3.3	3.1	1.4	-1.4	3.0	1.7	2.8
POL	0.3	-0.5	-0.9	-0.3	0.3	-0.3	-1.2	0.1	-0.2	0.7	0.0	0.3		0.3	-3.2	4.9
TUR	0.0	0.0	-0.1	0.1	0.0	0.0	0.5	0.0	0.3	1.3	0.3	0.1	-0.6	-0.2	2.0	-2.2
ROU	0.1	0.3	1.0	1.0	0.1	0.3	0.2	-0.7	0.1	0.8				0.0	7.4	2.4
SRB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2			0.2	0.0	-0.4
UKR	0.0	-0.1	-0.2	0.2	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.4	-1.1
KAZ	0.0	0.0	0.1	-0.1										0.0	0.2	-0.9
ZAF	-0.9	1.5	-0.8	1.7	1.0	-0.5	-0.3	0.7	1.7	-1.6	0.3	0.0	0.0	0.2	2.9	0.3
EGY	0.1	0.4	-0.5	0.4	0.1	0.0	0.0	-0.4	0.4					0.0	6.5	-8.3
GHA	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0			-0.1	-0.1	-1.8
MYS	1.5	0.0	0.6	0.8	1.9	-1.1	0.0	-0.4	1.3	-0.5	-0.8	-0.3		-1.2	5.9	-1.9
IND	-0.3	0.1	0.4	1.2	0.4	0.9	0.2	0.8	1.7	2.4	2.5	2.4	1.7	6.6	8.4	-2.0
IDN	0.9	0.3	0.4	1.2	0.6	-0.6	-1.5	-0.8	1.5	0.5	0.0	-0.3	-1.3	-1.6	5.4	-9.0
THA	0.9	-0.6	0.7	-0.3	1.0	-1.1	-0.6	0.5	0.5	-0.3	-0.1	-0.4	-0.3	-0.8	0.3	6.2
CHN	-4.0	-3.9	3.1	5.3	-7.2	-6.0	-1.9	5.8	22.9	16.8	11.2	-2.3		8.9	5.8	-76.0
EM ex. CHN	2.4	4.3	-3.1	8.1	1.5	0.2	-1.4	7.2	8.8	2.6	7.4	1.0	1.5	9.8	46.8	-23.6

Figure 4. Local Currency Government Debt Holdings: Investor Composition

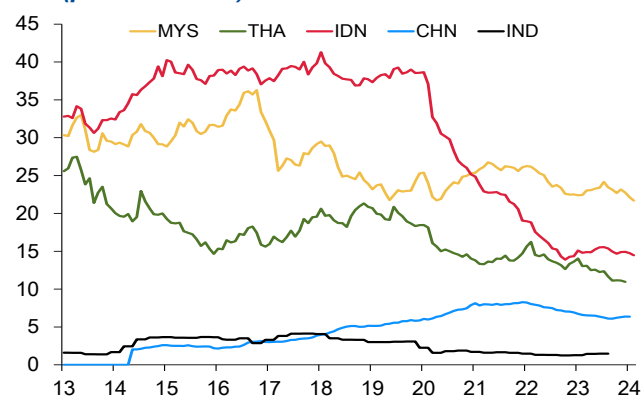
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2023 (ppt)	Change since Dec. 2022 (ppt)
BRA	124	10	0.3	0.4	29	-0.9	-0.3	51	0.4	0.2
MEX	100	14	-1.4	-2.7	12	1.5	-0.1	49	-0.7	2.1
COL	27	21	-0.9	-5.5	13	0.6	-0.8	43	1.3	8.3
PER	15	36	-0.1	-4.8	28	0.3	3.6	15	-0.4	0.4
POL	34	13	-0.4	-3.7	43	0.1	2.4	14	0.2	0.6
TUR	3	3	0.2	1.6	74	-1.1	1.7	10	1.2	0.1
ROU	19	27	0.0	7.0	38		-5.8	25		0.3
CZE	45	34	-1.0	7.7	34	1.3	-5.4	25	-0.2	-2.4
GEO	0	3	0.4	-1.2	63	6.5	5.7	11	-0.9	2.2
CHN	468	6	0.1	-0.7	62	-0.1	1.6			
IDN	53	14	-0.5	0.1	26	-1.0	-6.4	21	-0.2	2.2
MYS	52	22	-1.1	-0.8	34		2.5	36		2.1
THA	25	10	-0.5	-3.2	26	1.6	3.3	6	-0.2	-0.7
IND	29	2		0.5	40		1.6	37		0.3
ZAF	47	25	-0.4	-0.7	20	0.3	-1.3	53	0.1	2.0
EGY	12	14		2.6	43		0.0	18		0.0

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

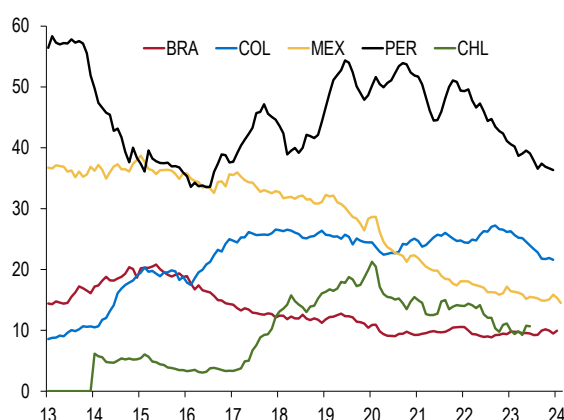
a. Eastern Europe & Turkey (percent share)



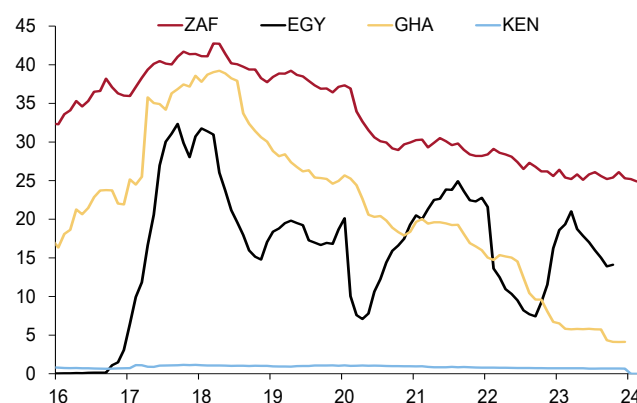
b. Asia (percent share)



c. Latin America (percent share)



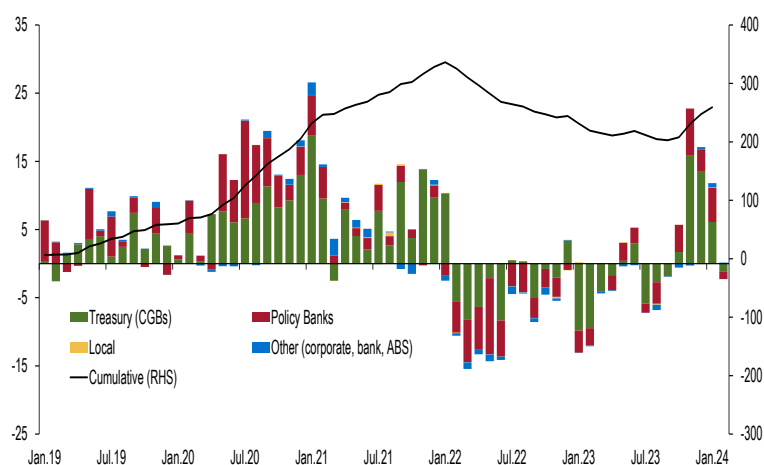
d. Africa (percent share)



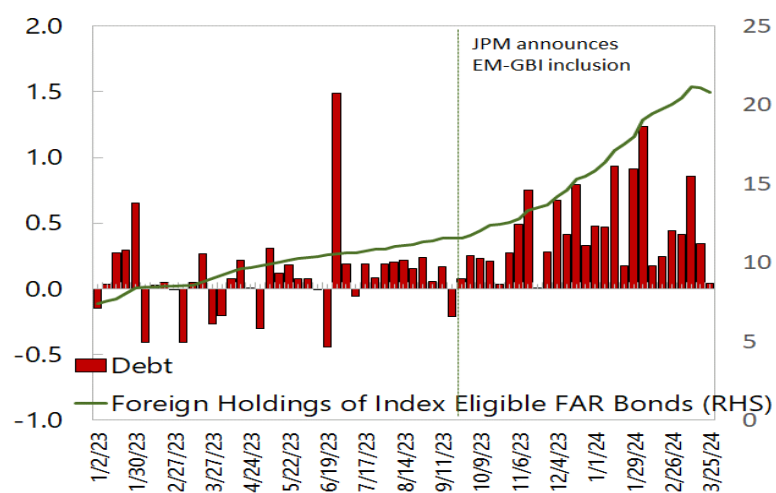
Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries. 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.

Annex

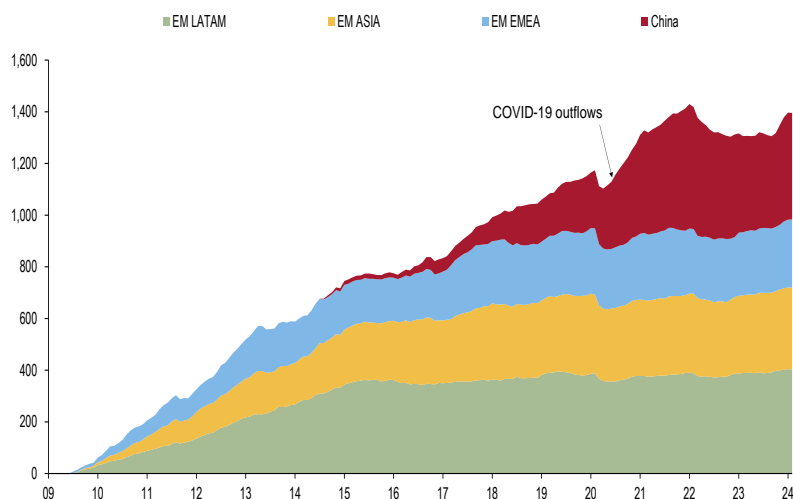
a. Non-resident Flows into Chinese Local Currency Bonds, by Sector (USD billions)*



b. Non-resident Flows into India, Index Eligible Bonds, Fully Accessible Route (USD billions)



c. Cumulative Non-resident Flows into LC Government Bonds Since 2009 (USD billions)



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