



KEY HIGHLIGHTS

Inflows to EM local currency debt have tentatively returned in April after large outflows in March.

- **Partial daily data* show broad-based inflows over the last 2-3 weeks** (Fig. 1, 3). However, inflows to Asia remain choppy and modest, notably in Indonesia. Conversely, Hungary has seen five consecutive weeks of inflows (over \$3 bn since April 1st). Flows to South Africa and Türkiye also recovered in early April and have continued. Meanwhile, flows to Egypt have rebounded in the last 1-2 weeks after severe outflows in March.
- **Monthly data for March show the largest outflows (-\$26.8 bn) for EM ex. CHN since March 2020** (Fig. 2, 5). EM Asia saw bond outflows averaging over \$1 bn from Indonesia, India, and Thailand, while Malaysia outperformed, with inflows into longer-term conventional bonds (MGS) offsetting outflows from other instruments (GII, T-bills). Nonresidents also sold nearly \$10 bn of Chinese bonds, both government and policy bank bonds. Hungary (-\$2.3 bn), Türkiye (-\$5.8 bn), South Africa (-\$3.7 bn), and Egypt (-\$4.2 bn) all registered large outflows. Notably though, floating rate notes in South Africa received net inflows. In Latin America, outflows were also broad based, including Mexico (-\$1.2 bn), Colombia (-\$1.8 bn), Peru (-\$0.3 bn) and Brazil (-\$5.0 bn).
- **Investor Composition: Amid large nonresident outflows in March, NBFIs were the marginal buyer in Colombia, South Africa, and Mexico, while banks stepped up in Türkiye.** Elsewhere, banks appeared to absorb foreign outflows in Thailand and Peru, while in Indonesia central bank and NBFIs edged higher (Fig 5). Prior to the conflict in Iran, nonresidents had increased their ownership share YTD in Latin America (Brazil, Peru, Colombia) and parts of EMEA (Poland, Georgia). Banks have been large net buyers YTD in Mexico and Thailand, while NBFIs had gained market share in the Dominican Republic, Colombia, Georgia, South Africa, and Indonesia.

Flows to EM equities remain weak, with some stabilization but ongoing outflows from some markets (Fig. 1.4). Modest outflows from EM Asia have continued, with Indonesia, Malaysia, Philippines, and Thailand still seeing small net foreign sales over the last 1-2 weeks. India has seen inflows tentatively improve after over \$17 bn of outflows. Brazil has mostly outperformed, with exchange data showing foreign investor market share at an all-time high, though it also saw outflows over the last week.

Returns: Emerging markets assets have bounced back in April, with local currency returns augmented by a weaker dollar. However, local currency bond yields remain higher than their pre-conflict levels in most countries (Fig. 8). Notably, 5y government bond yields are higher (as of Apr 28th) in Mexico (+54 bps), Brazil (+51 bps), South Africa (+94 bps), Poland (+100 bps), India (+45 bps), and Indonesia (+85 bps). Colombia and Hungary stand out with yields lower than pre-conflict levels. Benchmark EM equity indices have broadly recovered their losses, aided by a weaker dollar and the inclusion of Korea's outperformance. However, most domestic indices have underperformed the US in April.

Figure 1. Portfolio Flow Tracking (three-week sum, US blns)

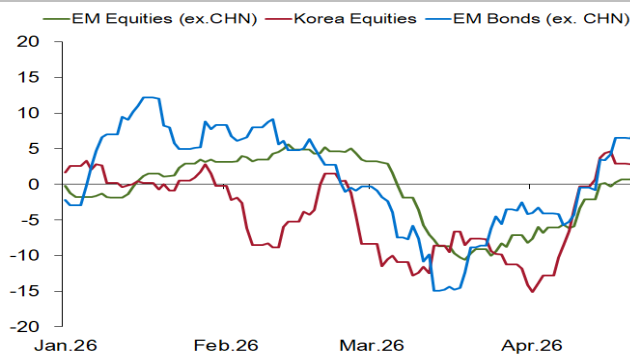


Figure 2. EM Monthly Portfolio Flows (US blns)

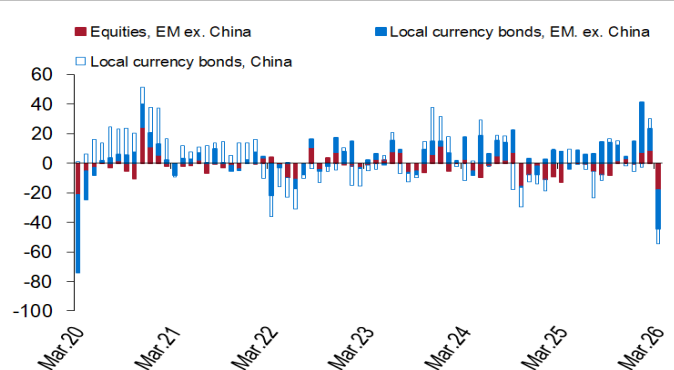


Figure 3. EM LC Bond Flows (US billions)

	3/6/26	3/13/26	3/20/26	3/27/26	4/3/26	4/10/26	4/17/26	4/24/26
MEX	-3.0	2.7	-2.5	0.7	0.4	0.6	0.0	0.0
ZAF	0.3	-2.5	0.3	-1.2	0.0	0.6	0.5	1.3
HUN	-1.2	0.3	-0.5	0.6	0.6	0.5	0.2	0.5
TUR	-1.7	-2.9	-0.3	-1.4	-0.8	0.7	0.2	0.0
EGY	-2.0	-2.0	1.5	-0.4	-2.5	0.2	2.8	1.0
IDN	-0.1	-0.9	-0.4	-0.2	0.4	0.1	0.0	0.0
IND	-0.2	-0.6	-0.4	0.4	-0.9	-0.5	0.0	0.3
THA	-0.6	-0.5	-0.2	0.4	-0.3	0.3	0.0	0.1
Total	-8.6	-6.4	-2.5	-1.1	-3.0	2.5	4.0	3.2

Figure 4. EM Equity Flows (US billions)

	3/6/26	3/13/26	3/20/26	3/27/26	4/3/26	4/10/26	4/17/26	4/24/26
IDN	0.1	-0.1	0.0	-1.3	-0.2	-0.2	-0.2	-0.2
IND	-2.4	-3.9	-3.3	-2.6	-3.1	-1.9	0.6	-1.2
THA	-0.4	-0.6	-0.1	0.1	0.0	0.2	-0.2	-0.2
PHL	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.1	0.0
VNM	-0.2	0.0	-0.3	-0.1	0.0	-0.1	-0.2	-0.2
LKA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BRA	0.2	0.5	0.4	0.7	0.9	2.4	-0.5	-0.6
ZAF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TUR	-0.8	-0.3	-0.3	0.1	-0.2	0.4	0.6	0.0
MYS	0.1	-0.2	0.0	0.1	0.0	0.1	0.0	0.0
UAE	-0.1	-0.5	-0.3	-0.3	-0.1	-0.2	0.0	0.0
Total	-3.5	-5.2	-3.9	-3.2	-2.8	0.7	0.0	-2.5

Sources: Bloomberg, Central banks, Haver, IMF Staff calculations. *High frequency daily data (Fig 1, 3 and Fig 4) is limited to the sample shown, while Figure 2 includes a larger, unbalanced sample of 20 emerging markets. Note that Korea and Taiwan POC are not classified as EMs or included in aggregates. Data on bonds is local currency only, primarily government debt. See IMF EM BOP Capital Flows Monitor for more comprehensive view of capital flows.

Local Currency Government Bonds: Flows, Investor Base, and Returns

Figure 5. Local Currency Government Non-resident Debt Flows (USD billion; latest month is month-to-date)

	Mar.25	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26 mtd
BRA	-0.1	3.3	2.9	3.4	1.2	3.5	4.8	6.4	-2.0	7.1	5.9	4.7	-5.0	
MEX	0.8	-1.3	-2.4	-0.2	-0.5	-0.6	-1.4	-2.4	-0.6	2.4	1.7	2.1	-1.2	0.1
DOM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0		
PER	0.0	-0.2	0.3	1.6	-0.3	0.6	0.1	0.4	0.0	-0.3	0.3	0.7	-0.3	
COL	0.0	0.0	0.4	0.2	-1.5	0.8	8.0	-0.6	0.4	7.1	0.3	2.3	-1.8	
HUN	-0.7	1.3	0.6	-1.5	2.0	2.5	-2.1	2.5	0.8	-5.1	6.9	0.7	-2.3	3.3
POL	-0.4	-0.5	-0.4	1.4	1.1	1.3	-1.2	1.6	-0.8	1.3	3.9	1.9		
TUR	-1.5	-5.6	1.5	-0.1	2.3	1.4	0.4	0.1	1.7	0.4	4.0	0.5	-5.8	0.6
ROU	0.0	-0.1	-0.6	0.3	0.7	-0.4	1.3	0.4	-1.0	0.0				
SRB	-0.1	0.0	0.0	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0		
UKR	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	
ZAF	0.6	0.2	-0.2	1.9	-0.4	1.9	4.5	-2.1	-1.6	-0.8	2.1	1.3	-3.7	2.2
EGY	3.7	-1.7	0.8	1.2	2.1	0.1	1.1	1.7	1.5	2.6	4.0	-1.2	-4.2	0.9
KEN	-0.08	-0.23	-0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.02				
MYS	0.7	2.2	3.0	-1.4	-1.2	0.7	-1.5	0.8	0.9	0.5	0.5	-0.2	0.9	
IND	3.7	-3.0	0.2	0.1	0.1	1.7	1.2	2.0	0.0	-1.3	0.8	1.4	-1.1	-0.7
IDN	0.1	0.5	1.6	-0.5	1.0	1.1	-2.7	-1.8	-0.4	0.4	0.0	-0.2	-1.3	0.3
THA	0.6	1.7	0.0	-0.6	-0.1	-0.1	0.2	0.6	0.5	-0.3	1.4	0.4	-1.0	0.3
CHN	0.4	9.4	-1.0	-3.9	-17.9	-3.8	2.2	3.0	-2.0	-4.8	-2.7	6.8	-9.7	
EM ex. CHN	7.5	-3.7	7.7	5.7	6.4	14.6	12.6	9.1	-0.7	14.3	31.9	14.5	-26.8	6.9

Figure 6. Local Currency Government Debt Holdings: Investor Composition

	Foreign Share (percent)	Change since Dec. 2025 (ppt)	Change since Dec. 2024 (ppt)	Change Since Dec. 2019 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2025 (ppt)	Change since Dec. 2024 (ppt)	Change Since Dec. 2019 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2025 (ppt)	Change since Dec. 2024 (ppt)	Change Since Dec. 2019 (ppt)
BRA	10.7	0.4	0.5	0.3	31	-1.4	2.0	6.8	48	0.5	-2.0	-8.0
MEX	11.7	0.2	-2.0	-16.7	9	0.8	1.6	1.9	54	-0.1	2.0	11.8
COL	22.4	-0.3	4.7	-2.0	14	-0.6	-1.5	-0.8	45	1.5	-1.5	6.7
PER	44.4	0.6	3.5	-4.2	20	-0.6	-1.9	10.1				
DOM	3.3	-0.2	-2.5	-7.2	27	0.0	-1.1	11.9	45	0.6	6.1	12.2
HUN	11.3		1.2	-8.6	33		2.4	0.6	15		0.9	1.4
POL	12.7	0.8	0.0	-10.7	51	-0.8	-0.2	5.4	14	-0.2	0.6	-5.4
TUR	7.5	-1.2	-4.6	-4.2	52	-1.2	-9.8	-3.8	19	-1.1	5.1	10.4
ROU	19.5		-2.6	0.5	42		0.3	-2.5	28		2.5	6.6
GEO	4.2	1.2	2.7	-5.8	70	-1.0	1.1	-1.8	16	1.2	3.2	15.0
CHN	4.4	-0.2	-0.9	-1.4	64	0.3	3.0	2.1	20	-1.1	-2.7	1.2
IDN	13.0	-0.4	-1.5	-25.6	20	0.2	3.1	-0.7	24	0.5	1.8	1.9
MYS	21.6	0.0	0.3	-3.7	29		0.0	0.4	38		1.3	-0.1
THA	9.4	0.0	0.0	-9.0	31	1.5	5.3	16.8	35	-1.3	-0.7	-8.0
IND	2.8		0.1	-0.3	36		-3.8	-5.8	37		-0.3	6.1
ZAF	24.4	-0.6	-0.2	-12.7	20	0.1	-0.5	3.6	54	0.7	1.0	8.7
KEN	4.7		-1.2		35		1.0		28		0.8	

Figure 7. EM Local Currency Bond Returns (percent, cumulative YTD)

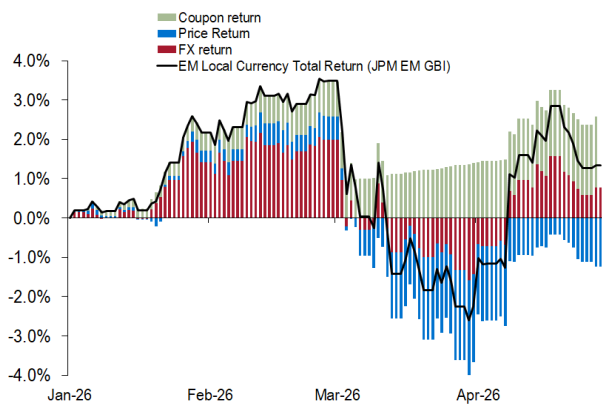
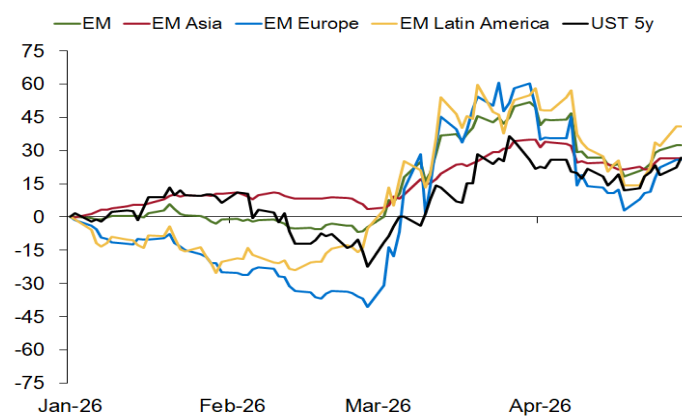


Figure 8. EM LC Bond Yields (bps, cumulative Change YTD)



Notes: China data includes government and policy bank bonds. 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. Blank cells represent a lack of data for the time period. 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 Charts:

Figure 9. Non-resident Share of LC Debt: EMEA

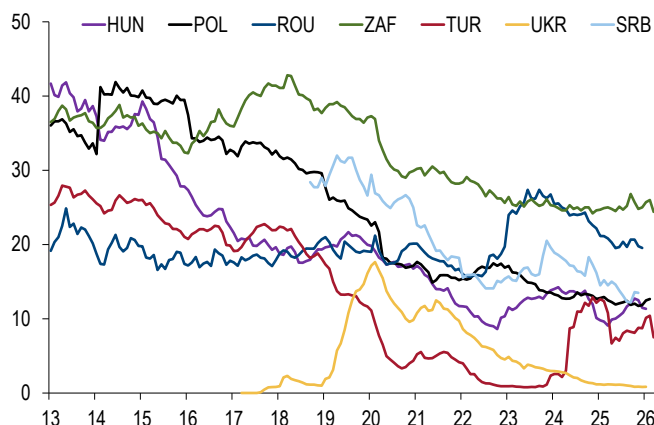


Figure 10. Non-resident Share of LC Debt: Latin America

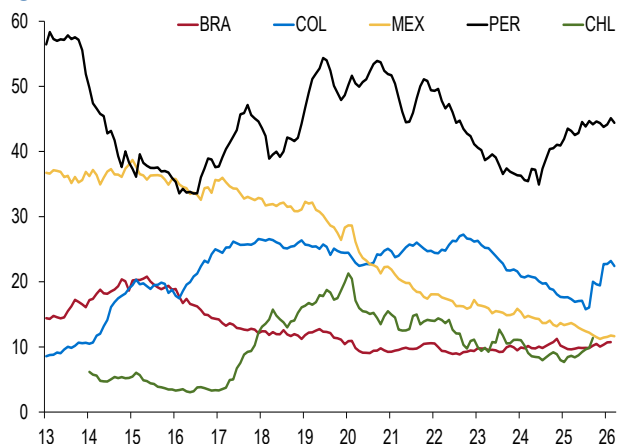


Figure 11. Non-resident Share of LC Debt: Asia

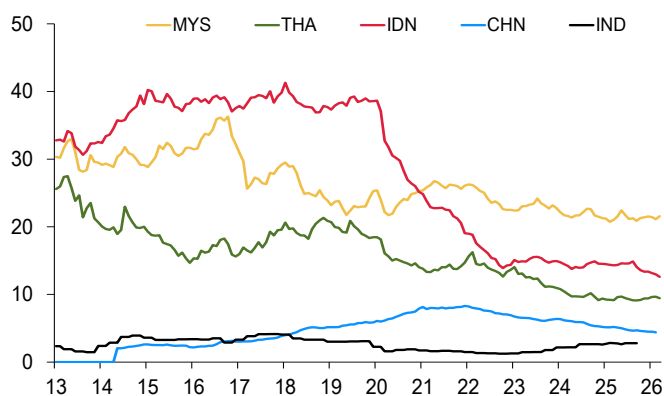


Figure 12: Non-resident Flows into Chinese Government Debt

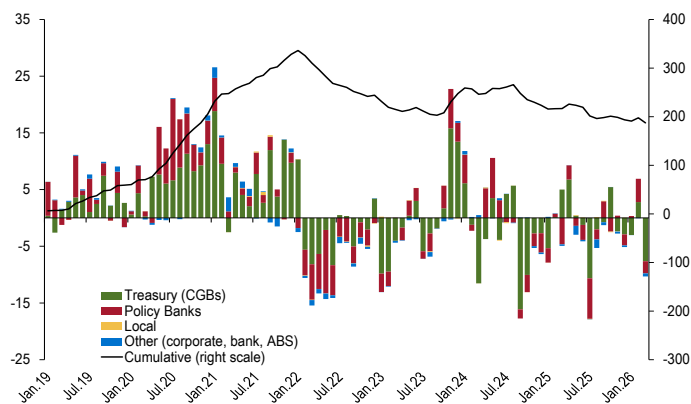


Figure 13. Cumulative Non-resident Flows into Local Currency Government Bonds

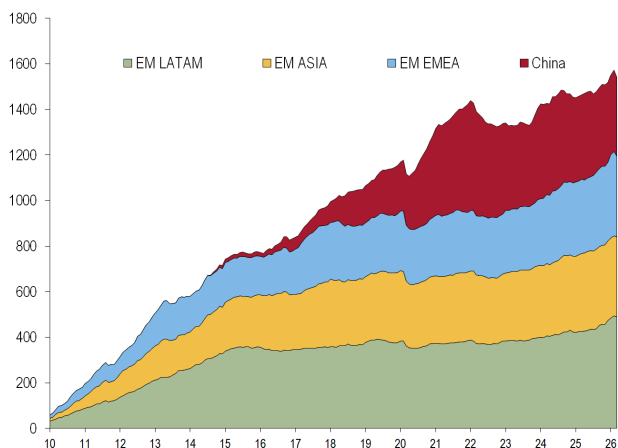


Figure 14. Non-resident Flows to LC Bonds, 12 month rolling as share of GDP (median, aggregate, and interquartile range for sample of 17 EMs)

