



## SUMMARY

**EM weekly local currency bond flows\*** have stabilized somewhat in October but remain weak, with persistent outflows from Indonesia, and to some extent Thailand. Hungary, South Africa, and India have seen small inflows month to date (Figure 1 & 3). Flows to Mexico have been volatile, with some renewed outflows over the last week.

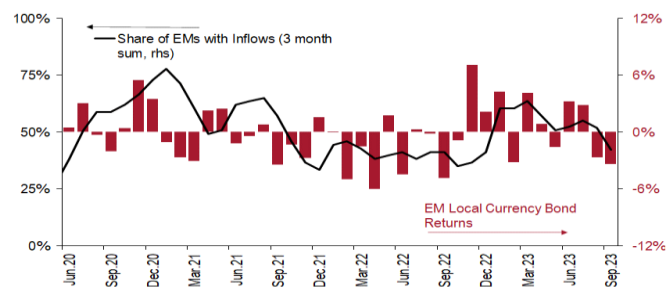
**EM ex. China saw small monthly nonresident outflows in September (-\$0.6 bn), as large inflows to Brazil offset outflows from Asia, Hungary, and South Africa.** YTD EM ex. China flows remain positive at +\$35.4 bn, in contrast to hard currency fund flows (see annex). China experienced another -\$1.9 bn in bond outflows in September, bringing YTD total outflows to -\$39.6 bn.

- LATAM:** Flows remain mixed, with persistent outflows from Colombia (-\$1.1 bn in Sep) offset by strong inflows to Brazil (\$4.4 bn). Flows to Brazil were dominated by shorter maturity fixed rate instruments. Peru rebounded after two months of outflows, while Mexico data has been choppy, with small outflows on net over the last two months.
- ASIA:** The sell off in USTs has weighed on sentiment for EM Asia local currency assets. Outflows were broad based in Aug-Sep, though fairly modest outside of Indonesia (-\$1.5 bn in Sep). In level terms, outflows from Indonesia have been largest in the 5-10 yr maturities, though the front end saw the largest selling as a share of holdings. Thailand dropped to net outflows (-\$0.3 bn) YTD. India has been the exception, with inflows since Sep.
- CEEMEA:** Lagged data presents a mixed picture, as fairly widespread outflows in Aug-Sep show signs of stabilizing in some places. Notably, inflows to Hungary month to date in October have been sizeable. Turkey received its largest inflows in September in more than year, but those appear to have stabilized in October. South Africa has rebounded thus far in October after combined outflows of \$0.8 bn in Aug-Sep. Following outflows in August, Poland has been a laggard YTD (-\$2.6 bn).
- Investor Composition** (Fig 4): Foreign ownership has increased in CEEMEA in 2023, notably Romania, Czechia, and Egypt. However, gains in parts of Asia have started to unwind. Latin America has generally lagged YTD, notably in Peru (-3.7 ppt), Colombia (-2.9 ppt), and Mexico (-2.3 ppt). NBFIs have stepped in to gain market share across much of Latin America, particularly in Colombia, as well as Indonesia, Georgia, & Poland. Domestic banks have stepped up in parts of CEEMEA (Poland and Turkey), Asia (Malaysia, China), and Latin America (Peru).

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

	1-Sep	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct
MEX	0.89	-0.43	-0.43	-0.72	1.16	0.27	0.04	-0.47	
ZAF	-0.18	0.24	-0.23	0.32	-0.69	0.43	0.20	0.03	0.1
HUN	-0.03	0.63	0.07	-0.65	-2.38	2.37	0.19	-0.16	-0.1
UKR	0.00	0.02	-0.01	0.00	-0.04	-0.01	0.01	0.00	0.0
TUR	0.38	-0.03	0.01	0.09	0.02	-0.04	0.00	0.01	
IDN	-0.18	-0.02	-0.63	0.02	-0.44	-0.31	-0.31	0.04	-0.4
IND	0.30	-0.03	0.10	-0.10	0.14	0.27	0.20	0.20	0.0
THA	-0.17	-0.21	-0.06	-0.13	-0.19	-0.08	0.48	-0.27	0.1

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



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

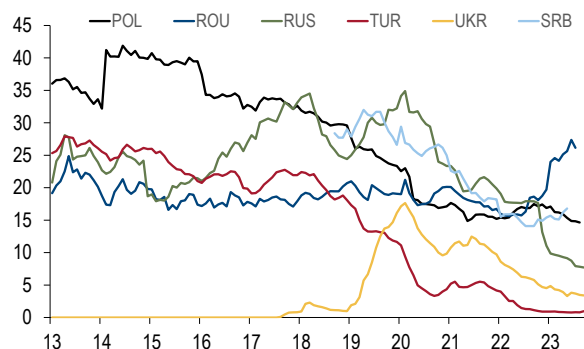
	Nov.22	Dec.22	Jan.23	Feb.23	Mar.23	Apr.23	May.23	Jun.23	Jul.23	Aug.23	Sep.23	Oct.23 mtd	2023YTD	2022
BRA	3.5	0.5	1.6	1.2	0.6	0.0	0.0	2.8	-4.1	2.5	4.4		9.1	-7.2
MEX	2.0	6.7	-2.0	1.7	0.1	-0.2	-3.6	1.7	0.3	0.5	-0.1	-0.2	-1.8	3.9
PER	-0.1	-0.4	-0.2	0.0	-0.4	0.4	0.6	0.1	-0.5	-0.5	0.4		-0.1	-1.9
COL	0.0	-0.5	0.5	-0.9	0.0	0.3	-0.2	-0.5	-0.4	-0.4	-1.1		-2.6	4.8
HUN	-0.8	-1.1	4.2	0.4	-0.6	2.5	-0.6	-2.0	1.1	0.3	-2.3	2.3	5.3	2.7
POL	0.4	-0.8	0.0	-1.2	0.3	-0.5	-0.9	-0.3	0.3	-0.3			-2.6	4.9
CZE	-0.5	-0.6	1.6	0.3	2.1	-0.9	0.1	1.3	1.7	0.0			6.2	4.0
RUS	-9.2	-2.8	-3.0	0.0	-0.1	-0.2	-0.1	-0.5	-1.5	-0.4	-0.2		-6.0	-16.4
TUR	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	0.0	0.5	0.0	0.5	-2.2
ROU	0.7	0.4	3.8	0.5	0.1	0.3	1.0	1.0	0.1				6.7	2.4
UKR	-0.1	0.0	0.2	-0.2	0.0	-0.1	-0.2	0.2	0.0	-0.1	0.0	0.0	-0.3	-1.1
KAZ	0.0	0.0	-0.1	0.1	0.0	0.0	0.1	-0.1					0.2	-0.9
ZAF	0.4	-0.7	1.7	-1.4	-0.9	1.5	-0.8	1.7	1.0	-0.5	-0.3	0.8	2.8	0.2
EGY	1.2	1.6	4.0	2.0	0.1	0.4	-0.5	0.4	0.1				6.5	-8.3
GHA	-0.2	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.1		-0.2	-1.8
MYS	0.1	0.5	0.5	1.1	1.5	0.0	0.6	0.8	1.9	-1.1	0.0		5.4	-1.9
IND	0.1	-0.2	0.6	0.1	-0.3	0.1	0.4	1.2	0.4	0.9	0.2	0.7	4.3	-2.0
IDN	1.5	1.6	3.3	-0.5	0.9	0.3	0.4	1.2	0.6	-0.6	-1.5	-1.0	3.1	-9.0
THA	1.8	1.5	0.8	-1.1	0.9	-0.6	0.7	-0.3	1.0	-1.1	-0.6	0.0	-0.3	6.2
CHN	-4.8	2.5	-13.1	-12.0	-4.0	-3.9	3.1	5.3	-7.2	-6.0	-1.9		-39.6	-76.0
EM ex. CHN	0.6	5.8	17.6	2.2	4.2	3.3	-3.1	8.9	1.8	-0.5	-0.6	2.6	36.2	-27.1

#### 4. Local Currency Government Debt Holdings: Investor Composition

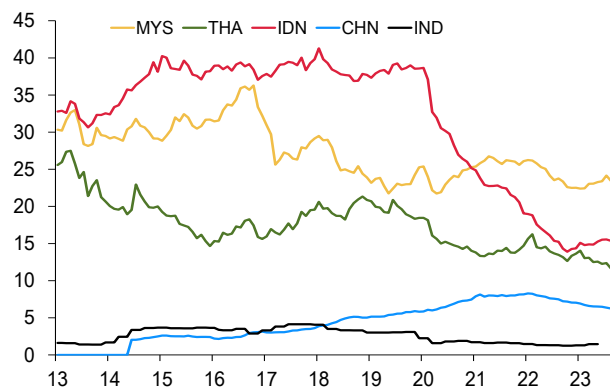
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2022 (ppt)	Change since Dec. 2021 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2022 (ppt)
BRA	116	10	0.6	-0.6	29	-0.6	51	-0.1
MEX	94	15	-2.3	-3.2	10	-1.6	48	1.4
COL	26	22	-4.4	-3.0	12	-2.1	40	5.2
PER	15	37	-3.7	-12.0	27	2.4	16	1.7
POL	33	15	-2.2	-0.6	43	2.0	14	0.6
TUR	1	1	0.0	-3.2	76	3.5	8	-1.6
ROU	18	26	6.4	9.4	39	-4.9	23	-2.1
CZE	38	29	2.1	2.4	40	0.4	25	-2.3
GEO	0	5	0.2	-5.0	53	-3.7	12	3.3
CHN	433	6	-0.9	-2.0	62	1.9		
IDN	56	15	0.6	-4.1	30	-2.2	22	2.5
MYS	54	23	0.6	-3.0	34	2.5	35	1.0
THA	25	11	-2.5	-3.6	23	0.7	33	-0.1
IND	19	1	0.2	-0.1	39	0.3	33	-0.1
ZAF	47	25	-0.4	-3.0	21	-0.6	52	0.8
EGY	13	17	5.5	-5.3	41	-2.0	17	-0.8

#### Regional Look: Non-resident Holdings of Domestic Government Debt

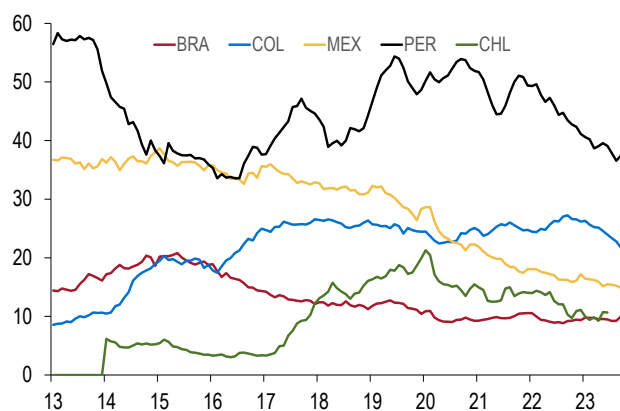
5. Eastern Europe & Turkey (percent share)



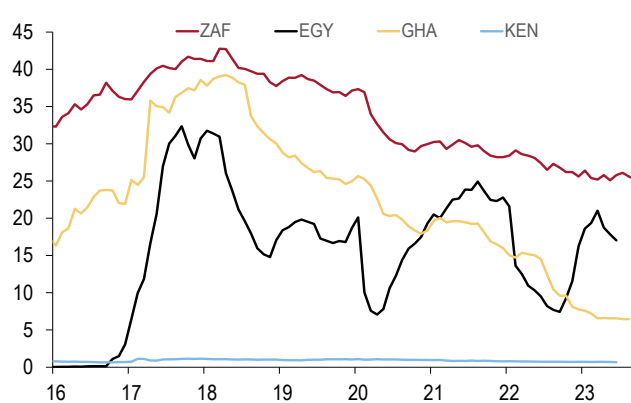
6. Asia (percent share)



7. Latin America (percent share)

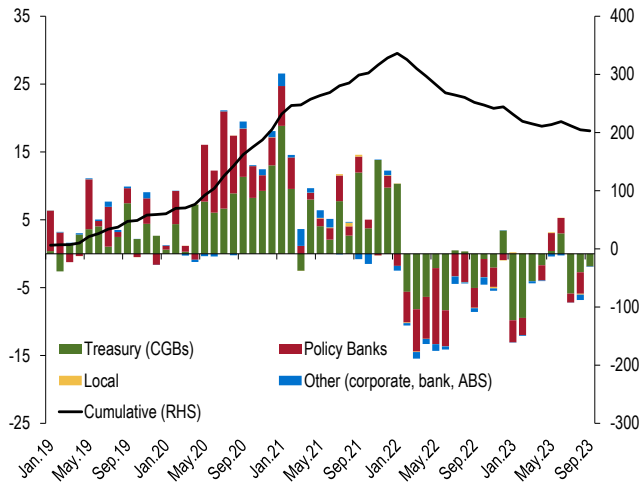


8. Africa (percent share)

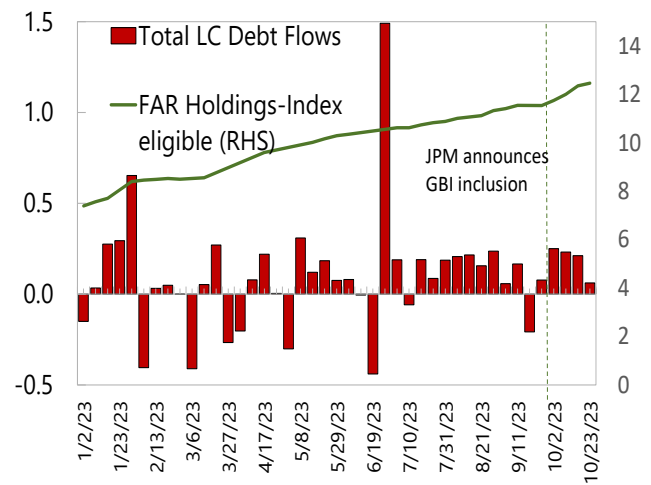


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries.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

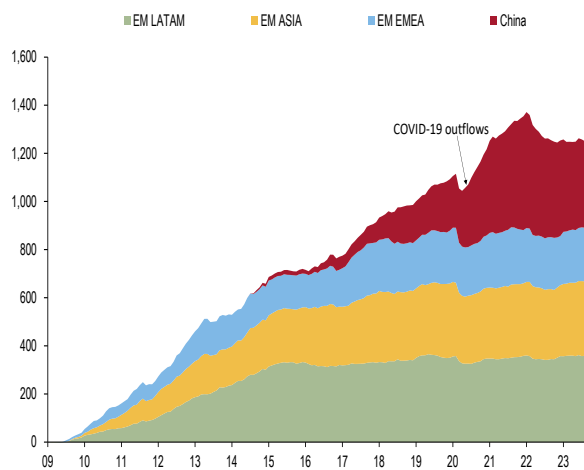
### 9. Non-resident Flows into Chinese Local Currency Bonds, by Sector (US billions)



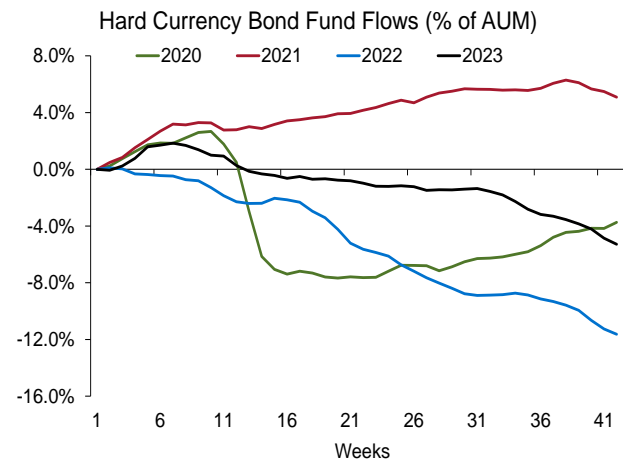
### 9. Non-resident Flows into India, Index Eligible Bonds, Fully Accessible Route (US billions)



### 11. Cumulative Non-resident Flows into LC Government Bonds Since 2009 (US billions)



### 12. EM Hard Currency ETF and Mutual Fund Flows (percent of AUM, cumulative by year).



Note: In chart 9, in some cases, flows are derived from the change in stock outstanding held by foreign investors each month.