



SUMMARY

In July, EM ex-China experienced small inflow, while China experienced the largest monthly outflows since February (Figure 1 & 3). Heading into August, flows to Mexico stabilized as Banxico's maintained its restrictive monetary policy stance. Conversely, Thailand experienced marginal outflows, amidst prospect of a looser fiscal budget.

EM ex. CHN had small monthly inflows in July (+\$1.6 bn), led by Malaysia (+\$1.9 bn) and Czechia (+\$1.7 bn), with YTD EM ex CHN flows remaining positive at +\$34.9 bn. China experienced -\$7.2 bn in outflows in July, bringing the YTD total to -\$31.8bn.

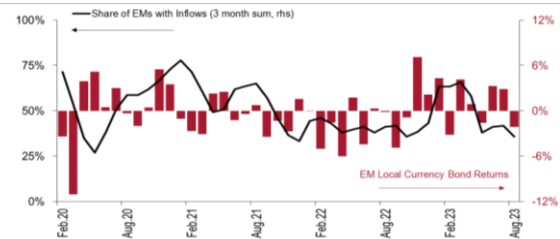
- LATAM:** The region saw outflows in July, apart from Mexico (+\$0.3 bn). Brazil (-\$4.1 bn) experienced the largest monthly outflow since March 2022, but likely due to the sizeable bond maturities during the month (~\$32.8bn). Peru (-\$0.5 bn) also experienced outflows in July, after a strong May-June while Colombia continues to experience outflows for the third consecutive month (-\$1.1bn).
- ASIA:** Sentiment appears to have softened in August after a strong start to the year, with rising concerns over China's growth outlook. June and July were constructive for flows to most major Asia EM-ex China, with Malaysia (+\$1.9 bn), India (+\$1.6 bn), Indonesia (+\$1.8 bn), and Thailand (+\$0.7 bn) experienced net inflows. Nonetheless, flows to Asia appear to have reversed in August, alongside rising risk-aversion.
- CEEMEA:** Czechia (+\$1.7bn), Hungary (\$1.1 bn) and South Africa (\$1.0 bn) saw inflows rebound in July after a mix performance in May and June. Poland flows marginally rebounded in July (+\$0.3bn) after three consecutive months of outflows.
- Investor Composition** (Fig 4): Foreign ownership has increased in Romania, Czechia, Indonesia, Malaysia, and South Africa this year. Latin America has generally lagged, notably in Colombia (-2.8 ppt YTD). NBFIs have stepped in to gain market share across much of Latin America, particularly in Colombia (+4.2 ppt YTD). Domestic banks increased their share of government debt in parts of EMEA (Poland and Turkey), as well as Asia (Malaysia, Thailand, China).

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

	7-Jul	14-Jul	21-Jul	28-Jul	4-Aug	11-Aug	18-Aug	25-Aug	1-Sep
MEX	-0.67	0.62	-0.05	1.45	-0.81	-0.71	0.67	0.25	
ZAF	0.21	0.05	1.31	-0.97	0.24	0.29	-0.19	-0.46	-0.1
HUN	0.92	-0.20	0.31	-0.10	0.33	0.10	0.12	-0.01	-0.1
UKR	-0.07	0.01	0.04	0.00	0.01	0.00	-0.01	-0.05	0.0
TUR	0.06	-0.03	-0.01	-0.01	0.02	0.01	0.00		
IDN	-0.21	0.31	0.36	0.06	0.12	0.02	-0.11	-0.45	
IND	0.15	-0.12	0.21	0.11	0.17	0.32	0.23	0.01	0.2
THA	0.44	-0.10	0.59	0.01	-0.48	-0.30	-0.26	0.14	-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)

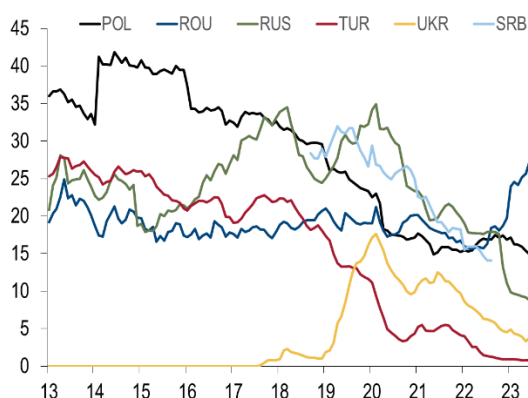
	Aug.22	Sep.22	Oct.22	Nov.22	Dec.22	Jan.23	Feb.23	Mar.23	Apr.23	May.23	Jun.23	Jul.23	Aug.23 mtd	2023YTD	2022	2021	2020
BRA	-2.2	3.1	1.1	3.5	0.5	1.6	1.2	0.6	0.0	0.0	2.8	-4.1	0.4	2.2	-7.2	22.9	-2.2
MEX	1.3	1.0	-2.0	2.0	6.7	-2.0	1.7	0.1	-0.2	-3.6	1.7	0.3		-1.6	3.9	-12.7	-12.0
PER	0.2	-0.3	-0.2	-0.1	-0.4	-0.2	0.0	-0.4	0.4	0.6	0.1	-0.5		0.0	-1.9	-0.3	0.5
COL	1.3	0.6	-0.3	0.0	-0.5	0.5	-0.9	0.0	0.3	-0.2	-0.5	-0.4		-1.2	4.8	3.0	2.9
HUN	0.1	-1.3	2.9	-0.8	-1.1	4.2	0.4	-0.6	2.5	-0.6	-2.0	1.1	0.3	5.2	2.7	-0.5	0.5
POL	0.5	0.8	-0.2	0.4	-0.8	0.0	-1.2	0.3	-0.5	-0.9	-0.3	0.3		-2.3	4.9	-2.4	-5.8
CZE	-0.8	1.1	-0.7	-0.5	-0.6	1.6	0.3	2.1	-0.9	0.1	1.3	1.7		6.3	4.0	1.0	0.0
RUS	0.0	0.0	0.0	-9.2	-2.8	-3.0	0.0	-0.1	-0.2	-0.1	-0.5	-1.5		-5.4	-16.4	-1.4	0.3
TUR	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	0.0	0.1	-2.2	1.0	-4.0
ROU	1.1	0.2	-0.1	0.7	0.4	3.8	0.5	0.1	0.3	1.0	1.0			6.6	2.4	-1.0	0.4
UKR	-0.1	0.0	-0.2	-0.1	0.0	0.2	-0.2	0.0	-0.1	-0.2	0.2	0.0	0.0	-0.2	-1.1	0.3	-1.6
KAZ	-0.2	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	0.0	0.1	-0.1			0.2	-0.9	1.0	0.3
ZAF	1.9	-0.3	-0.6	0.4	-0.7	1.7	-1.4	-0.9	1.5	-0.8	1.7	1.0		2.8	0.2	3.1	-0.2
EGY	-0.5	-0.1	0.0	1.2	1.6	4.0	2.0	0.1	0.4					6.6	-8.3	2.6	-2.0
GHA	-0.6	-0.1	0.0	-0.2	0.0	0.0	0.0	-0.1	0.0	0.0	0.0			-0.2	-1.8	0.3	0.1
MYS	0.8	-0.6	-0.9	0.1	0.5	0.5	1.1	1.5	0.0	0.6	0.8	1.9		6.5	-1.9	7.6	6.0
IND	0.5	0.2	-0.4	0.1	-0.2	0.6	0.1	-0.3	0.1	0.4	1.2	0.4	0.9	3.4	-2.0	-1.5	-12.3
IDN	0.6	-1.9	-1.1	1.5	1.6	3.3	-0.5	0.9	0.3	0.4	1.2	0.6	-0.5	5.7	-9.0	-4.9	-4.2
THA	0.6	-0.5	-0.4	1.8	1.5	0.8	-1.1	0.9	-0.6	0.7	-0.3	1.0	-1.1	0.3	6.2	6.6	0.0
CHN	-3.8	-8.0	-3.5	-4.8	2.5	-13.1	-12.0	-4.0	-3.9	3.1	5.3	-7.2		-31.8	-76.0	76.3	-0.7
EM ex. CHN	4.5	1.6	-3.3	0.6	5.8	17.6	2.2	4.2	3.3	-2.6	8.6	1.6	0.2	34.9	-23.9	23.9	-32.7

4. Local Currency Government Debt Holdings: Investor Composition

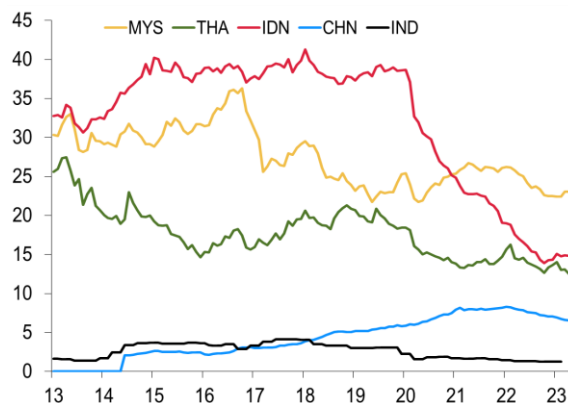
	Foreign Holdings (US blns)	Foreign Share (percent)	Change since Dec. 2022 (ppt)	Change since Dec. 2021 (ppt)	Domestic Bank Share (percent)	Change since Dec. 2022 (ppt)	Domestic NBF Share (percent)	Change since Dec. 2022 (ppt)
BRA	115	9	-0.1	-1.3	29	0.1	51	0.5
MEX	100	15	-1.8	-2.7	11	-0.7	49	1.5
COL	29	23	-2.8	-1.4	12	-2.6	39	4.2
PER	16	39	-2.0	-10.3	25	0.4	15	0.5
POL	34	15	-2.0	-0.4	43	2.1	14	0.6
TUR	1	1	-0.1	-3.3	74	1.2	9	-1.3
ROU	18	27	7.6	10.6	39	-4.0	23	-1.9
CZE	38	29	2.1	2.3	40	0.7	25	-2.5
UKR	1	4	-0.8	-6.0	36	4.1		
KAZ	1	2	0.0	-2.8				
GEO	0	5	0.6	-4.6	53	-4.1	12	3.2
CHN	439	6	-0.7	-1.8	61	1.1	-51	
IDN	57	16	1.2	-3.5	31	-0.5	21	1.7
MYS	57	24	1.7	-1.9	34	2.5	35	1.0
THA	30	12	-1.3	-2.3	23	0.4	33	-0.4
IND	16	1	0.0	-0.3	39	0.0	33	-0.1
ZAF	51	26	0.5	-2.1	20	-1.2	51	0.7
EGY	13	21	9.5	-1.3	37	-5.8	16	-2.5
GHA	1	6	-1.1	-10.1				

Regional Look: Non-resident Holdings of Domestic Government Debt

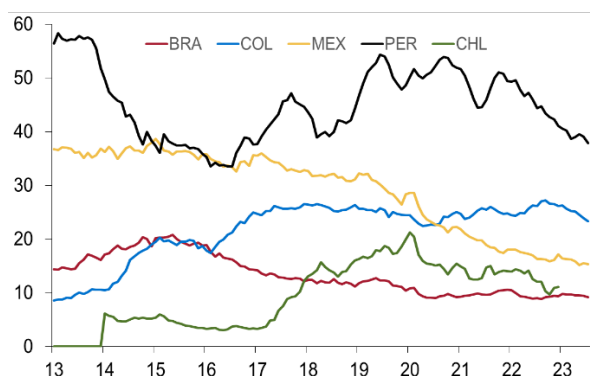
5. Eastern Europe & Turkey (percent share)



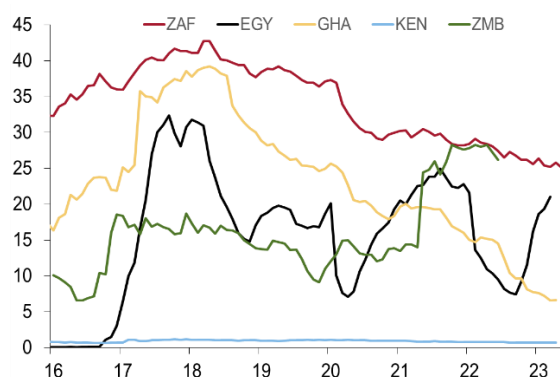
6. Asia (percent share)



7. Latin America (percent share)

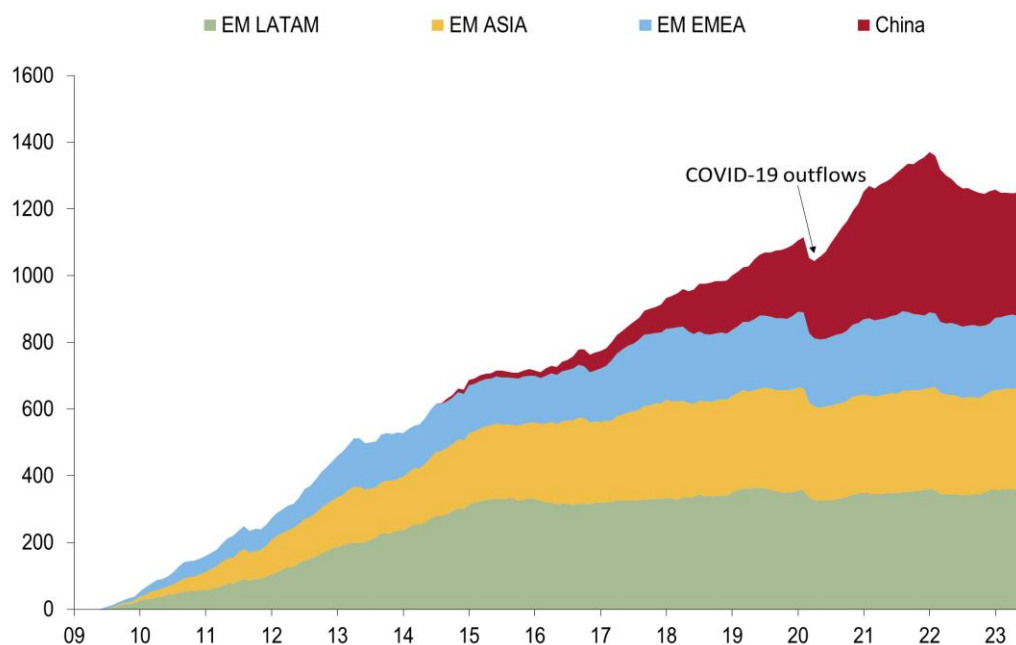


8. Africa (percent share)

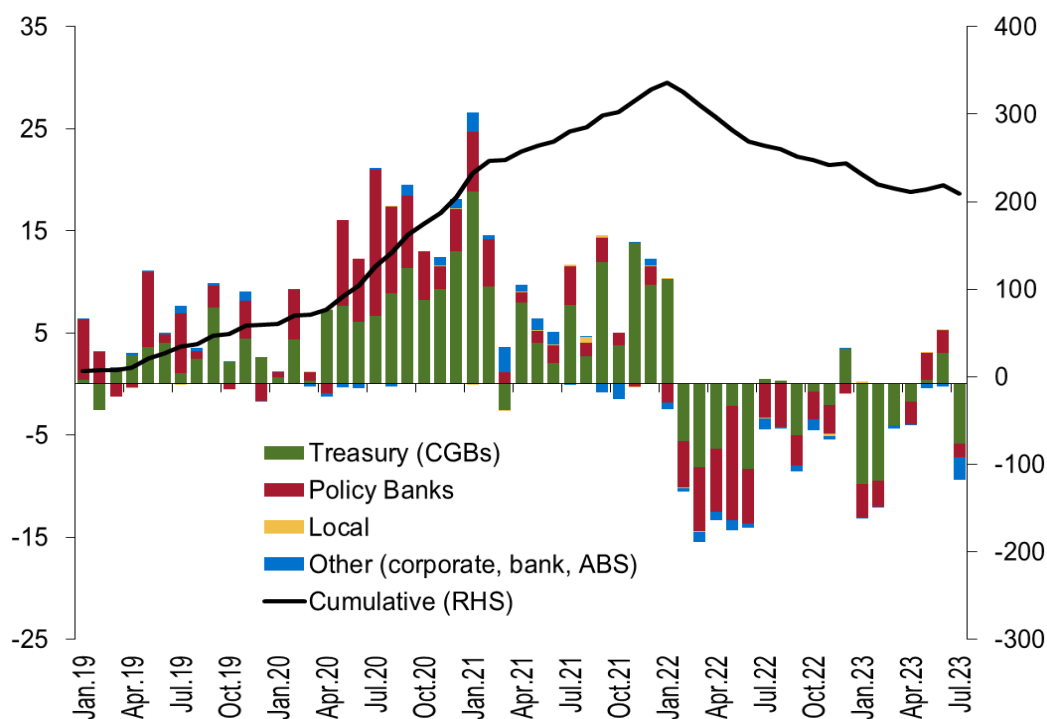


Notes: China data includes government and policy bank bonds. Egypt refers only to Treasury bills. In Figure 4, the 'latest' figures may refer to different months for each country and are the latest available. Due to lagged releases, data on flows and holdings may be slightly inconsistent for some countries. 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. Cumulative Non-resident Flows into LC Government Bonds Since 2012 (US dollar, billions)



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



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