

# Recent Developments in Capital Flows to the Emerging Market Economies

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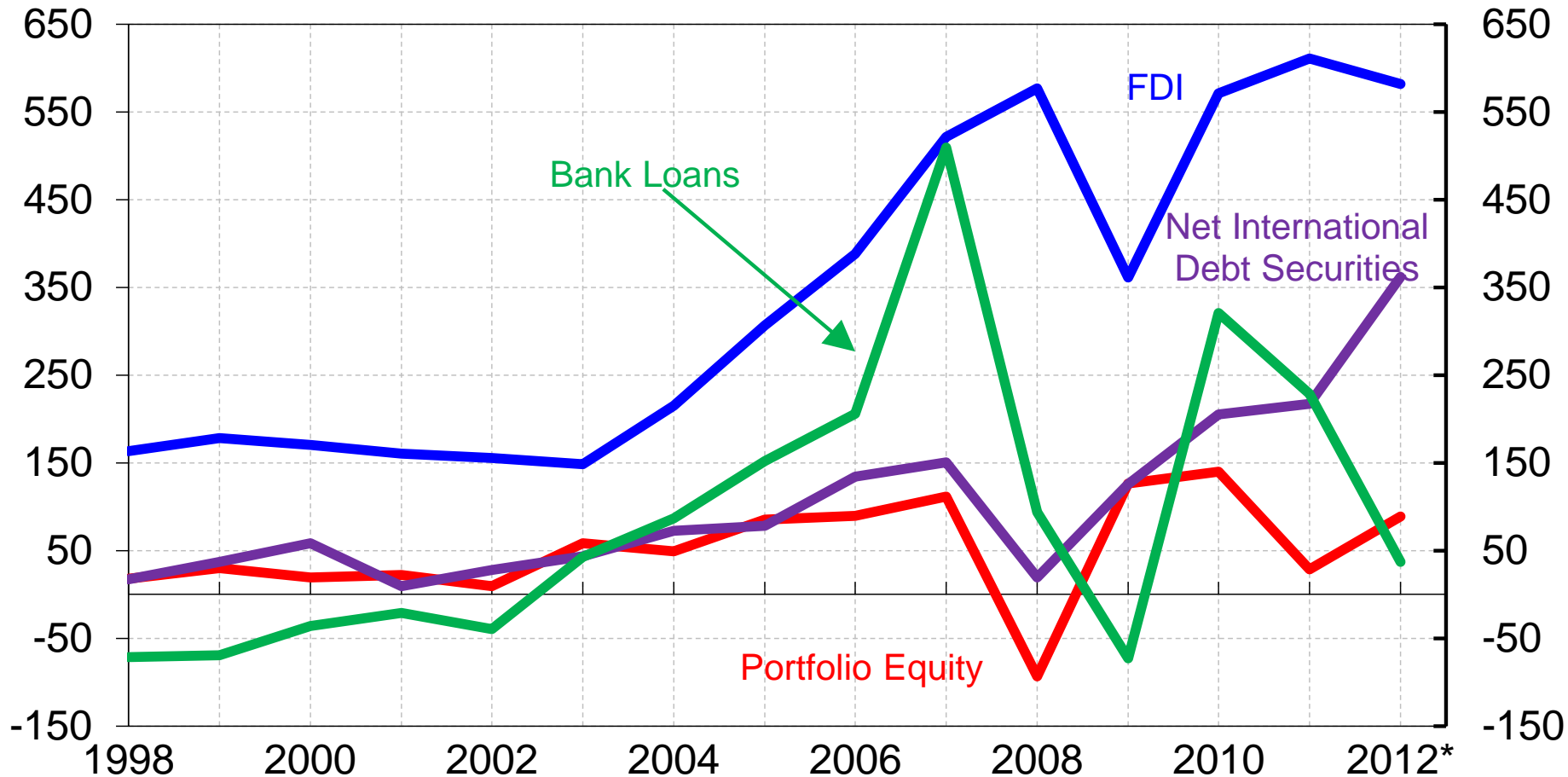
# Capital flows to the EMEs: Contradictory forces at work

- Factors supporting flows to EMEs
  - Improved policy environment in EMEs
  - Stronger growth
  - Low yields in advanced economies
- Factors constraining flows
  - Continuing macro economic uncertainties/risks in the advanced economies—periodic pullbacks from risk
  - Ongoing bank deleveraging
- Large and volatile capital flows, significant ongoing changes in composition

# Private Capital Flows to Emerging Markets

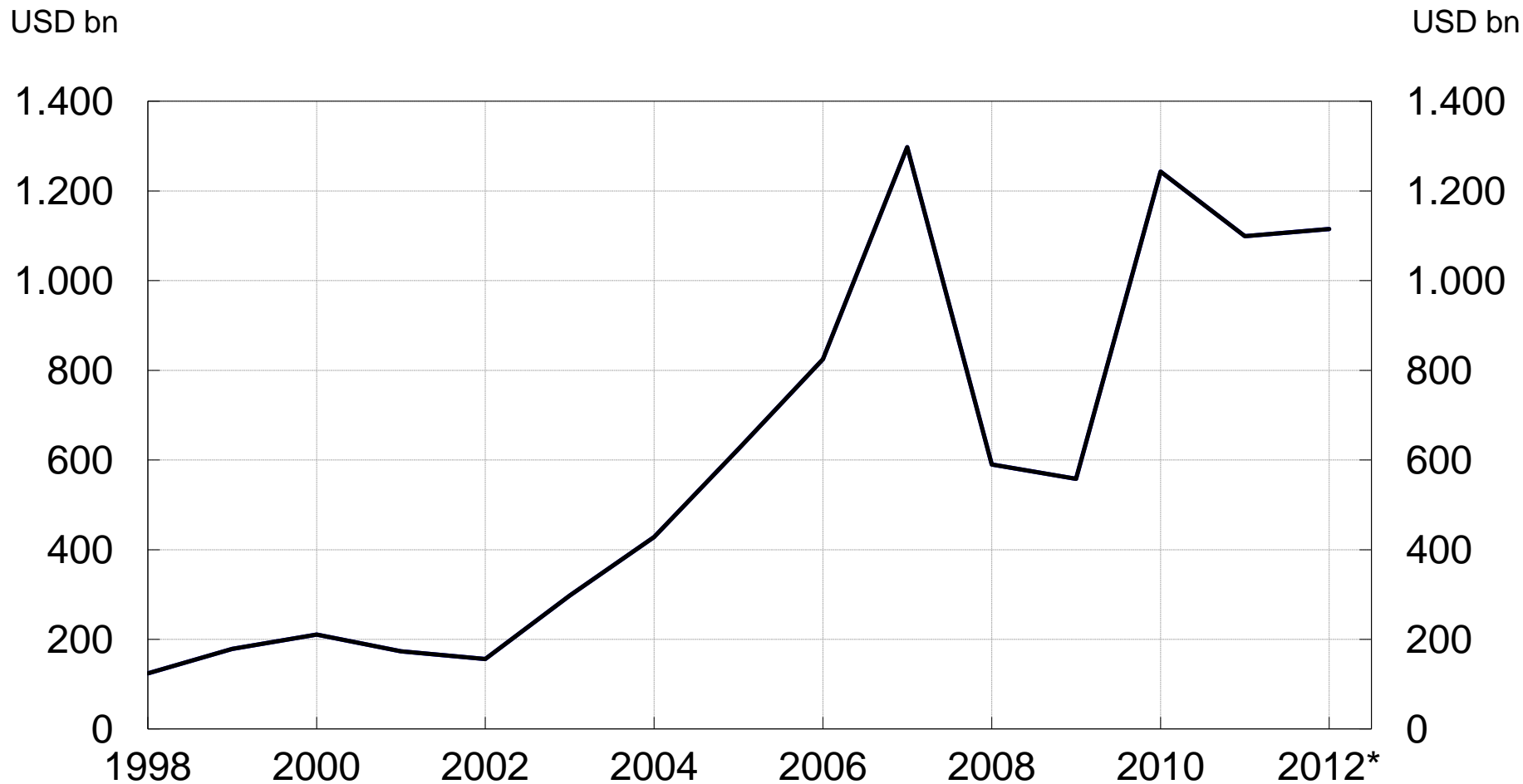
USD bn

USD bn



\*2012 data reflect year to date extrapolations based on Q3 data for FDI and Q3 data for remaining indicators. Net international debt securities sourced from BIS Table 12A. Bank loans refers to net change in loans outstanding, adjusted for exchange rate effects.

# Private Capital Flows to Emerging Markets



Note: Total is sum of FDI, cross-border bank loans, net international debt securities (by residence of issuer), and portfolio equity. FDI and portfolio equity data.

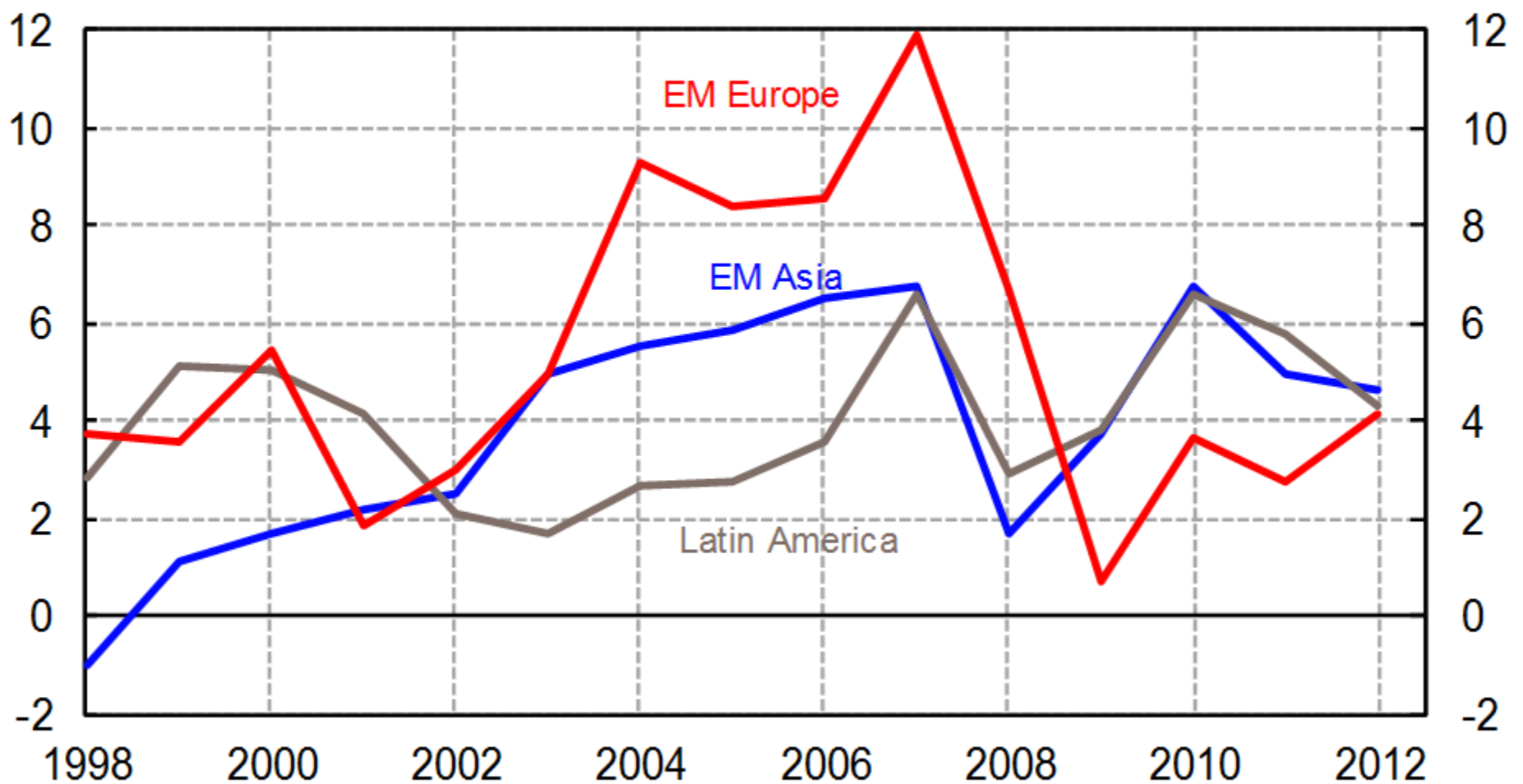
Bank loans refers to net change in bank loans outstanding, adjusted for exchange rate effects, from BIS locational series.

\*Based on annualized year to date data.

# Private Capital Flows to Emerging Markets

By region, as a percent of GDP

Percent



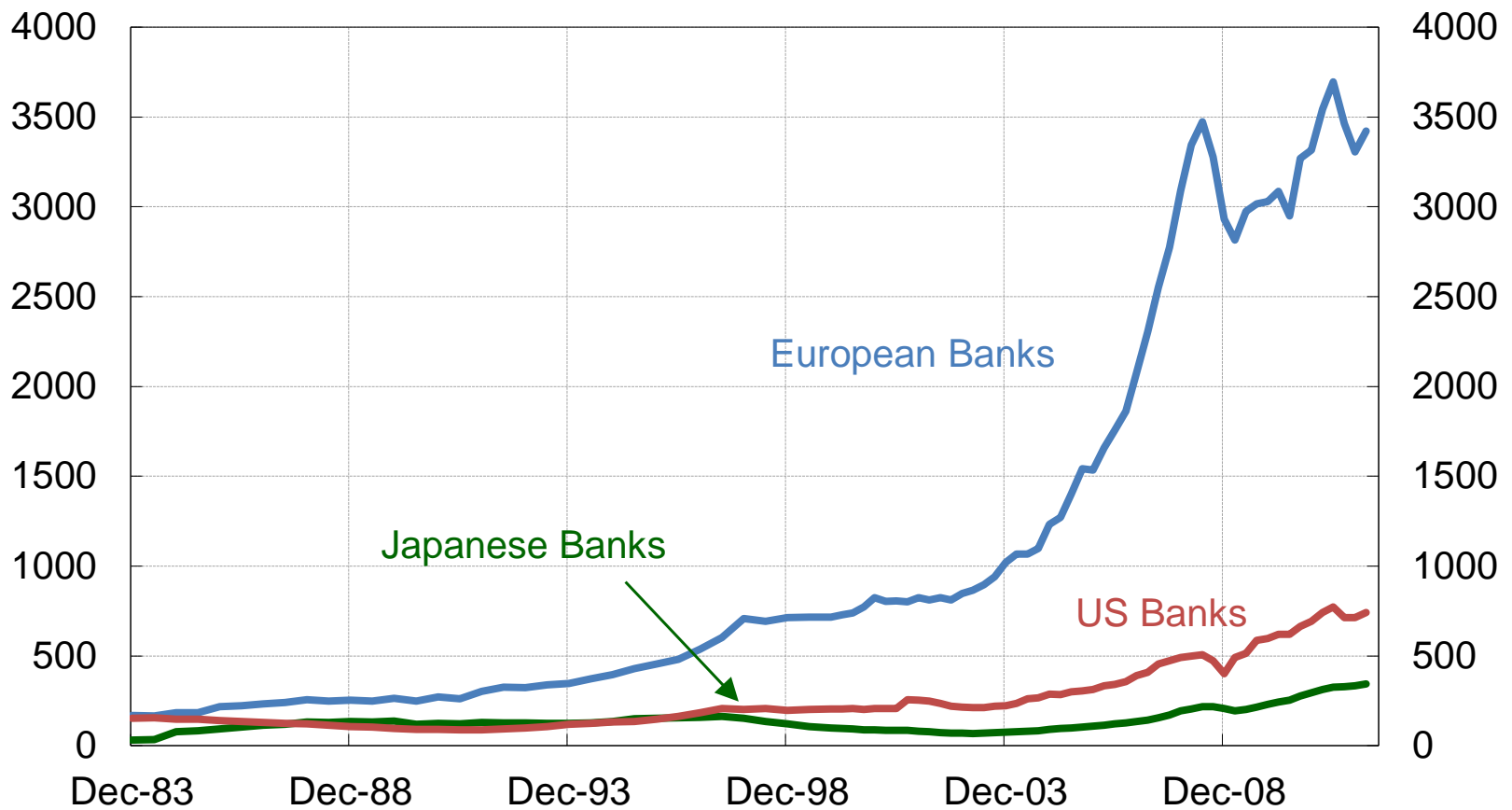
Note: Sum of FDI, bank loans, net international debt securities and portfolio equity. \*2012 is based on annualized year to date data.

# BIS Reporting Bank Claims on EMEs

Total foreign claims, immediate borrower

USD bn

USD bn



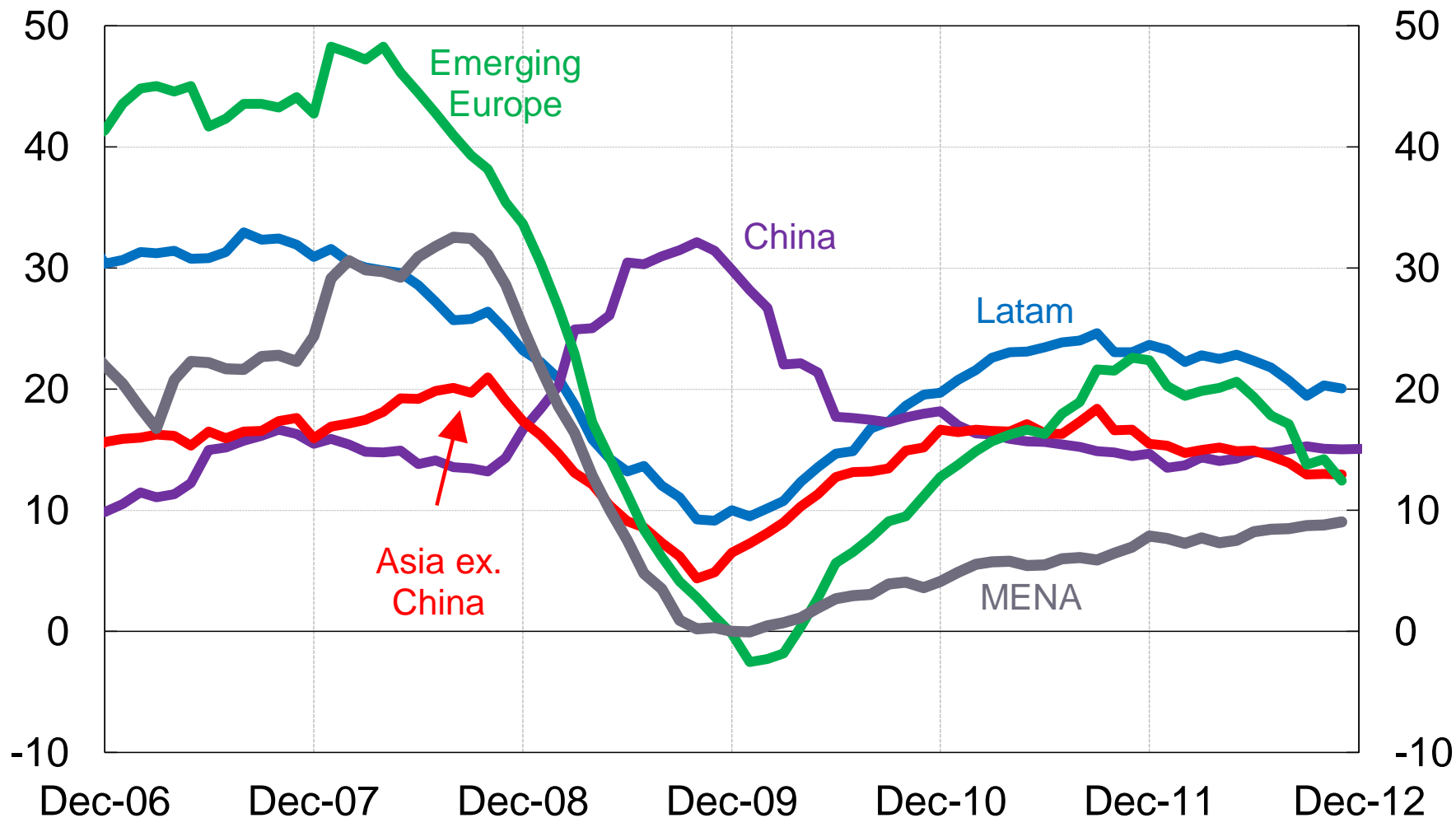
Source: BIS

# EM Banks: Loan Growth

Annual change, nominal

Percent

Percent

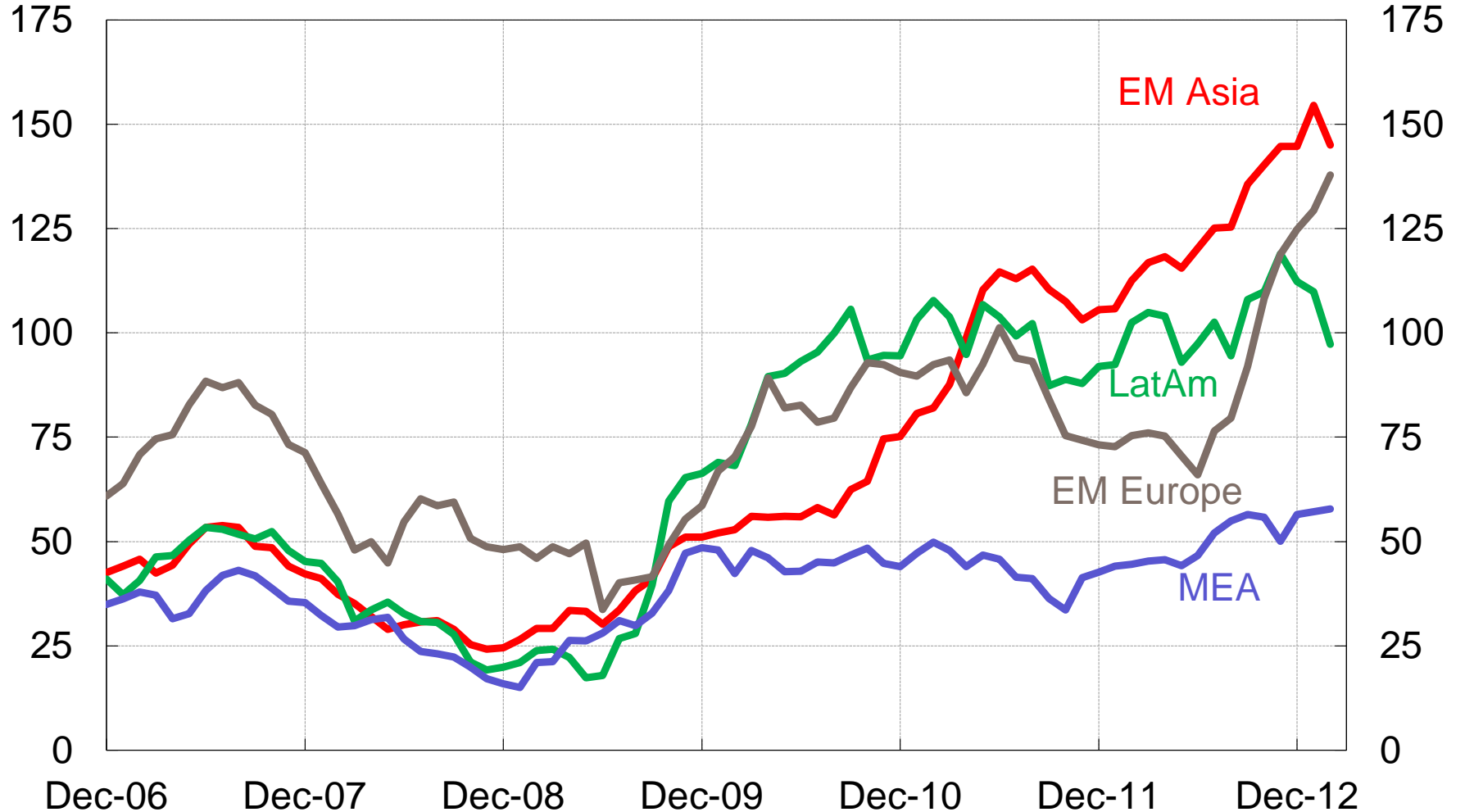


Source: National sources, CEIC, EMED, FRBNY.

# EM Gross Bond Issuance by Region

12-month rolling sum

USD bn



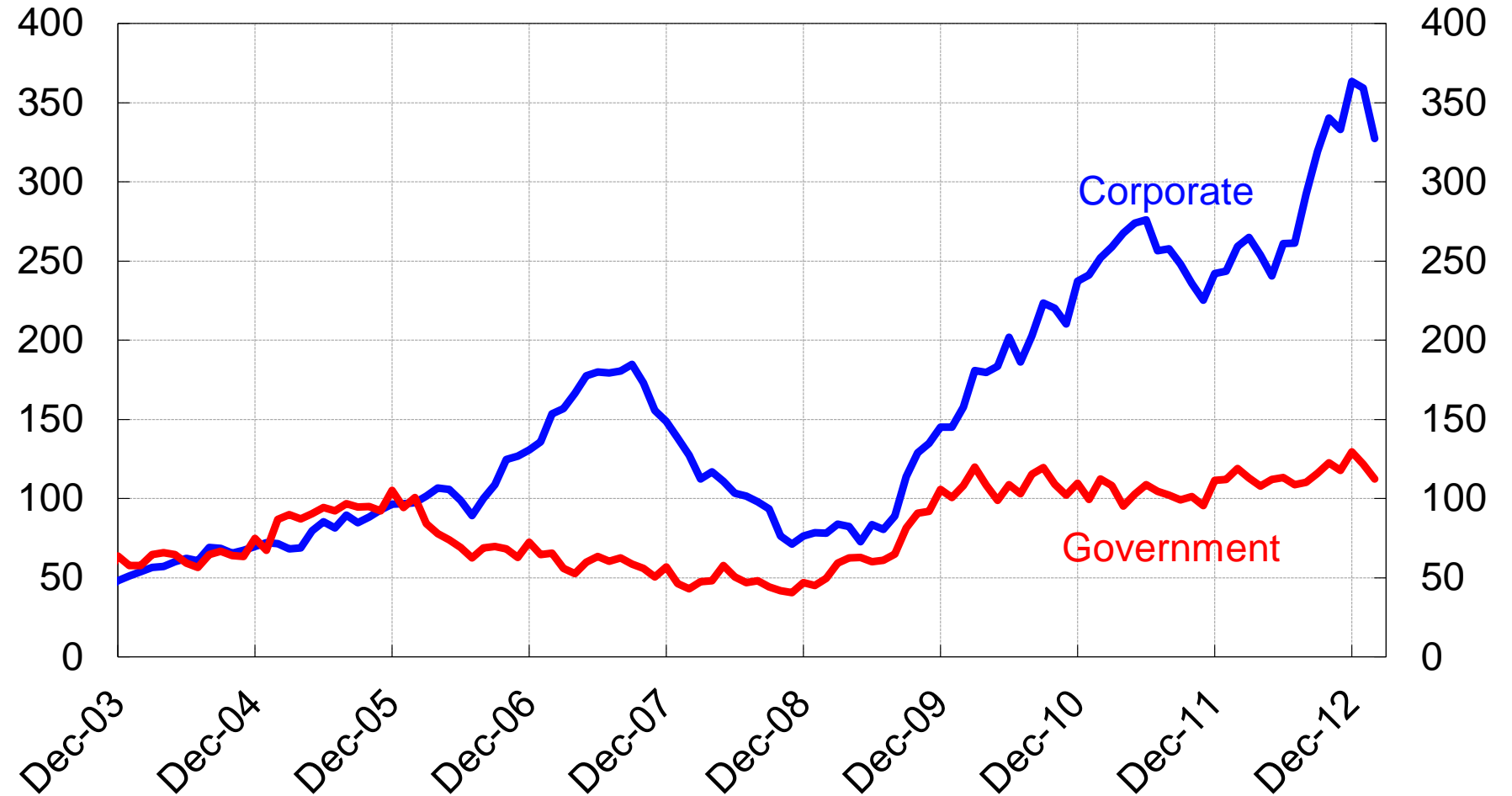
Source: Dealogic. EM Asia excludes Hong Kong and Singapore.



# Emerging Market Economies: Gross Bond Issuance

12-month rolling sum

USD bn



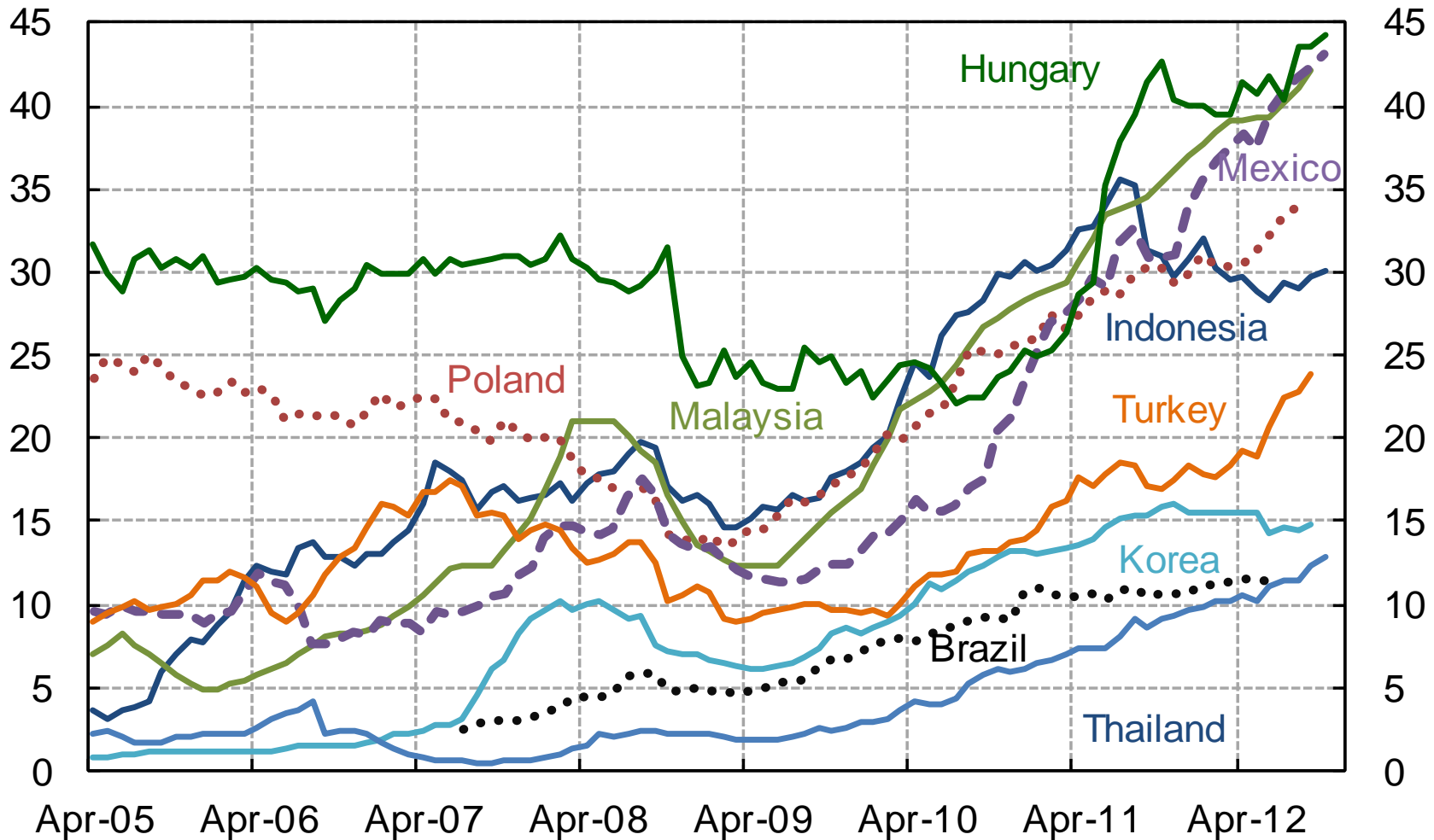
Source: Dealogic. \*Excludes Hong Kong and Singapore.

'Corporate' includes issuance of publicly-owned corporate issuers.

# Selected EMEs: Foreign Ownership of Local Government Securities

Percent of Total

Percent of Total

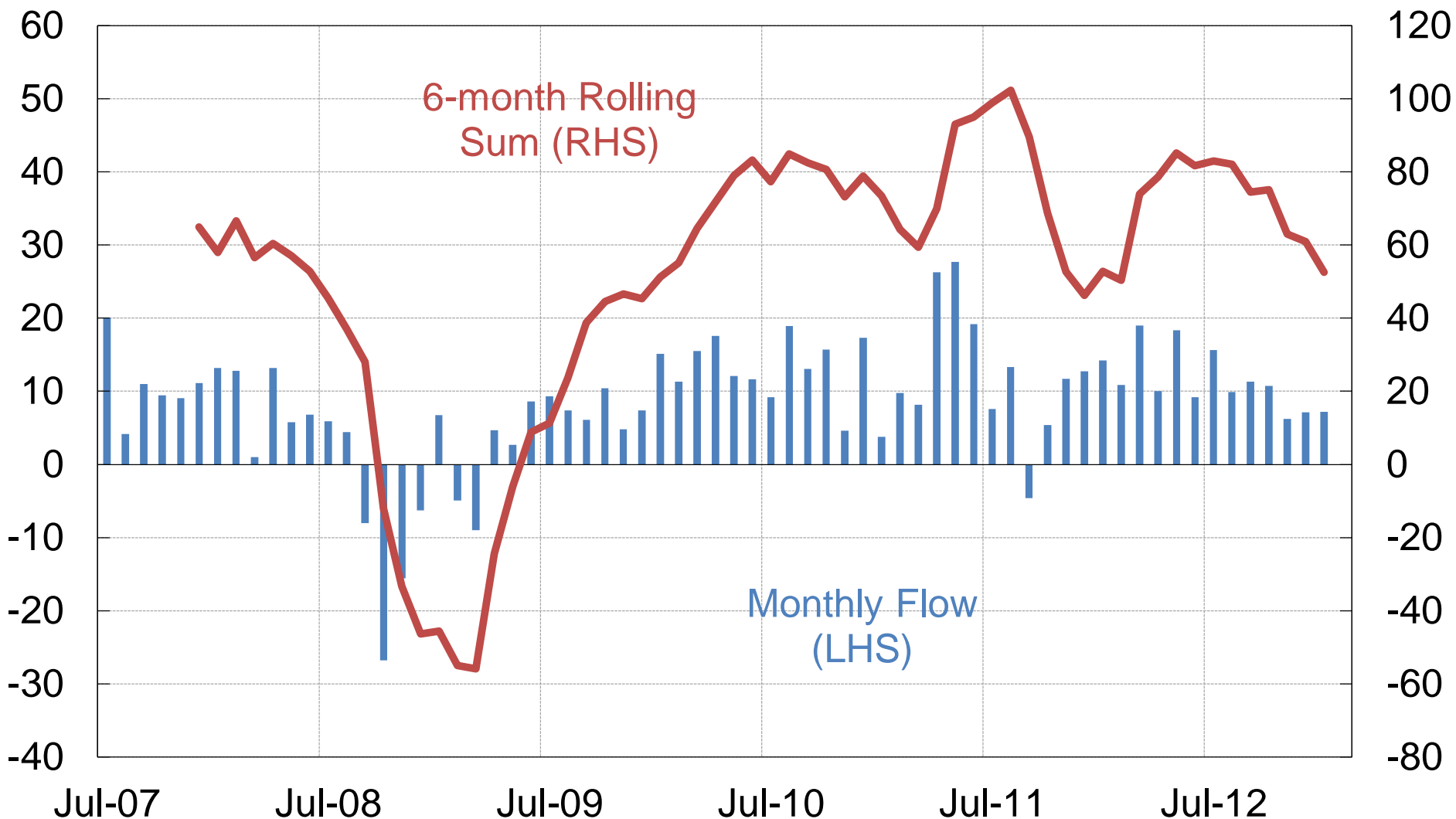


Source: CEIC, EMED, National Authorities

# EMEs: Local Currency Debt Inflows

USD bln

USD bln

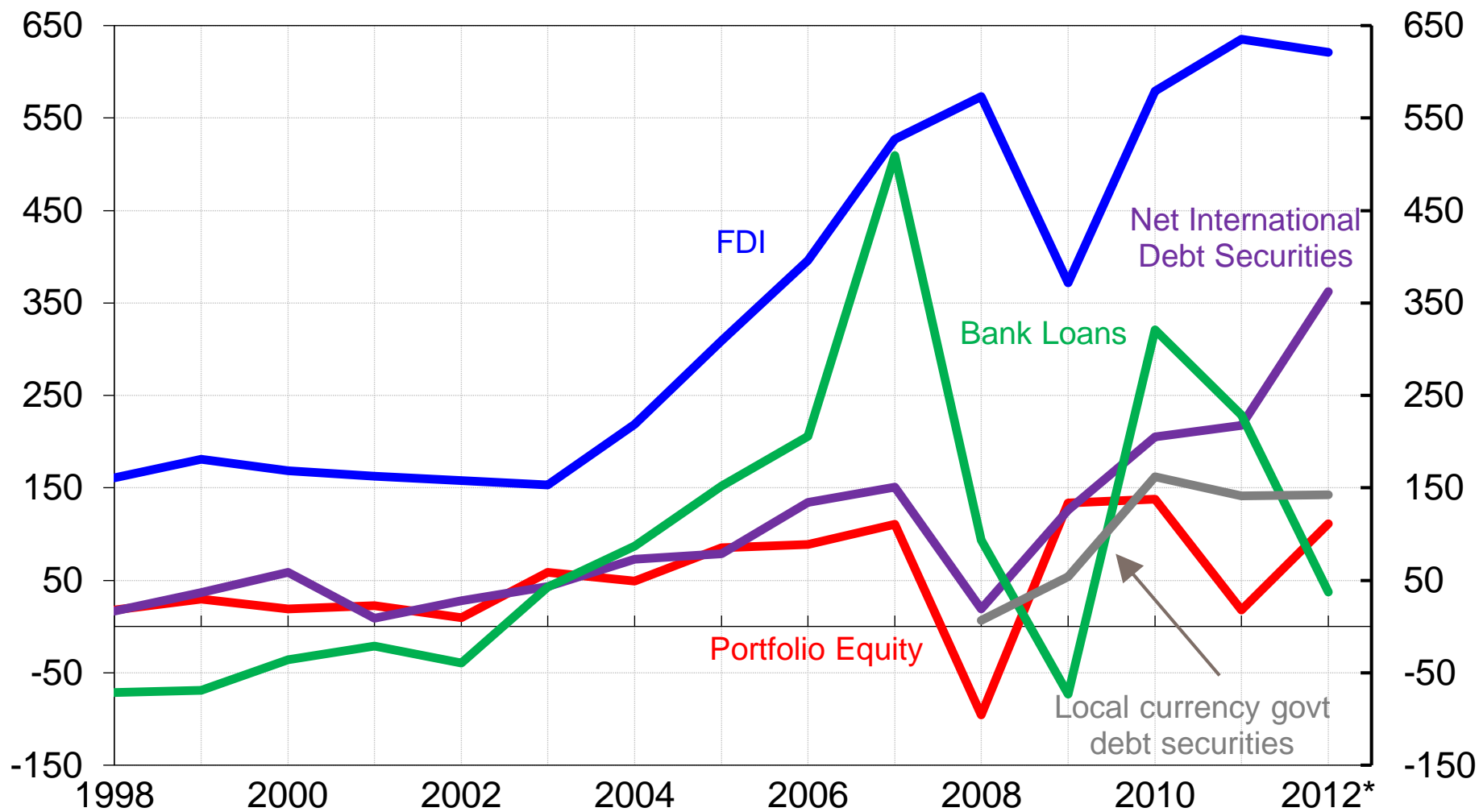


Estimated from officially reported foreign holdings of local currency government bonds. Includes all available data through January 2013 - South Africa not available after 6/12, Russia and Czech Republic after 9/12.

# Private Capital Flows to Emerging Markets

USD bn

USD bn

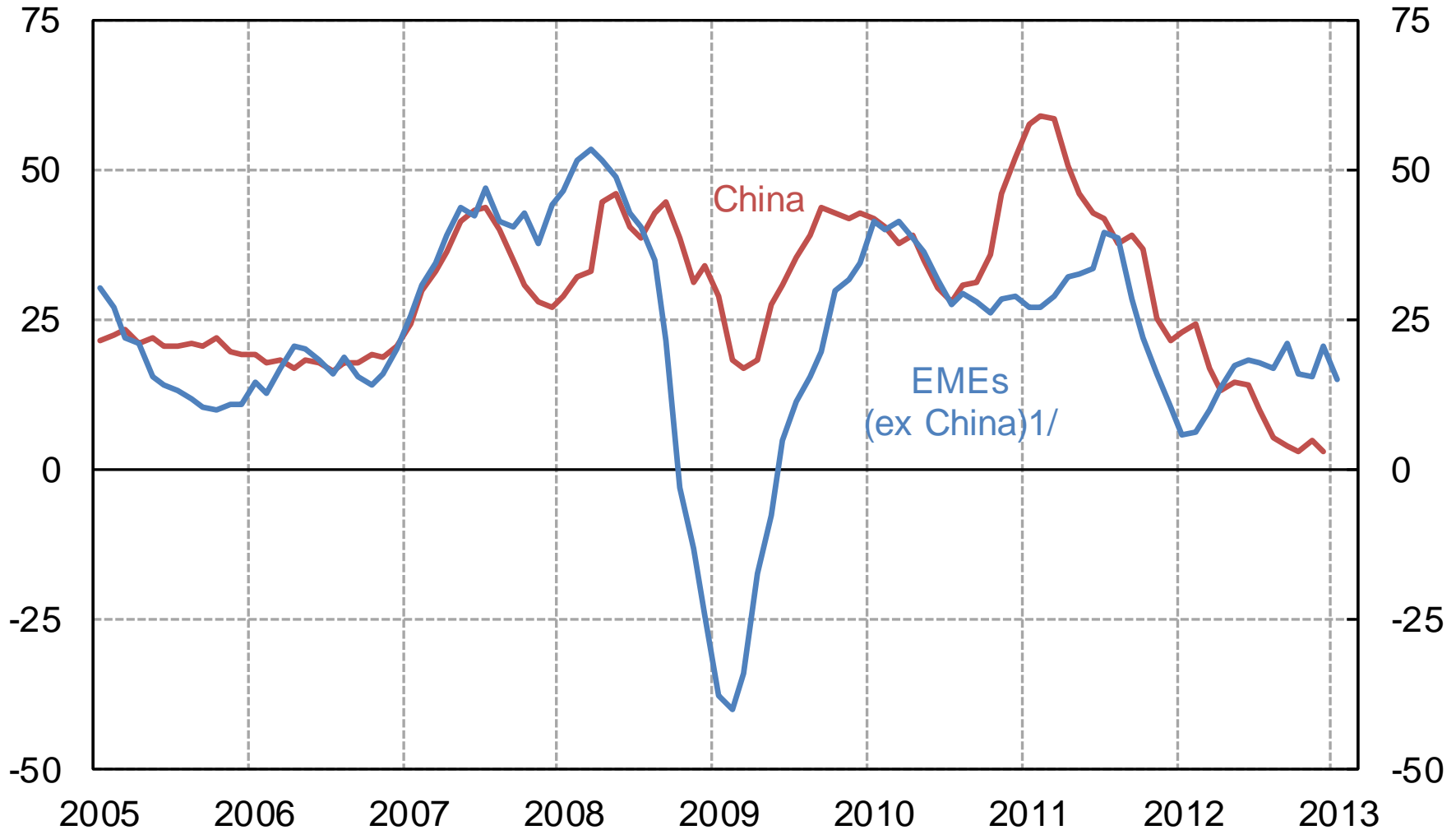


\*2012 data reflect year to date extrapolations based on Q3 data for FDI and Q3 data for remaining indicators. Net international debt securities sourced from BIS Table 12A. Bank loans refers to net change in loans outstanding, adjusted for exchange rate effects.

# Emerging Markets: Monthly FX Reserve Accumulation

USD Billions , 6mma

USD Billions



1/ Brazil, Hong Kong, India, Indonesia, Korea, Malaysia, Mexico, Philippines, Saudi Arabia, Singapore, Taiwan, Thailand. October total excludes Saudi Arabia.

Source: National Authorities

# China: Change in External Financial Assets

USD billions (4q rolling sum)

