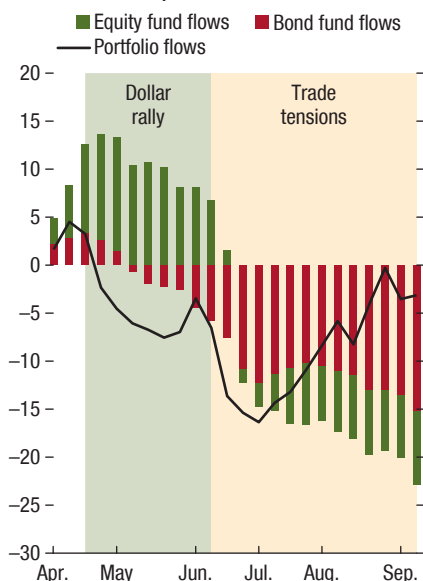


Figure 1.10. Emerging Markets: Portfolio Flows and Asset Market Performance

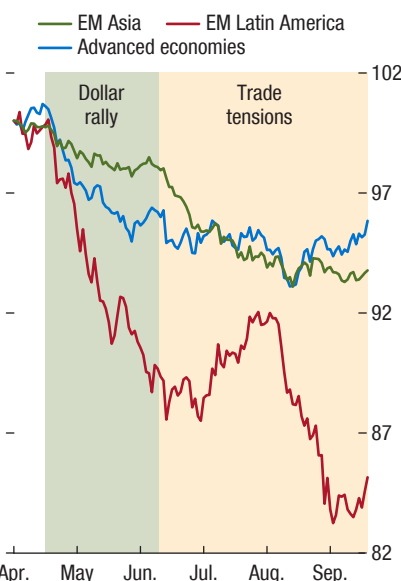
Portfolio outflows from EMs began in mid-April ...

1. Emerging Market Portfolio Flows (Cumulative since April 1, in billions of U.S. dollars)



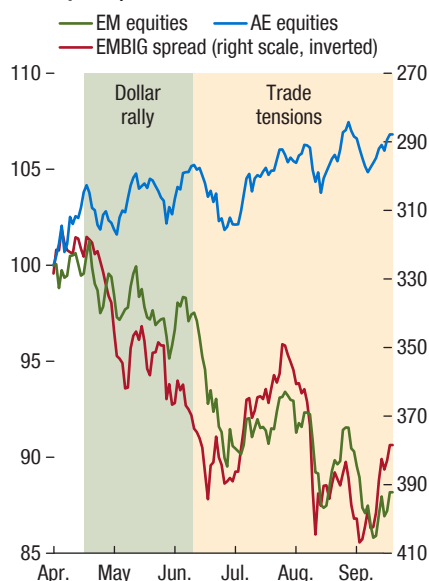
... with the strengthening of the U.S. dollar ...

2. Currencies versus U.S. Dollar (Indexed to April 1)



... but pressures shifted to equity markets as trade tensions flared up in June.

3. Equities and Credit Spreads (Indexed to April 1, spreads in basis points)



Sources: Bloomberg Finance L.P.; EPFR Global; Institute of International Finance (IIF); and IMF staff estimates.

Note: In panel 1, fund flows are net inflows into EM-dedicated investment funds, including mutual funds and ETFs, as reported by EPFR Global. Portfolio flows are net nonresident purchases of emerging market stocks and bonds, obtained from the IIF daily flows database. The main differences between these two datasets include (1) fund flows data are sample-based and mainly capture retail investors, (2) different country samples, and (3) limited coverage of hard currency flows in the IIF data. AE = advanced economy; EM = emerging market; EMBIG = JP Morgan's Emerging Market Bond Index Global; ETF = exchange-traded funds.