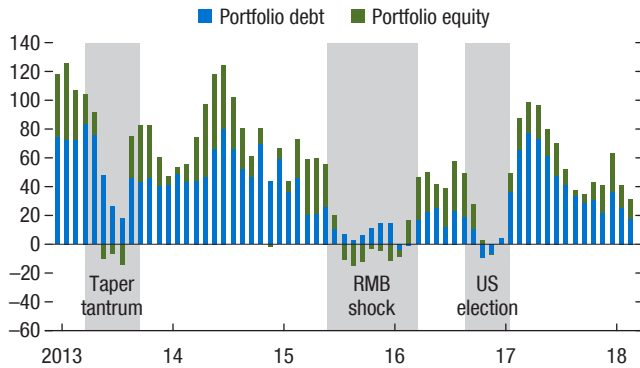


Figure 1.15. Improving Fundamentals, Increased Foreign Currency Issuance

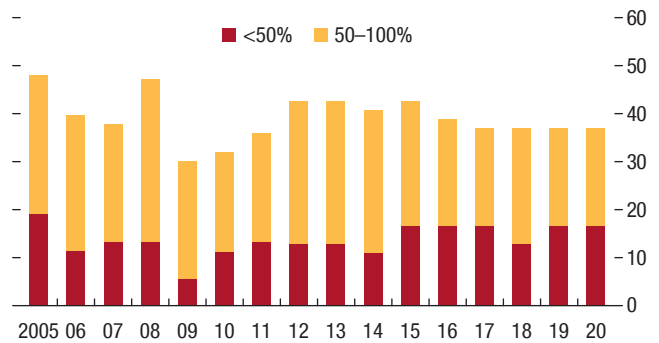
Portfolio flows have been robust.

1. Nonresident Portfolio Flows to EMs
(Three-month rolling sum in billions of US dollars)



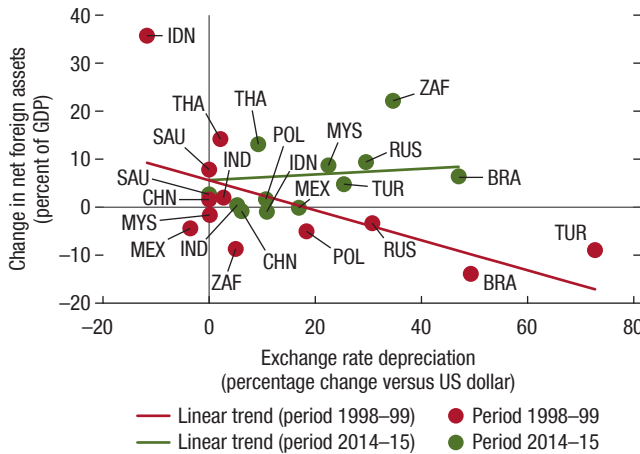
Reserve coverage has improved, but a tail of weak countries remains.

2. Reserves as a Share of External Financing Needs
(Percent of countries)



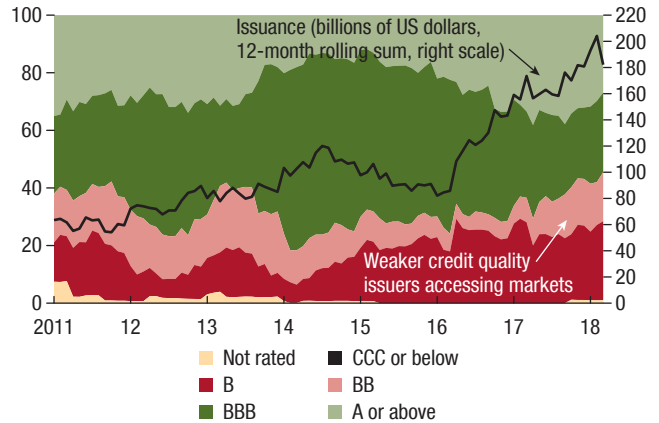
EMs were less vulnerable to dollar appreciation during 2014–15 than in the late 1990s.

3. Change in Emerging Markets' Net Foreign Assets during Periods of Dollar Appreciation



Sovereign issuers had a record year in 2017, and the share of non-investment-grade issuers is on the rise.

4. Sovereign Issuance of International Bonds by Rating
(Percent of total)



Sources: Bloomberg Finance L.P.; Bond Radar; Lane and Milesi-Ferretti (2007); Institute of International Finance; IMF, World Economic Outlook database; and IMF staff estimates.

Note: Panel 2 sample includes 54 EM economies that are part of an external debt sovereign benchmark index. Data labels in panel 3 use International Organization for Standardization (ISO) country codes. EM = emerging market; RMB = renminbi.