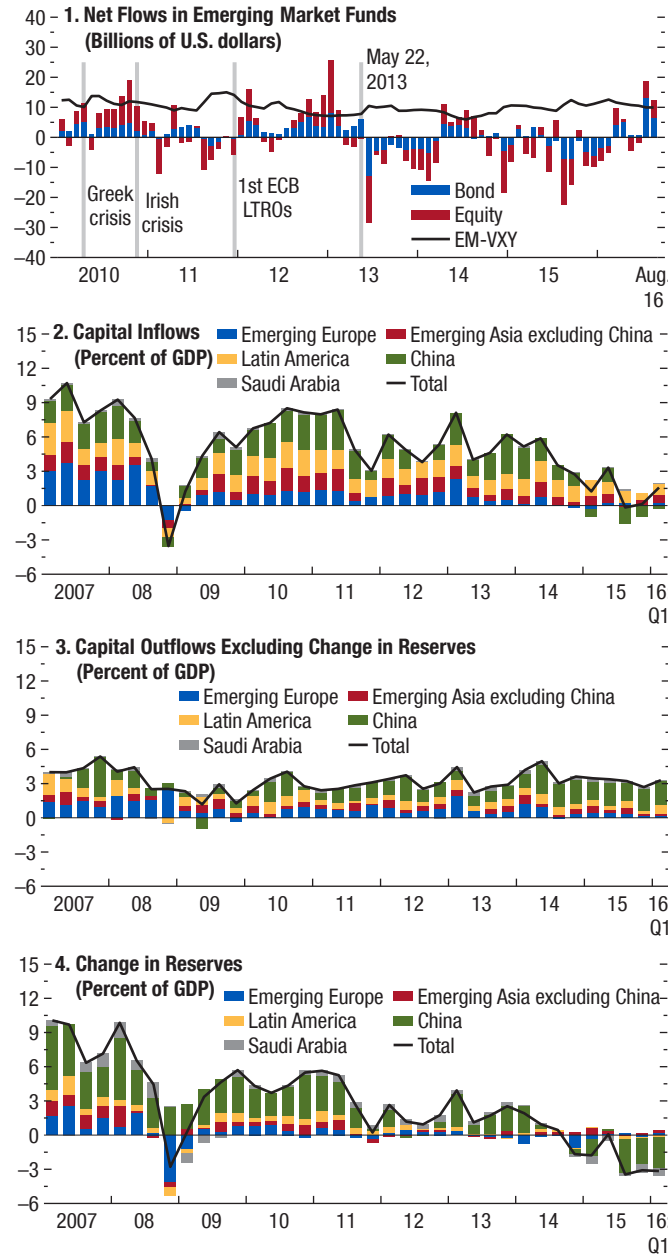


Figure 1.5. Emerging Market Economies: Capital Flows

Following a large decline in the second half of 2015 and early 2016, capital flows to emerging markets have recovered since February amid a growing sense in financial markets that advanced economy central banks will maintain accommodative monetary policy for even longer, the firming of commodity prices, and signs of stabilization in key emerging markets.



Sources: Bloomberg L.P.; EPFR Global; Haver Analytics; IMF, *International Financial Statistics*; and IMF staff calculations.

Note: Capital inflows are net purchases of domestic assets by nonresidents. Capital outflows are net purchases of foreign assets by domestic residents. Emerging Asia excluding China comprises India, Indonesia, Malaysia, the Philippines, and Thailand; emerging Europe comprises Poland, Romania, Russia, and Turkey; Latin America comprises Brazil, Chile, Colombia, Mexico, and Peru. ECB = European Central Bank; EM-VXY = J.P. Morgan Emerging Market Volatility Index; LTROs = longer-term refinancing operations.