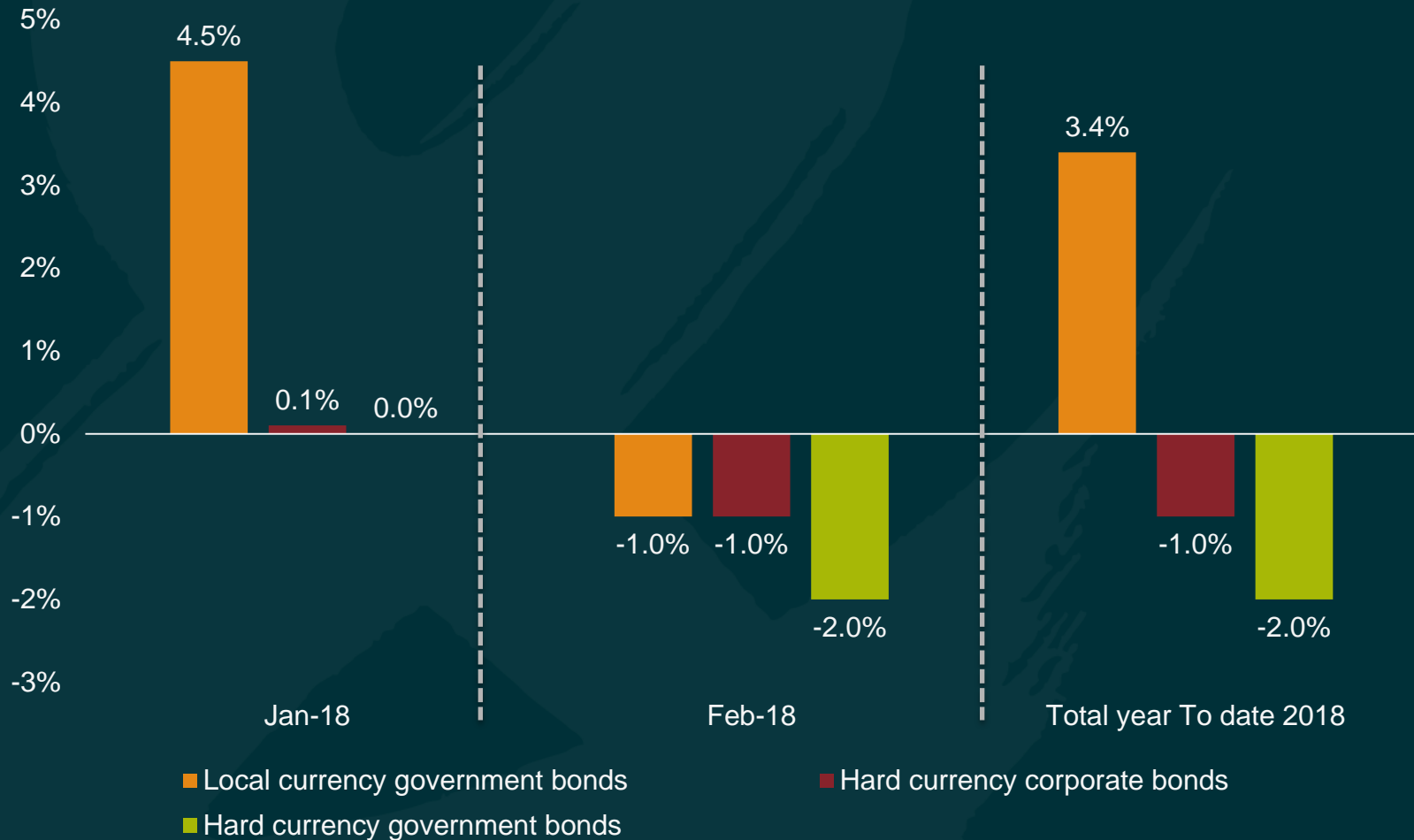


Total returns of emerging market debt - YTD

Local currency bonds have outperformed hard currency bonds



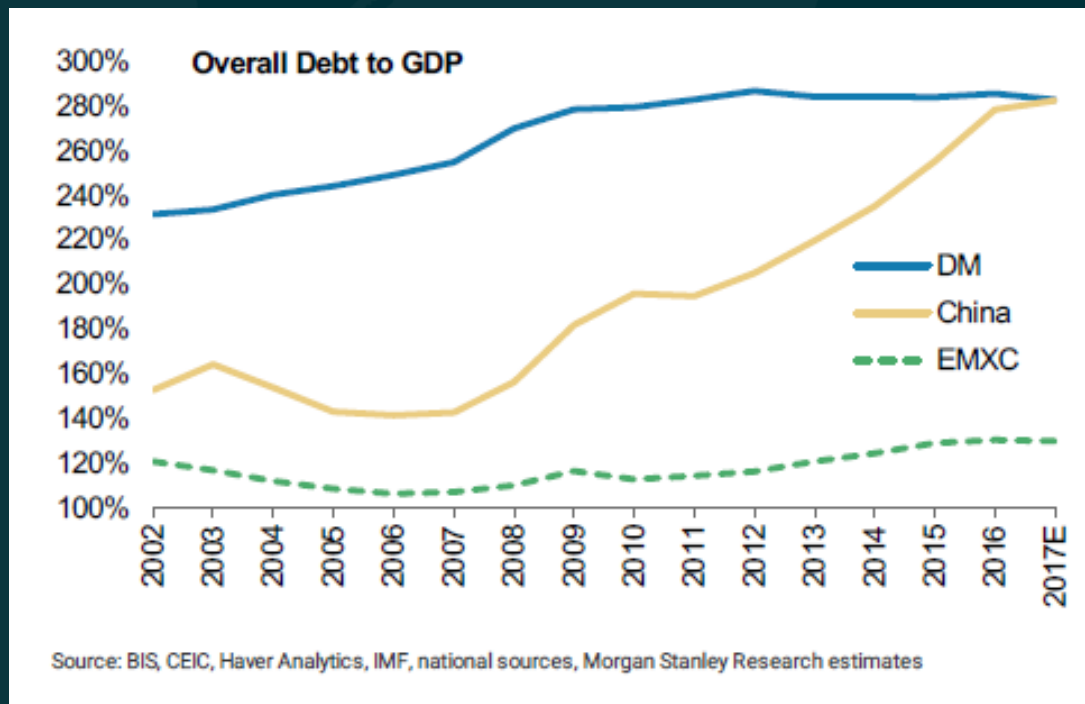
EM hard currency funds have replenished more than the entire AUM lost since the taper tantrum

Funds flow index (% AUM, Jan 2010 = 100)



China is attempting to tackle its debt problem

Total non-financial debt across developed and emerging markets



DM = developed markets; EMXC = emerging markets excluding China



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Source: Morgan Stanley Research estimates,
March 2018

