



Latin America: Non-resident appetite for LAC-4 assets

Chart (a) shows short-term dynamics in non-resident net portfolio investments (equities and bonds) following the elections in Brazil, Chile, Colombia and Mexico (ie LAC-4).

In Brazil, a rebound occurred after the election which followed a period of increased risk aversion as a result of the truckers' strike (May 2018) and emerging market sell-off (August/September 2018). However, confidence remains very fragile as Brazil stands out as the country where, on a twelve months rolling sum, non-residents have remained net sellers (chart b).

Net purchases have also turned positive post-elections in Colombia and Mexico however with a lag in the latter case owing possibly to concerns over NAFTA and commitment to fiscal responsibility under the new administration. In Chile, non-resident investors have remained net buyers but the appetite post-elections slowed down reflecting the government's struggles to win support for its structural reform programme.

