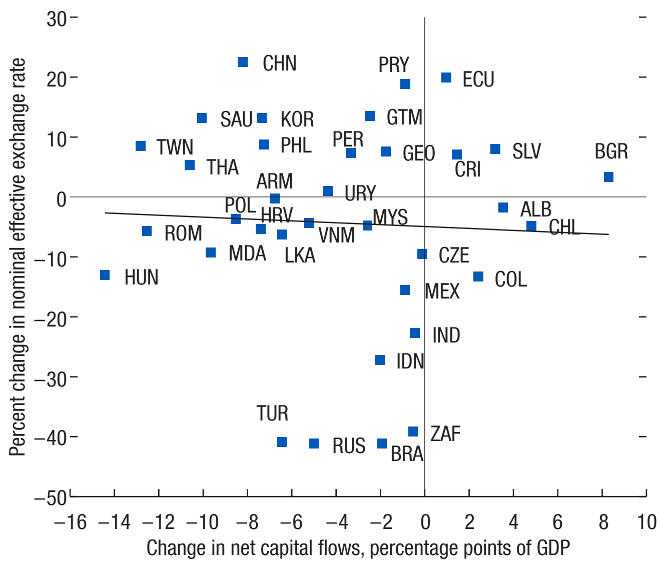
Figure 2.8. Net Capital Inflow Slowdown and Exchange Rate Changes, 2010–15:Q3

Currency depreciation and the decline in net capital inflows exhibit no systematic association. Yet among the largest emerging markets, such as Brazil, China, and India, the association appears to be negative.



Sources: CEIC Asia database; CEIC China database; Haver Analytics; IMF, *Balance of Payments Statistics*; IMF, *International Financial Statistics*; IMF, Information Notice System; World Bank, World Development Indicators database; and IMF staff calculations.

Note: Change in nominal effective exchange rate and net capital inflows is defined as the difference between 2010 and the first three quarters of 2015. Economic and Monetary Union members—Estonia, Latvia, Lithuania, the Slovak Republic, and Slovenia—are excluded from the sample. Argentina, Belarus, Kazakhstan, and Ukraine are excluded as outliers. Data labels in the figure use International Organization for Standardization (ISO) country codes.