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Local currency emerging market debt: deserving of a closer look

With many bond investors caught between concerns over rising interest rates and the belief that the multi-decade bull market in fixed income is not over yet, local currency emerging market debt deserves more attention than it often gets.

Bryan Carter and **JC Sambor**, Head and Deputy Head of Emerging Market Fixed Income, respectively, share their thoughts on this asset class.

Key points

- **Local currency** debt has become **one of the largest fixed income universes** over the past eight years, yet remains underappreciated
- We can see a **number of triggers for a pick-up in demand**
- We believe **growth is the main forward indicator for currencies**
- The asset class offers **multiple opportunities**, collating a heterogeneous group of bond issuers including countries in different stages of the economic and monetary policy cycle

Emerging markets, are likely to display higher-than-average volatility due to a high degree of concentration, increased uncertainties resulting from the lesser amount of information available, any liquidity or more High sensitivity to changes in market conditions (social, political and economic conditions).

[Click here](#) to read the report (4 pages)

BNP Paribas Asset Management

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