

MNI EM Credit Weekly: Shift to the Right

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Market Indicators					Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD	GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	4.12	+0.04	+0.09	-0.45	450			
CDX EM	136.7	-0.6	-20.2	-35.9	350			
CDX IG	53.7	+0.2	-3.0	+3.9	250			
CDX HY	336.6	+4.1	-10.5	+25.2	150	183		
Oil (\$/bbl)	59.4	+0.0	-0.1	-12.3	50	93		
Gold (\$/ozt)	4,168.8	+191.6	+58.5	+1544.3			170	
Copper (\$/lb)	506.7	+9.9	-7.7	+104.1				264
Index Weekly (z-sprd)					-13.4bp	-3.6bp	-19.1bp	-13.8bp

Weekly Recap

EM secondary market spreads maintained their tightening bias. In the primary market we saw a steady stream of issuance from CEEMEA and LATAM while Asia supply was limited. LATAM continued to shift politically to the right with Hondurans electing a conservative, market friendly president following Bolivia and Ecuador earlier this year. Ecuador was rewarded for its reform progress with more development bank loans that were supportive for bond prices. Argentina outlined plans to refinance upcoming debt maturities, implement reforms and access the international bond market next year. Türkiye inflation rose less than expected setting the stage for further rate cuts. In Asia, India corporates were in focus as both Moody's and S&P raised their outlook on mining company Vedanta Resources to Positive and S&P upgraded conglomerate Reliance Industries to A-, though neither action had much impact on spreads.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	6.3	556.7	0.9	149.2	3.5	273.0	2.0	134.5
ASIA	ANZ priced a triple tranche deal with the 3Y fixed deal pricing at FV.							
CEEMEA	Four new issues with \$3.5bn benchmark S African dual tranche deal 3x oversubscribed and with no NIC.							
LATAM	Argentina's Vista Energy USD400mn tap 2033 notes with a 25bp concession.							
Key Stories	Comment						Valuations	
ASIA	India's RBI cut rates late in the week as expected and reduced its outlook for inflation, while S&P and Moody's raised Vedanta's outlook to positive, resulting in the bonds moving higher. Adani ports reported strong volumes for November which we viewed as positive for credit. Meituan 3Q results were weaker, as competition drove down margins, we viewed the results as negative for credit. Xiaomi reported strong deliveries for Nov..						MEITUA 35 -5bps VEDLN 33s -18bp XIAOMI 30s UNCH ADSEZ 31s UNCH	
CEEMEA	Türkiye CPI data came in better than expected and paved the way for further rate cuts from CBRT. Moody's left Rep. of Hungary rating unchanged, citing EU funds as the key catalyst for change. SAPPI combined their struggling graphic paper business with UPM, which we viewed as credit positive. Tullow Oil was downgraded by S&P to CCC- with a negative outlook, as a default looked imminent.						TURKEY 36s -14bp REPHUN 30s UNCH SAPPI 32s +0.75pt TLWLN 26 -0.5pt	
LATAM	Honduras bonds rallied as citizens disappointed with the ruling socialist government elected a more conservative president. Argentina outlined plans to refinance debt and access the capital market in 2026, but market reaction was muted. Ecuador got further support from development banks but failed to rally with bonds up already 9 pt this month. In LATAM corps, Brazil's Adecoagro filed an equity shelf to finance an acquisition.						HONDUR 34s +2.75 pt ARGENT 35s +.5pt ECUA 35s: +.25 pt AGRO 32s -16bp	

Key Rating Actions

Issuer	Region	Country	Action
VNKRLE	ASIA	China	Fitch downgrade to 'CC' from 'CCC-' on distressed debt exchange proposal.
NAVOIM	CEEMEA	Uzbekistan	S&P upgrade to 'BB' from 'BB-', not surprising.
TLWLN	CEEMEA	Ghana	S&P downgraded to CCC- with a negative outlook. Default looks imminent.

The Week Ahead

Focus next week turns to the FOMCs rate decision with a 25bp cut expected. We think a few more deals could come to the market, as the issuance window slowly closes. Fitch is reviewing Rep of Hungary after the close today while Moody's review's South Africa. Czechia leader Andrej Babis is expected to become PM next week, with CEZ on the agenda for nationalisation. Argentina will submit reform proposals to congress for the 2026 budget with bonds vulnerable to political drama. Braskem bonds may rally if majority stakeholder Novonor sells its shares and Petrobras increases its role in managing the company. In Asia, China CPI data is expected to be released, whilst the wider region gears up for a potential rate rise by the BoJ the following week.

Primary New Issue Monitor & FV

mni

Date	Issuer	Country	Type	CCY	Size (mn)	Tenor	IPT	MNI FV	Final	NIC	Book (x)
02-Dec	ABGSJ	South Africa	FIG	USD	150	10.5-NC5.5	7.13%	6.88%	6.63%	-0.25%	2.67
04-Dec	YKBNK	Turkey	FIG	USD	500	10.5-NC5.5	8%	7.50%	7.55%	0.05%	3.00
04-Dec	SOAF	South Africa	Sov	USD	1750	12.00	6.63%	6.25%	6.25%	na	na
04-Dec	SOAF	South Africa	Sov	USD	1750	30.00	7.75%	7.375%	7.38%	na	na
01-Dec	ANZ	Australia	FIG	USD	750	3.00	65	36	37	1	na
03-Dec	VISTAA	Argentina	Corp	USD	400	6.5	8.50%	8.00%	8.25%	0.25%	na
04-Dec	PROVSF	Argentina	Sov	USD	800	9.00	8.75%	8.25%	8.38%	0.13%	na
04-Dec	MELI	Brazil	Corp	USD	750	7.00	160	135	130	-5	na

Source: MNI & Bloomberg Finance L.P

ASIA

- [ANZ](#) issued a triple tranche deal, with the 3Y fixed rate deal pricing close to MNI FV.
- Increasing competition drove margins lower for [Meituan](#) as the company reported Q3 results which we view as negative for credit.
- [China Vanke](#) was reportedly asking bondholders for a 12month extension on repayment of the RMB 2bn bond due 15th December.
- S&P changed the outlook on [Vedanta Resources](#) to position, the agency cited ramping up of the aluminium facilities as supporting deleveraging and FFO to debt reaching over 30%.
- Sales momentum was maintained at [Xiaomi](#), with 40k deliveries during November, similar to October. The company looks well on track to meeting its increased FY guidance of 400k units.
- [Adani Ports](#) reported strong volume numbers for November, led by the container business. We view this as credit positive.

Asia EM Best Performers

Ticker	Security	z-sprd Δ	Rating
PKSTAN	PKSTAN 7 3/8 04/08/31	-33.8	(Caa1/NR/B-)
PKSTAN	PKSTAN 7.95 01/31/29	-24.2	(Caa1/NR/B-)
PKSTAN	PKSTAN 6 7/8 12/05/27	-19.2	(Caa1/B-/NR)
BIOLIN	BIOLIN 6.67 10/09/29	-17.0	(NR/BB/BB)
MEDCIJ	MEDCIJ 8.96 04/27/29	-16.7	(Ba3/BB-/BB-)
UNGUZB	UNGUZB 4 3/4 11/16/28	-15.1	(NR/BB-/BB)
MUTHIN	MUTHIN 7 1/8 02/14/28	-15.0	(NR/BB+/BB+)
UPLLIN	UPLLIN 4 5/8 06/16/30	-14.4	(Ba2/BB/BB)
GENMMK	GENMMK 3.882 04/19/31	-12.3	(NR/BBB-/BBB *-)
MUTHIN	MUTHIN 6 3/8 03/02/30	-11.1	(Ba1/BB+/NR)

Asia EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
CPDEV	CPDEV 6.8 04/07/29	17.7	(NR/NR/NR)
ZJSOAM	ZJSOAM 5.55 08/20/27	13.2	(NR/NR/NR)
PHILIP	PHILIP 3.229 03/29/27	9.8	(Baa2/BBB+/BBB)
ZHOSHK	ZHOSHK 5.98 01/30/28	9.5	(NR/BBB/NR)
FRIDPT	FRIDPT 4.763 04/14/27	8.8	(Baa3/NR/BBB)
GRNKEN	GRNKEN 7 1/4 09/27/28	8.3	(Ba2/NR/BB-)
FOSUNI	FOSUNI 8 1/2 05/19/28	8.2	(NR/BB-/NR)
GRNKEN	GRNKEN 4.3 12/13/28	7.1	(Ba2/NR/BB-)
EIBKOR	EIBKOR 1 1/8 12/29/26	6.3	(Aa2/AA/AA-)
GDCOMM	GDCOMM 2.358 01/25/27	6.3	(NR/NR/A)

CEEMEA

- South African focused [Absa group](#) issued a \$150mn 10.5NC5.5 tier 2 bond, which was well received by investors.
- S&P downgraded [Tullow Oil](#) to CCC- with a negative outlook, with a default looking imminent on the 10.25% MAY26 bonds.
- [Republic of Hungary](#) had its rating reviewed by Moody's and resulted in no change, with the agency citing release of EU funds as the key catalyst for change.
- Fitch is expected to review Rep of Hungary this week, again no change is expected whilst EU funds remain unlocked.
- Turkish lender [Yapi Kredi](#) issued a \$500mn subordinated 10.5NC5.5 bond, which priced close to FV.
- Similar to last year, Republic of [South Africa](#) issued a dual tranche 12Y and 30Y bond, with books 4x and leaving no room for NIC.
- [SAPPI](#) and UPM agreed to combine their graphic paper business in a 50-50 JV, resulting in potentially lower leverage and improved cash flow generation for SAPPI. We view the transaction as credit positive.

CEEMEA EM Best Performers				CEEMEA Worst Performers			
Ticker	Security	z-sprd Δ	Rating	Ticker	Security	z-sprd Δ	Rating
SHLFDI	SHLFDI 9 5/8 04/15/29	-4977.2	(B3/B-/B ⁺)	ELDCN	ELDCN 6 1/4 09/01/29	35.8	(B3/BB-/B ⁺)
NGERIA	NGERIA 6 1/8 09/28/28	-53.0	(B3/B-/B)	KUWIB	KUWIB 3 1/2 03/20/27	7.4	(NR/AA-/AA-)
GHANA	GHANA 1 1/2 01/03/37	-52.3	(Caa1/B-/B-)	KSA	KSA 2 1/2 02/03/27	7.2	(Aa3/NR/A ⁺)
EGYPT	EGYPT 5 7/8 02/16/31	-44.4	(Caa1/B/B)	BINHLD	BINHLD 9 5/8 02/28/27	6.8	(NR/NR/BB-)
ANGOL	ANGOL 8 1/4 05/09/28	-42.4	(B3/NR/B-)	KSA	KSA 3.628 04/20/27	5.6	(Aa3/NR/A ⁺)
EGYPT	EGYPT 6.588 02/21/28	-42.4	(Caa1u/B/B)	OMGRID	OMGRID 5.196 05/16/27	5.0	(Ba1/NR/BB ⁺)
EGYPT	EGYPT 7.0529 01/15/32	-42.4	(Caa1u/B/B)	QATAR	QATAR 4 1/2 04/23/28	3.6	(Aa2/AA/AA)
EGYPT	EGYPT 8 5/8 02/04/30	-42.1	(NR/B/B)	ROMANI	ROMANI 3 02/27/27	3.3	(Baa3/BBB-/BBB-)
KENINT	KENINT 8 05/22/32	-41.4	(Caa1u/B/B-)	IRAQ	IRAQ 5.8 01/15/28	2.9	(NR/NR/NR)
EGYPT	EGYPT 7 5/8 05/29/32	-40.3	(Caa1u/B/B)	BHRAIN	BHRAIN 3.95 09/16/27	2.6	(B2u/B/B ⁺)

LATAM

- [Honduras](#) bonds rallied as the country elected a conservative president to unseat the ruling socialist party.
- Further support from development banks gave [Ecuador](#) bond prices a lift.
- [Argentina](#) outlined plans to refinance debt and access the capital market in 2026.
- Benchmark-sized USD issuance from Argentina's [Province of Santa Fe](#) with an offering of 7.5Yr WAL notes.
- [Vista Energy](#) tapped 2033 notes for USD400mn with a 25bp concession.
- Brazil's [Adecoagro](#) filed an equity shelf to fund their Profertil acquisition, which if issued could stabilize ratings.
- Novonor transfer of [Braskem](#) shares paved the way for increased Petrobras involvement.

CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
SHLFDI	SHLFDI 9 5/8 04/15/29	-4977.2	(B3/B-/B *+)
NGERIA	NGERIA 6 1/8 09/28/28	-53.0	(B3/B-/B)
GHANA	GHANA 1 1/2 01/03/37	-52.3	(Caa1/B-/B-)
EGYPT	EGYPT 5 7/8 02/16/31	-44.4	(Caa1/B/B)
ANGOL	ANGOL 8 1/4 05/09/28	-42.4	(B3/NR/B-)
EGYPT	EGYPT 6.588 02/21/28	-42.4	(Caa1u/B/B)
EGYPT	EGYPT 7.0529 01/15/32	-42.4	(Caa1u/B/B)
EGYPT	EGYPT 8 5/8 02/04/30	-42.1	(NR/B/B)
KENINT	KENINT 8 05/22/32	-41.4	(Caa1u/B/B-)
EGYPT	EGYPT 7 5/8 05/29/32	-40.3	(Caa1u/B/B)

CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
ELDCN	ELDCN 6 1/4 09/01/29	35.8	(B3/BB-/B+)
KUWIB	KUWIB 3 1/2 03/20/27	7.4	(NR/AA-/AA-)
KSA	KSA 2 1/2 02/03/27	7.2	(Aa3/NR/A+)
BINHLD	BINHLD 9 5/8 02/28/27	6.8	(NR/NR/BB-)
KSA	KSA 3.628 04/20/27	5.6	(Aa3/NR/A+)
OMGRID	OMGRID 5.196 05/16/27	5.0	(Ba1/NR/BB+)
QATAR	QATAR 4 1/2 04/23/28	3.6	(Aa2/AA/AA)
ROMANI	ROMANI 3 02/27/27	3.3	(Baa3/BBB-/BBB-)
IRAQ	IRAQ 5.8 01/15/28	2.9	(NR/NR/NR)
BHRAIN	BHRAIN 3.95 09/16/27	2.6	(B2u/B/B+)