

MNI Emerging Markets Credit Weekly

8 August 2025

Eric Sharper, Riccardo Galletto, Makeem Asif & Robert Kessler

Market Indicators						Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD		GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	4.25	↓ -0.13	↓ -0.13	↓ -0.32		450			
CDX EM	153.3	↓ -0.1	↓ -3.1	↓ -19.2		350			
CDX IG	52.3	↑ +1.3	↑ +1.6	↑ +2.4		250			
CDX HY	329.5	↑ +8.2	↑ +14.2	↑ +18.0		250			
Oil (\$/bbl)	63.8	↓ -5.4	↓ -4.1	↓ -7.9		150			
Gold (\$/ozt)	3,388.8	↑ +98.9	↑ +52.3	↑ +764.3		150			
Copper (\$/lb)	440.4	↑ +4.9	↓ -58.1	↑ +37.8		50			
Index Weekly (z-sprd)						+5.5bp	+5.6bp	+3.5bp	+5.0bp

Weekly Recap

Tariff risks gained traction, leading Emerging Markets USD index spreads to widen 5.5bp, giving up the prior week's gains. Low supply (\$1.5bn), with no notable new issuance from ASIA or LATAM, also failed to provide technical support. Within our coverage, USD benchmark spreads in ASIA widened 3-5bp, LATAM spreads were 5-10bp wider, and CEEMEA spreads widened 5-10bp. India faces a doubling of tariffs to 50% for purchasing Russian oil, while Brazil confronts a 50% tariff tied to recent legal actions against former President Jair Bolsonaro; both seek to strengthen economic ties. In ASIA, earnings season is broadly in line with consensus, with semiconductor tariffs supporting South Korean corporates but creating risks for the Philippines. In CEEMEA, earnings kicked off strongly, though oil-related companies were exceptions — impacted by lower oil prices, and notably for Aramco. In LATAM, no primary deals meant spread moves were driven by issuer-specific events such as tenders and earnings from Braskem, Pemex, and YPF.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	1.3	356.8	0.0	90.7	1.3	177.7	0.0	88.5

CEEMEA FMCN issued \$ 8.5NC3.5, upsized to \$1bn from \$750mn, priced close to our fair value estimate with minimal NIC.

Key Stories	Comment	Valuations
ASIA	The US set a 50% tariff on Indian goods effective August 27, penalizing India for continued Russian oil purchases. Semiconductor tariffs of 100% were avoided by Korean firms Samsung Electronics and SK Hynix after South Korea secured Most Favoured Nation status. However, the Philippines faces the full 100% tariff, a major hit as semiconductors make up c. 40% of its exports. Elsewhere, S&P upgraded Adani Ports' outlook to Positive, and Cathay Pacific ordered 14 Boeing aircraft worth \$8.1bn, possibly indicating new \$ issuance.	RECLIN 29s +5bp PHILIP 32s +6bp ADSEZ 32s -26bp
CEEMEA	FMCN improved liquidity with a \$1bn streaming deal and a \$1bn USD bond issuance, supporting its credit profile as management negotiates with Panama over the Cobre mine. Zambia's sovereign bonds weakened after the IMF flagged high external debt distress risk. Tullow showed no progress on restructuring its 2026 bond, and with lowered FCF guidance, negotiations with bondholders are expected soon. Meanwhile, Turkey's CPI continued falling, supporting sentiment for sovereign and corporate spreads.	FMCN 33's -26bp ZAMBIN 53s -1.4pt TURKEY 31's -6bp TLWN 26's -1.5pt
LATAM	Colombia tendered bonds across multiple maturities, which we view positively as part of the government's debt management strategy aimed at \$1.2bn in savings. Meanwhile, Braskem reported a very weak set of Q2 2025 results across all key metrics, leading to a significant increase in leverage (from 8.0x end Q1 to 10.6x at end Q2). We would not rule out potential rating actions following these results, currently rated (NR/BBneg/BB)	COLOM 35's -16bp BRASKEM 33's -1.8pt

Key Rating Actions

Issuer	Region	Country	Action
ADSEZ	ASIA	India	S&P raised BBB- outlook from negative to positive as regulatory risks subside.
FMCN	CEEMEA	Zambia	S&P affirmed at B, negative, despite improved liquidity - talks with Panama over Cobre mine key.
Pemex	LATAM	Mexico	Fitch upgraded PEMEX to BB from B+ on higher support from Mexico following P-cap issuance.

The Week Ahead

We are about halfway through the earnings season, with geopolitical developments expected to be the main driver of spreads. Given levels near year highs, the bias is weaker. In Asia, the focus remains on US trade talks with India; however, with the deadline still more than two weeks away, both sides are unlikely to capitulate soon. In CEEMEA, President Trump is expected to meet with President Putin, with discussions that could lead to a ceasefire supportive of Ukraine and help untangle tariff risks for India. In LATAM, tender results from Colombia are anticipated, which may provide insight into the expected level of CHF bond issuance.