

## MNI EM Credit Weekly: Smooth Sailing into Year End

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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		
CDX EM	136.7	↓	-0.6	↓	-20.2	↓	-35.9		
CDX IG	53.7	↑	+0.2	↓	-3.0	↑	+3.9		
CDX HY	336.6	↑	+4.1	↓	-10.5	↑	+25.2		
Oil (\$/bbl)	59.4	↑	+0.0	↓	-0.1	↓	-12.3		
Gold (\$/ozt)	4,168.8	↑	+191.6	↑	+58.5	↑	+1544.3		
Copper (\$/lb)	506.7	↑	+9.9	↓	-7.7	↑	+104.1		
Index Weekly (z-sprd)						+1.4bp	+1.3bp	+2.0bp	+0.7bp

## Weekly Recap

EM secondary market spreads widened 1bp. The primary market was on hold across CEEMEA and LATAM while Asia supply was light with one corporate issuer in **China**. In Asia, the **Philippines'** CB cut rates by 25bp to 4.50%, not a surprise and in line with estimates. In CEEMEA, **Türkiye's** CB cut rates by 150bp to 38%, more than estimates, which provides a supportive read across for corporates. In LATAM, concerns about **Colombia's** fiscal management and upcoming elections drove spreads wider. **Argentina** accessed the market with a USD1bn local law refinancing. Colombia focused oil and gas driller **GTE** ratings downgrade triggered a 5 point drop in bonds. Brazil's **Adecoagro** bondholder friendly equity issuance did little to assuage investor or rating agency concerns.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	0.4	558.5	0.4	149.6	0.0	274.3	0.0	134.5
ASIA	Chengdu XingCheng Investment issued a sub-bench \$ deal. China Hainan Rubber \$ deal got pulled (source: IFR).							
CEEMEA	No hard-ccy issuance.							
LATAM	Argentina USD1bn local law 4-year notes priced at 9.26%.							

Key Stories	Comment	Valuations
ASIA	In <b>China</b> , focus on the IMF's Staff concluding statement for 2025 Art. IV Mission, where in terms of policy, speed and intensity of expansionary macroeconomic policies is deemed critical to achieve policy transition to "a consumption-led growth model". In the <b>Philippines</b> , the CB cut rates by another 25bp to 4.50%, no surprise and neutral for credit.	CHINA Nov 30s -1bp PHILIP Feb 50s +2bp
CEEMEA	Focus on <b>South Africa</b> , where the IMF concluded its Art. IV Staff Mission. In terms of data releases, the latest monthly update for mining production shows overall growth with increases across Iron Ore and PGM and a contraction for Gold. <b>Eskom</b> commented on the ministerial approval for its proposed, new group structure, a step forward in the right direction. <b>Petra Diamonds</b> saw rating agencies reassessing their stances post refinancing. <b>Sappi</b> was downgraded by Fitch on FCF generation and excessive leverage concerns; pressure remains on valuations.	SOAF Dec 37s +2bp ESKOM Aug 28s +4bp SAPPI Mar 32s -10bp
LATAM	<b>Colombia</b> lawmakers rejected the government's tax reform bill while the left-wing ruling party candidate continued to lead in polls for next year's election. <b>Argentina</b> issued USD1bn notes but still needs over USD3bn to meet upcoming debt maturities so market impact was limited. <b>Adecoagro</b> registered an equity issue to help pay for an acquisition but increased Argentina exposure left ratings vulnerable to downgrade.	COLOM Nov 35s +12bp ARGENT Jul 35s +15bp GTE Oct 29s -5pt AGRO Jul 32s +4bp

## Key Rating Actions

Issuer	Region	Country	Action
PDLLN	Africa	South Africa	Moody's upgrade to Caa3, S&P lower to SD but seeing ratings in CCC+/B- range post refi.
OMAN	GCC	Oman	Fitch upgrades to IG, neutral read with sovereign spreads close to local lows.
TELVIS	LATAM	Mexico	Fitch downgrade to BB+ on persistently high leverage, market reaction limited.

## The Week Ahead

Looking ahead into year end, we expect to see most of the news flow to be centred around geopolitical risk for sovereigns and event driven headlines for corporates and financials. We see a resumption of primary issuance in January. The **Senegal** situation remains under scrutiny with pressure on public finances adding uncertainty in the near future. The **Argentina** govt will attempt to pass the 2026 budget in congress. With the **Colombia** tax reform proposal defeated, the market anxiously awaits to see the government's next move.

Source: MNI/Bloomberg Finance L.P. /Company Data/IMF

## ASIA

- In [China](#), the IMF released its Staff Article IV Mission concluding statement, we note how speed and intensity of expansionary macroeconomic policies is deemed critical to achieve policy transition
- Bonds of China's govt.-controlled aviation company **AVIC** widened 20bp despite the company's reassurances that it will make debt payments amid contagion concerns sparked by Vanke's debt restructuring proposals.
- In the [Philippines](#), the central bank cut rates by 25bp to 4.50%. This did not come as a surprise, rather in line with market estimates.
- India's **Biocon Biologics** announced a corporate restructuring and equity issuance that resulted in debt reduction, an S&P ratings review for upgrade and a 50bp tightening in spreads.
- **Genting** of Malaysia was downgraded by Moody's to Baa3 but left with a stable outlook, perhaps triggering a relief trade with spreads tightening on 2031 notes.
- Moody's warned about the impact on fiscally weak **Sri Lanka** from the worst flooding in decades caused by Cyclone Ditwah and 2038 bonds widened about 11bp. The IMF postponed an EFF review to consider USD200mn emergency funding.

## Asia EM Best Performers

Ticker	Security	z-sprd Δ	Rating
BIOLIN	BIOLIN 6.67 10/09/29	-53.2	(NR/BB *+/BB)
GRNCH	GRNCH 8.45 02/24/28	-27.4	(B1/NR/NR)
FOSUNI	FOSUNI 5.05 01/27/27	-20.9	(NR/BB-/NR)
UPLIN	UPLIN 4 5/8 06/16/30	-20.8	(Ba2/BB/BB)
UNGUZB	UNGUZB 4 3/4 11/16/28	-20.2	(NR/BB-/BB)
ZISOAM	ZISOAM 5.55 08/20/27	-14.7	(NR/NR/NR)
PRXNA	PRXNA 3.68 01/21/30	-13.7	(Baa2/BBB/NR)
GENMMK	GENMMK 3.882 04/19/31	-13.6	(NR/BBB-/BBB *-)
FIHUCN	FIHUCN 5 02/26/28	-13.6	(NR/NR/NR)
UNGUZB	UNGUZB 8 3/4 05/07/30	-13.1	(NR/BB-/BB)

## Asia EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
AVIILC	AVIILC 5.15 03/18/27	17.6	(NR/NR/BBB+)
CPDEV	CPDEV 6.8 04/07/29	16.1	(NR/NR/NR)
JSCKSP	JSCKSP 6 1/4 03/26/30	11.2	(Baa3/NR/BBB-)
PRXNA	PRXNA 4.85 07/06/27	7.6	(Baa2/BBB/NR)
KAZAKS	KAZAKS 4 7/8 10/14/44	7.3	(Baa1/BBB-/BBB)
RILIN	RILIN 4 7/8 02/10/45	6.5	(Baa2/A-/NR)
BPIPM	BPIPM 5 04/07/30	6.0	(NR/BBB+/NR)
PRXNA	PRXNA 4.027 08/03/50	5.4	(Baa2/BBB/NR)
CGRNEG	CGRNEG 7 1/2 06/26/33	4.8	(Ba2/NR/BB+)
GRNKEN	GRNKEN 4.3 12/13/28	4.6	(Ba2/NR/BB-)

## CEEMEA

- In **South Africa**, the IMF's Staff [Art. IV Mission](#) got to a conclusion, we note that "risks remain tilted to the downside". In terms of economic data releases, Q4 [Consumer Confidence](#) data release showed sequentially up, whilst October [Retail Sales](#) beat estimates, both neutral reads. We read the release of Q4 [BER Inflation expectations](#) as supportive for credit sentiment. We note how in the October [Mining Production](#) update gold was -1.2% y/y whilst copper was better sequentially but still in negative territory at -5.5% y/y.
- Among South Africa's corporates, energy state operator **Eskom** received [ministerial approval](#) for unbundling, which it commented with a detailed release of its proposed [new structure](#). Freight and port operator **Transnet** made progress on Durban Port concession. Elsewhere, diamond miner **Petra Diamonds** saw its ratings updated to SD by [S&P](#) and to Caa1 by [Moody's](#) following implementation of its refinancing plan. Meanwhile, pulp and specialty paper producer **Sappi** was [downgraded](#) to BB by Fitch, following [FY25 results](#).
- **Mozambique's** President [commented](#) on the timing of a potential IMF new programme.
- Across GCC, **Oman** saw its ratings raised to IG by Fitch, which triggered upgrades in the banking sector, eg [Bank Muscat](#) to investment grade, in line with other agencies. Meanwhile, [Emirate of Sharjah](#) was in the primary market with a local-ccy denominated Sukuk Structure.
- In **Türkiye**, the central bank [cut rates](#) to 38% by 150bp as inflation was lower than expected, a bigger move than what suggested by market estimates. We view this as a positive read across for lending growth and corporate profitability.
- In Poland, utility **Orlen** was in the primary market with a local-ccy denominated 7Y deal.
- In **Romania**, a [draft '26 Budget](#) is expected by the end of January. Meanwhile, the government reached an [agreement](#) with OMV Petrom on royalties and license extension for the Neptun Deep block.
- In **Bulgaria**, the [Prime Minister](#) offered to resign as protests mount just ahead of a vote of confidence and with the country about to join the Eurozone.
- In Latvia, the lender [Citadele Banka](#) saw its ratings affirmed by Moody's on adequate asset quality and capitalization.

## CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
MERSIN	MERSIN 8 1/4 11/15/28	-70.3	(NR/BB/BB-)
ELDCN	ELDCN 6 1/4 09/01/29	-27.5	(B3/BB-/B+)
ARACEN	ARACEN 9 1/2 03/06/29	-23.4	(NR/B+/BB)
PGSUST	PGSUST 8 09/11/31	-19.3	(Ba3/B+/BB-)
FMCN	FMCN 8 5/8 06/01/31	-17.1	(NR/B/B)
BINHLD	BINHLD 8 1/8 08/07/30	-14.6	(NR/NR/BB-)
ULKER	ULKER 7 7/8 07/08/31	-14.6	(NR/BB/BB)
SISETI	SISETI 8 1/4 05/02/29	-13.7	(B2/NR/B)
IVN	IVN 7 7/8 01/23/30	-13.2	(NR/B/B)
KENINT	KENINT 7 7/8 10/09/33	-12.7	(NR/B/B-)

## CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
DIBUH	DIBUH 2.74 02/16/27	22.3	(A3/NR/A)
EGYPT	EGYPT 7 1/2 01/31/27	15.7	(Caa1/NR/B)
MAZON	MAZON 5.2 11/08/27	15.4	(Ba1/NR/BB+)
NGERIA	NGERIA 6 1/2 11/28/27	14.1	(B3/B-/B)
MAEXIM	MAEXIM 6 1/8 12/04/27	13.7	(NR/BBB-/BBB)
NGERIA	NGERIA 9.1297 01/13/46	13.5	(B3/B-/B)
EIBUH	EIBUH 5.431 05/28/29	13.4	(NR/NR/A+)
REPHUN	REPHUN 6 09/26/35	13.2	(Baa2/BBB-/BBB)
NGERIA	NGERIA 7 5/8 11/28/47	12.7	(B3/B-/B)

## LATAM

- Moody's review for downgrade B2 rated [Gran Tierra](#), Canada based Latin America oil and gas E&P but 24% yield on bonds already reflected ratings pressure.
- In **Colombia**, the failed [tax reform bill](#) and a disappointing outlook for next year's presidential elections led to a 20bp spread widening in 10-year notes. The left-wing ruling party candidate Cepeda leads in the 2026 [presidential election](#) polls, disappointing investors hoping for regime change.
- USD1bn local law bond issuance supported [Argentina](#)'s efforts to refinance upcoming bond maturities but still over USD3bn funding need remained for January 2026.
- In Brazil, [Adecoagro](#) registered to sell USD300mn of equity to help finance its Argentina fertilizer acquisition but ratings pressure persisted. [Klabin](#) updated capex guidance which was supportive for the Brazil paper company's strengthening credit profile.
- Persistent subscriber losses and high leverage finally led Fitch to downgrade Mexico's [Televisa](#) to BB+ from BBB- which the market had long since anticipated.
- In Chile, [Telefonica Moviles Chile](#) remained in play with bonds quoted at a yield of 14% as potential bidders circled and we give insight and analysis on the alternatives. Chile based [Latam Airlines](#) announced continued gains in passenger traffic, affirming the LTMCI 2031s 124bp spread tightening since June 30<sup>th</sup>.

LATAM EM Best Performers				LATAM EM Worst Performers			
Ticker	Security	z-sprd Δ	Rating	Ticker	Security	z-sprd Δ	Rating
YPFDAR	YPFDAR 9 1/2 01/17/31	-29.3	(B2/NR/NR)	PEMEX	PEMEX 5.35 02/12/28	19.1	(B1/BBB/BB+)
BRDES	BRDES 4 3/8 03/18/27	-28.2	(Ba1/BB/BB+)	PETRPE	PETRPE 5 5/8 06/19/47	18.4	(B3/B/CCC+)
CMIENE	CMIENE 6 1/4 04/26/29	-27.2	(Ba3/NR/BB)	COLOM	COLOM 7 1/2 02/02/34	17.0	(Baa3/BB/BB+)
ECELUP	ECELUP 8 1/2 12/01/32	-23.2	(Ba3/NR/BB)	MRFBZ	MRFBZ 3.95 01/29/31	17.0	(NR/BB+/BB+)
YPFDAR	YPFDAR 8 1/4 01/17/34	-21.4	(NR/B-/CCC+)	COLOM	COLOM 3 1/4 04/22/32	16.8	(Baa3/BB/BB+)
BERMUD	BERMUD 3.717 01/25/27	-21.0	(A2/A+/NR)	COLOM	COLOM 5 06/15/45	16.7	(Baa3/BB/BB+)
TECOAR	TECOAR 9 1/4 05/28/33	-15.6	(NR/NR/B)	COLOM	COLOM 3 1/8 04/15/31	16.5	(Baa3/BB/BB+)
AEROMX	AEROMX 8 1/4 11/15/29	-13.9	(Ba3/BB-/NR)	PEMEX	PEMEX 5.95 01/28/31	16.5	(B1/BBB/BB+)
CFELEC	CFELEC 5.7 01/24/30	-13.4	(Baa2/BBB/BBB-)	TIGO	TIGO 6 1/4 03/25/29	15.6	(Ba3/NR/BB+)
BEEFBZ	BEEFBZ 4 3/8 03/18/31	-12.9	(NR/BB/BB)	COLOM	COLOM 7 3/4 11/07/36	15.6	(Baa3/BB/BB+)