

MNI Emerging Markets Credit Weekly

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Market Indicators						Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD		GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	4.27	↑ +0.02	↓ -0.16	↓ -0.30		450			
CDX EM	145.7	↓ -7.6	↓ -10.3	↓ -26.9		350			
CDX IG	50.0	↓ -2.3	↓ -0.9	↑ +0.2		250			
CDX HY	318.3	↓ -11.2	↓ -0.7	↑ +6.8		150			
Oil (\$/bbl)	63.7	↓ -0.2	↓ -3.3	↓ -8.0		50			
Gold (\$/ozt)	3,345.8	↓ -50.6	↑ +2.3	↑ +721.3					
Copper (\$/lb)	448.7	↑ +8.8	↓ -102.9	↑ +46.0					
Index Weekly (z-sprd)						-10.7bp	-7.3bp	-9.9bp	-14.7bp

Weekly Recap

Emerging Markets were strong, with USD index spreads tightening 10.7bp over the week, which set new year-to-date tights. This strength was supported by stable U.S. Treasuries, rallying U.S. equity indexes, very low issuance levels (\$1.3bn), the absence of new geopolitical risks, and U.S. economic data suggesting possible rate cuts. Within our coverage, USD benchmark spreads in ASIA tightened 5-15bp, LATAM saw similar moves, while CEEMEA spreads tightened 10-20bp. In ASIA, China economic data indicated a slowing economy, possibly due to tariff uncertainty, while India was upgraded by S&P for the first time in 18 years. CEEMEA saw no new issuance as expected, with Trump and Putin's meeting continuing to influence spreads. Earnings reports had little impact on spreads, generally aligning with expectations. In LATAM, Colombia announced tender results, and incoming earnings were mostly benign and market-neutral.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	1.3	357.5	1.3	91.9	0.0	177.2	0.0	88.5

ASIA Hindalco subsidiary Novelis launched and priced a \$750m 8NC3 bond at a 6.375% yield, alongside a tender offer for its \$26 bond. Wynn Macau, excluded from our data as it is US-parented, sought to raise \$500m via an 8.5NC3 deal but upsized to \$1bn due to strong demand. The deal priced at 6.75% and traded up to 6.55% on the break.

Key Stories	Comment	Valuations
ASIA	India's credit rating was upgraded by S&P to BBB triggering upgrades for many India-related firms, including EXIMBK. July economic data from China, including factory activity, investment, and retail sales, pointed to a slowdown, possibly reflecting tariff impacts—a negative read for the region. China's new-home prices also fell in July, and Greentown Real Estate issued a profit warning, but spreads remained firm, confident of State support.	EXIMBK 31s -16bp GRNCH 28s -13bp
CEEMEA	Earnings continued to flow, with Coca-Cola İçecek reporting weaker results mainly due to lower domestic volumes and pricing pressure. However, this is expected to have minimal impact on the company's credit profile given its moderate leverage. HIS also reported stable results following last year's earnings volatility caused by the devaluation of the Nairu, and raised guidance for revenues, EBITDA, and free cash flow.	PKSTAN 31s – unchanged CCOLAT 20s -20bp SASOL 29s -17bp HIS 30s -18bp
LATAM	Colombia bought back nearly \$3bn of debt funded by a Euro loan. The threat of Braskem restructuring eased amid reports distressed debt investor Nelson Tanure may retract his bid. Brazil ethanol processor Raizen again disappointed with earnings. Argentina's good inflation report was offset by a weak local auction, leaving a neutral net effect. Brazil announced a BRL30bn (\$5.5bn) plan to support exporters hit by U.S. tariffs.	COLOM 35s -23bp BRASKM 33s -61bp RAIZBZ 34s -3bp ARGENT 35s -16bp BRAZIL 35s -10bp

Key Rating Actions

Issuer	Region	Country	Action
India Sov.	ASIA	India	S&P upgrade to BBB on economic resilience, fiscal consolidation, and infrastructure investments.
Pakistan Sov.	CEEMEA	Pakistan	Moody's upgraded Pakistan to Caa1, following Fitch & S&P, we expect little impact on spreads.
BRASKM	LATAM	Brazil	Fitch Downgrade to BB- left Watch Neg. due to weak earnings, cash burn and elevated leverage.

The Week Ahead

We are currently in the "summer lull," with low supply and reduced geopolitical risks expected to keep spreads anchored near the year-to-date lows. In Asia, focus remains on India-US tariff talks, which show little sign of nearing agreement. Issuance is likely to stay muted, though new mandates may emerge. In CEEMEA, ceasefire discussions between Ukraine and Russia are expected to dominate headlines, influencing spreads not only for Ukraine but also for Central and Eastern Europe (CEE) and CIS countries. In Latin America, with no new hard currency issuance expected and earnings season winding down, spreads will likely track broader macro risk sentiment.

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