

MNI Emerging Markets Credit Weekly

18 July 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	4.4	↑	+0.1	↑	+0.0	↓	-0.1		
CDX EM	155.5	↑	+2.8	↓	-11.0	↓	-17.0		
CDX IG	51.0	↑	+1.1	↓	-5.3	↑	+1.1		
CDX HY	318.5	↑	+6.6	↓	-29.5	↑	+7.0		
Oil (\$/bbl)	67.5	↑	+1.0	↓	-7.3	↓	-4.2		
Gold (\$/ozt)	3,335.8	↑	+11.7	↓	-52.3	↑	+711.3		
Copper (\$/lb)	548.9	↓	-5.9	↑	+68.0	↑	+146.3		
Index Weekly (z-sprd)						-0.2bp	-3.3bp	-3.1bp	+6.5bp

Weekly Recap

Tariff volatility subsided, as potential deals progressed, and Indonesia agreed a 19% rate. U.S. Fed Chair Powell's tenure was called into question, but the S&P 500 hit a new all-time high. In addition, U.S. Treasury yields inched upward while issuance stayed low (\$10bn), creating a stable backdrop in which EM \$ index spreads were marginally tighter (-0.2bp). LATAM underperformed (+6.5bp), yet all regions are close to YTD tight. In our coverage, ASIA \$ spreads were mostly tighter, the outlier being Korea (+7bp), where trade talks continue. In CEEMEA, risk appetite supported another firm week (\$ index, -3bp) - sovereign curves traded firm with spread moves showing a marginal tightening bias. In LATAM there were some negative credit developments, notably in Mexico and Argentina, which selectively drove spreads wider.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	10.3	341.9	2.5	89.9	5.3	168.8	2.5	83.3
ASIA	NongHyup Bank's \$ 3Y FXD deal priced in line with our fair value estimate. We had expected demand to be high, similar to other recent Korean deals. Pricing was inside the curve, with the deal 8x oversubscribed.							
CEEMEA	Bulgaria's € 10Y & 20Y deal attracted strong demand and priced at or near FVs. Turkish Sekerbank's debut, CCC-rated \$ AT1 deal was well received, pricing at 11% yield, whilst GCC's QNB issued a \$ 5Y deal with little NIC to FV.							
LATAM	El Salvador owned electricity generator Comision Ejecutiva Hidroelectrica issued government guaranteed 7-year notes, benefitting from a 50bp rally in ELSALV bonds since March 31st.							

Key Stories	Comment	Valuations
ASIA	Tariff talks continued to dominate, with Indonesia agreeing a 19% rate with the U.S. (vs threatened level of 32%). Thailand hopes to agree a similar rate versus 36% now. China's large-scale support for the real estate sector didn't materialise, but sector still tighter. That said, Vanke guided H1 losses higher YoY, its property rebound elusive. Adani Ports finally launched its \$ buybacks, bonds performed, but bulk of performance happened in May.	GRNCH 28s -13bp VNKRLE 29s +6bp ADSEZ 29s - 11bp
CEEMEA	Earnings season focused on Qatar's fins, secondary spreads already reflect early confirmations of solid credit metrics, strong capital positions and sound asset quality ratios paired with stable profitability and B/S expansion. Senegal sovereign bonds recovered from the recent cash px lows, on expectations of GDP rebasing being supportive of state metrics as well as successful domestic financing, the IMF remains key for future direction.	CBQKQD 4.5 PERP -3bp ABQKQD 30s -3bp DHBKQD 30s -2bp QIBKQD 30s -2bp SENEGL 33s +3.5pt
LATAM	In Argentina, President Milei's budget restraint agenda was threatened by higher spending legislation. Brazil's Braskem was hit with a BRL4bn (USD721mn) lawsuit. In Mexico, pressure on Pemex mounted as suppliers both foreign and domestic demanded payment. Meanwhile, media company Televisa was finally downgraded to junk by Moody's after years of underperformance, with other agency BBB- ratings looking precarious.	ARGENT 35s +35bp BRASKM 33: +59bp PEMEX 35s +33bp TELVIS 40s +43bp

Key Rating Actions

Issuer	Region	Country	Action
SENEGL	CEEMEA	Senegal	S&P downgrade to B- neg outlook, on elevated financing needs, no surprise but pressure remains.
TELVIS	LATAM	Mexico	Moody's downgrade to BB+ neg outlook, citing high leverage
ALPEKA	LATAM	Mexico	Moody's outlook to neg from stable on weak EBITDA leading to higher leverage

The Week Ahead

Earnings season unlikely a spread driver and blackout period will curb supply— usually a technical tailwind—but likely harsher U.S. rhetoric around tariffs and possible push back of existing deals may see wider bias for spreads. In ASIA, possible tariff deal with Thailand a read for other deals in the region, with earnings expected to expose tariff risks. In CEEMEA, we expect primary to be focused on Turkish corps. and GCC fins. as \$ rates remain favourable. In LATAM, we see risks that Televisa earnings will trigger further downgrades.

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