

MNI Emerging Markets Credit Weekly

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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	4.39	↓	-0.06	↑	+0.10	↓	-0.18		
CDX EM	151.2	↓	-4.3	↓	-7.8	↓	-21.3		
CDX IG	50.2	↓	-0.7	↓	-2.4	↑	+0.4		
CDX HY	314.1	↓	-4.4	↓	-16.5	↑	+2.6		
Oil (\$/bbl)	66.4	↓	-1.1	↑	+2.1	↓	-5.3		
Gold (\$/ozt)	3,363.9	↑	+24.9	↑	+40.2	↑	+739.4		
Copper (\$/lb)	577.7	↑	+29.1	↑	+90.5	↑	+175.1		
Index Weekly (z-sprd)						-5.4bp	-3.7bp	-5.3bp	-6.8bp

Weekly Recap

EM \$ index spreads established new YTD range tights (-5.4bp) as rising momentum behind tariff deals, including an agreement with the Philippines (19% tariff) and a significant decline in new issuance versus last week (-30%) provided a solid backdrop for spread performance. The relative outperformer was low beta ASIA (-4bp), while in absolute terms LATAM outperformed (-6.8bp), retracing all of last week's widening (+6.5 basis points). Within LATAM, low beta names moved tighter by 3–5bp, while higher-yielding issuers tightened 10–25bp. Positive risk sentiment supported \$1.55bn of four new LATAM high-yield corporate bond issues. In CEEMEA issuance reached \$5.8bn, this was mostly 1Y paper from Turkey, which effectively means no material issuance in CEEMEA - a strong technical for spreads.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	7.2	349.6	0.5	90.4	5.8	174.6	0.9	84.6
ASIA	Quiet week in Asia with \$500mn issued and only one new mandate (\$ 3.5Y Li & Fung). Results season blackout and ongoing tariff talks, notably in Korea, keeping issuers sidelined for now.							
CEEMEA	In the week we saw \$5.8bn of issuance, however this was limited to shorter dated \$ 1Y paper in Turkey, which was privately placed with local banks. Excluding this, CEEMEA, like other regions experience very little issuance.							
LATAM	Argentina consumer foods company Arcor priced a 7Y \$350mn deal with a yield below 8%, while Adecoagro in the volatile LATAM sugarcane and ethanol business, priced a 7Y \$500mn deal at 7.5%.							

Key Stories	Comment	Valuations
ASIA	The US & Philippines signed a trade deal with a 19% tariff on Philippine imports and zero tariffs on US goods. Positive read for Thailand. China's State Administration for Market Regulation urged food delivery firms, Meituan and JD.com, to compete rationally. Positive for all if prices stabilise. Hyundai's Q2 auto profits fell 40% YoY on tariffs and incentives, largely ignored by markets, but early sign for global tariff impacts. JD.com confirmed talks to acquire Ceconomy for \$2.6bn, positive for business if achieved.	MPTPM 29s -19bp MEITUA 29s -3bp JD 30s -2bp HYUCAP 28s -2bp
CEEMEA	Earnings season, GCC banks reporting robust results, reflected in tight spreads. Sasol released a production update for 4Q25, volumes remained steady but pricing likely to impact margins and leverage. Strong results from FCMN on rising metal prices, spread supportive. Türkiye's CB cut by 300bp above expectations, spread supportive, while 3 rd round of Ukraine/Russia talks in Istanbul was a non-event as expected.	TURKEY 31's -10bps ROMANI 35's -10bp SASOL 31's -24bp FCMN 31's -20bp
LATAM	Pemex got more Mexico government support with a mandated \$7-10bn structured deal. Brazil's Braskem faced more environmental liability risk and provisioning. Argentina double notch overdue upgrade to B2 from Moody's led to rating upgrades into the 'B' category for many corporate issuers, including government-controlled YPF.	PEMEX 35s -54bp BRASKM 33s +106bp ARGENT 35s +13bp YPFDAR 34s -7bp

Key Rating Actions

Issuer	Region	Country	Action
ROMANI	CEEMEA	Romania	S&P affirming BBB-/ neg outlook. Downgrade unlikely, bodes well for recent spread tightening.
YPFDAR	LATAM	Argentina	Moody's upgrade to B2 after Argentina upgraded.
CMPPCI	LATAM	Chile	Fitch outlook to negative citing high leverage from operational underperformance.

The Week Ahead

Earnings, low issuance and tariff deals, including a possible deal with Korea, are expected to keep spreads in a narrow range. In Asia, conflict between Thailand & Cambodia risk important Tourism as well as creating more political instability. In CEEMEA, several important earnings, including Teva, which may give further details on tariffs, we note recent spread tightening. In LATAM, we await the pricing of a Mexico backed USD7-10bn structured deal. Earnings from copper miners in Peru and Mexico should be supportive, helped by higher commodity prices.

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