

## 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	4.21	⬇️ -0.12	⬇️ -0.20	⬇️ -0.36	450			
CDX EM	143.8	⬇️ -4.5	⬇️ -9.5	⬇️ -28.7	350			
CDX IG	50.1	⬇️ -1.5	⬇️ -0.1	⬆️ +0.3	250			
CDX HY	316.9	⬇️ -11.1	⬆️ +2.1	⬆️ +5.4	150			
Oil (\$/bbl)	64.3	⬆️ +0.8	⬇️ -2.4	⬇️ -7.4	50			
Gold (\$/ozt)	3,408.7	⬆️ +70.0	⬆️ +94.1	⬆️ +784.2				
Copper (\$/lb)	450.5	⬆️ +6.1	⬇️ -109.1	⬆️ +47.8				
Index Weekly (z-sprd)					+7.4bp	+3.2bp	+7.0bp	+11.2bp

## Weekly Recap

EM USD benchmark spreads widened on the week by high single digits, primarily driven by LATAM where spreads were wider at high teen levels as investors took profit and made room for a potentially busy primary calendar in September. On tariffs, 50% duty on Indian products took effect while little was yielded from negotiations between South Korea's President Jae-myung and U.S. President Trump.

In Asia, spread moves were more modest with very little supply or mandates being announced. In CEEMEA, spreads widened slightly as supply started to trickle through, particularly from GCC banks, with pricing close to FVs benefiting from solid order books. Hungary's CB kept rates on hold, while South Africa's miner Sibanye Stillwater 1H25 results highlighted operational challenges despite secondary spreads at local lows. In LATAM, Braskem bucked the regional spread widening trend with some potentially positive event risk reversing recent pressure on bonds. Outsized spread widening came from Argentina which witnessed a kickback scandal at high levels of government a week before crucial provincial elections in Buenos Aires.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	7.2	367.7	3.2	95.8	4.0	181.5	0.0	90.5
ASIA	Development bank KDB issued 3Y EUR1.25bn notes, saw robust demand and priced through FV.							
CEEMEA	Bank subordinated Tier2 and AT1 deals met strong investor appetite, focus on GCC banks and Turkish Yapi Kredit.							
LATAM	Development bank CAF issued 7Y EUR1.5bn notes at the tighter end of the FV range.							

Key Stories	Comment	Valuations	
		WTD	YTD
ASIA	CBs actions in line with expectations, no impact on spreads: <b>Philippines</b> cut to 5%, <b>South Korea</b> held at 2.5%. Fitch downgraded <b>Vanke RE HK</b> to CCC-, not surprising given liquidity woes. Moody's upgraded <b>Xiaomi</b> to Baa1, citing operational performance and improved financial profile and leverage. Rating profile improved for <b>JSW Infrastructure</b> .	JSWINI 29 +0.5pt	XIAOMI 31s unch
CEEMEA	The conclusion of the IMF's visit to <b>Senegal</b> bodes well for renewed talks on financial support. A steady stream of GCC bank issuance was met with solid demand, with deals pricing at or close to FV. In <b>Turkiye</b> , <b>Yapi Kredit</b> issued AT1 bonds that priced through FV, whilst <b>Turk Telekom</b> renewed their fixed line concession, with heavy cash outlay, which we viewed as negative. In South Africa, miner <b>Petra Diamonds</b> was downgraded to CC on negative outlook, which is no surprise given the pending restructuring proposal.	SENEGL 33s -1pt	PDLLN 26s unch
LATAM	A corruption scandal in <b>Argentina</b> triggered over 90bp of spread widening while in <b>Bolivia</b> there was optimism after the recent election for a more business friendly govt, spreads are 70bp tighter. In <b>Colombia</b> , banks announced a tender for govt \$ bonds ahead of a TRS with the Republic. In corporate bonds, Brazil govt-controlled <b>Petrobras</b> expressed interest in potentially increasing its stake in beleaguered chemical Co. <b>Braskem</b> , 34s tighter by 50bp.	ARGENT 35s +92bp	BOLIVI 30s -69bp

## Key Rating Actions

Issuer	Region	Country	Action
JSW Infrastructure	Asia	India	Fitch upgraded to BBB-, in line with S&P and Moody's affirmed BB+, changed outlooks to positive.
Petra Diamonds	CEEMEA	S Africa	Downgraded to CC with neg outlook from CCC, no surprise given the restructuring proposal.
Petroperu	LATAM	Peru	Fitch affirmed the CCC+ rating, with minimal impact on credit spreads.

## The Week Ahead

We expect new issuance to pick up sharply. In Asia, watch for signal from consumer inflation data in Indonesia, South Korea and Pakistan. In CEEMEA, watch for risks skewed to hold for Polish CB rates decision as well as **Turkiye's** CPI where we expect further momentum lower to be supportive for banks and exporters. In LATAM, we await further news on the Argentina corruption scandal investigation ahead of the local elections; we see potential for further spread impact if there is evidence supporting the allegations.