

## MNI Emerging Markets Credit Weekly

5th September 2025

Riccardo Galletto, Makeem Asif, Eric Sharper &amp; Robert Kessler

Market Indicators						Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD		GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	4.16	↓ -0.05	↓ -0.04	↓ -0.41					
CDX EM	144.4	↑ +0.6	↓ -11.6	↓ -28.1					
CDX IG	49.5	↓ -0.6	↓ -2.3	↓ -0.3					
CDX HY	316.4	↓ -0.6	↓ -9.9	↑ +4.9					
Oil (\$/bbl)	63.2	↓ -0.9	↓ -3.1	↓ -8.5					
Gold (\$/ozt)	3,553.0	↑ +135.9	↑ +179.4	↑ +928.5					
Copper (\$/lb)	448.8	↑ +6.8	↑ +5.1	↑ +46.2					
Index Weekly (z-sprd)						+3.0bp	+2.9bp	+2.8bp	+3.0bp

## Weekly Recap

EM \$ spreads were resilient given the heavy issuance calendar during the week, closing marginally wider overall. Softer U.S. jobs data led to lower Treasury yields. In CEEMEA, Poland's CB cut rates by 25bp as expected and Türkiye's 2Q GDP was stronger than expected whilst CPI continued its downward trajectory in August. However, as Turkish courts ordered the removal of members of the administration in Istanbul, pressure on equity indices and credit spreads mounted. Asia spreads underperformed slightly versus the broader market during the week widening 3bp. In LATAM, Venezuela sovereign bond prices hit a 5-year high on U.S. military escalation. Argentina sovereign bonds widened on the kickback scandal intensifying ahead of this Sunday's local elections and FX intervention announcement.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	19.6	388.4	3.4	99.1	11.2	192.8	5.0	96.5

<b>ASIA</b>	Four deals in Asia, all pricing around FV, minimal impact on secondary pricing.
<b>CEEMEA</b>	Strong demand for the 13 issues that came to the market across 10 issuers mainly in CEE and GCC.
<b>LATAM</b>	Eight new issues in this week. Brazil sovereign with USD1.75bn, followed by govt-controlled Petrobras with USD2bn.

Key Stories	Comment	Valuations
<b>ASIA</b>	<b>State bank of India's</b> \$ 5Y bond was met strong demand from investors, 4x oversubscribed. <b>Fosun</b> and <b>PTTGC</b> also issued bonds, while <b>SK Hynix</b> came to the market and saw huge demand for its \$ double tranche, pricing through our FV.	HYUELE 31s -8bp SBIIN 30s unch
<b>CEEMEA</b>	Demand was strong for new paper with books multiple times (3.4x average) and pricing close to FV, with minimal NIC. Noteworthy issuers were <b>Lithuania</b> 10Y pricing close to IPT, <b>Türkiye's</b> sovereign wealth fund multiple times oversubscribed and <b>KSA's</b> two tranche deal pricing tightly. <b>Inpost</b> reported results, with the market fretting about domestic growth slowdown, which we see as a non-event for credit given the low leverage.	TURKEY 31s +6bp KSA 30s -5bp INPSTN 27s +8bp
<b>LATAM</b>	<b>Argentina</b> sovereign bonds widened 50bp as the ARS/USD weakened and the government announced steps to intervene ahead of this Sunday's election. <b>Pemex</b> declared a USD9.9bn bond buyback of 2026-2029 maturities funded by <b>Mexico</b> government support. Bonds of Brazil's <b>Raizen</b> tightened 15bp as local news reports provided more details about a capital increase to repair the company's balance sheet.	VENZ 34s +1.25pt ARGENT 35s +53bp RAIZBZ 35s -13bp PEMEX 50s -22bp

## Key Rating Actions

Issuer	Region	Country	Action
Baidu	Asia	China	Fitch reaffirming rating and changing outlook to negative, not significant for credit.
Mongolia	CEEMEA	Mongolia	Fitch reaffirmed Mongolia's rating at B+ with minimal impact on the credit.
BEMTR	LATAM	Chile	Metro de Santiago rating affirmed at 'A' based on implicit sovereign support.

## The Week Ahead

Non-farm payroll numbers at the end of the week and CPI the following week should set the tone for Treasuries as well as the FOMC's rate meeting the following week. In CEEMEA, Türkiye's CB meets next week, the market had anticipated a three ppt cut prior to events this week. Hungary's CPI data and South African GDP will be key data points. We expect further issuance from Turkish financials if the political situation subsides and in LATAM we see primary supply on track for the largest monthly issuance in over 10 years with a busy week ahead. Spread moving signals from the news front include the results of Argentina's Province of Buenos Aires elections as a litmus test for whether reforms can be sustained, whilst in Brazil we expect a verdict in ex-President Bolsonaro's coup trial which triggered the U.S. 50% tariff on Brazil imports. In Asia we await China trade balance and CPI data for both China and India, with strong primary issuance expected from the region.

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