

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	4.16	⬇️ -0.05	⬇️ -0.04	⬇️ -0.41	450			
CDX EM	144.4	⬆️ +0.6	⬇️ -11.6	⬇️ -28.1	350			
CDX IG	49.5	⬇️ -0.6	⬇️ -2.3	⬇️ -0.3	250			
CDX HY	316.4	⬇️ -0.6	⬇️ -9.9	⬆️ +4.9	204			
Oil (\$/bbl)	63.2	⬇️ -0.9	⬇️ -3.1	⬇️ -8.5	150			
Gold (\$/ozt)	3,553.0	⬆️ +135.9	⬆️ +179.4	⬆️ +928.5	93			
Copper (\$/lb)	448.8	⬆️ +6.8	⬆️ +5.1	⬆️ +46.2	50			
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
ASIA	Four deals in Asia, all pricing around FV, minimal impact on secondary pricing.							
CEEMEA	Strong demand for the 13 issues that came to the market across 10 issuers mainly in CEE and GCC.							
LATAM	Eight new issues in this week. Brazil sovereign with USD1.75bn, followed by govt-controlled Petrobras with USD2bn.							
Key Stories	Comment				Valuations			
ASIA	State bank of India's \$ 5Y bond was met strong demand from investors, 4x oversubscribed. Fosun and PTTGC also issued bonds, while SK Hynix came to the market and saw huge demand for its \$ double tranche, pricing through our FV.				HYUELE 31s -8bp SBIIN 30s unch			
CEEMEA	Demand was strong for new paper with books multiple times (3.4x average) and pricing close to FV, with minimal NIC. Noteworthy issuers were Lithuania 10Y pricing close to IPT, Türkiye's sovereign wealth fund multiple times oversubscribed and KSA's two tranche deal pricing tightly. Inpost 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			
LATAM	Argentina sovereign bonds widened 50bp as the ARS/USD weakened and the government announced steps to intervene ahead of this Sunday's election. Pemex declared a USD9.9bn bond buyback of 2026-2029 maturities funded by Mexico government support. Bonds of Brazil's Raizen 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.