

## 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	4.03	-0.13	-0.25	-0.54	450			
CDX EM	138.8	-5.6	-11.4	-33.7	350			
CDX IG	47.7	-1.8	-3.8	-2.1	250			
CDX HY	309.6	-6.7	-16.0	-1.9	202			
Oil (\$/bbl)	61.8	-1.7	-2.2	-9.9	193			
Gold (\$/ozt)	3,651.6	+105.7	+309.2	+1027.1	93			
Copper (\$/lb)	459.1	+10.3	+15.1	+56.4				
Index Weekly (z-sprd)					-1.5bp	+0.3bp	-5.4bp	+1.7bp

## Weekly Recap

EM \$ spreads are marginally tighter driven mainly by CEEMEA, where spreads outperformed despite heavy issuance and geopolitical headlines dominating with Poland shooting down Russian drones inside its territory and Israel launching attacks on Hamas officials in Qatar. ASIA spreads were unchanged. China real estate sector was buoyed (5-10bp tighter) by policy shift. US immigration detained 300 Korean citizens citing visa violations, a negative backdrop for countries investing in the US, with large local staff using short-term visas. In LATAM, we saw Colombia return to € issuance after nearly 10 years with a EUR4.1bn deal and four niche issuers priced as well. Argentina sovereign bonds dropped more than 5 pt after a loss in a local election revealed discontent with budget restraint and heightened mistrust of the ruling party.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
	USD&EUR	18.0	408.0	2.5	101.6	9.4	202.3	6.1
ASIA	Debut deal USD350mn from Philippine real estate company SM Prime Holdings. Priced in line with FV, books 2.8x.							
CEEMEA	Eleven deals from ten issuers coming to the market, with GCC dominating, books 2.3x on average.							
LATAM	Colombia 3-tranche € deal, was 5x oversubscribed, UoP are to fund \$5bn bond buyback.							

Key Stories	Comment	Valuations	
		WTD	YTD
ASIA	US immigration detained 300 Korean citizens for visa violations and are deporting them, <b>LG Energy</b> reported to halt construction at 4 plants—risking future investment. <b>Korea Telecom</b> is under investigation for a cyber hack, shortly after the <b>SK Telecom</b> breach, raising concerns over industry cybersecurity. <b>CATL</b> reported to restart lithium mining, largely expected. China real estate gained on policy changes to home ownership.	LGENSO 30s +3bp KOREAT 29s unch CONAMP 30s +3bp GRNCH 28s -11bp	
CEEMEA	Türkiye's CB lowered rates 250bp to 40.5%, mkt had lowered expectations from 300bp to 200bp, we view the move as positive for spreads. In primary, <b>Türkiye</b> issued \$ 10Y early in the week. However, GCC issuance dominated with Saudi Arabia in focus, bellwether <b>Aramco</b> issued a dual tranche deal which was well supported. Elsewhere strong investor demand absorbed niche HY issuance including <b>Bidvest</b> , <b>Silk Road Group</b> and <b>InPost</b> .	TURKEY 35s +1bp ARAMCO 35s +4bp POLAND 35s -6bp ISRAEL 35s -1bp QATAR 35s -2bp	
LATAM	<b>Argentina</b> 's ruling LLA party suffered a disappointing loss in the Province of Buenos Aires congressional elections while a good inflation report cushioned the fall in bonds. Pemex bonds rallied amid rating agency upgrades reacting to more <b>Mexico</b> government support. <b>Braskem</b> <b>Idesa</b> bonds plummeted as 75% owner Braskem hired advisors for a potential debt restructuring.	ARGENT 35s -5pt PEMEX 35s -36bp BAKIDE 29s -6pt	

## Key Rating Actions

Issuer	Region	Country	Action
ZHOSHK	ASIA	China	Outlook on BBB rating to negative due to below expectations results and margins contraction.
POLAND	CEEMEA	Poland	Fitch reaffirmed A- but changed outlook to negative, citing public finances, negative for spreads.
PEMEX	LATAM	Mexico	Moody's upgrade to B1 from B3 on stronger Mexico govt support.

## The Week Ahead

Markets focus turns to FOMC rate decision next with a 25bp cut expected. We expect to see further issuance globally as corporates and sovereigns plan for refinancing ahead of year-end. In CEEMEA, we expect limited spread impact from various CPI data releases. ASIA, markets will likely be focused on more immigration raids by US officials on foreign workers, at a time when US is pushing for foreign investment. In addition, we have seen positive overtures between Indian PM Modi and US President Trump regarding a future trade deal, though likely Indian imports of Russia oil still a hurdle. In LATAM, we also await reaction from President Trump to a Brazil Supreme Court verdict in the coup trial of ex-President Bolsonaro which may trigger further sanctions and tariffs.