

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	4.13	+0.11	-0.21	-0.44	450			
CDX EM	141.3	+2.5	-3.8	-31.2	350			
CDX IG	47.0	-0.8	-3.1	-2.9	250			
CDX HY	302.4	-7.3	-16.5	-9.1	150	205		
Oil (\$/bbl)	63.3	+1.0	-0.1	-8.4	50			
Gold (\$/ozt)	3,647.4	+13.4	+314.7	+1022.9				
Copper (\$/lb)	454.1	-4.9	+7.0	+51.5				
Index Weekly (z-sprd)					+2.4bp	-6.6bp	-8.9bp	+29.1bp

Weekly Recap

Spread moves were mixed. In **CEEMEA**, Turkish courts' adjourning the opposition's court case to 24 Oct set the tone for a more stable week with spreads tighter, despite a solid new issuance calendar. In **Asia**, benchmark spreads also tightened as issuers stayed cautious before the FOMC decision. Indonesia surprised the market with a 25bp rate cut to 4.75% despite ongoing rupiah volatility, signalling a focus on growth. Large-scale capital raising and investment from Chinese tech firms dominated the landscape. In **Latam**, Argentina bonds fell 7pt as scepticism about the viability of President Milei and the ruling party persisted reflected in a weakened peso and demonstrated by two presidential vetos of spending bills overridden by Congress.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
	USD&EUR	20.0	427.3	4.5	106.1	1.6	203.9	13.9
ASIA	FWD Group priced dual tranche \$ sub close to FV. 10Y tranche (USD575mn) received USD8.3bn of orders, books > 14x.							
CEEMEA	Seven new deals and a mandate, with deals pricing at or close to FV, and over 3x oversubscribed on average.							
LATAM	Mexico raised nearly USD14bn in two days to fund a capital infusion for Pemex to repay 2026 maturities next year.							
Key Stories	Comment				Valuations			
ASIA	Large-scale AI investment is underway, with Alibaba raising USD3.2bn via a convertible and Tencent issuing CNY9bn in bonds. Indonesia may increase its stake in Freeport Indonesia , a development that could weigh on credit if Freeport-McMoRan loses operational control of the Grasberg mine. Separately, Indonesian firm Indofood was flagged by Taiwanese authorities for noodles containing ethylene oxide, a banned substance in Taiwan.				BIDU 31s -4bp TENCNT 31s -7bp FRIDPT 32s -1bp ICBPIJ 31s -3bp			
CEEMEA	Infrastructure continued to be in focus in GCC as QIA brought a 4% stake in Ivanhoe and ADNOC scrapped its takeover of Santos while GCC issuers came to the market including OPEC dev fund . Fitch commented that Poland's negative outlook would have minimal impact on the domestic banking sector. Turk Eximbank extended its curve by issuing a \$ 5Y bond, which saw strong demand indicating a positive sentiment around Turkiye credit.				QATAR 35s -2bp IVN 30s +1pt in cash POLAND 32s unch TURKEY 32s -15bp			
LATAM	The U.S. decertified Colombia as an ally in the drug war but impact was muted as no aid was cut and no sanctions imposed. Ecuador cut fuel subsidies, initially positive, but it triggered mass protests and a state of emergency. Banco do Brasil surprisingly called in full its USD1.7bn Tier 1 perp issue despite higher charge-offs. Brazil's Embraer Fitch BBB-rating moved to outlook positive amid a rising backlog of orders but priced in already.				ARGENT 35s -7pt COLOM 35s +10bp ECUA 35s -2.5pt BANBRA Perp: +.25pt EMBRBZ 35s -11bp			

Key Rating Actions

Issuer	Region	Country	Action
SUNHUN	ASIA	Hong Kong	S&P outlook upgrade from Negative to Stable on A+ rating, as property sales drive down debt.
LIMYEN	CEEMEA	Turkey	Fitch Affirms rating at BB-, changes outlook to neg, minimal impact on spreads.
VALEBZ	LATAM	Brazil	S&P Upgrade to BBB from BBB- on reduced environmental risk, no market impact.

The Week Ahead

In **CEEMEA** we have rate decisions from the Hungarian and Czech CBs, where we expect rates to remain unchanged and have limited impact on spreads. In **Asia**, issuance should be strong, we may see a deal from Chinese property developer **Seazen**, which would be an important signal for real estate, and could encourage others to enter the market. In the sovereign space, we may see progress on **Korea/US** tariff talks, which are at a critical junction. Overall expect spreads to remain firm. In **Latam**, President Trump may react to the 27-year sentence for convicted Brazil ex-President Bolsonaro with higher tariffs and sanctions that could be negative for bonds and in Ecuador we wait to see if fuel subsidy cuts remain in place and protests subside, which would be positive for bond prices.