

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	4.18	↑ +0.07	↓ -0.10	↓ -0.39					
CDX EM	148.8	↑ +7.4	↑ +3.3	↓ -23.7					
CDX IG	53.5	↑ +6.5	↑ +3.9	↑ +3.7					
CDX HY	309.4	↑ +7.1	↓ -6.6	↓ -2.1					
Oil (\$/bbl)	65.2	↑ +1.7	↑ +0.4	↓ -6.5					
Gold (\$/ozt)	3,751.6	↑ +107.3	↑ +385.7	↑ +1127.1					
Copper (\$/lb)	470.0	↑ +15.9	↑ +22.3	↑ +67.4					
Index Weekly (z-sprd)						-12.4bp	-1.4bp	-1.1bp	-36.9bp

Weekly Recap

Firm tone this week across regions despite copious primary supply. **CEEMEA** spreads continued to grind tighter, with supportive sentiment around Presidents Erdogan and Trump's meeting in New York. In **Asia**, benchmark spreads were around 2-3bp tighter. Several deals priced, including Chinese property developer Seazen, which came as negative news on China Vanke impacted the sector. No new developments emerged in US tariff talks for India and Korea, though the recent \$100k H-1B visa fee is expected to particularly impact Indian companies. In **LatAm**, Argentina bonds soared on news of U.S. financial support while in Ecuador the reform to cut fuel subsidies gained traction and in Brazil Cosan announced a major equity capital infusion.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	19.2	444.7	4.9	109.5	11.3	215.4	3.0	119.8
ASIA	Chinese property developer Seazen Group priced a \$ 2Y at 13%, wide to our FV (12.8%), amid news that China Vanke had skipped interest payments. The deal was reported to target USD250mn with only USD160mn raised.							
CEEMEA	Eight new issues in CEEMEA with GCC in focus, strong investor appetite meant book were oversubscribed by avg 2.7x.							
LATAM	Embraer issued USD1bn 12-year notes at no concession with existing 10-year notes tightening into the supply.							

Key Stories	Comment	Valuations
ASIA	Hyundai Motor cut its FY25 OP margin target to 6-7% from 7-8%, primarily due to US tariff impacts affecting NA sales. Short-seller Hindenburg Research's allegations against Adani Group were partially cleared by India's securities regulator SEBI. Reports that China Vanke skipped interest payments on private debts as a negotiating tactic dragged valuations lower, though could have been worse without expected support.	HYNMTR Sep30s +2bp ADSEZ 32s -5bp VNRKLE 27s -6pt
CEEMEA	Romania secured EU backing for its 8.4% FY25 budget deficit, credit supportive. No surprise from unch rates at CBs in Hungary and Czechia , but supportive take on Nigeria's 50bp rate cut to 27%, on recent ccy strength and improving inflation front. Pakistan is expected to agree to a bilateral loan for the looming bond maturity, one to watch. Primary was in focus, fuelled by on-going GCC issuance, most notably from Emirates of Abu Dhabi .	REPHUN € 33s unch ROMANI € 29s -6bp NGERIA 34s unch PKSTAN 31s +5bp ADGB 34s unch
LATAM	Argentina's bond prices rose sharply as the U.S. stood ready to buy them and offered a USD20bn FX swap line. Ecuador's bonds also rallied as protests to the cut in fuel subsidies were smaller than past years. Brazil's Cosan raised USD1.9bn to repair its balance sheet while Braskem bonds plummeted as the fallout from rating downgrades continued.	ARGENT 35s +11.5pt ECUA 35s +4.5pt CSANBZ 31s -69bp BRASKM 34s -8pt

Key Rating Actions

Issuer	Region	Country	Action
CIKLIS	ASIA	Indonesia	Moody's affirmed BBB-, given high cash balances and robust cash flows.
POLAND	CEEMEA	Poland	Moody's affirmed A2 and changed the outlook to neg, no immediate spread impact.
COSTAR	LATAM	Costa Rica	Moody's upgraded from Ba3 to Ba2 outlook stable, no impact on spreads.

The Week Ahead

Overall, we expect primary supply to continue globally. In CEEMEA, we have CPI data from **Türkiye**, we expect downward trajectory and further support to loosening of rates, which we view as credit supportive and a key factor for both sovereign and corporate spreads. We await the IMF's review post its visit to **Kenya**, neutral stance. In Asia, **China Vanke** will remain in focus, with investors looking for reassurance from **Shenzhen Metro** on interest payments. There could be progress on a US-Korea trade deal, which appears to be at risk. Finally, we monitor Chinese inflation and PMI data, but neutral stance for credit. In LatAm, we expect more details on U.S. financial support for **Argentina** while in **Ecuador** we watch to see if protests to the fuel subsidies dwindle (+) or escalate (-).

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