

MNI Emerging Markets Credit Weekly

3rd October 2025

Riccardo Galletto, Makeem Asif, Eric Sharper & Robert Kessler

Market Indicators					Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD	GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	4.11	-0.04	-0.12	-0.46	450			
CDX EM	147.6	+1.1	+2.6	-24.9	350			
CDX IG	52.1	-0.5	+1.1	+2.3	250			
CDX HY	321.3	+15.4	-0.4	+9.8	205			
Oil (\$/bbl)	61.9	-3.1	-2.1	-9.8	150			
Gold (\$/ozt)	3,872.6	+136.4	+424.6	+1248.1	89			
Copper (\$/lb)	491.9	+16.7	+40.1	+89.3	50			
Index Weekly (z-sprd)					+14.1bp	+1.9bp	+4.6bp	+36.0bp

Weekly Recap

EM spreads were wider on the week driven by the US govt. shutdown and continued volatility in Argentina. In ASIA, spreads were around 2-3bp wider across the region, with issuance relatively subdued. Mining rights at **Freeport Indonesia** remained in the spotlight, a resolution seemed close, while accelerating global demand for semiconductors kept Korean issuer **SK Hynix** in the frame. In CEEMEA, spreads were mid-single digits wider on the week. **Moldova**'s pro-EU party of Action and Solidarity fended off the pro-Russian party in elections, while **WE Soda** bonds were under pressure as arrest warrants were issued, and assets seized. Supportive read from IMF's latest Reviews of **Cote D'Ivoire**. In **Argentina**, relief turned to impatience as the FX resumed its decline, while in Brazil **Braskem** bondholders braced for a restructuring.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
	USD&EUR	27.5	464.5	1.7	110.3	22.8	231.6	3.0
ASIA	HY and short-seller focused Vedanta printed a USD500m 7NC2 bond at 9.125%, through our FV (9.35%), books 3x.							
CEEMEA	17 new bonds issued across 11 issuers in CEEMEA, with MENA focus. On average books were 2.8x oversubscribed.							
LATAM	Chile govt-owned copper miner Codelco came with a USD1.4bn tap of its 10Y and 30Y bonds with no concession.							

Key Stories	Comment	Valuations	
		WTD	YTD
ASIA	JSW Steel acquisition of Bhushan Power & Steel approved by the Supreme Court, and a Moody's outlook to positive were ignored, spreads bouncing off YTD tights. Freeport-McMoRan may agree to transfer a 12% stake in Freeport Indonesia to the Indonesian sovereign wealth fund for extended mining rights. SK Hynix will benefit from supplying chips to OpenAI's Stargate project, supporting data centre construction.	JSTLIN 32s +6bp FRIDPT 32s -7bp HYUELE 30s -4bp	
CEEMEA	WE Soda bonds were active after the Turkish authorities ordered the detention of owner Turgay Ciner and seizure of companies. We think seizure does not trigger a CoC, until ownership changes. PIFKSA as part of consortium agreed to take EA private, while Eskom reported FY25 results, we viewed as credit neutral. New issuance flowed with Kuwait's triple tranche Jumbo deal, as well as Egypt, Kenya, Bahrain, Romania and Turk Telekom .	WESODA 28s -8pt WESODA 31s -11pt PIFKSA 35s unch ESKOM 28s unch	
LATAM	Delay of U.S. financial support for Argentina and weaker confidence in President Milei's govt. led to FX weakness and intervention. Protests over a cut in fuel subsidies raged on in Ecuador , disappointing optimistic investors. In Brazil, Braskem bonds slid further as the market reacted to S&P/Fitch ratings downgrades from after hours Friday as the company hired advisors for a restructuring. Braskem contagion led to a widening on Raizen bonds.	ARGENT 35s -5pt ECUA 35s -2pt BRASKM 34s -8pt RAIZBZ 35s +33bp	

Key Rating Actions

Issuer	Region	Country	Action
SHINFN	ASIA	S. Korea	Moody's raises outlook on A3 rating to Stable from Negative as profits and leverage improve.
CZECH	CEEMEA	Czechia	S&P affirmed at AA-, credit neutral for spreads.
BRASKEM	LATAM	Brazil	Moody's downgrade to Caa3 from B2, no market impact as debt restructuring already priced in.

The Week Ahead

Globally we expect new issuance to continue to flow. In CEEMEA we expect **Hungary** to announce CPI figure and rate decisions from **Poland** and **Romania** CBs. Better **Colombia** Sept. CPI data could trigger rate cuts held up by lack of progress on inflation. Potential capital raise for Brazil's Raizen supportive for spreads. In Asia, Bank of **Thailand** monetary policy meeting is on the 8th, the focus will be on new governor Vitai Ratanakorn comments, with a 25bp cut expected. We also expect progress on a trade deal between the US and **South Korea** now that visa issues are resolved. Finally, **Freeport Indonesia** mining rights are expected to be announced, confirming FCX ongoing role as operator. Overall expect spreads to be firm.