

## MNI Emerging Markets Credit Weekly

3rd October 2025

Riccardo Galletto, Makeem Asif, Eric Sharper &amp; 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					
CDX EM	147.6	↑ +1.1	↑ +2.6	↓ -24.9					
CDX IG	52.1	↓ -0.5	↑ +1.1	↑ +2.3					
CDX HY	321.3	↑ +15.4	↓ -0.4	↑ +9.8					
Oil (\$/bbl)	61.9	↓ -3.1	↓ -2.1	↓ -9.8					
Gold (\$/ozt)	3,872.6	↑ +136.4	↑ +424.6	↑ +1248.1					
Copper (\$/lb)	491.9	↑ +16.7	↑ +40.1	↑ +89.3					
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	122.7

**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
<b>ASIA</b>	<b>JSW Steel</b> 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 <b>Freeport Indonesia</b> to the Indonesian sovereign wealth fund for extended mining rights. <b>SK Hynix</b> will benefit from supplying chips to OpenAI's Stargate project, supporting data centre construction.	JSTLIN 32s +6bp FRIDPT 32s -7bp HYUELE 30s -4bp
<b>CEEMEA</b>	<b>WE Soda</b> 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. <b>PIFKSA</b> as part of consortium agreed to take EA private, while <b>Eskom</b> reported FY25 results, we viewed as credit neutral. New issuance flowed with <b>Kuwait's</b> triple tranche Jumbo deal, as well as <b>Egypt, Kenya, Bahrain, Romania</b> and <b>Turk Telekom</b> .	WESODA 28s -8pt WESODA 31s -11pt PIFKSA 35s unch ESKOM 28s unch
<b>LATAM</b>	Delay of U.S. financial support for <b>Argentina</b> and weaker confidence in President Milei's govt. led to FX weakness and intervention. Protests over a cut in fuel subsidies raged on in <b>Ecuador</b> , disappointing optimistic investors. In Brazil, <b>Braskem</b> 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 in <b>Raizen</b> 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 Vithai 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.

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