

MNI EM Credit Weekly: Greed After Fear in Brazil

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Market Indicators						Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD		GLOBAL EM	ASIA	CEEMEA	LATAM
USD 10y	3.96	↓ -0.18	↓ -0.07	↓ -0.61					
CDX EM	154.7	↑ +7.2	↑ +16.5	↓ -17.8					
CDX IG	54.9	↑ +2.3	↑ +7.4	↑ +5.0					
CDX HY	340.6	↑ +13.2	↑ +34.5	↑ +29.1					
Oil (\$/bbl)	57.2	↓ -4.3	↓ -7.3	↓ -14.5					
Gold (\$/ozt)	4,348.2	↑ +371.3	↑ +658.2	↑ +1723.7					
Copper (\$/lb)	495.2	↓ -17.2	↑ +31.9	↑ +92.5					
Index Weekly (z-sprd)						+14.0bp	+7.5bp	+13.7bp	+19.5bp

Weekly Recap

Volatility spilled over into EM spreads this week from Friday's tariff headlines from President Trump. In Asia, \$ benchmark spreads widened marginally amid rising new issuance and worsening US-China tensions. The Chinese real estate sector absorbed lower sales and leadership changes at Vanke with little market reaction. A US-Korea trade deal appears close, potentially boosting momentum for India trade talks. In CEEMEA, a ceasefire between Israel and Hamas prompted improved sentiment but did not stop overall spreads widening on the week with African issuers in focus. In Latam, Argentina bonds swung wildly as sentiment wavered amid continued US support but with provisions. Brazil corporate bonds roared back from last week's selloff on dip buying, we see this as the defining theme of the week.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	2.0	487.9	1.0	121.9	0.5	246.3	0.5	119.6

ASIA [China Water Affairs](#) issued USD150m USD 5NC3 deal, with USD35m lead order, close to our FV at 6.125%.

CEEMEA Two new issues in CEEMEA. [Uzbek Industrial & Construction Bank](#) issued their inaugural \$ AT1 bond at 9.45% vs FV at 9%.

LATAM Colombia's utility [Grupo Energia](#) priced USD500mn 10Y notes with a country risk yield premium.

Key Stories	Comment	Valuations
ASIA	China's regulator stepped in to curb unfair pricing in food delivery, targeting Meituan and JD.com, which should support margins. Longfor 's September sales fell 39% YoY, signalling ongoing real estate weakness. China Vanke was reported to make delayed interest payments, though the resignation of its chairman amid ongoing liquidity stress may indicate future difficulties. Sunac creditors agreed a restructuring plan that eased sector risks in China.	MEITUA 29s +6bp JD 30s +2bp LNGFOR 32s -1pts VNRLE 29s unch
CEEMEA	Senegal spreads were under pressure as the country was downgraded by Moody's, while Ghana was upgraded as was Egypt by S&P. Binghatti bonds came under pressure early in the week, seemingly on demand/supply technicals and rebounded later in the week. Qatari banks started reporting Q3 results, which we viewed as credit neutral. Uzbek Industrial & Construction Bank issued their inaugural \$ AT1, which at 9.45% was met with 4.5x demand.	SENEGL 31s +0.75pts BINHLD 30s -1pt GHANA 35s +1.25pt
LATAM	The plummeting of Brazil corporate bond prices for Braskem and Ambipar bonds in Sept. was disturbing with contagion last week leading to dip buying this week. Raizen , CSN, Minerva and other Brazil corporate bonds recovered from last week's oversold conditions. Elsewhere, initial gains for Argentina bonds gave way to losses as Milei's sustainability remained in doubt. Ecuador's military threat to protestors showed govt commitment to reforms.	RAIZBZ 35s +7pt CSNABZ 32s +4.5pt BEEFBZ 33s +2pt ARGENT 35s -2pt ECUA 35s +3pt

Key Rating Actions

Issuer	Region	Country	Action
SENEGL	CEEMEA	Senegal	Moody's downgrades to Caa1 and outlook kept neg, credit negative.
SASOL	CEEMEA	S. Africa	S&P reiterates BB+, but outlook changed to negative, weighing on spreads.
GUATEM	LATAM	Guatemala	Fitch upgrade to BB+ from BB, no market impact.

The Week Ahead

We expect earnings season to pick up globally into next week. Regionally, in Asia, an agreement with South Korea, which eases its investment burden, is expected to support spreads overall and signal renewed focus on an Indian deal. SK Hynix's Q3 earnings could provide insights into a potential AI slowdown amid fears of an overhyped sector. Issuance levels expected to climb. In CEEMEA, Türkiye's CB announces rate decision next week, market expecting smaller cut than previous, with risk of a hold, while Hungarian CB is expected to keep rates unch amid growing calls from the government for a cut. In Latam, a slew of Mexican companies' report next week with struggling Orbia and Televisa in focus and IG ratings hanging in the balance. Potential news from Orbia of an asset sale to reduce debt could trigger a major market move.

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

Primary New Issue Monitor & FV

Date	Issuer	Country	Country	Type	CCY	Size (mn)	Tenor	IPT	MNI FV	Final	NIC	Book (x)
14-Oct	KEBHNH	KR	Skorea	FIG	USD	300	5.00	80	40	43	3	n.a
15-Oct	CWAHK	CN	China	Corp	USD	150	5-NC3	6.38%	6.20%	6.13%	-0.08%	n.a
16-Oct	MOMPER	KR	Skorea	Corp	USD	700	3.00	100	72	75	3	n.a
15-Oct	MAFUAE	AE	UAE	Corp	USD	500	10.00	125	85	95	10	3.6
16-Oct	SQBNZU	UZ	Uzbekistan	FIG	USD	300	PERP-NC5.5	9.75%	9.00%	9.45%	0.45%	4.7
16-Oct	GEBCB	CO	Colombia	Corp	USD	500	10.00	200	185	180	-5	n.a

ASIA

- [Petronas](#) is exploring new opportunities outside Malaysia, not a credit driver for now, with focus on preserving financial flexibility.
- Property sales statistics for [Longfor](#) showed ongoing contraction in property sales. Negative for credit.
- [Sunac](#) restructuring agreed with creditors, slowly taking risk out of the Chinese real estate sector. Overall positive bias.
- Reports indicate that [China Vanke](#) did make onshore interest payments, which aligned with valuations that remained relatively stable.
- S&P have confirmed the Intermediate equity content of [MTR Corporation](#) USD perps after a new issue anomaly.

CEEMEA

- S&P's assessment of [Egypt's](#) on-going path to reform prompted an upgrade from the agency.
- Improving debt prospects led Moody's to upgrade [Ghana](#).
- Moody's downgraded [Senegal's](#) rating and kept the country on negative outlook, citing debt trajectory and liquidity pressure.
- [Sasol's](#) ratings were affirmed by S&P at BB+, but outlook changed to negative, citing weak oil and chemical prices.
- [Hungary](#) and [Romania](#) reiterated at BBB- with a negative outlook at S&P and Moody's.
- S&P assigned Republic of [Moldova](#) a sovereign credit rating of BB-, one notch higher than Fitch and two notches higher than Moody's.
- Qatari banks [Commercial Bank of Qatar](#), [Qatar International Islamic Bank](#) and [Doha Bank](#) all reported a neutral set of Q3 2025 results.
- [Majid Al Futtaim](#) launched a \$500mn 10Y Sukuk, which was well received by investors (books >4x).
- S&P late to the party with a downgrade of [Anadolu Aefes](#).

LATAM

- [Argentina](#) bond volatility continued as President Milei met with President Trump in the White House.
- Sending in troops to quell protests, [Ecuador](#) signals a more forceful implementation of economic reforms.
- [Raizen](#) not considering a restructuring, bonds rebound from last week's oversold conditions.
- A sale of the precision agriculture business and debt reduction by [Orbia](#) would signal a commitment to IG ratings.

Top 10 and Bottom 10 performers

Asia EM Best Performers

Ticker	Security	z-sprd Δ	Rating
PKSTAN	PKSTAN 7 3/8 04/08/31	-14.8	(Caa1/NR/B-)
PKSTAN	PKSTAN 7.95 01/31/29	-10.0	(Caa1/NR/B-)
SAMRUK	SAMRUK 2 10/28/26	-9.0	(NR/BBB-/BBB)
TAISEM	TAISEM 3 7/8 04/22/27	-8.1	(Aa3/AA-/NR)
TAISEM	TAISEM 1 3/4 10/25/26	-7.7	(Aa3/AA-/NR)
GDCOMM	GDCOMM 2.358 01/25/2	-7.1	(NR/NR/A)
CNOOC	CNOOC 5 05/02/42	-6.3	(A1/A+/NR)
BIDU	BIDU 4 3/8 03/29/28	-5.5	(A3/NR/A)
SKBTAM	SKBTAM 4 7/8 01/23/27	-5.5	(Aa3/NR/NR)
CHITRA	CHITRA 2.95 03/01/27	-5.4	(A3/NR/NR)

CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
ELDCN	ELDCN 6 1/4 09/01/29	-47.4	(B3/BB-/B+)
FMCN	FMCN 9 3/8 03/01/29	-36.8	(NR/B/B)
FMCN	FMCN 8 5/8 06/01/31	-36.0	(NR/B/B)
EGYPT	EGYPT 7 1/2 01/31/27	-35.3	(Caa1/NR/B)
EGYPT	EGYPT 5 7/8 02/16/31	-34.1	(Caa1/B/B)
NGERIA	NGERIA 8 3/8 03/24/29	-30.0	(B3/B-/B)
EGYPT	EGYPT 7.0529 01/15/32	-26.5	(Caa1u/B/B)
EGYPT	EGYPT 5.8 09/30/27	-26.0	(Caa1/B/B)
NGERIA	NGERIA 7.143 02/23/30	-25.3	(B3/B-/B)
EGYPT	EGYPT 7.6003 03/01/29	-24.7	(Caa1u/B/B)

LATAM EM Best Performers

Ticker	Security	z-sprd Δ	Rating
RAIZBZ	RAIZBZ 5.7 01/17/35	-118.6	(NR/BBB/BBB)
USIM	USIM 7 1/2 01/27/32	-44.6	(Ba2/BB/BB)
COMCEL	COMCEL 5 1/8 02/03/32	-40.6	(Ba2/NR/BB+)
PETBRA	PETBRA 6 1/2 07/03/33	-38.7	(Ba1/BB/BB)
PETBRA	PETBRA 6 01/13/35	-37.5	(Ba1/BB/BB)
BEEFBZ	BEEFBZ 8 7/8 09/13/33	-33.3	(NR/BB/BB)
PETBRA	PETBRA 5 1/8 09/10/30	-31.8	(Ba1/BB/BB)
PETBRA	PETBRA 6 1/4 01/10/36	-31.0	(Ba1/BB/BB)
MRFGZ	MRFGZ 3.95 01/29/31	-30.5	(NR/BB+/BB+)
ELEBRA	ELEBRA 6 1/2 01/11/35	-27.7	(Ba1/BB/NR)

Asia EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
FOSUNI	FOSUNI 8 1/2 05/19/28	51.5	(NR/BB-/NR)
GENTMK	GENTMK 4 1/4 01/24/27	49.6	(Baa2 *-/NR/BBB)
FOSUNI	FOSUNI 5.05 01/27/27	44.9	(NR/BB-/NR)
MUTHIN	MUTHIN 7 1/8 02/14/28	38.5	(NR/BB+/BB+)
BIOLIN	BIOLIN 6.67 10/09/29	30.6	(NR/BB/BB)
MUTHIN	MUTHIN 6 3/8 03/02/30	30.4	(Ba1/BB+/NR)
GENMMK	GENMMK 3.882 04/19/3	29.6	(NR/BBB-/BBB)
MEDCIJ	MEDCIJ 8.96 04/27/29	28.3	(Ba3/BB-/BB-)
GRNKEN	GRNKEN 7 1/4 09/27/28	23.6	(Ba2/NR/BB)
SHFLIN	SHFLIN 6 5/8 04/22/27	22.6	(NR/BB+/BB+)

CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
OMNYAT	OMNYAT 8 3/8 05/06/28	59.9	(NR/BB-/BB-)
ULKER	ULKER 7 7/8 07/08/31	50.1	(NR/BB/BB)
IHS	IHS 6 1/4 11/29/28	49.6	(NR/B+/B+)
AXNTLC	AXNTLC 7 1/4 07/11/30	47.8	(NR/B+/B+)
SASOL	SASOL 6 1/2 09/27/28	42.1	(Ba1/BB+/NR)
IHS	IHS 7 7/8 05/29/30	41.2	(NR/B+/B+)
IHS	IHS 8 1/4 11/29/31	40.0	(NR/B+/B+)
SISETI	SISETI 8 5/8 05/02/32	35.2	(B2/NR/B)
SISETI	SISETI 8 1/4 05/02/29	33.0	(B2/NR/B)
SOBHA	SOBHA 8 3/4 07/17/28	32.2	(Ba2/BB/NR)

LATAM EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
SIERRA	SIERRA 6 06/15/28	57.1	(B1/NR/B+)
PERLNG	PERLNG 5 3/8 03/22/30	30.2	(B2/NR/B)
MVFPSO	MVFPSO 6.748 06/01/34	29.3	(NR/BB+/BB+)
TGPERU	TGPERU 4 1/4 04/30/28	28.4	(Baa1/NR/BBB+)
ENFRAG	ENFRAG 5 3/8 12/30/30	28.0	(Ba3/BBB-/NR)
TRITOB	TRITOB 5.95 01/14/31	23.3	(Ba2/BBB-/NR)
ENELCH	ENELCH 4 7/8 06/12/28	22.7	(Baa2u/BBB/BBB+)
BUEAIR	BUEAIR 7 1/2 06/01/27	22.5	(B2/B-/B-)
ACUPET	ACUPET 7 1/2 01/13/32	21.6	(Ba1/BB/BB+)
CWCLN	CWCLN 7 1/8 10/15/32	21.2	(Ba3/BB-/BB-)