

## MNI EM Credit Weekly: Trump-Xi Will They or Won't They

24th 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	3.99	↑ +0.02	↓ -0.11	↓ -0.57	450			
CDX EM	148.3	↓ -6.4	↑ +1.6	↓ -24.2	350			
CDX IG	52.1	↓ -2.8	↓ -0.1	↑ +2.2				
CDX HY	328.8	↓ -11.8	↑ +23.6	↑ +17.3	250			
Oil (\$/bbl)	61.6	↑ +4.1	↓ -1.8	↓ -10.2	150	205		
Gold (\$/ozt)	4,084.2	↓ -242.4	↑ +320.2	↑ +1459.7	50		189	
Copper (\$/lb)	512.0	↑ +12.1	↑ +53.6	↑ +109.4				
Index Weekly (z-sprd)					-4.6bp	-2.7bp	-6.8bp	+1.0bp

## Weekly Recap

Global EM spreads were stable during the week, as investors absorbed earnings and new issuance started to dissipate. Asia benchmark USD spreads tightened 3-5bp over the week amid signs of improved China-US relations, with US President Trump still expected to meet President Xi Jinping next week. Meanwhile, Australian Prime Minister Albanese agreed critical minerals and defence contracts with President Trump, potentially escalating friction with China. In Indonesia, the central bank surprised markets again by holding rates steady at 4.75%, despite expectations of a 25bp cut. In CEEMEA, Türkiye CB lowered 1-week repo rates, GCC financials continued to report solid earnings, and new issuance was limited to a handful of names. In LATAM there was good but expected sovereign news so limited market impact with Ecuador's reform agenda gaining traction and Bolivia electing a reformist president. There was a weaker tone in LATAM corporate bonds with Mexico's Orbia the latest casualty in the chemical sector while in Brazil CSN bonds were impacted by fallout from the Braskem debacle.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
	USD&EUR	8.5	497.0	2.4	124.3	3.5	250.5	2.7
ASIA	GS Caltex, a Chevron partner, issued USD300m 5Y deal at T+77bp, through our fair value (T+86bp) and 38bp inside IPT.							
CEEMEA	Four issuers OETC, Digi, Kazakhstan and Turk Telekom all coming close to FV and books around 3x oversubscribed.							
LATAM	BB rated Dominican Republic priced USD1.6bn 10-year notes 20 bps back of BBB rated Mexico.							
Key Stories	Comment						Valuations	
ASIA	UltraTech Cement reported solid Q2 results, as lower logistics and fuel costs offset raw materials, driving leverage lower. China's property sales for September dropped 0.41% MoM, with 63 of 70 cities in decline. <b>China Vanke</b> ratings cut on liquidity. <b>Rio Tinto</b> is reported to consider reducing <b>Chinalco's</b> stake, which may drive more M&A. Separately, India was reported to cut most Russian oil imports, a signal for a possible US trade deal.						UTCMIN 31s -8bp VNRKLE 27s -2pt RIOLN 30s -5bp ADSEZ 31s -7bp	
CEEMEA	Türkiye CB slowed its pace and cut by 100bp, as expected and supporting asset prices. Law firm Paul Hastings confirmed that <b>We Soda</b> financials and operations had not been used for money laundering purposes, positive. <b>Senegal's</b> \$ bonds remain volatile in secondary market as the elevated debt burden adds pressure on reaching an IMF deal. GCC Bank earnings beat estimates, notably <b>FAB, Comm bank of Dubai</b> and <b>Abu Dhabi Islamic Bank</b> .						WESODA 31s unch SASOL \$ 31s -10bp TURKEY \$31s -6bp SENEGL 31s -2pt	
LATAM	In <b>Ecuador</b> the protest of fuel subsidies ended as expected while in <b>Bolivia</b> electing a reformist president was positive, but bonds will likely get restructured so upside was limited. In Brazil, <b>CSN</b> bonds widened amid fears about leverage after steep losses in <b>Braskem</b> last month for similar reasons. For Mexico's <b>Orbia</b> , persistently bad earnings and higher leverage led to a Moody's downgrade and widening bond spreads.						ECUA 35s -28bp BOLIVI 30s -30bp CSN 32s +125bp ORBIA 35s +42bp	

## Key Rating Actions

Issuer	Region	Country	Action
VNRKLE	ASIA	China	Moody's downgrades Vanke one notch to Caa3 as liquidity risks increase, negative read.
OCPMR	CEEMEA	Morocco	S&P upgraded OCP to BBB-, following the sovereign upgrade in September, neutral for credit.
ORBIA	LATAM	Mexico	Moody's downgrade to Ba1 from Baa3 on persistent high leverage, bonds down 3-4 points.

## The Week Ahead

In Asia, attention will focus on the APEC meeting in South Korea, where President Trump and President Xi are expected to meet on Friday. We wouldn't be surprised if both sides escalate trade barrier rhetoric in the lead-up, with a possible cancellation. In contrast, India appears to be aligning with US intentions on Russian oil, with a trade deal reportedly on the horizon. Positive bias for spreads. In CEEMEA, we expect corporate earnings to pick up, with no real significant economic data due. Argentina local elections in focus with poor performance by the ruling party bad for bonds.

## Primary New Issue Monitor &amp; FV

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Date	Issuer	Country	Type	CCY	Size (mn)	Tenor	IPT	MNI FV	Final	NIC	Book (x)
16-Oct	MOMPER	S Korea	Corp	USD	700	3.00	100	72	75	3	na
22-Oct	KOREA	S Korea	Sov	USD	1000	5.00	22	22	17	-5	5.90
22-Oct	YANTZE	China	Sov	USD	700	3.00	70	30	16	-14	4.71
21-Oct	GSCCOR	S Korea	Corp	USD	300	5.00	115	86	77	-9	11.67
21-Oct	KAZAKS	Kazakhstan	Sov	USD	1500	5.00	88	88	85	-3	na
22-Oct	TURKTI	Turkey	Sov	USD	600	5.00	7.00%	6.55%	6.50%	-0.05%	2.67
22-Oct	RCSRDS	Romania	Corp	EUR	600	6-NC2	4.88%	4.60%	4.63%	0.03%	na
22-Oct	OMGRID	Oman	Sov	USD	750	5.00	145	113	110	3	3.00
22-Oct	DOMREP	Dom Rep	Sov	USD	1600	10.00	6.13%	5.77%	5.88%	-0.11%	na
22-Oct	URUGUA	Uruguay	Sov	USD	500	12.00	100	73	78	-5	na
22-Oct	URUGUA	Uruguay	Sov	UYU	50000	10.00	8.38%	7.80%	8.00%	-0.20%	na
09-Oct	INRSHM	Peru	Corp	USD	375	7-NC3	206	175	175	0	na

## ASIA

- [Momentive Performance Materials](#), wholly owned by Korean chemicals company KCC Corp and one of the world's largest silicon producers, came to the market with a new USD 3Y benchmark note.
- Food delivery firms are in focus as China's State Administration for Market Regulation seeks to further regulate competition. The USD [Meituan](#) 29s traded wide to the JD 30s.
- [Reliance Industries](#) reported its Q2 FY26 results, broadly in line with consensus. Management didn't provide any further updates regarding a potential Jio IPO or refinancing plans.
- [China's property market](#) remains under pressure despite ongoing state interventions aimed at stabilising the sector. Valuations for state-backed property developers remain largely stable.
- [GS Caltex](#) Corporation, South Korea's second-largest oil refiner and operating the Yeosu Refinery, came with a new 5Y deal.
- [UltraTech Cement](#) announced its 2QFY26 results, LTM net debt to EBITDA declined to 1.4x versus 1.6x end FY25. Positive read.
- [Rio Tinto](#) is exploring ways to reduce Chinalco's stake in the company, perhaps leading to more M&A.

## CEEMEA

- After a Review, law firm Paul Hastings confirmed that Turkish [WE Soda's](#) operations and bank accounts had not been used for money laundering purposes.
- An operational update from South Africa's [SASOL](#), confirmed guidance by management despite a challenging backdrop.
- Improving utilisation and margins potentially bottoming in Q3 earnings from Turkish [Eregli Demir Ve Celik](#) were encouraging signs.
- Q3 results from GCC banks continued to show robust asset quality and sound capitalisation, noteworthy names were [First Abu Dhabi Bank](#), [Commercial Bank of Dubai](#), [Emirates NBD](#) and [Arab National bank](#).
- [Rep. of Kazakhstan](#) came to the market with a \$ 5Y bond, different to the longer dated bonds the republic normally issues.
- Question marks around Romania's telecom [Digi Communications](#) security package meant pricing didn't runaway on its € 6NC2 bond new issue.
- S&P upgraded Morocco's phosphate producer [OCP SA](#) to BBB-, which wasn't surprising given the sovereign upgrade in September.
- Solid Q3 results from Czech lender [Moneta](#) driven by improving margins, with FY25 guidance edging higher.

## LATAM

- [Ecuador's](#) reform agenda survived its first major test as compromise was reached and protests ended.
- Improving BB rated [Dominican Republic](#) priced USD1.6bn 10-year notes only 20bp wider than BBB rated Mexico.
- Prior to [Argentina](#) crucial local elections this Sunday we offer a preview from MNI's political risk team.
- Mexico's [Orbia](#) Q3 earnings were passable with a small reduction in leverage but will be insufficient to keep IG ratings without an asset sale.
- Mexico's [Liverpool](#) supported by strong balance sheet despite disappointing 3Q earnings.
- LATAM miners in focus with new issue mandates from Peru's [Volcan](#) and Colombia's [Mineros](#).

## Top 10 and Bottom 10 performers

## Asia EM Best Performers

Ticker	Security	z-sprd Δ	Rating
LNGFOR	LNGFOR 4 1/2 01/16/28	-35.3	(B1/NR/BB-)
FOSUNI	FOSUNI 5.05 01/27/27	-32.2	(NR/BB-/NR)
BIOLIN	BIOLIN 6.67 10/09/29	-31.3	(NR/BB/BB)
FOSUNI	FOSUNI 8 1/2 05/19/28	-26.8	(NR/BB-/NR)
MEDCIJ	MEDCIJ 8.96 04/27/29	-21.1	(Ba3/BB-/BB-)
MUTHIN	MUTHIN 6 3/8 03/02/30	-19.5	(Ba1/BB+/NR)
SRILAN	SRILAN 4 04/15/28	-17.8	(Caa1/CCC+/CCC)
KZTGKZ	KZTGKZ 4 3/8 09/26/27	-17.3	(Baa2/NR/BB+)
GRNKEN	GRNKEN 4.3 12/13/28	-16.9	(Ba2/NR/BB)
MUTHIN	MUTHIN 6 3/8 04/23/29	-16.8	(NR/BB+/BB+)

## Asia EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
TENGIZ	TENGIZ 3 1/4 08/15/30	7.7	(Baa2/BBB-/NR)
GENTMK	GENTMK 4 1/4 01/24/27	5.6	(Baa2 *-/NR/BBB)
KOROIL	KOROIL 4 7/8 04/03/29	5.2	(Aa2/AA/NR)
KOROIL	KOROIL 4 7/8 04/03/27	4.5	(Aa2/AA/NR)
UNGUZB	UNGUZB 4 3/4 11/16/28	4.3	(NR/B+/BB)
KAZAKS	KAZAKS 5 07/01/32	4.0	(Baa1/BBB-/BBB)
KAZAKS	KAZAKS 4.714 04/09/35	3.9	(Baa1/BBB-/BBB)
CHPWCN	CHPWCN 4.3 09/10/27	3.1	(NR/NR/BBB+)
KOHNPV	KOHNPW 4 5/8 07/29/29	3.0	(Aa2/AA/NR)
SDBC	SDBC 1 5/8 10/27/30	3.0	(NR/A+/NR)

## CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
EGYPT	EGYPT 7 1/2 01/31/27	-33.8	(Caa1/NR/B)
FROTO	FROTO 7 1/8 04/25/29	-29.9	(NR/BB-/BB+)
EGYPT	EGYPT 7.0529 01/15/32	-28.7	(Caa1u/B/B)
BBK	BBK 6 7/8 06/06/29	-28.1	(B2/NR/B+)
EGYPT	EGYPT 5 7/8 02/16/31	-28.0	(Caa1/B/B)
KENINT	KENINT 9 3/4 02/16/31	-27.5	(Caa1u/B/B-)
EGYPT	EGYPT 7.3 09/30/33	-25.2	(Caa1/B/B)
IVYCST	IVYCST 6 1/8 06/15/33	-25.0	(Ba2/BB/BB-)
EGYPT	EGYPT 9.45 02/04/33	-24.8	(NR/B/B)
EGYPT	EGYPT 6 7/8 04/30/40	-24.1	(Caa1/B/B)

## CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
AALLN	AALLN 4 3/4 04/10/27	28.9	(Baa2/BBB/BBB+)
FMCN	FMCN 8 5/8 06/01/31	10.5	(NR/B/B)
JORDAN	JORDAN 5 3/4 01/31/27	9.7	(Ba3/BB-/BB-)
SNBAB	SNBAB 2.9 01/29/27	5.2	(Aa3u/NR/A-)
ZAMBIN	ZAMBIN 0 1/2 12/31/53	3.2	(Caa2u/CCC+/CCC)
TURKSK	TURKSK 7 1/4 02/24/27	1.9	(Ba3/NR/BB-)
EIBUH	EIBUH 2.082 11/02/26	1.2	(NR/NR/A+)
MAFUAE	MAFUAE 3.9325 02/28/31	0.6	(NR/BBB/BBB)
AALLN	AALLN 2 5/8 09/10/30	0.4	(Baa2/BBB/BBB+)
ISRAEL	ISRAEL 3.8 05/13/60	0.0	(Baa1/A/A)

## LATAM EM Best Performers

Ticker	Security	z-sprd Δ	Rating
BOPREA	BOPREA 5 10/31/27	-79.9	(NR/NR/NR)
TIGO	TIGO 6 1/4 03/25/29	-40.1	(Ba3/NR/BB+)
AEROMX	AEROMX 8 1/4 11/15/29	-37.1	(Ba3/BB-/NR)
CEMEX	CEMEX 5.45 11/19/29	-28.2	(NR/BBB-/BBB-)
PERLNG	PERLNG 5 3/8 03/22/30	-26.9	(B2/NR/B)
ELSAV	ELSAV 7 5/8 02/01/41	-23.9	(B3u/B-/B-)
ELSAV	ELSAV 7.1246 01/20/50	-23.7	(B3u/B-/B-)
ELSAV	ELSAV 9.65 11/21/54	-22.4	(B3/B-/B-)
LNZAV	LNZAV 7.95 01/26/32	-21.8	(Ba3/NR/BB-)
ELSAV	ELSAV 8 1/4 04/10/32	-21.4	(B3u/B-/B-)

## LATAM EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
ORBIA	ORBIA 6.8 05/13/30	61.8	(Ba1/NR/BBB)
ORBIA	ORBIA 2 7/8 05/11/31	53.7	(Ba1/BBB-/BBB)
ORBIA	ORBIA 5 1/2 01/15/48	42.0	(Ba1/BBB-/BBB)
ORBIA	ORBIA 5 7/8 09/17/44	37.0	(Ba1/BBB-/BBB)
ALSEA	ALSEA 7 3/4 12/14/26	28.2	(Ba3/NR/BB+)
BUEAIR	BUEAIR 7 1/2 06/01/27	28.1	(B2/B-/B-)
ALPEKA	ALPEKA 3 1/4 02/25/31	22.0	(Baa3/BBB-/BBB-)
COMCEL	COMCEL 5 1/8 02/03/32	19.3	(Ba2/NR/BB+)
LTMCI	LTMCI 7 7/8 04/15/30	18.1	(Ba2/BBB-/BB+)
LTMCI	LTMCI 7 5/8 01/07/31	16.7	(Ba2/BBB-/BB+)