

MNI EM Credit Weekly: Navigating Volatility in LATAM

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| Market Indicators | | | | | | Emerging Markets Trends (z-sprd, YTD) | | | |
|-----------------------|---------|----------|----------|-----------|--|---------------------------------------|--------|--------|---------|
| Market | Current | WTD | MTD | YTD | | GLOBAL EM | ASIA | CEEMEA | LATAM |
| USD 10y | 4.11 | ↑ +0.11 | ↓ -0.03 | ↓ -0.46 | | 450 | | | |
| CDX EM | 136.2 | ↓ -12.1 | ↓ -10.7 | ↓ -36.3 | | 350 | | | |
| CDX IG | 51.8 | ↓ -0.3 | ↓ -0.4 | ↑ +2.0 | | 250 | | | |
| CDX HY | 325.7 | ↓ -3.1 | ↑ +3.1 | ↑ +14.2 | | 150 | | | |
| Oil (\$/bbl) | 60.3 | ↓ -1.5 | ↓ -3.1 | ↓ -11.4 | | 50 | | | |
| Gold (\$/ozt) | 4,018.6 | ↓ -107.7 | ↑ +185.1 | ↑ +1394.1 | | | | | |
| Copper (\$/lb) | 508.1 | ↓ -2.9 | ↑ +18.9 | ↑ +105.5 | | | | | |
| Index Weekly (z-sprd) | | | | | | -22.1bp | -5.3bp | -3.0bp | -52.1bp |

Weekly Recap

Trade talks between US-China set the tone for the week, as investors anticipated a mutually positive outcome. Benchmark bond spreads tightened across all regions, as it became increasingly clear that the APEC summit would result in an agreement between the US-South Korea and a thawing of US-China relations. Trade risks are easing once again, with renewed focus on a potential deal with India. Aside from Asia's positive tone, in CEEMEA Q3 earnings continued to flow with little surprises and were generally supportive of spreads, with Akbank the most notable in terms of margin expansion and outlook for the industry. Primary new issuance was mainly centred in CEE region. In focus for EM this week was the persisting spread volatility in Argentina and Brazil. Argentina's outlook improved with support for the ruling party signalling survival of the reform mandate. Brazil corporate bond spreads recovered amid a stronger market backdrop with CSN and Raizen leading the pack. Elsewhere, several Mexican companies reported inline earnings with minimal market impact.

| Issuance (\$bn) | GLOBAL EM | | ASIA | | CEEMEA | | LATAM | |
|-----------------|---|-------|------|-------|--------|-------|-------|-------|
| | WTD | YTD | WTD | YTD | WTD | YTD | WTD | YTD |
| USD&EUR | 5.1 | 502.3 | 2.3 | 126.6 | 2.8 | 253.6 | 0.8 | 122.2 |
| ASIA | China's delivery firm Meituan issued \$ triple-tranche (5.5Y, 7Y & 10Y), books >5x and trading into FV. | | | | | | | |
| CEEMEA | Five new deals. Romania's ROMGAZ € 6Y stands out, with books >8x and pricing inside the sovereign curve and our FV. | | | | | | | |
| LATAM | Argentina's oil company Tecpetrol issued USD750mn of a 5N2 at a generous 25bp concession to our FV. | | | | | | | |

| Key Stories | Comment | Valuations |
|-------------|---|--|
| ASIA | Rio Tinto to close Tomago aluminium smelter, could get government support. SK Hynix reported Q3 EBITDA +48% YoY, with 2026 production sold, possible upgrade to high BBB. Korean Air to purchase USD50bn in Boeing aircraft and GE engines, may issue more USD. Australia's Mineral Resources posted solid Q1 operations with lower leverage. SK Telecom reported very weak results due to costly loyalty initiatives, which could ultimately fail. | RIOLN 30s - unch HYUELE 30s -2bp KOREAN 30s -1bp MINAU 31s +1pt SKM 27s -2bp |
| CEEMEA | Incumbent President Ouattara will be running his fourth term in Cote D'Ivoire following elections, spreads were tighter following the results. Senegal credit remains volatile as debt servicing costs continue to weigh on the Sovereign. Earnings were generally neutral to supportive in CEEMEA with Akbank results noteworthy as NIM expanded and set the tone for the Turkish banking sector | SENEGL 31s -1pt IVYCST 36s -10bp AKBNK 7.498 30s -11bp |
| LATAM | Argentina bonds soared as President Milei's reform agenda gained support with his ruling LLA party winning national congressional elections. Maybe now Brazil's Raizen can sell its Argentina assets to reduce debt leading to higher valuations. CSN rebounded from oversold conditions. Jamaica's worst storm ever reversed years of economic progress. Mexico's Cemex reported improved Q3 margins and EBITDA, limited market impact. | ARGENT 35s +13pt RAIZBZ 35s +4pt CSNABZ 32s +2.5pt JAMAN 45s -2pt CEMEX 31s -4bp |

Key Rating Actions

| Issuer | Region | Country | Action |
|--------|--------|----------|---|
| MONGOL | CEEMEA | Mongolia | Upgrade by S&P to BB-, following years of growth, positive for credit. |
| AFRCEL | CEEMEA | Angola | Affirmed at B- by Fitch, not surprising and neutral for credit. |
| ORBITA | LATAM | Mexico | Fitch rating downgrade to BBB- from BBB on rising leverage from poor results. |

The Week Ahead

Positive trade momentum in Asia following APEC suggests more primary from Korea, including from KEXIM, KORELE, and KOLAHQ. As results season ramps up, India's Vedanta and Adani reports will provide local insights, while Australian banks face growth and credit concerns amid an RBA rate pause. Spreads are expected to stay firm amid reduced issuance. In CEEMEA, we expect more of the same with earnings continuing to flow and sporadic issuance as blackout periods end. LATAM market focus turns to Brazil corporate earnings with conglomerate CSN a potential market mover. In Argentina we expect cabinet changes to be announced but no surprises expected.

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

Primary New Issue Monitor & FV

mni

| Date | Issuer | Country | Country | Type | CCY | Size (mn) | Tenor | IPT | MNI FV | Final | NIC | Book (x) | Spread T+1 (bp) | |
|--------|--------|---------|------------|------|------|-----------|-------|-------------|--------|-------|--------|----------|-----------------|--------|
| 27-Oct | KOEWPW | KR | S Korea | Corp | Corp | USD | 300 | 5.50 | 85 | 51 | 48 | 3 | 9.0 | (0.5) |
| 28-Oct | MEITUA | CN | China | Corp | Corp | USD | 600 | 5.50 | 130 | 91 | 95 | -4 | 5.8 | (2.8) |
| 28-Oct | MEITUA | CN | China | Corp | Corp | USD | 600 | 7.00 | 140 | 97 | 105 | -8 | 5.0 | (3.0) |
| 28-Oct | MEITUA | CN | China | Corp | Corp | USD | 800 | 10.00 | 150 | 104 | 115 | -11 | 6.1 | (9.9) |
| 28-Oct | PEAKRN | HK | Hong Kong | FIG | FIG | USD | 350 | PERP-NC5.25 | 6.10% | 5.65% | 5.625% | 0.03% | 7.4 | (9.5) |
| 27-Oct | FORTEB | KZ | Kazakhstan | FIG | FIG | USD | 400 | PERP-NC5.5 | 10.25% | 9.40% | 9.75% | 0.35% | na | (6.6) |
| 27-Oct | TURKEY | TR | Turkey | SSA | Sov | USD | 2250 | 11.00 | 7.125% | 6.75% | 6.80% | 0.05% | na | 2.6 |
| 28-Oct | SLOVGB | SK | Slovakia | SSA | Sov | EUR | 2000 | 12.00 | 105 | 90 | 99 | 9 | 1.90 | (0.8) |
| 28-Oct | ROMGAZ | RO | Romania | Corp | Corp | EUR | 500 | 6.00 | 285 | 260 | 235 | 25 | 6.80 | (12.6) |
| 29-Oct | ENOGLN | IL | Israel | Corp | Corp | EUR | 400 | 5.5-NC2 | 6.25% | 5.75% | 5.63% | 0.13% | na | (11.0) |
| 30-Oct | TCZIRA | TR | Turkey | FIG | FIG | USD | 600 | PERP-NC5.5 | 8.88% | 8.25% | 8.38% | -0.13% | na | 0.0 |
| 29-Oct | TECPET | AR | Argentina | Corp | Corp | USD | 750 | 5-NC2 | 8.00% | 7.38% | 7.63% | -0.25% | na | (1.0) |

ASIA

- Russian oil sanction impact negative, though manageable. [Reliance Industries](#) purchases around 500,000 barrels per day of Russian crude oil under a long-term contract with Rosneft, making it the largest Indian buyer.
- [Korea East-West Power](#), 100% owned by Korea Electric Power Corporations, and one of its key power generation companies issued a 5.5Y USD benchmark.
- [Hon Hai Precision Industry](#) (Foxconn) launched its debut 6Y Euro bond, issued by Foxconn Singapore and guaranteed by Hon Hai Precision Industry.
- [Rio Tinto](#) may close Tomago smelter, likely requires government support on energy, neutral. It is the largest aluminium smelter in Australia (40% of total), producing around 590,000 tonnes of aluminium a year.
- [Meituan](#), the Chinese food delivery company, issued a new multi-tranche USD bond deal with 5.5Y, 7Y, and 10Y maturities.
- [European auto](#) new car registrations for September, covering the EU, EFTA, and UK, showed strong growth for Chinese brands.
- [SK Hynix](#) reported Q3 results with reported EBITDA up 48% YoY to KRW14.9T. Possible upgrade to high BBB on the cards with 2026 production fully sold. Positive for spreads.
- [Ping An](#) reported 9M results, which showed Life & Health Insurance new business value (NBV) grow 46.2% YoY to RMB35.7bn, and NBV margins up 9pps to 30.6%, reflecting strong business quality and customer loyalty.
- Australia's inflation figures came in higher than expected, this weighed on [Bank equities](#) as investors factored in higher-for-longer interest rates, reduce credit demand, and increase loan delinquencies. Credit remained stable.
- As part of the US-Korea trade deal, [Korean Air](#) will purchase USD50bn in Boeing aircraft and GE engines, which may require future USD bond issuance.
- Australia's [Mineral Resources](#) reported solid Q1 operations with lower leverage, supported by a AUD200m inflow from achieving iron ore milestones.
- [SK Telecom](#) reported very weak results on the back of ongoing loyalty initiatives, that may ultimately fail, on top the CEO is expected to depart.

Asia EM Best Performers

| Ticker | Security | z-sprd Δ | Rating |
|--------|-----------------------|----------|------------------|
| MEDCIJ | MEDCIJ 8.96 04/27/29 | -194.8 | (Ba3/BB-/BB-) |
| NICAU | NICAU 9 09/30/30 | -40.9 | (B1/NR/B+) |
| FOSUNI | FOSUNI 5.05 01/27/27 | -34.1 | (NR/BB-/NR) |
| MUTHIN | MUTHIN 6 3/8 03/02/30 | -31.9 | (Ba1/BB+/NR) |
| GDCOMM | GDCOMM 2.358 01/25/2 | -31.5 | (NR/NR/A) |
| BIOLIN | BIOLIN 6.67 10/09/29 | -31.2 | (NR/BB/BB) |
| SHFLIN | SHFLIN 6 5/8 04/22/27 | -27.8 | (NR/BB+/BB+) |
| SRILAN | SRILAN 4 04/15/28 | -27.5 | (Caa1/CCC+/CCC+) |
| MUTHIN | MUTHIN 6 3/8 04/23/29 | -26.8 | (NR/BB+/BB+) |
| SHFLIN | SHFLIN 6.15 04/03/28 | -26.7 | (NR/BB+/BB+) |

Asia EM Worst Performers

| Ticker | Security | z-sprd Δ | Rating |
|--------|-----------------------|----------|----------------|
| BIDU | BIDU 4 3/8 03/29/28 | 6.7 | (A3/NR/A) |
| CRHZCH | CRHZCH 4 1/8 02/26/29 | 4.9 | (Baa1/BBB+/NR) |
| CHIOLI | CHIOLI 4 3/4 04/26/28 | 4.7 | (Baa2/A-/A-) |
| CMHI | CMHI 5 08/06/28 | 3.6 | (Baa1/BBB+/NR) |
| CNOOC | CNOOC 4 3/8 05/02/28 | 3.5 | (A1/A+/NR) |
| HUANEN | HUANEN 2.7 01/20/31 | 2.9 | (A2/NR/A-) |
| SINOPE | SINOPE 3 1/4 09/13/27 | 2.5 | (A1/A+/NR) |
| KOREA | KOREA 3 1/2 09/20/28 | 2.2 | (Aa2/AA/AA-) |
| SINOPE | SINOPE 2.95 08/08/29 | 2.1 | (A1/A+/NR) |
| SHPORT | SHPORT 2 3/8 07/13/30 | 2.0 | (A1/A+/NR) |

CEEMEA

- South Africa's [Eskom](#) released a supportive update on electricity supply so far in October, bond spreads remain close to the local lows. Subsequently, it also [updated](#) on reconnected Koelberg Unit 1. Meanwhile, [Valterra Platinum](#) posted its Q3 production update, confirming FY guidance, a supportive read across for other PGM miners. [Petra Diamonds](#) released Q1'26 results, confirming FY26 guidance on strong y/y rev's.
- [Senegal](#) is facing a higher debt service for FY26 reaching CFA 5.49bn. Not a surprise, bonds remain near the local lows in cash price terms.
- Secondary spreads tightened post elections in [Cote d'Ivoire](#), as incumbent President Ouattara secured his fourth mandate.
- Nigeria's [Ecobank Transnational](#) posted Q3 earnings showing growth and increased profitability, whilst upstream oil & gas [Seplat Energy](#) posted strong Q3 earnings showing sustained growth and FCF generation, supportive for credit sentiment.
- [Ghana](#)'s CB Governor commented on int'l reserves whilst addressing celebrations for the 60th CEDI Anniversary.
- Zambia focused [First Quantum Minerals](#) posted a Q3 loss on higher Copper C1 costs whilst seeking a resolution for its Panama operations, we have a neutral take for credit sentiment.
- Mobile services provider [Africell](#), active across Gambia, Sierra Leone, DRC and Angola, got its ratings affirmed at B- by Fitch, on expectations for normalised FY25 profitability despite pressure on liquidity and elevated investment spending.
- In Saudi Arabia, credit neutral reads for [Bank Albilad](#)'s Q3 earnings and [SECO](#)'s announcement of PPA for a 600MW Solar PV project worth SAR1.37bn. [Saudi Telecom](#) announced an important agreement with AST for innovative direct-to-mobile satellite connectivity.
- Supportive credit read in UAE for [Abu Dhabi Commercial Bank](#)'s Q3 earnings, showing balance sheet expansion and solid profitability; [Aldar Properties](#)'s Q3 earnings showing on track performance with confirmed FY guidance. [Emirates Telecom](#) posted solid Q3 results, a neutral read for spreads.
- Qatar's gas transport [Nakilat](#) posted stable Q3 results. Meanwhile, [QIC](#)'s results exhibit a growth trajectory with solid profitability. [Qatar Energy](#) announced a new 17-year LNG supply to India, with deliveries as early as 2026.
- Romania's [ROMGAZ](#) issued a €500mn WNG 6Y bond, which was met with a very strong book from investors.
- Slovakia [rating](#) was affirmed by S&P and subsequently the Republic [issued](#) a 12Y bond.
- In Türkiye, a new \$ 11Y [deal](#) for Sovereign Türkiye priced close to FV. Among corporates, top line at [Arcelik](#) continued to be weak, but margins are bottoming with raw material prices helping. Among financials, strong results from [Akbank](#), with margin expansion set to continue.
- S&P cited strong underlying growth in upgrading [Mongolia](#) to BB-.
- Q3 results from [mBank](#) continued to show pressure on NIM as rates come lower.

CEEMEA EM Best Performers

| Ticker | Security | z-sprd Δ | Rating |
|---------|------------------------|----------|--------------|
| ETINL | ETINL 10 1/8 10/15/29 | -80.2 | (B3/B-/NR) |
| MERSIN | MERSIN 8 1/4 11/15/28 | -49.0 | (NR/BB/BB-) |
| BENIN | BENIN 7.96 02/13/38 | -35.1 | (B1/BB-/NR) |
| EXCRTU | EXCRTU 9 01/28/27 | -32.6 | (NR/NR/BB-) |
| BINHLD | BINHLD 9 5/8 02/28/27 | -31.9 | (NR/NR/BB-) |
| BENIN | BENIN 8 3/8 01/23/41 | -31.4 | (B1u/BB-/B+) |
| SISSETI | SISSETI 8 1/4 05/02/29 | -30.6 | (B2/NR/B) |
| SAFTRA | SAFTRA 8 1/4 02/06/28 | -29.9 | (Ba3/B+/NR) |
| ACKAF | ACKAF 8 1/2 09/25/28 | -27.0 | (NR/B+/BB-) |
| ISCTR | ISCTR 7 3/4 06/12/29 | -26.9 | (NR/NR/BB-) |

CEEMEA Worst Performers

| Ticker | Security | z-sprd Δ | Rating |
|--------|----------------------|----------|-----------------|
| ELDCN | ELDCN 6 1/4 09/01/29 | 8.7 | (B3/BB-/B+) |
| TEVA | TEVA 4.1 10/01/46 | 1.9 | (Ba1/BB/BB+) |
| KSA | KSA 5 5/8 01/13/35 | 0.8 | (Aa3/NR/A+) |
| AALLN | AALLN 4 1/2 03/15/28 | 0.7 | (Baa2/BBB/BBB+) |
| AALLN | AALLN 4 3/4 03/16/52 | 0.7 | (Baa2/NR/BBB+) |
| AALLN | AALLN 3.95 09/10/50 | 0.6 | (Baa2/BBB/BBB+) |
| AALLN | AALLN 2 5/8 09/10/30 | 0.1 | (Baa2/BBB/BBB+) |
| KSA | KSA 5 01/16/34 | 0.1 | (Aa3/NR/A+) |
| AALLN | AALLN 4 3/4 04/10/27 | 0.0 | (Baa2/BBB/BBB+) |
| AALLN | AALLN 2 7/8 03/17/31 | -0.2 | (Baa2/BBB/BBB+) |

LATAM

- [Argentina's](#) ruling party won a significant victory in national congressional elections, triggering a huge rally in sovereign bonds as well as corporate bonds like govt-controlled energy company YPF, Vista Energy, Banco Macro and City of BA.
- Improved Argentina sentiment encouraged oil company [Tecpetrol](#) to issue in the primary market.
- President Trump and [Brazil's](#) President Lula met to discuss a trade deal.
- [Raizen](#), a Brazil based ethanol producer, wants to sell its Argentina assets to reduce debt and with an improved outlook for the country it may be able to do so which would trigger much tighter spreads.
- Brazil's [Usiminas](#) reported solid 3Q results and reduced debt. Read across bodes well for [CSN](#) steel and iron ore segments.
- Ahead of Brazil's [Tupy](#) earnings next week, we comment on operating results and elevated yield levels.
- Mexico's [Cemex](#) posted impressive earnings with expanded EBITDA margins but limited impact on bond spreads.
- [Grupo Bimbo](#), Mexico based global baked goods producer, reported solid results with little impact on spreads.
- [Jamaica's](#) worst hurricane on record likely reversed what was an improving credit profile.
- Rising debt/GDP threatens [Panama](#) IG ratings and sovereign bond spreads

LATAM EM Best Performers

| Ticker | Security | z-sprd Δ | Rating |
|--------|-----------------------|----------|----------------|
| BOPREA | BOPREA 5 10/31/27 | -874.0 | (NR/NR/NR) |
| BOPREA | BOPREA 5 10/31/27 | -769.8 | (NR/NR/NR) |
| BMAAR | BMAAR 8 06/23/29 | -124.0 | (Caa1/NR/CCC+) |
| VISTAA | VISTAA 7 5/8 12/10/35 | -81.0 | (B2/NR/BB-) |
| YPFDAR | YPFDAR 8 1/4 01/17/34 | -78.9 | (NR/B-/CCC+) |
| YPFDAR | YPFDAR 9 1/2 01/17/31 | -72.8 | (B2/NR/NR) |
| YPFDAR | YPFDAR 7 12/15/47 | -72.7 | (NR/B-/CCC+) |
| YPFDAR | YPFDAR 6.95 07/21/27 | -71.2 | (NR/B-/CCC+) |
| VISTAA | VISTAA 8 1/2 06/10/33 | -62.9 | (NR/NR/BB-) |
| PLUSPE | PLUSPE 8 1/2 05/30/32 | -62.4 | (B1/NR/BB) |

LATAM EM Worst Performers

| Ticker | Security | z-sprd Δ | Rating |
|--------|-----------------------|----------|------------------|
| JAMAN | JAMAN 6 3/4 04/28/28 | 69.0 | (B1/BB/BB-u) |
| ALPEKA | ALPEKA 4 1/4 09/18/29 | 23.9 | (Baa3/BBB-/BBB-) |
| ALPEKA | ALPEKA 3 1/4 02/25/31 | 21.6 | (Baa3/BBB-/BBB-) |
| ALSEA | ALSEA 7 3/4 12/14/26 | 19.8 | (Ba3/NR/BB+) |
| ORBIA | ORBIA 5 1/2 01/15/48 | 13.1 | (Ba1/BBB-/BBB-) |
| CWCLN | CWCLN 7 1/8 10/15/32 | 11.4 | (Ba3/BB-/BB-) |
| KOF | KOF 2 3/4 01/22/30 | 10.2 | (A3/NR/A) |
| JAMAN | JAMAN 7 7/8 07/28/45 | 8.1 | (B1/BB/BB-u) |
| BERMUD | BERMUD 5 07/15/32 | 7.1 | (NR/A+/NR) |
| TRITOB | TRITOB 5.95 01/14/31 | 7.0 | (Ba2/BBB-/NR) |