

MNI EM Credit Weekly: Safe Harbours

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Market Indicators						Emerging Markets Trends (z-sprd, YTD)			
Market	Current	WTD	MTD	YTD	GLOBAL EM	ASIA	CEEMEA	LATAM	
USD 10y	4.26	↑ +0.12	↑ +0.16	↓ -0.31		186	191	246	
CDX EM	145.4	↑ +0.7	↑ +18.7	↓ -27.1					
CDX IG	59.8	↑ +2.1	↑ +8.4	↑ +9.9					
CDX HY	362.8	↑ +17.7	↑ +56.4	↑ +51.3					
Oil (\$/bbl)	95.2	↑ +14.2	↑ +32.3	↑ +23.5					
Gold (\$/ozt)	5,102.4	↓ -69.4	↑ +180.2	↑ +2477.9					
Copper (\$/lb)	582.5	↑ +7.2	↑ +3.9	↑ +179.8					
Index Weekly (z-sprd)					-2.4bp	+1.1bp	-1.8bp	-5.8bp	

Source: Bloomberg Finance L.P. / MNI, * Index moves in z-spread (bp)

Weekly Recap

With Middle East tensions and “higher for longer” oil prices, we sought safe harbour opportunities across EM markets. In Asia, defensive sectors like local port handlers (Adani Ports), utilities (Korea Electric), telcos (Korea Telecom), consumer foods (Jollibee), banks (Bank of the Philippine Islands), and upstream oil & gas (Pertamina Hulu) outperformed. In CEEMEA, upstream producers with expansion potential (Seplat Energy) and cash flow generative telco towers (Helios Towers) saw spread tightening. In Latin America, energy assets provided an edge: Brazil’s Prio benefited from anticipation of increased profits, while ethanol producers like Raizen may gain as it navigates a debt restructuring. Argentina and Colombia were leveraged to energy prices but have political risks that complicated the outlook.

Issuance (\$bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	1.6	167.7	1.4	39.0	0.3	76.1	0.0	52.6

ASIA	We had 2 Chinese issuers in the market, ICBAS & BGEC, as well as mandates from CHPWCN, LGEBNSO and EIBKOR.
CEEMEA	Orlen tap ‘35s notes, quiet otherwise.
LATAM	Only an FRN deal for CAF \$750mn 3.5Y FRN priced with no concession despite a volatile market environment.

Key Stories	Comment	Valuations
ASIA	China real estate suffered profit warnings from Longfor, Greentown China and Fosun International from its property portfolio. Initial monthly sales remain very weak. Discussions between Mongolia and Rio Tinto over the Oyu Tolgoi copper mine provided no new developments, but concessions seemed likely. Reliance Industries followed government guidelines to prioritize domestic households, which could lower margins.	LNGFOR 29s -2pt GRNCH 28s -15bp FOSUNI 29s +52bp RIOLN 30s +7bp RILIN 32s +4bp
CEEMEA	Maaden strong FY25 prod’n growth across, resilient credit profile among Saudi corporates. Aramco’s solid FY25 and flexibility in supply chain have supported credit sentiment and spread resilience, but exposure to the Gulf region remains a risk. Seplat Energy’s expansion plans and improved metrics are supportive for sentiment, positive bias for valuations in light of Middle East tensions. Helios Towers posted strong FY25, credit supportive.	MAADEN 36s -7bp SEPLLN 30s -14bp HLSTWR 29s -4bp ARAMCO 36s -2bp
LATAM	Argentina oil prod’n has been strong, but slowing economic growth elsewhere could affect the governments’ popularity in the presidential election next year. Colombia spreads tightened as the probability of regime change improved after centre-right primaries. Raizen bonds rallied as an out of court debt restructuring was preferable to a judicial reorg. CSN earnings disappointed with a crucial loan refinancing still in focus.	ARGENT 35s 0pt COLOM 35s -30bp RAIZBZ 35s +3½pt CSN 32s -¾pt PRIOBZ 30s -22bp

Key Rating Actions

Issuer	Region	Country	Action
YUEXIU	ASIA	China	Moody’s one notch cut to Ba2 due to ongoing property sales declines & higher expected leverage.
BINHLD	CEEMEA	UAE	Fitch on watch neg, 31s down 1pt cash px on the day, almost 10pt from launch in early Feb.
RAIZBZ	LATAM	Brazil	S&P downgrade to D from CCC- on a debt restructuring announcement.

The Week Ahead

Volatility remains the name of the game. In Asia, we see spreads outperforming other regions and issuers to announce mandates, with potential for prints absent escalation of ME tensions. In CEEMEA, we expect to see renewed interest in defensive names away from the ME. South Africa Feb CPI not a driver, while CNB is exp. to keep rates unch on a more cautious stance. In LatAm, earnings due for protein processors Marfrig and Minerva and regional McDonalds franchisee Arcos Dorados that are unlikely to change stable credit profiles. We also hope to hear news of a CSN secured loan agreement which would provide liquidity relief but subordinate unsecured bondholders.

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

Iran Conflict Update – Broader Ramifications for EM credit

- Expectations for the duration of the Iran conflict changed this week as oil prices may stay higher for longer. Inflation fears rose and monetary policy forecasts adjusted, leading to a 16bp rise in Treasury 2-year notes, a 4bp flattening of the 2s/10s Treasury yield curve and a stronger USD.
- WTI oil Apr. contract briefly breached \$100/bbl earlier this week, easing back to about \$96 currently. A longer dated Dec. 2026 WTI contract rose nearly \$6 to \$74.5 this week, up \$11 MTD, which reflected a more prolonged increase in oil prices as Iranian drone strikes on Middle East oil infrastructure and tankers, mine threats and an effective closing of major oil shipment waterway the Strait of Hormuz caused a reassessment of expectations for the duration of the Iran conflict.
- Oil prices higher for longer fed market expectations for higher inflation. Global central banks shifted to a more hawkish bias while in the U.S. expectations for 2-3 rate cuts this year changed to maybe one 25bp cut in Q4. U.S. CPI reported earlier this week showed a relatively benign result but was regarded as backward looking. Last week's monthly jobs report showed a disappointing weakness in the labour market but was also disregarded with inflationary expectations from higher oil prices overwhelming.
- There has been relatively little reaction in credit markets, other than a significant slowdown in Emerging Market primary activity. US IG CDX spreads widened ½ bp, US HY CDX widened 10bp and EM CDX moved out ½ bp this past week. Bloomberg EM hard currency bond index spreads tightened 2.4bp overall with the biggest mover being LATAM (5.8bp) followed by CEEMEA (1.8bp).
- In Asia, the Middle East supplies Korea with 70% of its oil imports and has limited inventories of LNG yet KOREA 44s were only 2bp wider this past week. While Indonesia exports oil it is a net oil importer as domestic demand exceeds supply, yet INDON 36s moved 3bp tighter this week.
- Across the broader CEEMEA, we have seen some spread tightening among defensive sectors and names, as we mentioned in the previous sections. Nigeria, a major net exporter of crude oil, has seen sovereign spreads chart tighter over the week with 46s notes -5bp having reversed the previous week's initial move wider.
- In LATAM, it would have been reasonable to expect oil importers such as Chile and Peru sovereigns to underperform while exporters like Brazil to outperform but 10-year spreads in Chile and Peru 10Y moved marginally tighter, Mexico widened 2bp and Brazil remained unchanged. Other factors such as liquidity and duration amid a rates selloff overwhelmed the fundamental impact from oil prices.
- Over time one might see some fundamental impact on metrics for sovereigns such as the current account but even then, the results might only be modest as idiosyncratic policies take effect. For example, oil exporters such as Nigeria and Brazil should benefit from a prolonged increase in energy prices but for some the cost of fuel subsidies to protect consumers would offset some of the benefits.
- Idiosyncratic risks also overwhelm fundamentals at times. Türkiye remains a net importer of oil and proximity to the conflict region would also suggest risk of a more significant impact, yet for a \$ 10Y charting in the 300s z-spreads were only +10bp WTD, and a modest +20bp since the start of the conflict. Conversely, South Africa, also a net importer of crude oil, with inflationary pressure from \$ strength saw sovereign spreads move in line over the week (SOAF 36s +2bp). Colombia as a top five oil exporter in the region should benefit but now political considerations are dominating. Argentina has ramped up shale oil production and is now the fourth largest oil producer in the region, but the positive Argentina story could unravel with adverse political results in the presidential election next year.

Primary New Issue Monitor & FV

Date	Issuer	Country	Type	CCY	Size (mn)	Tenor	IPT	MNI FV	Final	NIC (bp)	Book (x)	T+1 spread change (bp)
09-Mar	ICBCAS	ASIA	SSA	EUR	500	3.00	55	23	26	3	n/a	n/a
12-Mar	BJCONS	ASIA	Corp	USD	300	3.00	4.600%	4.350%	4.100%	-25	n/a	n/a

Source: MNI, Bloomberg Finance L.P.

ASIA

- We had two news issues from China, [Beijing Construction Engineering](#) and [Industrial & Commercial Bank of China](#), as well as mandates from LG Energy Solution, Export-Import Bank of Korea and Power Construction Corp of China. There are also reports that China data centre company Vnet will come to the market.
- In China real estate we had a number of sales results for February, including from [Seazen Group](#) (-38% YoY), [China Jinmao](#) (+21% YoY), as well as several profit warnings from [Longfor](#), [Greentown China](#) and [Fosun International](#).
- Reports of ongoing discussions between Mongolia and [Rio Tinto](#) over the Oyu Tolgoi copper mine so far provided no new material developments since November - neutral read.
- [Reliance Industries](#) followed government guidelines, and now prioritises domestic households, which could lead to lower margins. Valuations have held up well.
- [Jollibee Worldwide](#) posted its 4Q results, which were quite upbeat, calling for 2026 operating profits to rise 15-18% and for cash generation to remain strong.

Asia EM Best Performers				Asia EM Worst Performers			
Ticker	Security	z-sprd Δ	Rating	Ticker	Security	z-sprd Δ	Rating
GRNCH	GRNCH 8.45 02/24/28	-21.7	(B1/NR/NR)	PKSTAN	PKSTAN 7.95 01/31/29	78.6	(Caa1/NR/B-)
ZZTRAN	ZZTRAN 5.1 04/09/28	-21.6	(NR/NR/BBB-)	PKSTAN	PKSTAN 6 7/8 12/05/27	42.5	(Caa1/B-/NR)
ZHANLO	ZHANLO 5.1 04/24/28	-15.8	(NR/NR/BBB-)	FOSUNI	FOSUNI 8 1/2 05/19/28	40.4	(NR/BB-/NR)
GZGETH	GZGETH 4.4 11/28/27	-14.8	(NR/NR/BBB+)	SHFLIN	SHFLIN 6.15 04/03/28	28.3	(NR/BBB-/BB+ **)
ZJSOAM	ZJSOAM 5.55 08/20/27	-14.2	(NR/NR/NR)	PHILIP	PHILIP 4 1/4 07/27/31	24.7	(Baa2/BBB+/BBB)
HKIQCL	HKIQCL 5 3/4 09/12/27	-13.8	(NR/NR/BBB+)	UPLLIN	UPLLIN 4 5/8 06/16/30	18.8	(Ba2/BB/BB)
WHREST	WHREST 5.7 06/24/27	-13.5	(Baa2/NR/BBB+)	SHFLIN	SHFLIN 6 5/8 04/22/27	18.6	(NR/BBB-/BB+ **)
VEDLN	VEDLN 9 1/8 10/15/32	-13.3	(B2/NR/B+)	UNGUZB	UNGUZB 4 3/4 11/16/28	17.2	(NR/BB-/BB)
CHJMAO	CHJMAO 4 1/4 07/23/29	-13.2	(Ba2/NR/NR)	SRILAN	SRILAN 4 04/15/28	16.7	(Caa1/CCC+/CCC+)
HEFIND	HEFIND 4 3/4 04/16/28	-13.1	(NR/NR/BBB)	ZHOSHK	ZHOSHK 5.98 01/30/28	15.8	(NR/BBB/NR)

Source: MNI, Bloomberg Finance L.P.

CEEMEA

- In Saudi Arabia, [Aramco](#) reported solid FY25 earnings and provided some [context](#) on East-West Pipeline and inventories during the investor call. Other headlines include an [oil tender](#) update. [Maaden](#) reported strong FY25 prod'n growth across its three pillars, resilient credit profile among Saudi corporates.
- In Bahrain, [Bapco Energies](#) served force majeure notice on its group operations, negative for credit sentiment.
- In Qatar, whilst [Qatar Energy](#)'s credit profile retains some buffer, valuations show a negative bias, with QPETRO 41s charting at z+145bp area, +25bp from the local January lows.
- In UAE, [DP World](#) posted solid FY25 earnings; fundamentals give confidence over long term growth path, whilst near term regional tensions persist. Valuations reflect resilient credit sentiment with DPWDU 35s charting at z+162bp area in +125-175bp ytd range. Fitch placed [Binghatti](#)'s ratings for snr unsec debt BB- on watch negative – negative for credit sentiment, valuations exhibit a bias for downside risk.
- In [Iraq](#), oil prod'n declined sharply over the week with negative bias for valuations as IRAQ 28s widened around 230bp in z-spread terms over the week.
- In South Africa, [Helios Towers](#) posted strong FY25 earnings, supportive for credit sentiment. The Co. is expanding its reach and footprint, increased profitability lends well to create s'holder value but FCF generation also allows for continued deleveraging, whilst disciplined discretionary capex provide for financial flexibility. Supportive for valuations, with HLSTWR 7.5 29s charting in range at z+245bp. Longer term, watch for risk to market disruption from direct to mobile satellite technology.
- Ghana-focused [Kosmos Energy](#) did an additional equity raise, positive bias for credit sentiment. Tullow Oil was downgraded by S&P, not a surprise.
- In Nigeria, [Seplat Energy](#)'s expansion plans and improved credit metrics are supportive for credit sentiment, positive bias for valuations in light of Middle East tensions.
- In Morocco, [OCP](#) headlines on energy sources hit the tape, not a surprise and neutral for credit sentiment.
- In [Kenya](#), President Ruto commented on IMF talks in local forums, no change in stance following the recent Fund's mission.
- [Mongolia](#) was reported in talks with Rio Tinto over the Oyu Tolgoi copper mine no new material developments since November - neutral read.
- In Poland, [Orlen](#) tapped the \$ 35s notes in an otherwise muted primary market.

CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
ANGOL	ANGOL 8 11/26/29	-49.5	(B3/B-/B-)
ANGOL	ANGOL 8 1/4 05/09/28	-42.8	(B3/NR/B-)
SASOL	SASOL 8 3/4 05/03/29	-34.2	(Ba1/BB+/NR)
JORDAN	JORDAN 5 3/4 11/12/32	-28.0	(Ba3/BB-/BB-)
ETINL	ETINL 10 1/8 10/15/29	-27.1	(B3/B-/NR)
NGERIA	NGERIA 6 1/2 11/28/27	-26.4	(B3/B-/B)
SASOL	SASOL 5 1/2 03/18/31	-24.4	(Ba1/BB+/NR)
DUGB	DUGB 4.8 05/21/29	-24.2	(NR/NR/NR)
SEPLLN	SEPLLN 9 1/8 03/21/30	-23.8	(NR/B/B)
JORDAN	JORDAN 7 1/2 01/13/29	-23.1	(Ba3/BB-/BB-)

CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
IRAQ	IRAQ 5.8 01/15/28	115.1	(NR/NR/NR)
ELDCN	ELDCN 6 1/4 09/01/29	71.7	(B3/BB- *+/B+)
DAMACR	DAMACR 8 3/8 04/12/27	62.7	(Ba1/BB+/NR)
EGYPT	EGYPT 6.588 02/21/28	44.5	(Caa1u/B/B)
DAMACR	DAMACR 6 1/8 08/05/29	38.6	(Ba1/(P)BB+/NR)
WESODA	WESODA 9 1/2 10/06/28	35.9	(NR/BB-/B+)
DAMACR	DAMACR 7 08/26/28	33.5	(Ba1/BB+/NR)
EGYPT	EGYPT 9.45 02/04/33	28.5	(NR/B/B)
BEXBAH	BEXBAH 8 3/8 11/07/28	26.9	(NR/NR/B)
BHRAIN	BHRAIN 4 1/2 03/30/27	26.8	(NR/B/B)

Source: MNI, Bloomberg Finance L.P.

LATAM

- [Argentina](#) is straining from the transition to a freer market economy with bankruptcies rising and economic growth slowing which could have an impact on the government's popularity heading into the presidential election next year. Prospects for energy and mining look strong but the rest of the economy is struggling.
- Argentina natural gas pipeline company [TGS](#) announced a \$3bn project to build out infrastructure to produce and transport NGL.
- The market reacted favourably to a [Colombia](#) election primary for the centre-right coalition that showed overwhelming support for Paloma Valencia, though concern would be the splitting of the opposition vote as front-runner Espriella did not participate in the primary and has been polling the best amongst opposition candidates.
- [Raizen](#) bonds rallied as a debt restructuring was preferable to a judicial reorganization for the Brazil energy company.
- Brazil conglomerate [CSN](#) earnings disappointed with a crucial debt refinancing still in focus. Negative cash flow generation, rising debt leverage and insufficient cash to pay near term debt maturities have made ongoing secured loan negotiations a near term driver of bond performance.
- Brazil holding company [Cosan](#) reported earnings that were mostly disappointing except for railroad subsidiary Rumo which continued to produce stable, predictable profits with low balance sheet leverage. Rumo had reportedly been up for sale by parent Cosan as part of an asset sale debt reduction strategy and Ultrapar was reportedly a potential buyer.
- [Ultrapar](#) was reportedly seeking to sell its natural gas distribution business Ipiranga to raise capital to pay for Rumo.

LATAM EM Best Performers			
Ticker	Security	z-sprd Δ	Rating
BOPREA	BOPREA 5 10/31/27	-49.6	(NR/NR/NR)
BUEAIR	BUEAIR 7 1/2 06/01/27	-44.3	(B2/B-/B-)
PLUSPE	PLUSPE 8 1/2 05/30/32	-41.1	(B1/NR/BB)
BRAZIL	BRAZIL 10 1/8 05/15/27	-40.0	(Ba1/BB/BB)
BOPREA	BOPREA 5 10/31/27	-35.9	(NR/NR/NR)
PAMPAR	PAMPAR 7 7/8 12/16/34	-35.0	(NR/NR/B+)
PLUSPE	PLUSPE 8 1/8 05/18/31	-30.9	(B1/NR/BB)
YFPDAR	YFPDAR 6.95 07/21/27	-29.8	(NR/B-/CCC+)
COLOM	COLOM 8 04/20/33	-29.6	(Baa3/BB/BB)
ACUPET	ACUPET 7 1/2 01/13/32	-29.1	(Ba1/NR/BB+)

LATAM EM Worst Performers			
Ticker	Security	z-sprd Δ	Rating
TPHLTT	TPHLTT 9 08/12/29	96.4	(Ba3/BB/BB)
BOPREA	BOPREA 5 10/31/27	84.8	(NR/NR/NR)
TGPERU	TGPERU 4 1/4 04/30/28	35.2	(Baa1/NR/BBB+)
ORBIA	ORBIA 5 7/8 09/17/44	26.4	(Ba2/BBB-/BBB-)
TIGO	TIGO 6 1/4 03/25/29	20.0	(Ba3/NR/BB+)
ORBIA	ORBIA 2 7/8 05/11/31	18.8	(Ba2/BBB-/BBB-)
ORBIA	ORBIA 6.8 05/13/30	17.4	(Ba2/BBB-/BBB-)
AES	AES 4 3/8 05/31/30	15.7	(Baa3/NR/BB+)
BORRNO	BORRNO 10 11/15/28	15.0	(B3/B+/B-)
ORBIA	ORBIA 5 1/2 01/15/48	14.7	(Ba2/BBB-/BBB-)

Source: MNI, Bloomberg Finance L.P.