mni

All Signal, No Noise

MARKET ANALYSIS

MNI EM Credit Weekly: Resilience in Earnings

1 May 2026

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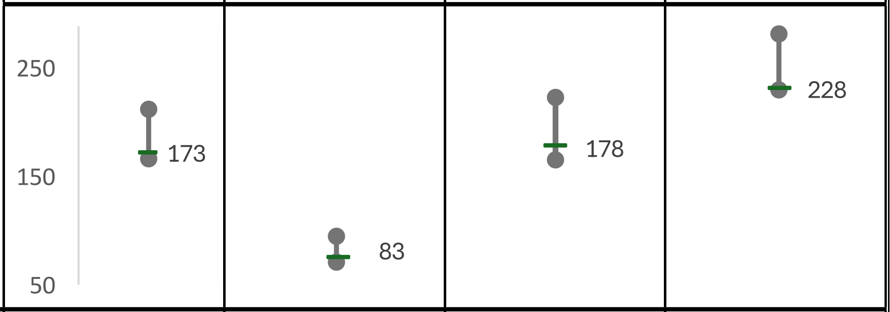
Live Market Indicators

Market	Current	WTD	MTD	YTD
USD 10y	4.39	+0.09	+0.07	-0.18
CDX EM	161.9	+1.7	-33.0	-10.7
CDX IG	54.6	+0.2	-8.6	+4.8
CDX HY	331.2	-0.8	-54.5	+19.7
Oil ($/bbl)	105.4	+9.6	+4.1	+33.7
Gold ($/ozt)	4,622.8	-86.7	-45.2	+1998.3
Copper ($/lb)	592.6	-15.6	+31.2	+190.0

Emerging Markets Trends (z-sprd, YTD)



	GLOBAL EM	ASIA	CEEMEA	LATAM
Index Weekly (z-sprd)*	-3.8bp	-2.0bp	-2.2bp	-7.2bp

Weekly Recap

Middle East peace remained elusive as the U.S. weighed next steps, while EM credit spreads tightened and issuance persisted. In Asia, markets were firm; earnings were largely neutral, and blackout-supported technicals remained positive. Thailand held rates, while the finance ministry cut GDP forecasts. In CEEMEA, Kazakh corporates continued tapping primary markets, aided by Euroclear access and a more fiscally conservative budget signalling reduced SOE support. Divergence persists in Africa, with Kenya urgently seeking IFI funding by end-June amid fiscal strains, while Angola's oil windfall should bolster its fiscal position. LATAM issuance focused on power generation, a likely recurring theme going forward, with a $1bn Panama project deal priced and a $1.5bn dual tranche for Mexican independent generator mandated. Colombia endured a surprise rate decision and two conflicting presidential polls but ended broadly unchanged, while Mexico's Q1 slowdown surprised expectations of a rebound.

Issuance ($bn)	GLOBAL EM		ASIA		CEEMEA		LATAM	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
USD&EUR	8.7	230.4	1.5	50.7	5.0	109.1	2.2	70.6

ASIA	Limited supply. Korean issuers brought all deals. The SK On 3Y deal was 7.6x subscribed, came 5bp cheap to MMI FV.
CEEMEA	QazaqGaz launched a $700m 10Y note with pricing only 7.5bp cheap to the MNI FV.
LATAM	Strong demand for $1.3bn Banamex Tier 2 and $1.05bn Panama project deal led to aggressive pricing thru MNI fair value.

Key Stories	Comment	Valuations
ASIA	Reliance Industries 1Q results were solid, with Jio & Retail offsetting weakness at the energy segment. IPO announcement soon. LG Chem 1Q results were very weak, driven by LG Energy Solutions. Leverage +0.7x, possible rating pressure ahead. Negative for spreads. Adani Ports another solid quarter, may see S&P upgrade. Vedanta reported strong 4Q26 results. Supportive of further deleveraging at the parent level. Positive for spreads.	RILIN 32s -1bp LGCHM 31s -1bp ADSEZ 31s -20bp VEDLN 31s -32bp
CEEMEA	SOCAR spreads tightened to post issuance lows, supported by M/E tensions. First Quantum top-line beat, valuations near local lows. Kenya looking to finance its funding gap externally, as reserves have been depleting rapidly since Eurobond issuance in February. Muted reactions in secondaries despite the UAE's exit from OPEC came as a surprise.	SOIAZ 30s -7bp FMCN 36s +10bp KENINT 36s +1bp UAE 34s -4bp
LATAM	Bolivia financing needs supported by an IDB $800mn loan that kept the rally going, bonds up 15pt YTD. Colombia negative fundamentals dominated sentiment with $4bn bond buybacks now in the rearview. Pemex reported more losses but no market impact as govt support still expected. Ecuador got a $1.7bn investment from China for a gold mine. Mexico's Orbia earnings disappointed, contrary to prior bond performance which triggered a correction.	BOLIVI 30s -26bp COLOM 35s +7bp PEMEX 35s -6bp ECUA 35s -12bp ORBIA 31s +19bp

Key Rating Actions

Issuer	Region	Country	Action
SANLTD	ASIA	Hong Kong	S&P upgrade one notch to BBB as new project investments now over, leverage stabilising.
SLOVGB	CEEMEA	Slovakia	Fitch downgraded to A amid expectations of an elevated fiscal deficit and weaker growth.
GUATEM	LATAM	Guatemala	Moody's affirmed at Ba1 but market pricing reflects higher ratings.

The Week Ahead

In Asia, the results calendar is quiet, potentially opening a primary window, though much depends on Middle East developments. Indonesia remains in focus with CPI data due as the Rupiah stays vulnerable. In CEEMEA, Romania faces a critical 5 May vote of no-confidence on PM Bolojan. In LATAM, Brazil benchmark corporates and several Chilean names report, including fuel-exposed Latam Airlines. New issuance likely to finance Mexico electric generation. Mexico CPI may show inflation above target even as Banxico cuts rates.

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

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Primary New Issue Monitor & FV

EM Primary

Primary markets were broadly similar to last week in terms of total issuance, which reached USD5.4bn against USD5.2bn last week. In Asia, issuance slowed to USD1.1bn (prev. USD1.25bn), with Korea Expressway's 5Y and SK On's 3Y launching 13bp and 5bp wider to our FV respectively. In CEEMEA, USD1.95bn (prev. USD2.25bn) was raised across Emirates NBD's PERP NC6, alongside Kazakhstan's Baiterek 7Y and QazaqGaz 10Y, NICs came at 25bp, 38bp, and 7bp respectively. LATAM led issuances at USD2.35bn (prev. USD1.7bn), with Banco Nacional de Mexico and Generadora de Gatun launching through our FV at NICs of -5bp and -13bp respectively.

Source: MNI, Bloomberg Finance L.P.

Date	Issuer	Country	Type	CCY	Size (mn)	Tenor	IPT	MNI FV	Final	NIC (bp)	Book (x)	T+1 spread change (bp)
27-Apr	HIGHWY	ASIA	SSA	USD	600	5.00	75	24	37	13	n/a	(0.5)
28-Apr	EBIUH	CEEMEA	FIG	USD	750	PERP-NC6	6.750%	6.000%	6.250%	25	n/a	(7.7)
28-Apr	BAINAT	CEEMEA	SSA	USD	500	7.00	5.625%	5.000%	5.375%	38	1.60	2.7
28-Apr	SKONKR	ASIA	Corp	USD	500	3.00	95	52	57	5	7.60	(3.9)
29-Apr	KZTGKZ	CEEMEA	Corp	USD	700	10.00	6.375%	5.800%	5.875%	7	4.10	(1.6)
30-Apr	BANMEX	LATAM	FIG	USD	1,300	10.25-NC5	7.000%	6.750%	6.700%	-5	n/a	n/a
30-Apr	GATUNP	LATAM	Corp	USD	1,050	18.40	7.310%	7.000%	6.875%	-13	n/a	n/a

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Pivot Points

Rates

U.S. Treasury yields rose 7-10bp across the curve, which may have discouraged EM credit primary issuance as doubts about Middle East peace reemerged, but secondary market EM credit spreads were unfazed. Concerns about the inflationary effect from persistently higher oil prices led the market to price in a pause in monetary policy for the next year which kept short maturity Treasury yields elevated. The Treasury 2s/30s curve flattened another 4bp, 28bp YTD.

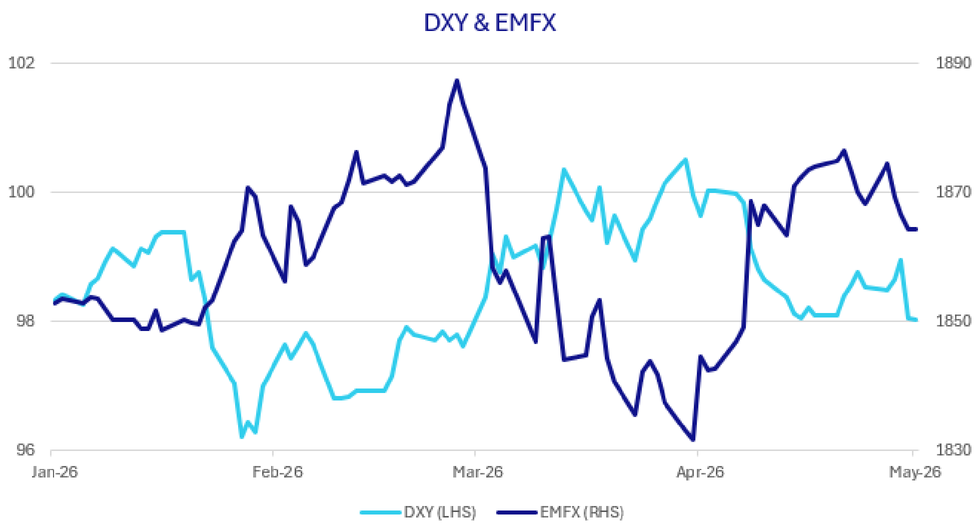
EMFX

The U.S. Dollar Index (DXY) is down roughly 0.5% w/w and remains just above 98, somewhat lagging the magnitude of oil's rally and despite earlier reports that Trump was being briefed on military options in Iran. Renewed equity market jitters may drive a return above 100, the prevailing range in early-April. In contrast to the long-term relationship between EMFX and USD, MSCI EM FX Index moved in tune and is 0.2% weaker w/w (see chart below).

In Asia, USD/IDR reached 17,353, a further 0.9% deterioration of the Rupiah in the week, taking year-to-date losses to 4.0%. BI Governor Warjiyo states the currency is undervalued compared to fundamentals, and certainly solid Q1 GDP numbers indicate economic resilience, but investors remain concerned about the prospect of a higher deficit. The BI now signals that rate cuts are unlikely, with a focus now on currency stability. We may see rate hikes in the month ahead.

In CEEMEA, Romania's EUR/RON rose ~2% w/w ahead of Romania's upcoming vote of no confidence, given the NBR's tightly managed FX framework, sustained pressure could increasingly translate into reserve depletion if defence efforts intensify. Similarly, Kenya's USD/KES briefly touched 130 recently, the CBK has however held the de facto peg. Reserve drawdowns of roughly ~USD200mn p/week since March underscore growing vulnerability around Kenya's capacity to withstand external risks and may pressure its credit.

In LATAM, most major currencies were little changed except Colombia where COP weakened 2.3%, correcting from YTD highs set last week. There was uncertainty if Colombia Finance Minister Avila would attend this week's central bank meeting despite required attendance, as he walked out of the last one in protest. A 50bp rate hike was expected, following a 100bp hike previously, that may have caused the FX to further strengthen into this week. Then the finance minister chose to attend and instead of a rate hike the market got a pause with some promises of fiscal restraint. None of that affected Colombia hard currency bonds which were more focused on the looming presidential election and the binary outcome with the likely volatility it presented.



Source: Bloomberg Finance L.P. / MNI. Date Indexed Since 1 Jan

Commodities

Oil markets have shifted from earlier optimism to the reality of sustained supply disruption in the Persian Gulf. ICE Brent briefly moved above $122/bbl, its highest level since the start of the Iran conflict. The breakdown in US-Iran talks, alongside reports that President Trump rejected Iran's proposal to reopen the Strait of Hormuz, has significantly reduced expectations for any near-term normalisation in oil flows. Reports that Iran sent its latest proposal to the US will be a watch-point over the weekend.

Sustained higher oil prices will continue to bolster the relative fiscal positions of oil exporters insulated from the conflict, including Angola, Nigeria, and Kazakhstan, though elevated import costs will partially offset these gains. Conversely, net importers remain disproportionately vulnerable to prolonged price shocks. Kenya FinMin announced aims to secure financing through IFI's by end-June, signs of reserves distress may be creeping up as the country has been depleting USD200mn reserves p/week for the past several weeks.

In precious metals, gold fell 2.8% w/w, extending recent losses. Softer gold prices may marginally weigh on export receipts for producers such as Ghana and Uzbekistan, but the broader fiscal and external gains accumulated during the multi-year gold rally should continue to provide a meaningful cushion, limiting immediate spread sensitivity. The rise in oil prices was expected to help LATAM oil exporting countries as well, though fuel subsidies in several countries like Brazil and Colombia will offset some benefits, but political concerns due to upcoming presidential elections dominated sentiment and limited gains. Airline bond spreads widened as fuel cost and demand destruction concerns resurfaced with oil prices hitting new highs while bonds of independent oil and gas producers rallied 12-26bp.

Credit Markets

The credit markets continued to shrug off geopolitical uncertainty, with spread moves notably tempered. CDS indices reflect the resilience, as CDX IG tightened 2bp while HY and EM were flat, reinforcing market nonchalance toward prevailing geopolitical risks.

EM hard currency bond index spreads tightened 4bp overall with CEEMEA and Asia moving in 2bp while LATAM spreads tightened 7bp. CEEMEA sovereigns had a diverging week, low beta (z<200bp) widening by 1bp, medium-betas widening by 4bp, and high-beta names tightening by 3bp. LATAM low beta sovereign and corporate bond spreads generally tightened 3-8bp while several high yield sovereign and corporate names tightened 10-30bp.

In Focus – Resilience in Earnings

The conflict in the Middle East is the overriding geopolitical risk driving sentiment, but one would be forgiven for assuming the risks are manageable. Emerging market credit spreads are close to year-to-date tights, having recovered to pre-conflict levels, and results season has been for the most part a story of resilience. The reality is these numbers, up to end March, may be as good as it gets for credit quality if the crisis remains unresolved or indeed escalates.

In Asia, bank and insurance results have been solid. We see banks expanding NIM on higher rates, lower funding costs, as well as stable asset quality and strong capital adequacy numbers. Insurance companies similarly are generating higher NBV and margins, all the while enjoying strong solvency levels. That said, we note risks growing in some places, Bank Negara Indonesia 1Q results show margin compression (30bp) and weaker capital ratios (CET1, -2ppt versus FY25) as loan growth accelerates (+20%). NPLs for now are stable at 1.9%. In the Philippines, Rizal Commercial Bank headline numbers were strong, NIM expanded 100bp y/y in line with the growth in higher margin, higher risk consumer loans (+27% y/y). This is showing however, with NPLs +30bp to 2.8%, and CET1 ratio 1.2ppts lower.

In the Middle East, GCC bank and insurance results have also been solid. We see NIM resilience despite rates headwinds, sustainable funding costs, improving asset quality, and adequate capitalisation across both national champions (Saudi Nat'l Bank: CET1 17.7%; Emirates NBD: NIM 3.35%; NBK: NPL ratio 1.35%) and smaller-footprint institutions (QIB: CET1 19.2%; Mashreq: NPL ratio 0.90%).

Among African miners, we see still elevated year-to-date metal prices (Au: +8%, Cu -1%; Pt -5%) sustaining profitability despite volumes impacted by operational constraints at times (First Quantum Minerals: prod'n -4% q/q). Strong FCF generation (Endeavour Mining: FCF $ 604mn) is driving credit-positive deleveraging, now evident across several gold miners (Endeavour Mining: net cash; Sibanye Stillwater: 0.6x), with focus gradually shifting toward shareholder friendly policies.

Among African upstream producers, improved growth prospects (Seplat: Q1 prod'n of 129.8k b/d, maintaining FY guidance of 135-155k b/d; Tullow Oil: Q1 prod'n at top end of guidance and raised FY oil price assumptions to $70-100/bbl) are feeding through to the bottom line, translating into FCF generation (Seplat: FCF $199mn, +11% y/y) and deleveraging (Seplat: leverage 0.43x well below guidance).

ASIA

Corporates

- Adani Ports, a solid set of FY results, with leverage unchanged on the year. New bond buybacks not on the agenda. Upgrade by S&P on the cards. Positive bias for spreads.
- In gaming, China Sands was upgraded to mid BBB, as large scale development projects, which would drive leverage higher, are not on the table at present, while the company focuses on the Marina Bay Sands project in Singapore. Neutral for spreads.
- In Indonesia, Indofood reported Q1 results, and while leverage was unchanged, we are starting to see margin compression as higher food related input costs rise. Negative for spreads.
- Fitch upgraded SK Hynix to BBB+, following recently reported Q1 numbers that delivered a surge in earnings. S&P will be key to watch now, with single A on the cards. Positive for spreads.
- LG Chemical, and wholly owned subsidiary LG Energy Solution, delivered a weak set of Q1 numbers, driven mainly by Energy Solutions. Leverage hikes may lead to pressure on the ratings.
- India's Vedanta Resources subsidiary, Vedanta Limited, reported strong 4Q26 results, driven by higher LME prices, improved Aluminium premiums and strong volume growth. Supportive of further deleveraging at the parent level. Overall positive for valuations.
- Staying in India, Reliance Industries results were solid despite energy segment headwinds. Leverage remains stable, and a Jio IPO announcement is likely in the coming days, which could trigger outperformance of the USD bonds.
- In the bank and insurance sector, we saw solid results from KEB Financial Group, FWD Group, AIA Group, Ping An Insurance, Rizal Commercial Banking, Woori Financial and some weaker numbers from Bank Negara Indonesia.
- Primary was limited, we provided fair value analysis for SK On and Korea Expressway.

Sovereigns

- In Thailand, PTT Group has flagged rising costs from running refineries above full capacity, while the Thai government may relax fiscal limits and raise the debt cap to 75%, paving the way for more USD bond issuance.
- Moody's upgraded the outlook on its A1 China rating from negative to stable overnight, now in line with S&P. China also announced possible offshore green bonds in H2.

Asia EM Best Performers

Ticker	Security	z-sprd Δ	Rating
NICAU	NICAU 9 09/30/30	-33.2	(B1/NR/B+)
VEDLN	VEDLN 11 1/4 12/03/31	-31.8	(NR/B/BB-)
VEDLN	VEDLN 9.85 04/24/33	-28.1	(B2/B/NR)
VEDLN	VEDLN 9 1/8 10/15/32	-25.1	(B2/NR/BB-)
KZTGKZ	KZTGKZ 4 3/8 09/26/27	-21.1	(Baa2/NR/BB+)
VEDLN	VEDLN 9.475 07/24/30	-21.1	(B2/B/NR)
GRNCH	GRNCH 8.45 02/24/28	-21.0	(B1/NR/NR)
MUTHIN	MUTHIN 6 3/8 04/23/29	-20.6	(NR/BB+/BB+)
ZHOSHK	ZHOSHK 5.98 01/30/28	-20.6	(NR/BBB-/NR)
SDEXPR	SDEXPR 4.6 04/16/28	-18.2	(A3/NR/A)

Asia EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
SRILAN	SRILAN 4 04/15/28	62.7	(Caa1/CCC+/CCC+
PKSTAN	PKSTAN 7 3/8 04/08/31	28.5	(Caa1/NR/B-)
PKSTAN	PKSTAN 7.95 01/31/29	14.2	(Caa1/NR/B-)
SDIC	SDIC 3 5/8 05/04/27	9.9	(A2/A/A)
SOPOWZ	SOPOWZ 3 1/2 05/08/27	8.6	(A1/A+/A)
PLNIIJ	PLNIIJ 4 06/30/50	8.4	(Baa2/BBB/BBB)
PLNIIJ	PLNIIJ 4 1/8 05/15/27	7.2	(Baa2/NR/BBB)
PLNIIJ	PLNIIJ 6.15 05/21/48	7.1	(Baa2/NR/BBB)
SFHOLD	SFHOLD 3 1/8 11/17/31	7.1	(A3/A-/A-)
HIGHWY	HIGHWY 5 05/14/27	6.8	(Aa2/AA/NR)

Source: MNI, Bloomberg Finance L.P.

CEEMEA

Corporates

- Rating actions affected Czech corporates this week. CEZ's outlook was revised to negative by S&P following management's plan to divest up to 49.9% of its regulated gas, electricity distribution, and ESCO operations. České Dráhy was upgraded by Moody's to Baa1 following improved liquidity and stronger operating performance.
- Polish banks delivered neutral to positive interim earnings this week, with Millennium Bank report being mildly positive for credit, while Bank Pekao and mBank were credit neutral.
- Kazakh corporates were active in primary, with Baiterek International Holdings issuing a $ 7Y at 5.375%, QazaqGas launching a $ 10Y at 5.875% alongside a USD750mn tender for 2027 notes, and Bank RBK mandated a $ 10Y bond. Elsewhere, Kazatomprom's operational results for the first quarter were solid, as production was up by 9% y/y.
- SOCAR's Q1 operational update was neutral for credit, valuations have benefited from the Middle East conflict.
- Turkish Yapi Kredi Bank earnings were broadly neutral for credit sentiment. Elsewhere, Fitch revised Turkcell's outlook to stable following the sovereign outlook adjustment.
- Saudi Arabia earnings were mixed for credit, Saudi Telecom's results were credit supportive, while Saudi Basic Industries Corporation reported weaker revenues but recovering profitability, neutral for credit.
- UAE earnings were neutral to positive for credit. Among corporates, Aldar Properties beat estimates and provided credit supportive guidance, while Dubai Aerospace Enterprise results presented a credit neutral tone. Among banks, Mashreq Bank solid performance is well reflected in valuations, neutral read for Dubai Islamic Bank on moderate growth and resilient profitability. In primary, Emirates NBD Bank priced a PNC6 AT1 at 6.25%, leaving some NIC vs our 6% FV.
- Qatar Insurance Company posted strong Q1 growth in gross written premia and net profit.
- Zambia focused First Quantum's Q1 cost pressures weighed on the bottom line despite a top-line beat, neutral for credit sentiment.
- West Africa focused Endeavour Mining's Q1 was credit positive with a significant net cash position and focus on organic growth.
- Nigerian Seplat Energy Q1 was supportive for credit sentiment, price tailwinds and diversification support strong FCF generation.
- Ghana focused Tullow Oil posted FY25 results. Post-refinancing, the story shifts towards equity, supported by higher oil price guidance and potential upside from a "higher for longer" oil environment. Longer term, deleveraging remains key for credit, with execution critical.
- Fitch revised Sibanye Stillwater's outlook to stable, further debt reduction is expected.

Sovereigns

- EU Funds being frozen is becoming an increasingly material medium-term risk for Slovakia, given implications on fiscal stability. Slovakia was downgraded by S&P to A, reflecting elevated fiscal deficits and weaker growth.
- Serbia launched a multi-ccy bond offering (€ 5Y & 12Y and $ 10Y tranches), pricing at MS+150bp, MS+200bp, and T+145bp, respectively.
- Romania's 5 May vote of no confidence will be a critical near-term catalyst for assessing fiscal and political trajectory.
- Lithuania was upgraded by Fitch to A+, with superior economic growth and resilience to external shocks cited as key drivers.
- The UAE's surprise OPEC exit could have longer-term market implications, particularly if Strait shipping normalises given excess capacity is unlocked, muted reaction for spreads.
- Angola's stronger oil revenue windfall should ease fiscal pressures, though elevated import costs will limit the full benefit.
- Kenya's widening twin deficits and external funding gaps leave it uniquely exposed to prolonged Gulf-related disruption, negative for credit.
- Ghana revoked Adamus Resources' mining licence over reported breaches of mining regulations
- South Africa's fiscal performance is modestly weaker than target.

CEEMEA EM Best Performers

Ticker	Security	z-sprd Δ	Rating
ANGOL	ANGOL 8 3/4 04/14/32	-50.0	(B3/B-/B-)
ANGOL	ANGOL 9 3/8 03/31/33	-47.7	(B3/B-/B-)
ANGOL	ANGOL 9.244 01/15/31	-47.3	(B3/B-/B-)
AZURGY	AZURGY 8 1/8 01/23/30	-43.2	(B2/NR/B+)
ANGOL	ANGOL 9 7/8 10/15/35	-40.1	(B3/B-/B-)
ANGOL	ANGOL 8 11/26/29	-40.1	(B3/B-/B-)
AZURGY	AZURGY 8 1/4 01/22/31	-36.9	(B2/NR/B+)
AZURGY	AZURGY 8 5/8 01/22/33	-35.1	(B2/NR/B+)
ANGOL	ANGOL 8 1/4 05/09/28	-32.4	(B3/NR/B-)
SASOL	SASOL 5 1/2 03/18/31	-30.2	(Ba1/BB+/NR)

CEEMEA Worst Performers

Ticker	Security	z-sprd Δ	Rating
MERSIN	MERSIN 8 1/4 11/15/28	68.8	(NR/BB/BB-)
ELDCN	ELDCN 6 1/4 09/01/29	66.8	(B1/BB-/B+)
SISETI	SISETI 8 1/4 05/02/29	37.9	(B2/NR/B)
WESODA	WESODA 9 1/2 10/06/28	25.8	(NR/BB-/B+)
BEXBAH	BEXBAH 5 1/4 04/08/29	24.9	(NR/NR/B)
CCOLAT	CCOLAT 4 1/2 01/20/29	23.0	(NR/BB+/BBB)
BEXBAH	BEXBAH 7 1/2 10/25/27	21.8	(NR/NR/B)
SISETI	SISETI 8 5/8 05/02/32	21.4	(B2/NR/B)
PGSUST	PGSUST 8 09/11/31	18.1	(Ba3/B+/BB-)
IRAQ	IRAQ 5.8 01/15/28	16.7	(NR/NR/NR)

Source: MNI, Bloomberg Finance L.P.

LATAM

Corporates

- Pemex lost money again. There were some anecdotal positives, but overall profitability was still down yet the results were not likely to impact the market as government support seems likely, at least through the end of this year.
- Mexico bank Banamex issued $1.3bn subordinated Tier 2 10.25NC5-year notes with fair value sandwiched between outstanding BBVA Mexico Tier 2 outstanding debt and Banorte Tier 1 bonds.
- Generadora de Gatun, a gas-fired electricity power plant in Panama, issued $1.05bn 12.6Y WAL project bonds at 6.875% vs MNI fair value of 7% due to strong demand for a well-structured deal.
- Steep drop in revenues and EBITDA QoQ reported for Brazil paper company Suzano due to typical seasonality so not alarming. YoY's results were small negative but oil and fx hedges cushioned earnings and overall credit quality was left intact with stable leverage so market impact should be limited.
- Another strong earnings report from Brazil's Vale, but no change to an already strong credit profile as net operating revenues rose 14% while adjusted EBITDA increased 23%. Free cash flow equalled $813mn while reported net debt leverage was unchanged at .8x.
- While Gerdau net sales were slightly lower both QoQ and YoY in Q1, EBITDA rose significantly for the Brazil based global steel producer with significant production capacity in North America. Debt leverage was unchanged and spreads already reflect a solid IG rated profile so market impact should be limited.
- Mexico's Televisa revenue declined while operating income increased and net debt leverage was little changed so overall the credit profile remained unchanged in the company's Q1 earnings report. The satellite business continued to decline in pace with past quarters while enterprise, voice and mobile made most of the difference.
- Orbia reported flat EBITDA and debt leverage up slightly, but several key businesses underperformed and EBITDA margins compressed. YTD bond performance seemed inconsistent with earnings results
- Chile's regulated electric utility Colbun reported flat revenues and substantially higher costs led to a weak earnings report with EBITDA declining 26% YoY, but it was mostly due to non-recurring events, and the credit profile was little changed so market impact should be limited.

Sovereigns

- IDB already pledged $4.5bn to Bolivia over the next 2-4 years so the approval of an $800mn loan is further progress in enabling disbursement.
- Colombia left the policy rate unchanged vs expectations of a 50bp hike. FinMin Avila attended the CB meeting, and it seems agreed to fiscally responsible proposals in exchange for that consensus rate pause.
- Conflicting presidential polls in Colombia failed to move the market either way as focus was still on the aftermath from the $4.2bn bond buyback.
- Disappointing Mexico economic growth may result in higher fiscal deficits, higher debt/GDP and may also lower the ruling party's popularity, potentially leading to a Moody's rating downgrade. Valuations already reflect a lower rating but that is likely due to extraordinary issuance from Mexico this past year to support its troubled govt-owned energy company Pemex.
- China's CMOC agrees to $1.7bn investment for a gold mining project in Ecuador, so long term positive but short term not much economic benefit so expect limited market impact.

LATAM EM Best Performers

Ticker	Security	z-sprd Δ	Rating
SAAVIE	SAAVIE 8 7/8 02/10/35	-75.5	(Ba2/NR/BB-)
BOLIVI	BOLIVI 4 1/2 03/20/28	-50.5	(Caa3u/CCC+/NR)
BOPREA	BOPREA 5 10/31/27	-44.7	(NR/NR/NR)
SIERRA	SIERRA 9 11/14/30	-37.1	(B1/NR/B+)
PRIOBZ	PRIOBZ 6 3/4 10/15/30	-28.6	(Ba2/NR/BB+)
TGPERU	TGPERU 4 1/4 04/30/28	-27.1	(Baa1/NR/BBB+)
BTGPBZ	BTGPBZ 5 3/4 01/22/30	-25.3	(Ba1/NR/BB+)
TIEMOD	TIEMOD 5 3/4 12/01/40	-23.1	(Baa2/BBB/BBB-)
COSHSA	COSHSA 9 3/8 11/07/29	-22.6	(NR/B+/B)
TRNGEN	TRNGEN 7 3/4 06/16/33	-22.6	(NR/BB+/BB)

LATAM EM Worst Performers

Ticker	Security	z-sprd Δ	Rating
BUEAIR	BUEAIR 7 1/2 06/01/27	97.2	(B2/B-/B-)
BOPREA	BOPREA 5 10/31/27	94.0	(NR/NR/NR)
JAMAN	JAMAN 6 3/4 04/28/28	70.4	(Ba3/BB/BB-)
BOPREA	BOPREA 5 10/31/27	23.3	(NR/NR/NR)
BOPREA	BOPREA 5 10/31/27	21.9	(NR/NR/NR)
CWCLN	CWCLN 7 1/8 10/15/32	18.6	(Ba3/BB-/BB-)
RDEDOR	RDEDOR 4 1/2 01/22/30	18.5	(NR/BB+/BB+)
ORBIA	ORBIA 2 7/8 05/11/31	18.2	(Ba2/BBB-/BB+)
ELSALV	ELSALV 9 1/4 04/17/30	16.4	(NR/B-/B-)
ELSALV	ELSALV 8 5/8 02/28/29	13.8	(B3u/B-/B-)

Source: MNI, Bloomberg Finance L.P.