



Emerging Markets Monthly Highlights

Shifting Trade Winds Provide A Breather

S&P Global
Ratings

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May 15, 2025

This report does not constitute a rating action

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Emerging markets consist of:

Latin America: Argentina, Brazil, Chile, Colombia, Mexico, Peru.

Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines, Vietnam.

EMEA: Hungary, Poland, Saudi Arabia, South Africa, Türkiye.

Greater China: China, Hong Kong, Macau, Taiwan, and Red Chip companies (issuers headquartered in Greater China but incorporated elsewhere).

Key Takeaways



The bilateral reduction in tariffs between the U.S. and China provides near-term relief for emerging markets (EM).

The associated reduction in risk aversion and volatility improves the financial markets backdrop for EM issuers. However, despite this tariff climbdown, there is still significant uncertainty over U.S. trade policy, as bilateral tariff negotiations with other countries continue. This uncertainty alone could continue to hold back investment across EMs.



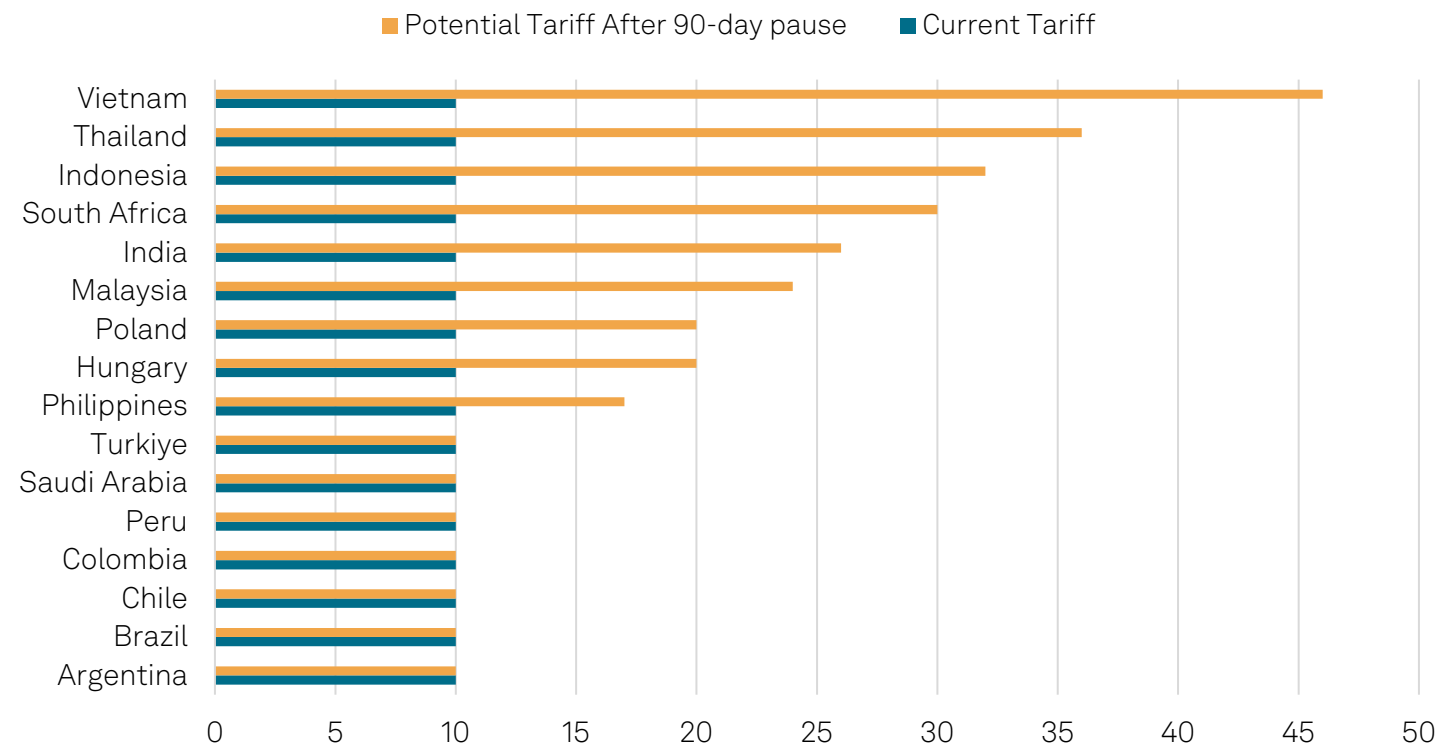
Brent crude price fell \$15/bbl year to date 2025 amid demand concerns and rising OPEC+ output. S&P Global Ratings revised its oil price forecast down by \$5/bbl. Lower oil prices, along with a weakening U.S. dollar, may support disinflation in most EMs, as their currencies have generally appreciated year to date.



EM benchmarks mildened in April, while corporate yields increased, more pronouncedly among the speculative-grade rated entities. Corporate spreads recorded an abrupt widening in the first week after April 2 announcements and retrenched mildly during the following ones. The tariff turmoil hit market activity outside China, which more than halved with respect to last month. Greater China's monthly bond issuance rose by 22%, particularly among financial institutions and utilities.

Tariff Climbdown Is A Near-Term Relief For EMs

U.S. tariffs on imports from key EM (%)

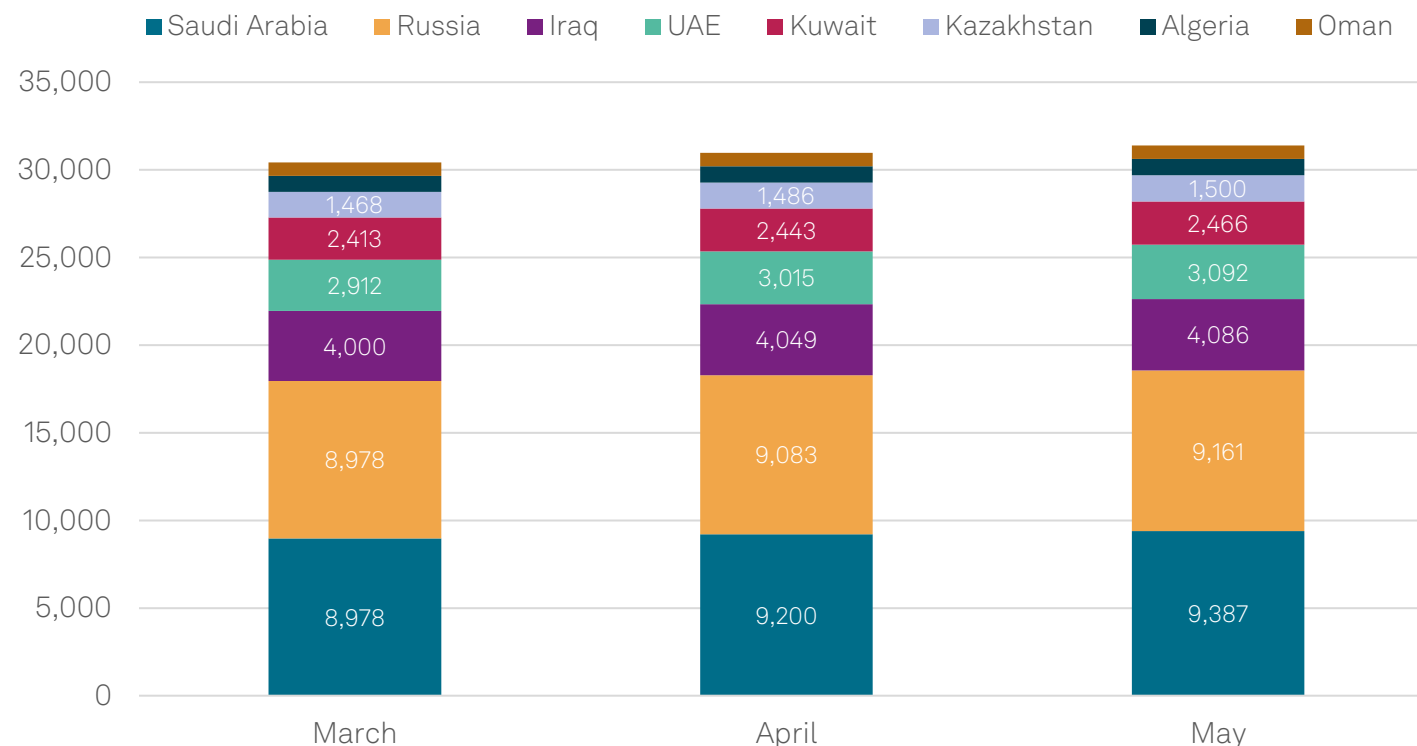


Sources: U.S. White House.

- **The bilateral reduction in tariffs by the U.S. and China will provide near-term support for EM assets.** Following the announcement, risk aversion and volatility declined, improving the financial markets backdrop for issuers.
- **Beyond the initial impact, there is still a significant amount of uncertainty about U.S. trade policy and its impact on EMs.** Bilateral tariff negotiations continue with several EMs, and these could extend beyond the current 90-day pause to higher U.S. tariffs. Sectorial-specific tariffs (autos, steel and aluminium, semiconductors, and others) also remain in place. The uncertainty could keep investment subdued, even after the initial relief from the tariff climbdown between U.S. and China.

Oil Prices | OPEC+ Announced An Additional Increase In Oil Production

OPEC+ production targets (thousand barrels a day)



Sources: Organization of the Petroleum Exporting Countries (OPEC) and S&P Global Ratings.

- **Given demand concerns and higher oil production by OPEC+ members, Brent price have fallen by around \$15/bbl, since the beginning of 2025.** On May 3, OPEC+ announced a production increase of 411,000 barrels per day, compared with April targets (and more 900,000 barrels a day since March).
- **Following recent developments, S&P Ratings revised down its Brent price assumptions by \$5/bbl for the rest of 2025** ([“S&P Global Ratings Lowers Its Oil Price Assumptions On Price Assumptions Unchanged,”](#) published April 10).
- **These developments may be disinflationary for many EMs.** Decreasing oil prices and simultaneous U.S. dollar weakening will likely support disinflation in many EMs. Except in Argentina, Turkiye, Indonesia, and Vietnam, EM currencies have appreciated considerably against U.S. dollar year to date.

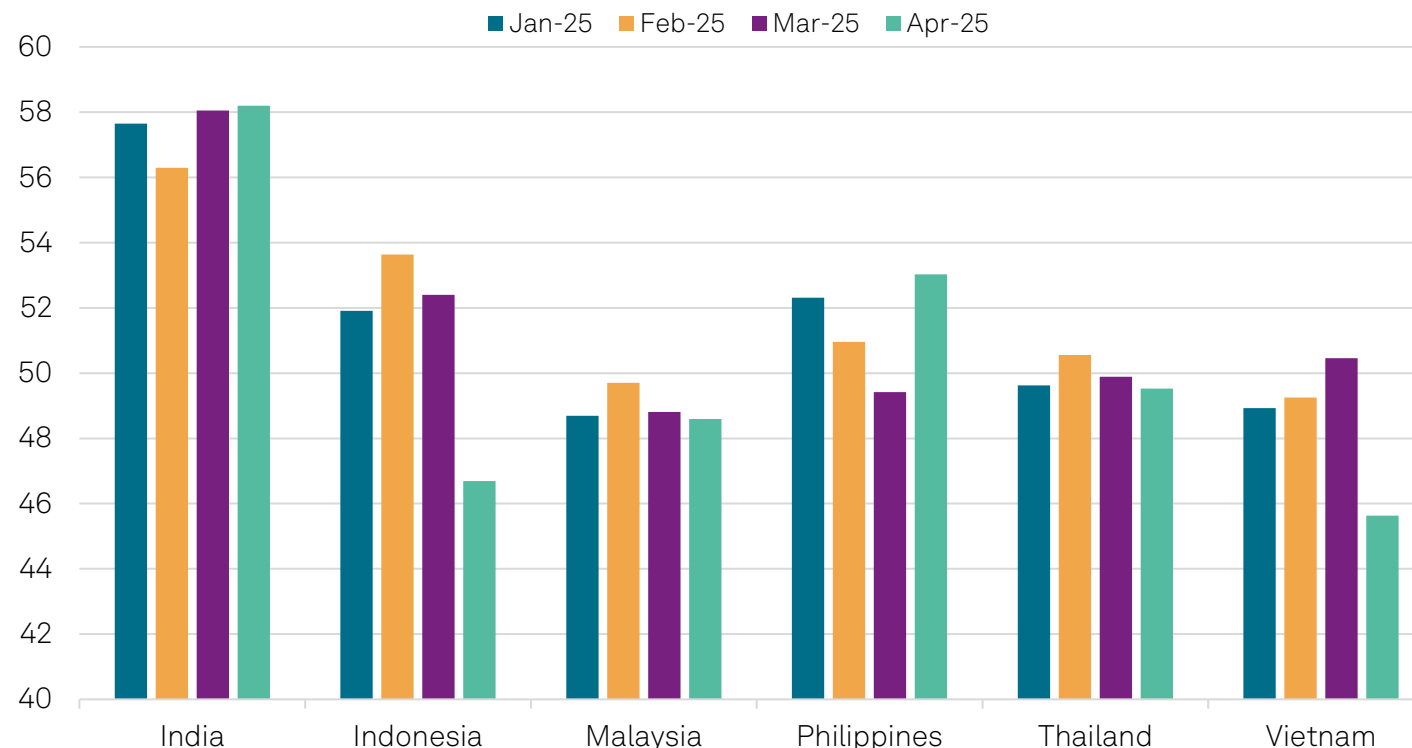
Regional Economic Highlights

EM Asia Economics | Manufacturing Activity Dips In April

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- **EM Asia saw a decline in manufacturing activity in April**, as tariffs rose 10% on all imports into the U.S. came into effect.
- The January to March period had also been lifted by stockpiling and inventory-building efforts by firms.
- **The recent announcement of easing in U.S.-China tensions is favorable for EM Asian manufacturing sectors**, which provide key inputs into manufacturing in China.
- Indonesia's April PMI reading's sharp drop additionally reflects **softer domestic demand conditions in the economy**.

Headline manufacturing PMI



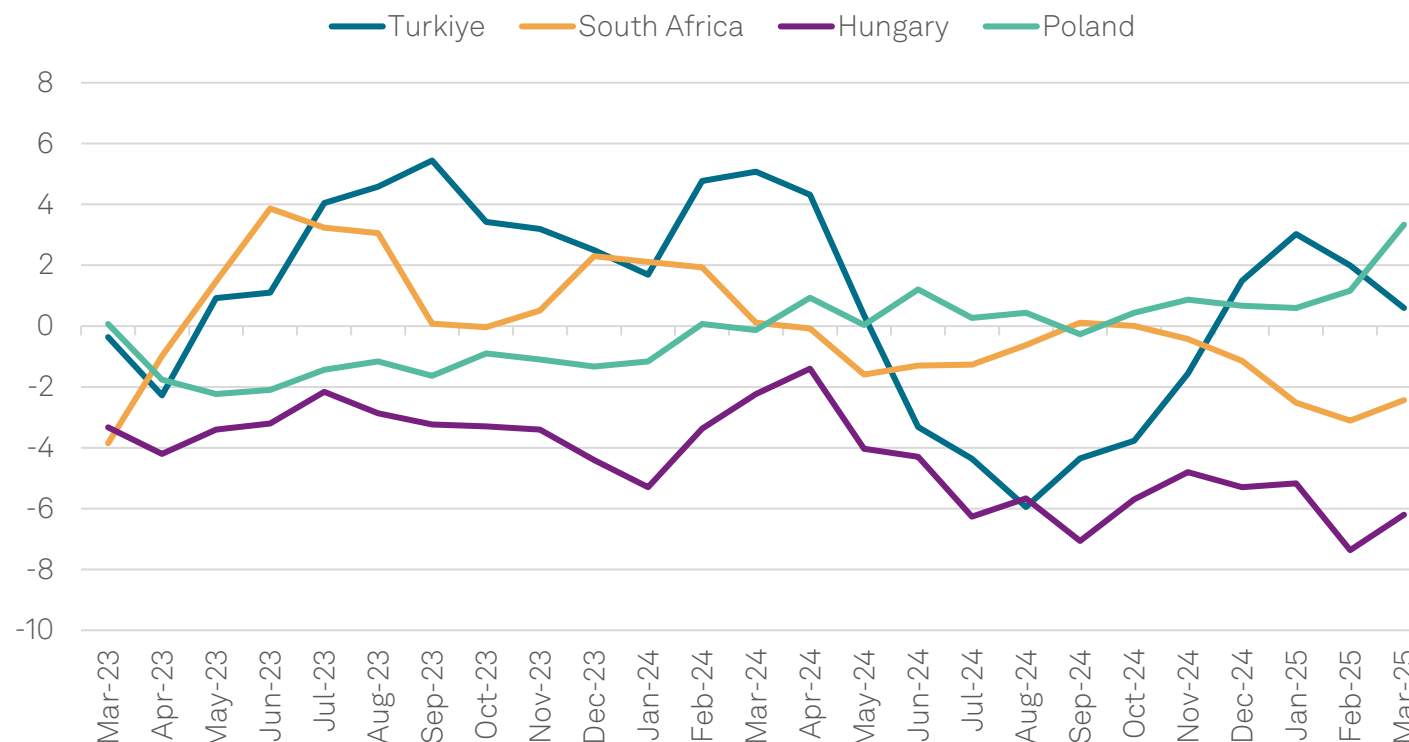
Sources: Ministry of Statistics and Programme Implementation and S&P Global.

EM EMEA Economics | External Demand Seems To Weaken Again

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- **Manufacturing indicators weakened after some recovery in Q3 and Q4.** Despite some improvements in the eurozone's growth, general weakness in external dynamics seem to continue, with a few exceptions.
- **Forward-looking indicators point to prolonged weakness in external demand, as export orders PMIs suggest.** Despite some improvements early this year, export orders PMIs remain below 50 for all key EM EMEA economies, with exception of Saudi Arabia.
- **Taking into consideration recent events, domestic demand is likely to remain a key growth driver for most of EM EMEA,** as external environment will likely remain unfavorable amid potentially lower external growth.

EM EMEA manufacturing indices (year-on-year)



Note: Three-month moving averages. Sources: National statistical agencies and S&P Global Ratings.

LatAm Economics | Mexico's GDP Growth Will Likely Weaken In Q2

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New York

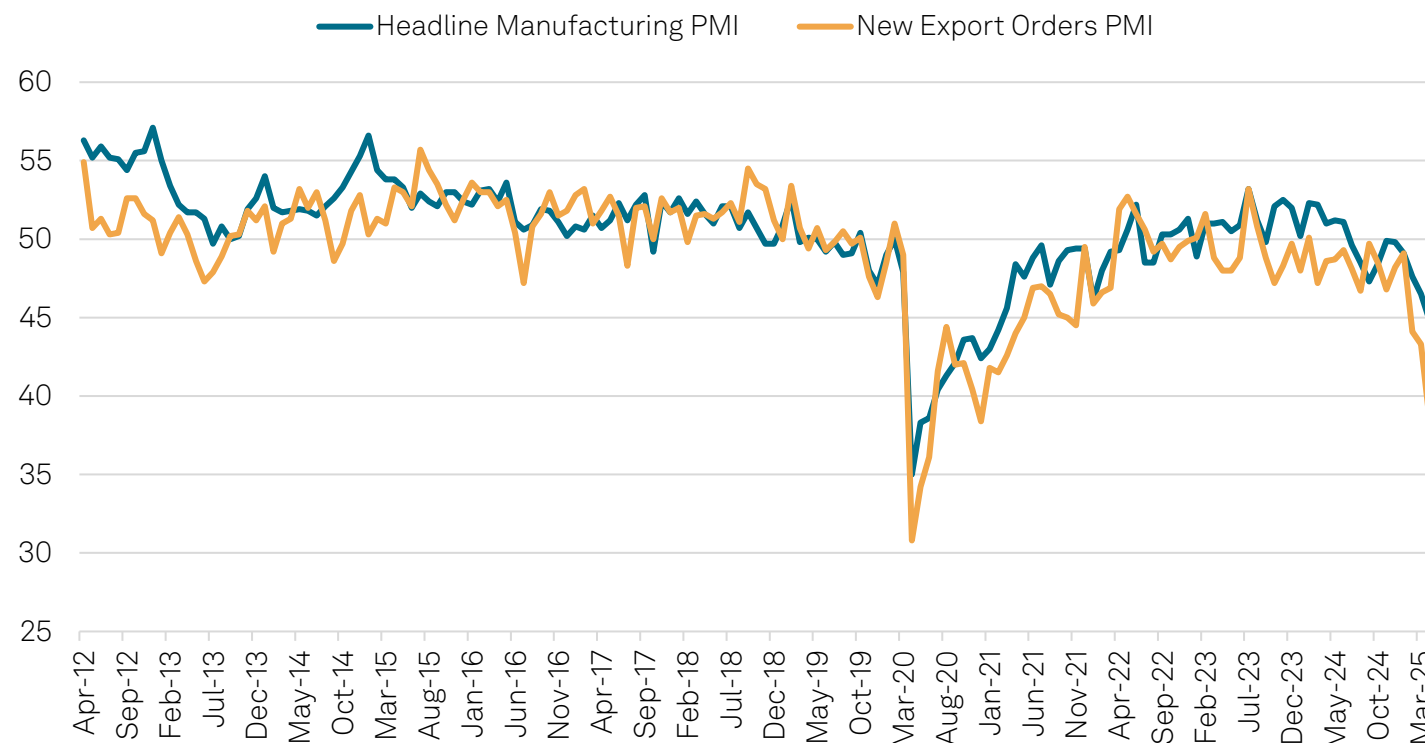
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- **Mexico's economy narrowly avoided a technical recession in the first quarter.** Following a 0.6% (quarter-on-quarter) contraction in GDP in Q4 2024, the economy expanded 0.2% in Q1 2025, according to a preliminary estimate.
- **Front-running of exports boosted Mexico's growth in Q1, but this trend will likely reverse in Q2.** Exports in March grew nearly 10%, as producers tried to get ahead of tariffs that were expected to be put in place in April. Since then, new export orders have plummeted, pointing to a likely contraction in exports as early as April.
- **Mexico's domestic demand has also softened.** Activity in the services sectors, which is more domestically-oriented, stalled in the first quarter. This, combined with weakness in the external sector, underpins our forecast for GDP to contract 0.2% in 2025.

Mexico manufacturing PMI



Source: S&P Global Ratings.

Macro-Credit Dashboards

GDP Summary | Most EMs Will Grow Below Trend In 2025

■ GDP growth below five-year average (2015-2019) ■ GDP growth above five-year average (2015-2019)

Country	Latest reading (y/y)	Period	Five-year avg	2021	2022	2023	2024f	2025f	2026f	2027f	2028f
Argentina	2.1	Q4	-0.2	10.4	5.3	-1.6	-1.7	4.8	2.8	2.7	2.5
Brazil	3.6	Q4	-0.5	5.1	3.1	3.2	2.9	1.8	1.7	2.1	2.2
Chile	4.0	Q4	2.0	11.5	2.2	0.6	2.4	2.0	2.1	2.3	2.5
Colombia	2.3	Q4	2.4	10.8	7.3	0.7	1.7	2.3	2.6	2.9	2.9
Mexico	0.8	Q1	1.6	6.3	3.7	3.3	1.2	-0.2	1.5	2.2	2.3
Peru	4.2	Q4	3.2	13.4	2.8	-0.4	3.3	2.5	2.5	2.8	2.9
China	5.4	Q1	6.7	8.5	3.0	5.2	5.0	3.5	3.0	4.3	4.5
India	6.2	Q4	6.9	9.7	7.6	9.2	6.5	6.3	6.5	7.0	6.8
Indonesia	4.9	Q1	5.0	3.7	5.3	5.0	5.0	4.6	4.7	5.0	4.9
Malaysia	4.4	Q1	4.9	3.3	8.9	3.5	5.1	3.9	3.8	4.5	4.5
Philippines	5.4	Q1	6.6	5.7	7.6	5.5	5.7	5.7	5.9	6.4	6.5
Thailand	3.2	Q4	3.4	1.5	2.6	1.9	2.5	2.3	2.6	3.1	3.1
Vietnam	6.9	Q1	7.1	2.6	8.0	5.0	7.1	5.6	6.0	6.5	6.6
Hungary	0.0	Q1	4.2	7.2	4.6	-0.7	0.6	1.5	2.5	2.3	2.4
Poland	4.1	Q4	4.4	6.8	5.5	0.2	2.8	3.1	2.9	2.9	2.8
Saudi Arabia	2.7	Q1	2.5	3.9	8.7	-0.9	1.3	3.5	4.2	3.5	3.4
South Africa	0.9	Q4	1.0	4.7	1.9	0.7	0.6	1.3	1.4	1.6	1.6
Turkiye	3.0	Q4	4.2	11.8	5.3	4.5	3.2	2.7	2.9	3.3	3.2

f--Forecast. y/y--Year on year. Sources: Haver Analytics and S&P Global Ratings.

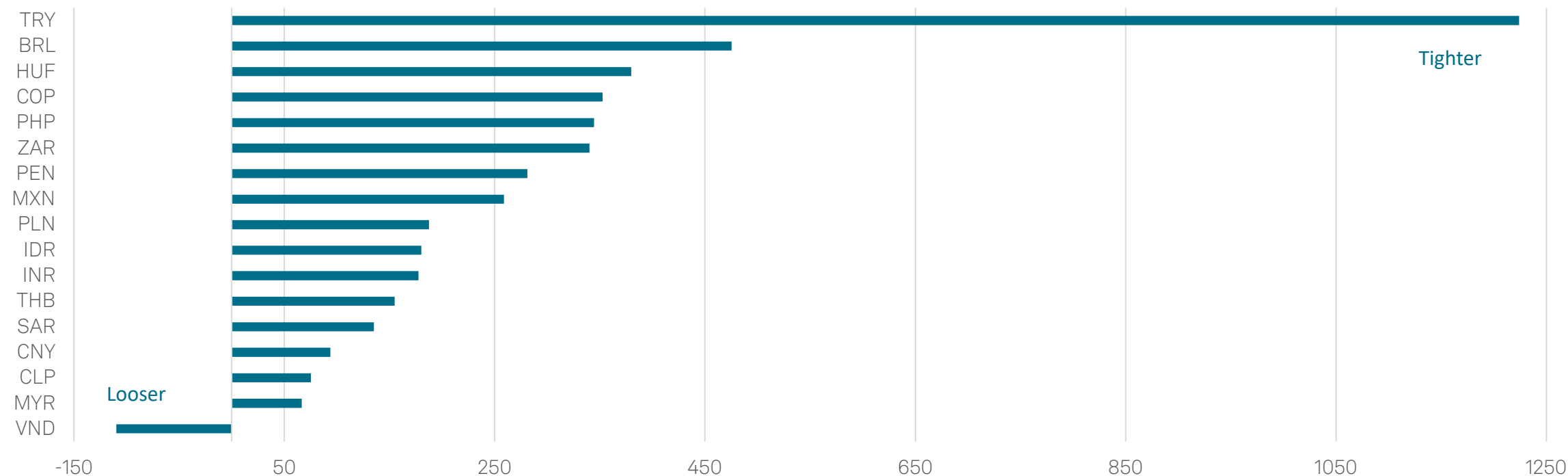
Monetary Policy/FX | Several Central Banks Cut Rates Last Month

Country	Policy rate	Inflation target	Latest inflation reading	Latest rate decision	Next meeting	April exchange rate change	YTD exchange rate change
Argentina	29.00%	No target	55.9%	Hold	N/A	-8.4%	-11.9%
Brazil	14.75%	3.0% +/- 1.5%	5.5%	50 bps hike	June 18	1.4%	9.4%
Chile	5.00%	3.0% +/- 1.0%	4.5%	Hold	June 17	0.1%	4.9%
Colombia	9.25%	3.0% +/- 1.0%	5.2%	25 bps cut	June 27	-0.1%	5.0%
Mexico	9.00%	3.0% +/- 1.0%	3.9%	50 bps cut	May 15	4.2%	6.0%
Peru	4.50%	1.0% - 3.0%	1.7%	25 bps cut	N/A	0.4%	2.6%
China	1.40%	3%	-0.1%	10 bps cut	N/A	-0.2%	0.5%
India	6.00%	4.0 +/- 2.0%	3.3%	25 bps cut	June 6	0.6%	0.7%
Indonesia	5.75%	2.5% +/- 1.0%	1.9%	Hold	May 21	-0.7%	-3.1%
Malaysia	3.00%	No target	1.4%	Hold	July 9	2.7%	3.5%
Philippines	5.50%	3.0% +/- 1.0%	1.4%	25 bps cut	June 19	2.0%	3.1%
Thailand	1.75%	2.0% +/- 1.0%	-0.2%	25 bps cut	June 25	1.5%	1.7%
Vietnam	4.50%	4%	3.1%	Hold	N/A	-0.5%	-2.5%
Hungary	6.50%	3.0% +/- 1.0%	4.2%	Hold	May 13	4.3%	10.6%
Poland	5.25%	2.5% +/- 1.0%	4.9%	50 bps cut	June 4	2.7%	9.0%
Saudi Arabia	5.00%	No target	2.3%	Hold	N/A	0.0%	0.0%
South Africa	7.50%	3.0% - 6.0%	2.7%	Hold	May 29	-1.8%	0.4%
Turkiye	46.00%	5.0% +/- 2.0%	37.9%	350 bps hike	June 19	-1.6%	-8.0%

Note: Red means inflation is above the target range/policy is tightening/exchange rate is weakening. Green means inflation is below the target range/policy is easing/exchange rate is strengthening. A positive number for the exchange-rate change means appreciation. Argentina's central bank no longer targets inflation, nor does it set the policy rate directly (it is set based on monetary aggregates targeting). For China, we use the PBOC's seven-day reverse repo. bps--Basis points. YTD—year to date. N/A—Not applicable. Sources: Haver Analytics and S&P Global Ratings.

Real Interest Rates | Significant Wiggle Room To Cut Rates Across EMs

Deviation in current real benchmark interest rates from 10-year average (bps)



Data as of April 30, 2025. Note: Real interest rates are deflated by CPI. In the cases where we didn't have 10 years of history, we used all the available data to calculate the average. We exclude Argentina. For China, we use the seven-day reverse repo rate. Sources: Haver Analytics and S&P Global Ratings.

EM Heat Map

	Saudi Arabia	Poland	Mexico	Peru	Chile	Malaysia	Philippines	Indonesia	China	South Africa	Thailand	India	Colombia	Brazil	Vietnam	Turkiye	Argentina
FC Sovereign Rating	A+	A-	BBB	BBB-	A	A-	BBB+	BBB	A+	BB-	BBB+	BBB-	BB+	BB	BB+	BB-	CCC
Sovereign Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Positive	Stable	Positive	Negative	Stable	Stable	Stable	Stable
Institutional	3	4	3	4	2	3	3	3	3	4	4	3	3	4	4	4	6
Economic	3	3	5	4	4	3	4	4	3	5	4	4	4	5	4	4	5
External	1	2	2	3	4	2	1	3	1	2	1	1	5	2	3	4	6
Fiscal (BDGT)	4	5	4	2	2	4	3	3	5	6	3	6	4	6	4	5	6
Fiscal (DBT)	1	3	4	3	2	5	4	4	4	6	3	6	5	6	3	4	5
Monetary	3	2	3	3	2	2	3	3	2	2	2	3	3	3	4	5	6
Economic Risk	5	4	6	6	4	5	6	6	7	7	7	6	7	7	9	8	10
Industry Risk	4	5	3	3	3	3	5	6	5	4	6	5	5	5	8	9	7
Institutional Framework	I	H	I	I	I	I	H	H	H	I	VH	H	I	I	EH	VH	H
Derived Anchor	bbb	bbb	bbb-	bbb-	bbb+	bbb	bbb-	bb+	bb+	bb+	bb	bbb-	bb+	bb+	b+	b+	b+
Eco. Risk Trend	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable	Stable	Stable	Stable	Positive
Eco. Imbalances	I	L	I	L	L	L	L	L	H	I	H	L	H	I	H	H	VH
Credit Risk	I	I	I	VH	I	H	H	VH	VH	H	VH	VH	H	H	EH	VH	VH
Competitive Dynamics	I	H	I	L	L	I	I	H	H	I	H	H	I	H	VH	VH	H
Funding	I	L	L	I	L	L	I	I	VL	I	L	L	H	I	I	VH	H
Median Rating(Apr .30,2025)	A	BB	BBB	BB-	BBB	A-	BBB	BB+	BBB+	BB-	BBB	BBB-	BB+	BB	BB-	BB	B-
Net Debt / EBITDA	2.72	1.76	2.89	2.08	3.69	2.31	3.26	2.51	3.34	1.93	2.89	2.06	2.10	1.84	3.15	1.94	1.81
ROC Adj.§	1	0	1	4	0	1	0	1	2	1	2	0	0	1	-1	-39	-72
EBITDA INT. COV.	6.81	8.30	4.04	6.21	5.39	8.66	5.85	5.60	6.46	4.74	8.59	5.75	3.56	3.29	4.98	2.75	3.26
FFO / Debt	34.1	41.3	38.8	41.7	25.3	26.2	25.7	32.5	14.9	42.8	27.7	41.3	49.8	55.3	27.6	38.1	32.6
NFC FC Debt % GDP*	8.5	12.4	12.9	20.0	34.2	16.0	6.4t	7.2	3.5	14.0	11.8	6.7	10.6	14.0		27.1	8.2
NFC Debt % of GDP*	45.8	35.9	20.9	42.9	95.9	86.9	42.1t	24.5	142.4	32.7	83.9	55.2	29.6	53.7		40.7	25.9

Sovereign--Each of the factors is assessed on a continuum spanning from '1' (strongest) to '6' (weakest). Based on "Sovereign Rating Methodology," Dec. 18, 2017.

Financial Institutions BICRA--The overall assessment of economic risk and industry risk, which ultimately leads to the classification of banking systems into BICRA groups, is determined by the number of "points" assigned to each risk score on the six-grade scale. The points range from '1' to '10', with one point corresponding to "very low risk" and '10' points corresponding "extremely high risk," based on "Banking Industry Country Risk Assessment Methodology and Assumptions," Dec. 9, 2021, and "Financial Institutions Rating Methodology," Dec. 9, 2021. VL--Very low. L--Low. I--Intermediate. H--High. VH--Very high. EH--Extremely high.

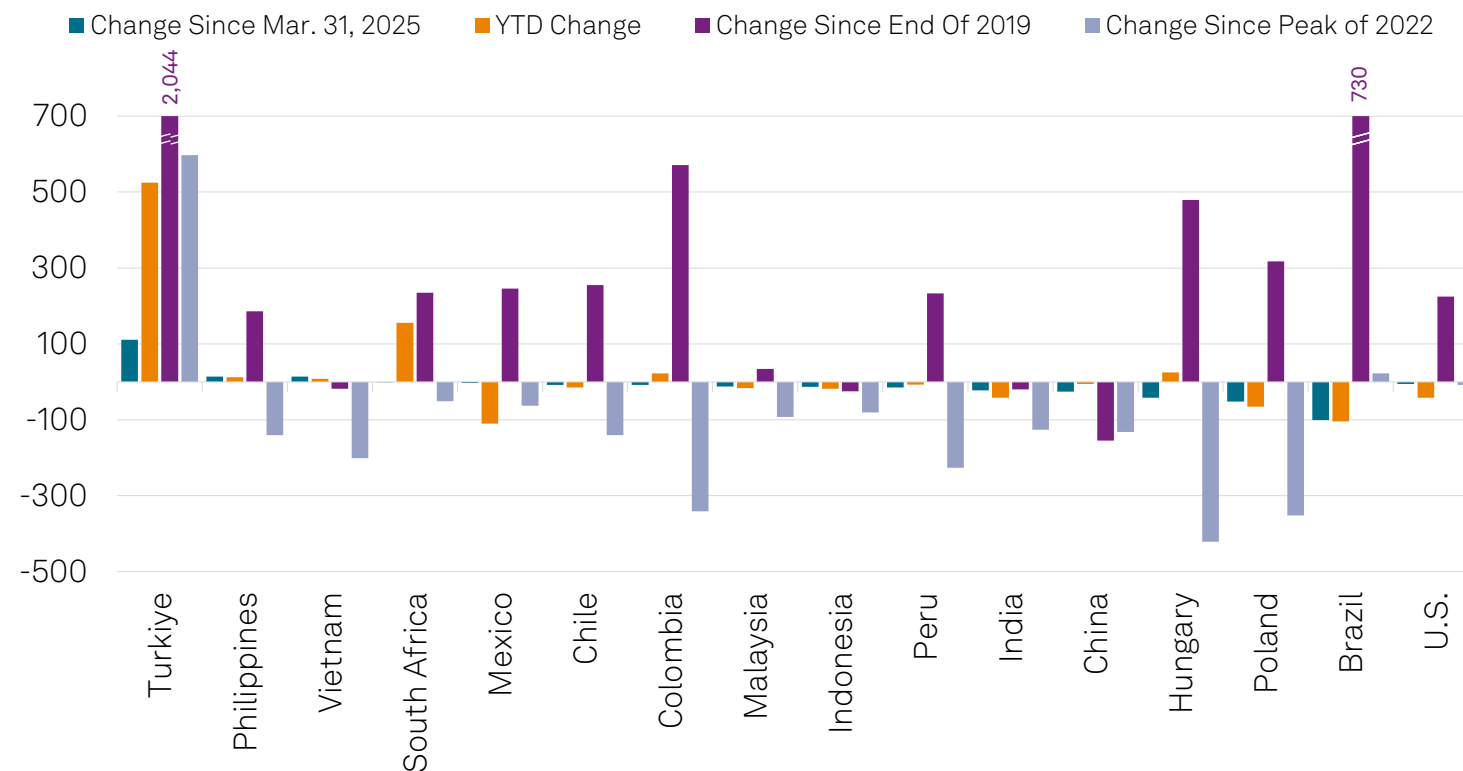
Nonfinancial Corporates--Ratios are derived from the median of rated corporates in their respective countries. We then rank them according to our "Corporate Methodology," Jan. 4, 2024, by using table 17, with levels that go from minimal to highly leveraged. §We assess return on capital by using the median of our rated corporates in their respective countries, then we adjust for inflation, we then rank it based on our "Corporate Methodology," Jan 4, 2024. *Nonfinancial corporates' debt and foreign currency denominated debt is based on IIF global debt monitor with data as of September 2024.

*IIF 3Q 2024. Sources: t-Bangko Sentral NG Pilipinas, Banco Central de Reserva del Peru, Superintendencia de Banca y Seguros y AFP (Peru); Corporate Variables Capital IQ 2Q 2024. S&P Global Ratings. Data for sovereigns and financial institutions as of May. 08, 2025.

Financing Conditions Highlights

EM Yields | Normalizing After April's Tariff Turmoil

Change in local currency 10-year government bond yield versus U.S. 10-year T-note yield (bps)

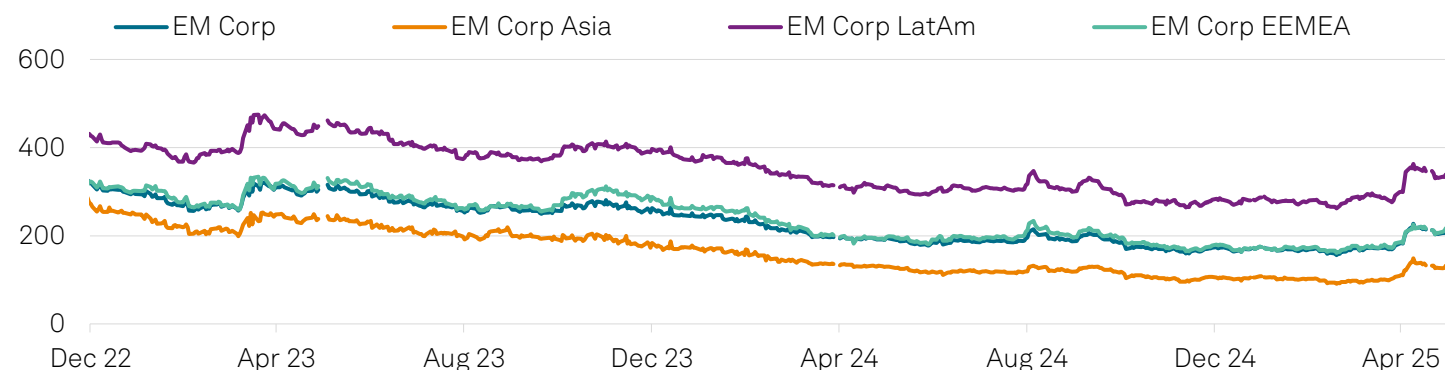


Data as of April 30, 2025, Vietnam as of April 29, 2025, Thailand as of March 26, 2025. Note: The selection of country is subject to data availability. Y-axis truncated at 700 bps for visualization purposes. Sources: S&P Global Ratings Credit Research & Insights, S&P Capital IQ Pro, and Datastream.

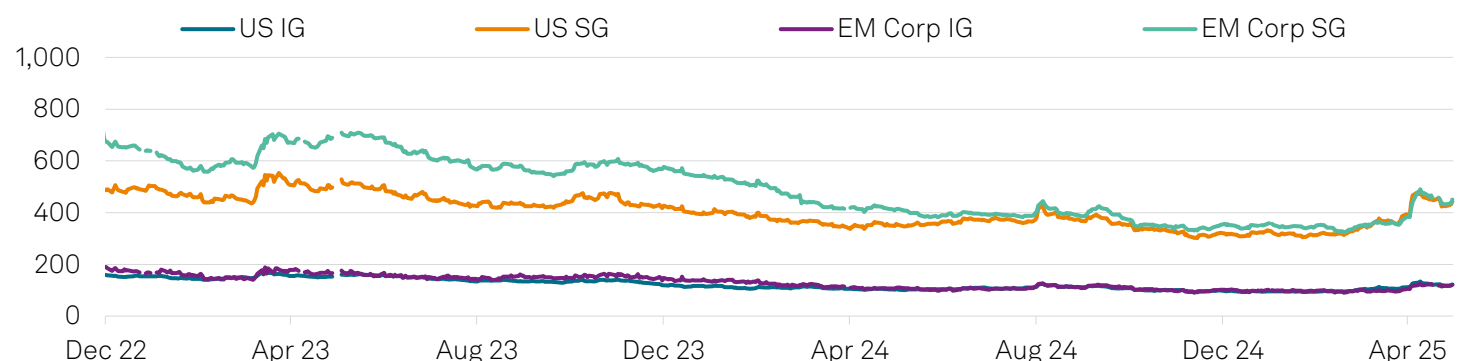
- **EM benchmark yields narrowed in April**, with the exception of Türkiye's 10-year yield. The latter was up 111 bps since the end of March, as the central bank raised its key interest rate by 350 bps to 46% to ease pressure on the lira and steer inflation expectations. The downward movement of benchmarks, more pronounced in the second half of the month, was led by Brazil (101 bps), amid solid fiscal consolidation data, favorable developments, and a better alignment between the government and congressional leaders, and signs of the economy slowing. Poland's 10-year yield dropped by 52 bps, benefitting from the U.S. trade tariff suspension and better-than-expected inflation data.
- **Tariffs continue to represent the main source of downward risk for EMs**, along with a global growth slowdown and the uncertain path for the Fed's monetary easing, which will impact local central banks' strategy and exchange-rate paths.

EM Credit Spreads | Recovering From The Abrupt Widening In Early April

EM spreads by region (bps)



U.S. and EM spreads (bps)



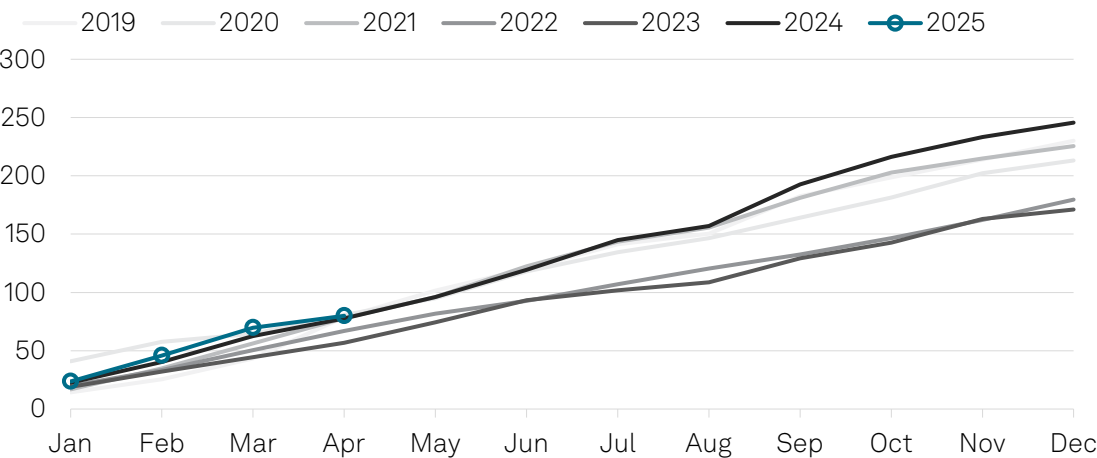
Data as of April 30, 2025. IG--investment-grade. SG--speculative-grade. Sources: Refinitiv, ICE Data Indices, and Federal Reserve Bank of St. Louis, S&P Global Ratings Credit Research & Insights.

- **EM corporate spreads closed the month at 212 bps, 30 bps higher than at the end of March**, yet recovering from a 45 bps rise as of April 9. LatAm's spread rose the most across regions: 40 bps to 339 bps. EM Asia was least impacted, with a 23-bp rise.
- **Market turmoil impacted speculative-grade (SG) spreads more severely**, with a 68-bp widening since March (reaching 107 bps as of April 9). The spread movement was almost entirely driven by the rise in corporate yields, with SG effective yield touching 8.3%, from 7.7% as of the end of March, signalling a flight to quality behavior by the market.
- **As a result, primary markets continued to be selective about SG issuance.** After a gloomy February and anemic March, a single issuance was recorded in the month: BCP (Peru; banks) with 10-year \$750 million at 6.5%. Investment-grade issuance slowed considerably as well, with \$1.6 billion, versus \$15 billion in March.

EM | Financial And Nonfinancial Corporate Issuance

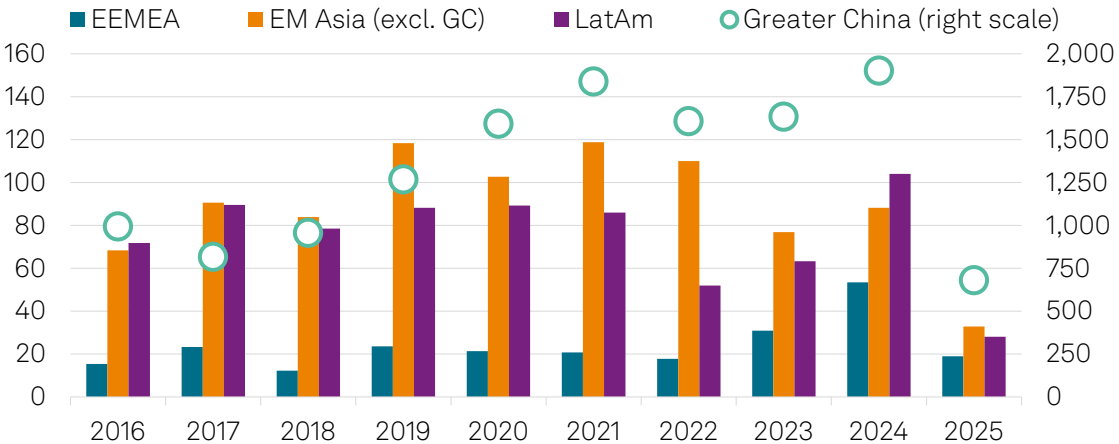
- **EM issuance in April totaled \$233 billion, 13% higher than in March, and 11% higher than in April 2024.** Greater China's bond issuance volume increased by 22%, reaching \$223 billion with particularly strong contributions from financial institutions and utilities.
- **Issuance outside Greater China took a hit from tariff-related market turmoil, more than halving with respect to March, totalling \$10.2 billion in April,** the lowest monthly amount since December 2023. Issuance was very weak in Brazil, India, the Philippines, Poland, and Turkiye and across banks, NBFIs, metals, mining and steel, and utilities. Orbia Advance S.A.B. de C.V. (Mexico; CP&ES) topped the list, with 6.9-year \$1.4 billions at 7.6% average coupon.
- **Market activity underlines regional discrepancies.** For the first four months of the year, EEMEA has already tapped 78% of its 2016-2024 average annual issuance thanks to Saudi Arabia's strong issuance, followed by Greater China (49%), and EM Asia and LatAm (both at 35%). Outside Greater China, 43% of issuance was denominated in U.S. dollars in April, versus 53% in Q1 2025, largely at fixed rate (82%).

EM cumulative corporate bond issuance (bil. \$)*



Includes not rated. *Excluding Greater China. Data as of April 30, 2025. Sources: Refinitiv and S&P Global Ratings Credit Research & Insights.

EM regional bond issuance (bil. \$)



Data as of April 30, 2025. Sources: Refinitiv and S&P Global Ratings Credit Research & Insights.

Top 20 EM Rated Issuance | By Debt Amount In The Past 90 Days

Investment grade Speculative grade

Rating date	Issuer	Economy	Sector	YTM (%)	Issuer credit rating	Debt amount (mil. \$)	Maturity year
26-Mar-25	Petronas Capital Ltd.	Malaysia	NBFI	5.3	A-*	1,800	2035
26-Mar-25	Petronas Capital Ltd.	Malaysia	NBFI	5.8	A-*	1,600	2055
26-Mar-25	Petronas Capital Ltd.	Malaysia	NBFI	5.0	A-*	1,600	2031
25-Mar-25	Inter-American Investment Corp.	Latin America	NBFI	4.3	AA+	998	2030
5-Feb-25	Minera Mexico S.A. de C.V.	Mexico	MM&S	5.7	BBB+	994	2032
18-Mar-25	PT Bank Mandiri (Persero) Tbk	Indonesia	Banks	5.1	BBB	795	2028
23-Apr-25	Banco de Credito del Peru S.A.	Peru	Banks	6.5	BBB-	750	2035
30-Apr-25	Celulosa Arauco y Constitucion S.A.	Chile	Forest	6.2	BBB-	500	2032
30-Apr-25	Bancomext	Mexico	Banks	6.0	BBB	500	2030
27-Mar-25	Bank of the Philippine Islands	Philippines	Banks	5.2	BBB+	500	2030
11-Mar-25	AES Andes S.A.	Chile	Utility	6.3	BBB-	400	2032
5-Mar-25	PT Cikarang Listrindo Tbk	Indonesia	Utility	5.7	BBB-	350	2035
27-Mar-25	Bank of the Philippine Islands	Philippines	Banks	5.7	BBB+	300	2035
20-Mar-25	Muthoot Finance Ltd.	India	NBFI	6.6	BB+	250	2029
11-Feb-25	Banco de Credito e Inversiones	Chile	Banks	1.3	A-	137	2030
4-Mar-25	IIFL Finance Ltd.	India	NBFI	8.4	B+	100	2028

As of April 30, 2025. *Refers to issue level rating. Excludes sovereigns and Greater China entities. Foreign currency ratings. NBFI--Nonbank financial institutions. MM&S – metals, mining and steel. YTM--Yield-to-maturity. Sources: Refinitiv and S&P Global Ratings Credit Research & Insights.

Ratings Summary

Ratings Summary | Sovereign Ratings In EM 18

On April 11, 2025, S&P Global Ratings revised its outlook on Hungary to negative from stable to reflect risks to its public finances from the uncertain growth outlook, high interest expenditure, narrowing EU fund inflows, and spending pressures ahead of a tightly contested election. We affirmed our 'BBB-/A-3' ratings.

Economy	Rating	Outlook	<div> ■ Investment grade ■ Speculative grade </div>	
			Five-year CDS spread (April 30)	Five-year CDS spread (March 31)
China	A+	Stable	62	52
Saudi Arabia	A+	Stable	83	72
Chile	A	Stable	71	62
Malaysia	A-	Stable	63	54
Poland	A-	Stable	72	70
Philippines	BBB+	Positive	78	77
Thailand	BBB+	Stable	62	54
Indonesia	BBB	Stable	98	96
Mexico	BBB	Stable	139	136
Peru	BBB-	Stable	102	91
Hungary	BBB-	Negative	130	125
India	BBB-	Positive	65	53
Colombia	BB+	Negative	265	226
Vietnam	BB+	Stable	120	110
Brazil	BB	Stable	180	185
South Africa	BB-	Positive	242	227
Turkiye	BB-	Stable	361	316
Argentina	CCC	Stable	920	1095

Data as of April 30, 2025, and sovereign ratings as of May 6, 2025. Foreign currency ratings. China median rating includes China, Hong Kong, Macau, Taiwan. Sources: S&P Global Ratings Credit Research & Insights and S&P Capital IQ.

Top 20 EM Rating Actions | By Debt Amount In The Past 90 Days

Investment grade Speculative grade

Rating date	Issuer	Economy	Sector	To	From	Action type	Debt amount (mil. \$)
18-Mar-25	Saudi Electric Co.	Saudi Arabia	Utilities	A+	A	Upgrade	6,400
14-Apr-25	OTP Bank PLC.	Hungary	Bank	BBB	BBB-	Upgrade	3,944
6-Feb-25	YPF S.A.	Argentina	Oil and gas	B-	CCC	Upgrade	3,420
18-Mar-25	Saudi National Bank	Saudi Arabia	Bank	A	A-	Upgrade	3,196
28-Feb-25	Latam Airlines Group S.A.	Chile	Transportation	BB	BB-	Upgrade	2,950
27-Feb-25	mBank S.A. (Commerzbank AG)	Poland	Bank	BBB+	BBB	Upgrade	1,837
17-Mar-25	Shriram Finance Ltd.	India	NBFI	BB+	BB	Upgrade	1,725
7-Apr-25	Alfa S.A.B. de C.V.	Mexico	Consumer products	BBB	BBB-	Upgrade	1,600
6-Feb-25	Pampa Energia S.A.	Argentina	Utilities	B-	CCC	Upgrade	1,460
17-Mar-25	Muthoot Finance Ltd.	India	NBFI	BB+	BB	Upgrade	1,150

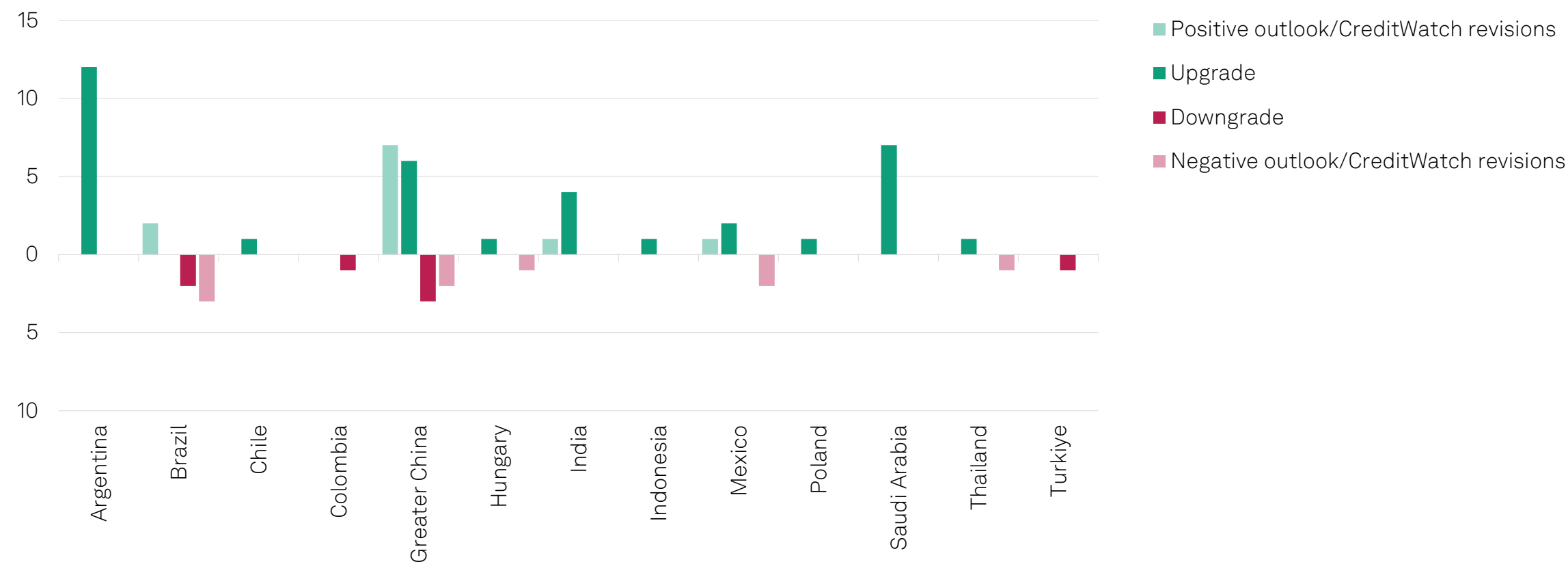
As of April 30, 2025. Excludes sovereigns. Only includes rating actions where S&P Global Ratings rates debt. Includes rating actions on subsidiaries only if there was no rating action on the parent. Excludes Greater China and the red chip companies and includes only latest rating changes. NBFi—Nonbank financial institutions. Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

Top 20 EM Rating Actions | By Debt Amount In The Past 90 Days

Rating date	Issuer	Economy	Sector			Action type	Debt amount (mil. \$)
				To	From		
24-Apr-25	Delhi International Airport Ltd.	India	Transportation	BB	BB-	Upgrade	1,023
25-Mar-25	Arcelik A.S.	Turkiye	Consumer Products	BB-	BB	Downgrade	878
6-Feb-25	Aeropuertos Argentina 2000 S.A.	Argentina	Transportation	B-	CCC	Upgrade	750
6-Feb-25	Banco De Galicia Y Buenos Aires S.A.U.	Argentina	Bank	B-	CCC	Upgrade	575
25-Mar-25	Grupo de Inversiones Suramericana S.A.	Colombia	Diversified	BB	BB+	Downgrade	550
21-Feb-25	PT Cikarang Listrindo Tbk.	Indonesia	Utilities	BBB-	BB+	Upgrade	550
18-Mar-25	Saudi Basic Industries Corp.	Saudi Arabia	CP&ES	A+	A	Upgrade	500
6-Feb-25	Transportadora de Gas del Sur S.A. (TGS)	Argentina	Utilities	B-	CCC	Upgrade	490
6-Feb-25	Telecom Argentina S.A.	Argentina	Telecommunications	B-	CCC	Upgrade	400
17-Mar-25	Sammaan Capital Limited	India	NBFI	B+	B	Upgrade	350

As of April 30, 2025. Excludes sovereigns. Only includes rating actions where S&P Global Ratings rates debt. Includes rating actions on subsidiaries only if there was no rating action on the parent. Excludes Greater China and the red chip companies and includes only latest rating changes. CP&ES—chemicals, packaging, and environmental services. NBFI—Nonbank financial institutions. Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

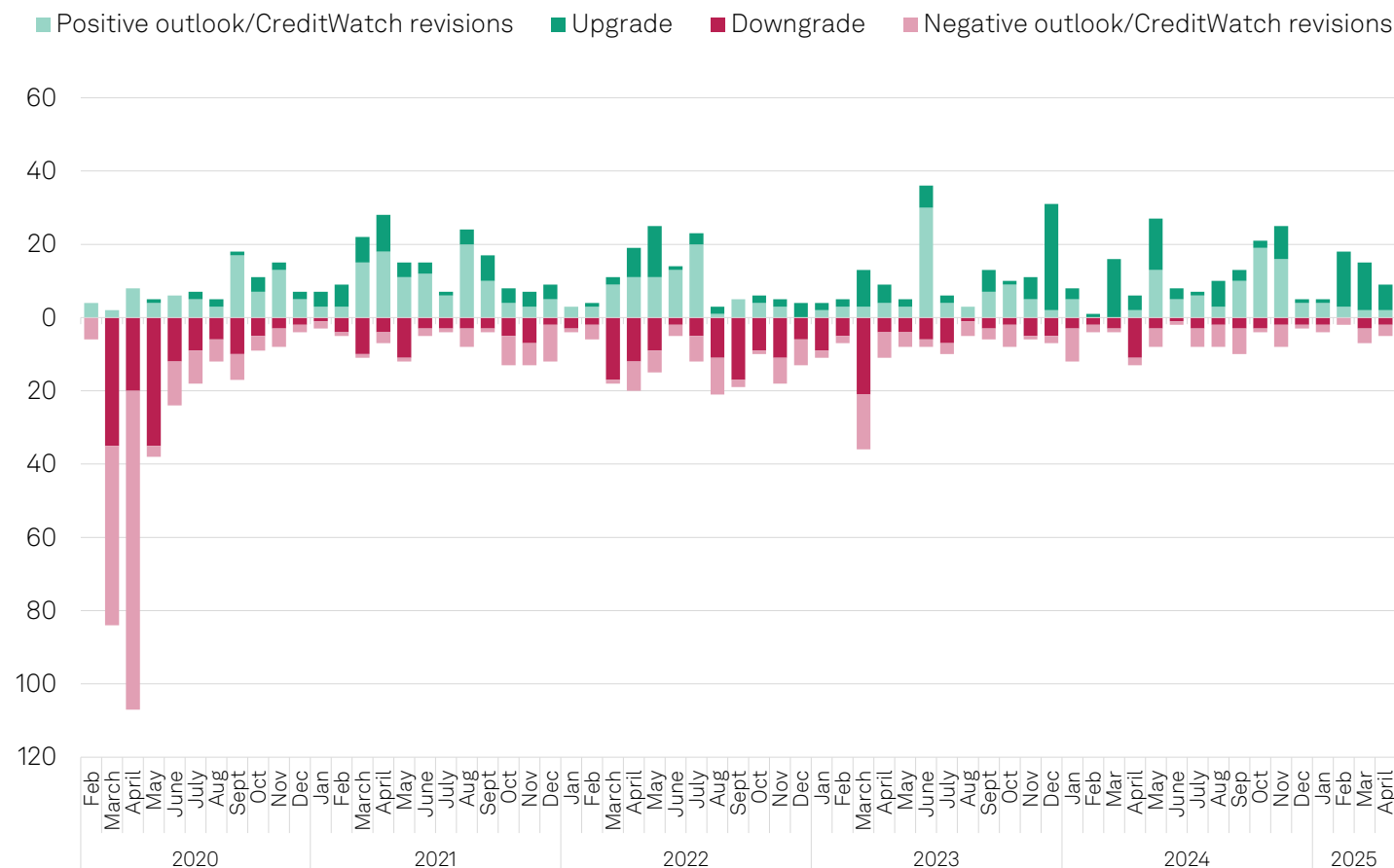
EM | Total Rating Actions By Economy In 2025 Year To Date



Data as of April 30, 2025. Includes sovereigns and rating actions on subsidiaries only if there was no rating action on the parent. Positive outlook/CreditWatch revisions encompass both outlook and CreditWatch shifts from negative to stable and from stable to positive. Negative outlook/CreditWatch revisions encompass both outlook and CreditWatch shifts from positive to stable and from stable to negative. Source: S&P Global Ratings Credit Research & Insights.

EM | Total Rating Actions By Month

- April recorded seven upgrades, five of which among investment-grade companies, down from 13 in March.** Four upgrades were in Greater China, two of which were utilities. China General Nuclear Power Corp. was upgraded to 'A' from 'A-' because of an increased likelihood of extraordinary support from the central government, given its commitment to nuclear power market expansion and decarbonization targets. China Three Gorges Corp. was upgraded to 'A+' from 'A' on improving competitiveness and efficiency within the clean power generation field. Six upgrades were among non-financial corporations. OTP Bank PLC (Hungary) was upgraded to 'BBB' from 'BBB-', one notch above the sovereign rating, following a series of nondomestic acquisitions, lessening the exposure to country risk in Hungary.
- Two downgrades were recorded in April, down from three in March.** Greater China's Hopson (real estate) was downgraded to 'CCC' from 'B' on near-term liquidity crisis and risk of default next month.

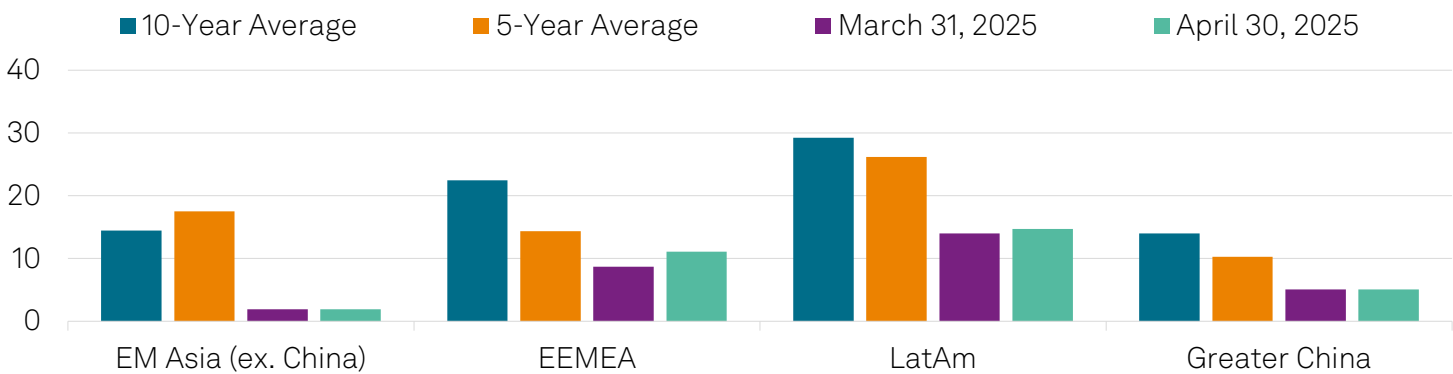


Data from Feb. 3, 2020, to April 30, 2025. Includes sovereigns and rating actions on subsidiaries only if there was no rating action on the parent. Positive outlook/CreditWatch revisions encompass both outlook and CreditWatch shifts from negative to stable and from stable to positive. Negative outlook/CreditWatch revisions encompass both outlook and CreditWatch shifts from positive to stable and from stable to negative. Source: S&P Global Ratings Credit Research & Insights.

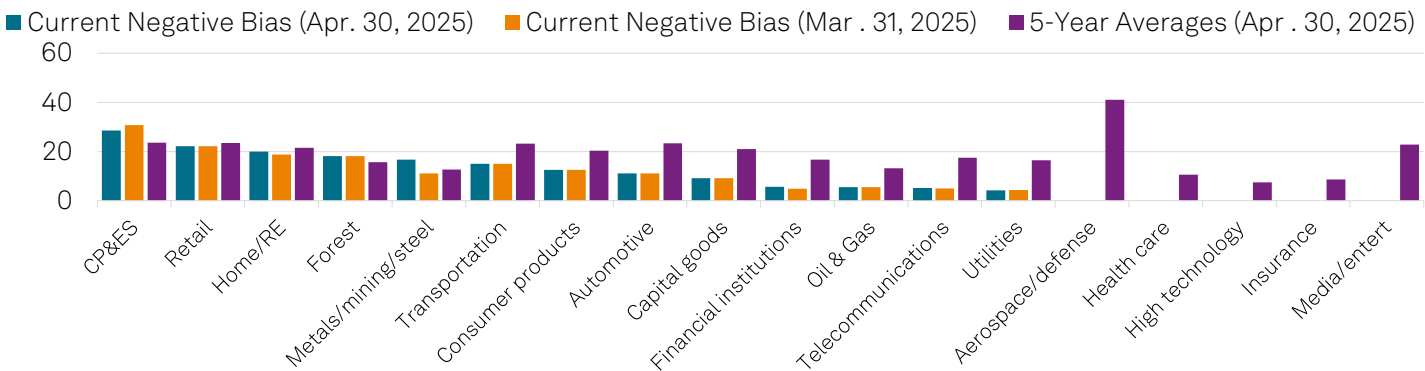
EM Downgrade Potential | Regional Negative Bias

- Regional downgrade potentials inched upward in LatAm and EEMEA**, the regions displaying the highest negative bias--15% and 11%, respectively. We revised our outlook on CAP S.A. (Chile; MM&S) to negative, reflecting ongoing issues at Los Colorados mine, coupled with lower iron ore prices, likely weighing on H1 2025 results. OTP Bank, upgraded as mentioned earlier, was assigned a negative outlook, mirroring the one on the sovereign. All regional downgrade potentials remained well below their historical averages.
- CP&ES, forest products and building materials, and metals, mining, and steel are the only three sectors (out of 18) displaying a negative bias higher than their five-year average.**

LatAm has the highest downgrade potential (negative bias [%])



Negative bias by sector (%)



Data as of April 30, 2025. Excludes sovereigns, and subsidiaries. Media/entert--Media and entertainment. Retail--Retail / restaurants. CP&ES--Chemicals, packaging, and environmental services. Home/RE--Homebuilders/real estate companies. Forest--Forest products and building materials. Negative bias--Percentage of issuers with a negative outlook or on CreditWatch negative. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | No Downgrade To 'CCC/CC' From 'B' Year To Date

■ Speculative grade

2024

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
17-Jul-24	Grupo Idesa S.A. de C.V.	Mexico	CP&ES	CCC+	B-	311

2023

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
13-Mar-23	Auna S.A.A.	Peru	Health care	CCC+	B	300
14-Mar-23	Guacolda Energia S.A.	Chile	Utilities	CC	B-	500
6-Jun-23	Unigel Participacoes S.A.	Brazil	CP&ES	CCC+	B+	420
15-Nov-23	Operadora de Servicios Mega S.A. de C.V. SOFOM E.R.	Mexico	Financial institutions	CCC+	B	500
1-Dec-23	Nitrogenmuvek Zrt.	Hungary	CP&ES	CCC+	B	219

Data as of April 30, 2025. Includes sovereigns and Greater China and Red Chip companies. Debt volume includes subsidiaries and excludes zero debt. CP&ES--Chemicals, packaging, and environmental services. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | One Rising Star Year To Date

Fallen angels

2024

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
26-Feb-24	Braskem S.A. (Odebrecht S.A.)	Brazil	CP&ES	BB+	BBB-	6,200
10-Apr-24	China Vanke Co. Ltd.	Greater China	Homebuilders/RE	BB+	BBB+	2,593
12-Apr-24	Longfor Group Holdings Ltd.	Greater China	Homebuilders/RE	BB+	BBB-	1,500
26-Apr-24	InterCorp Financial Services Inc.	Peru	Financial institutions	BB+	BBB-	1,600
4-Oct-24	Telefonica Moviles Chile S.A.	Chile	Telecommunications	BB+	BBB-	500

Rising stars

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
21-Feb-25	PT Cikarang Listrindo	Indonesia	Utilities	BBB-	BB+	550

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
13-Mar-24	Cemex S.A.B. de C.V.	Mexico	Forest	BBB-	BB+	5,187
27-May-24	Empresa Nacional del Petroleo	Chile	Utilities	BBB-	BB+	2,440
20-Aug-24	Tata Motors Ltd. (Tata Sons Pte. Ltd.)	India	Automotive	BBB	BB+	5,023

Data as of April 30, 2025. Includes sovereigns and Greater China and Red Chip. Forest--Forest products and building materials. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | Two Defaults Year To Date

Default, selective default, not rated
 Speculative grade

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
29-Jan-25	Azul S.A.	Brazil	Transportation	D	CC	-
17-Feb-25	Argentina*	Argentina	Sovereign	SD	CCC	152,444

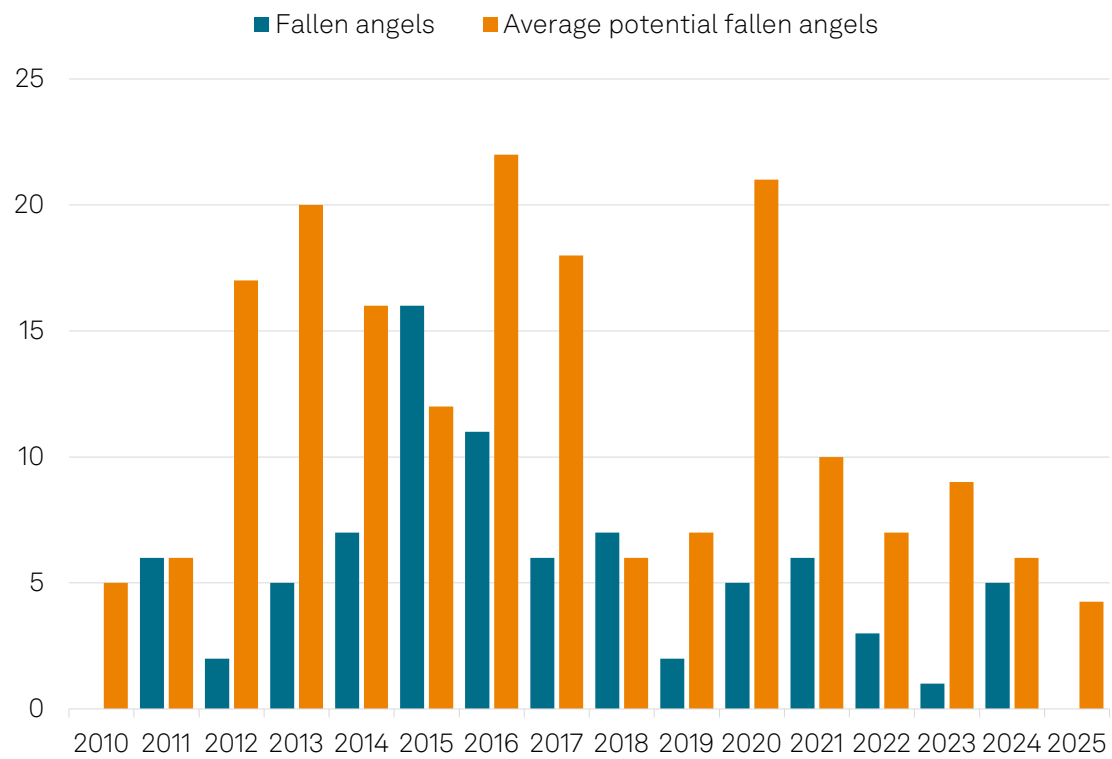
2024

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
26-Jan-24	Gol Linhas Aereas Inteligentes S.A.	Brazil	Transportation	D	CCC-	--
31-Jan-24	Enjoy S.A.	Chile	Media and entertainment	D	CCC-	--
14-Feb-24	CLISA	Argentina	Capital goods	SD	CC	--
13-Mar-24	Argentina*	Argentina	Sovereign	SD	CCC-	153,334
1-Apr-24	Wom S.A.	Chile	Telecommunications	D	CCC	--
16-May-24	Credivalores - Crediservicios S.A.S.	Colombia	Financial institutions	D	NR	--
6-Aug-24	Grupo Idesa S.A. de C.V.	Mexico	CP&ES	SD	CC	--
27-Aug-24	CLISA (B)	Argentina	Capital goods	SD	CC	--
11-Sep-24	Operadora de Servicios Mega	Mexico	Financial institutions	SD	CC	--

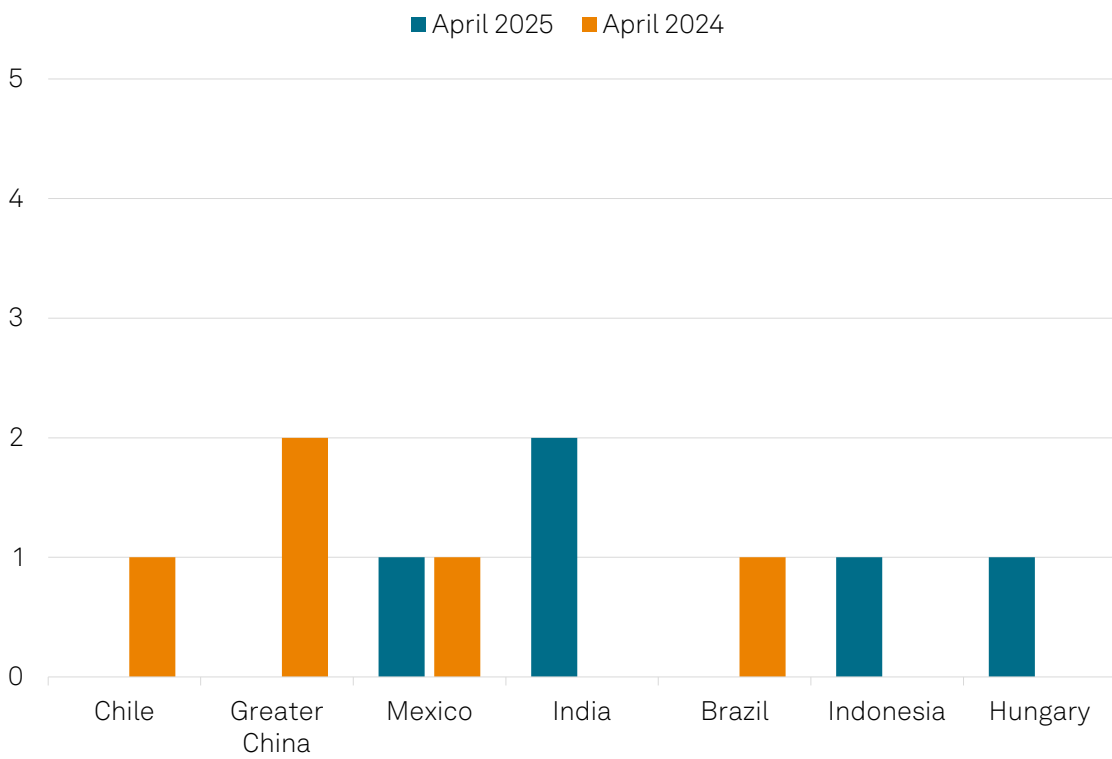
Data as of April 30, 2025. Includes sovereigns, excludes confidentials. Includes Greater China, and Red Chip companies. Includes both rated and zero debt defaults. *Refers to local-currency rating. CP&ES---Chemicals, packaging, and environmental services. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

Rating Actions | Fallen Angels And Potential Fallen Angels

Average potential fallen angels at four year to date



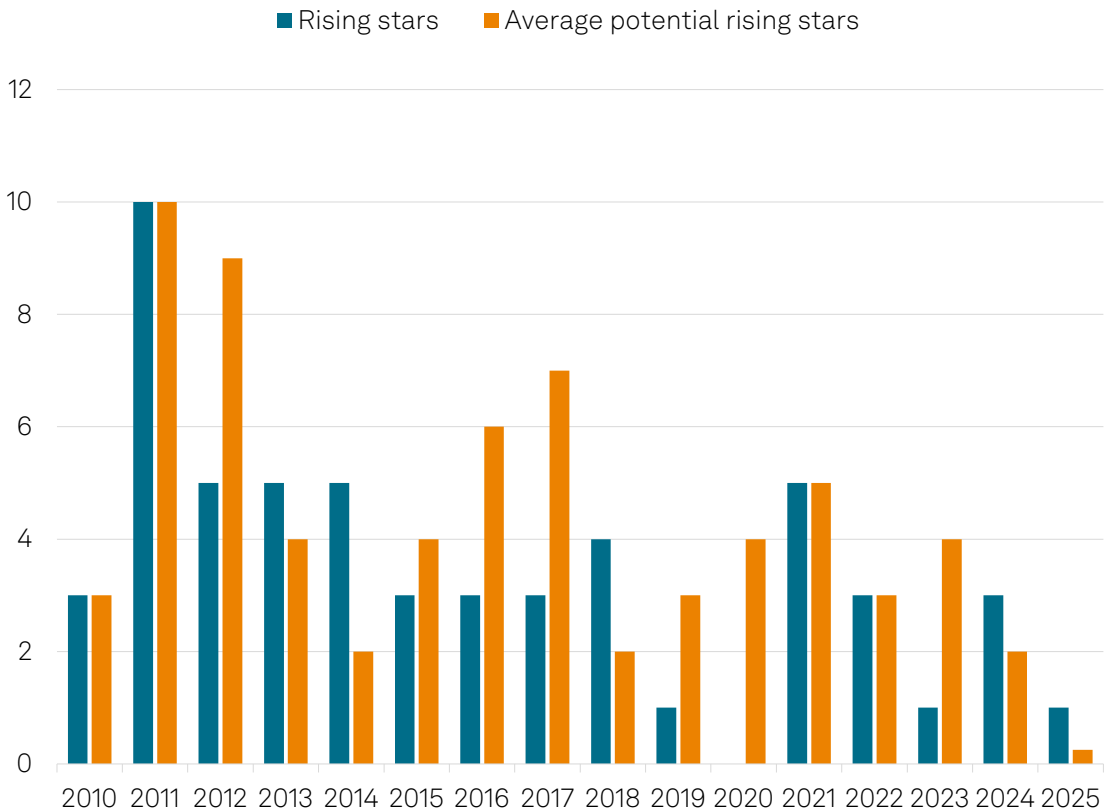
EM potential fallen angels mostly located in EM Asia



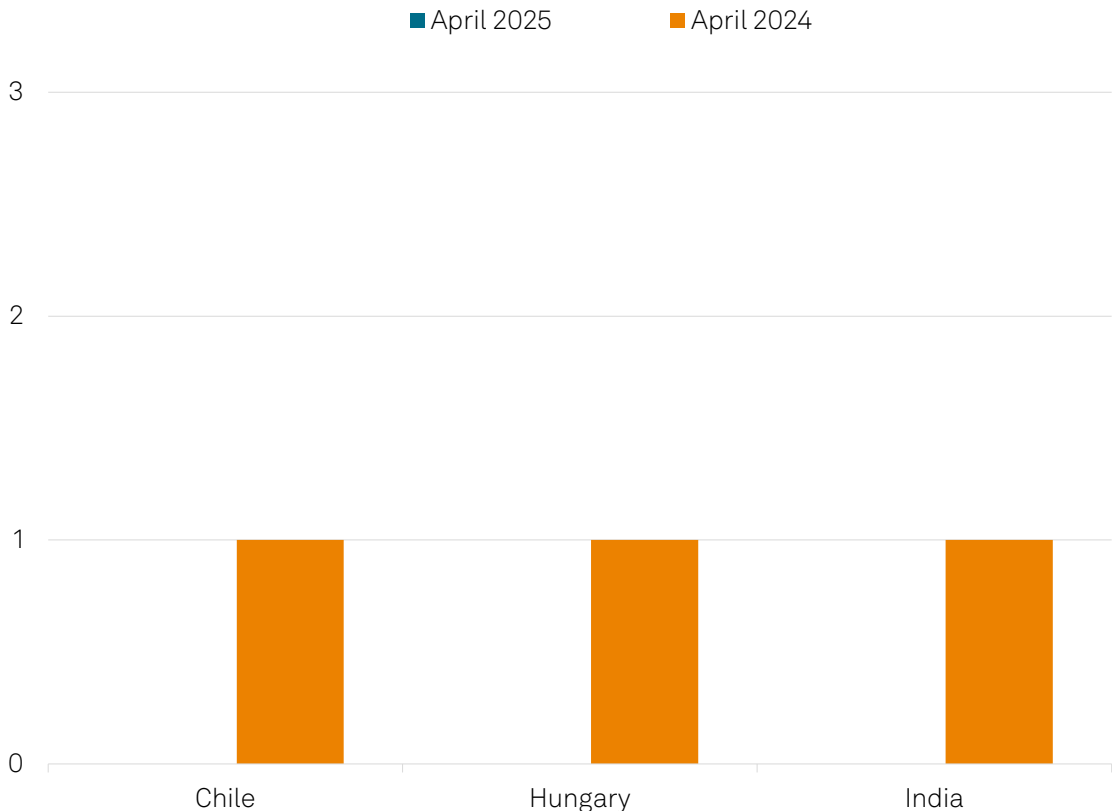
Data as of April 30, 2025. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | Rising Stars And Potential Rising Stars

One average potential rising star year to date



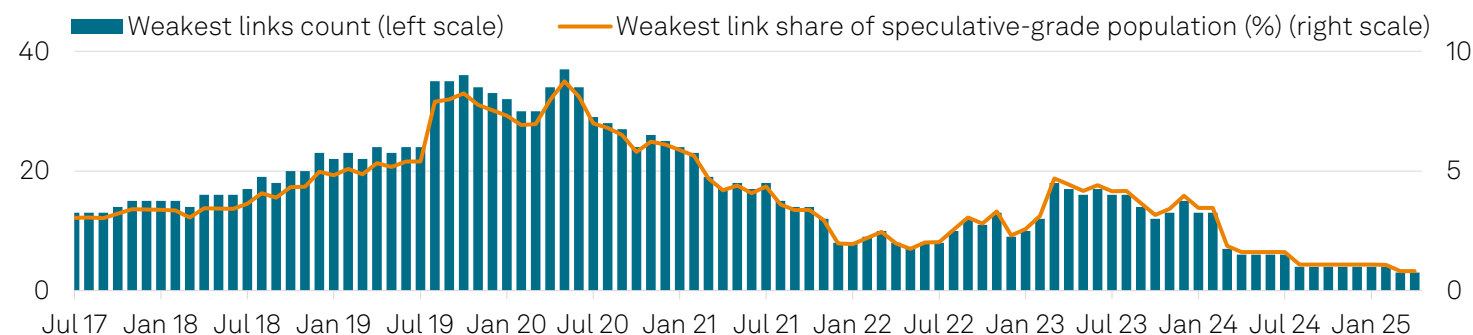
No potential rising star as of March 2025



Data as of April 30, 2025. Source: S&P Global Ratings Credit Research & Insights.

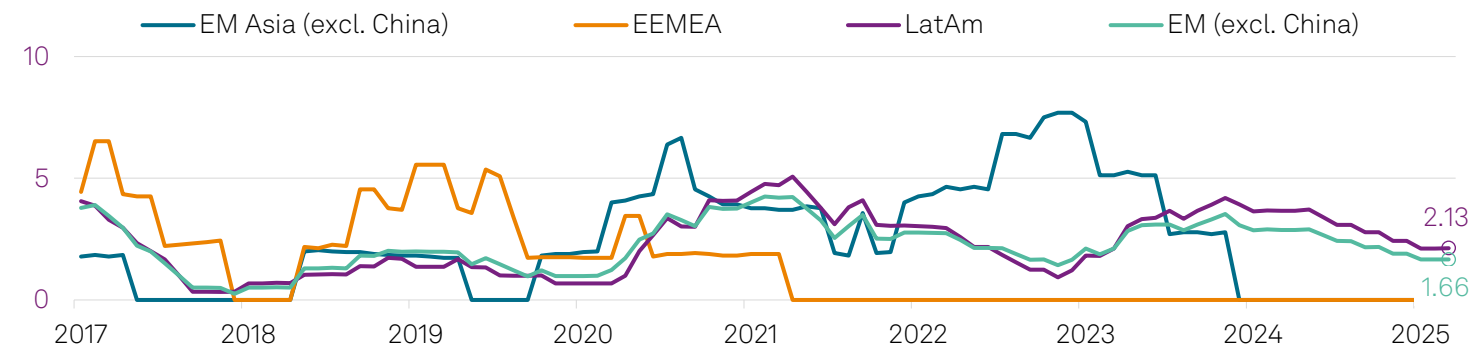
Rating Actions | Weakest Links And Defaults

EM weakest links declined by one to three in March



Data as of April 30, 2025. Parent only. Weakest links are defined as issuers rated 'B-' or lower with negative outlooks or ratings on CreditWatch with negative implications. Source: S&P Global Ratings Credit Research & Insights.

Default rate this month (as of March 2025)



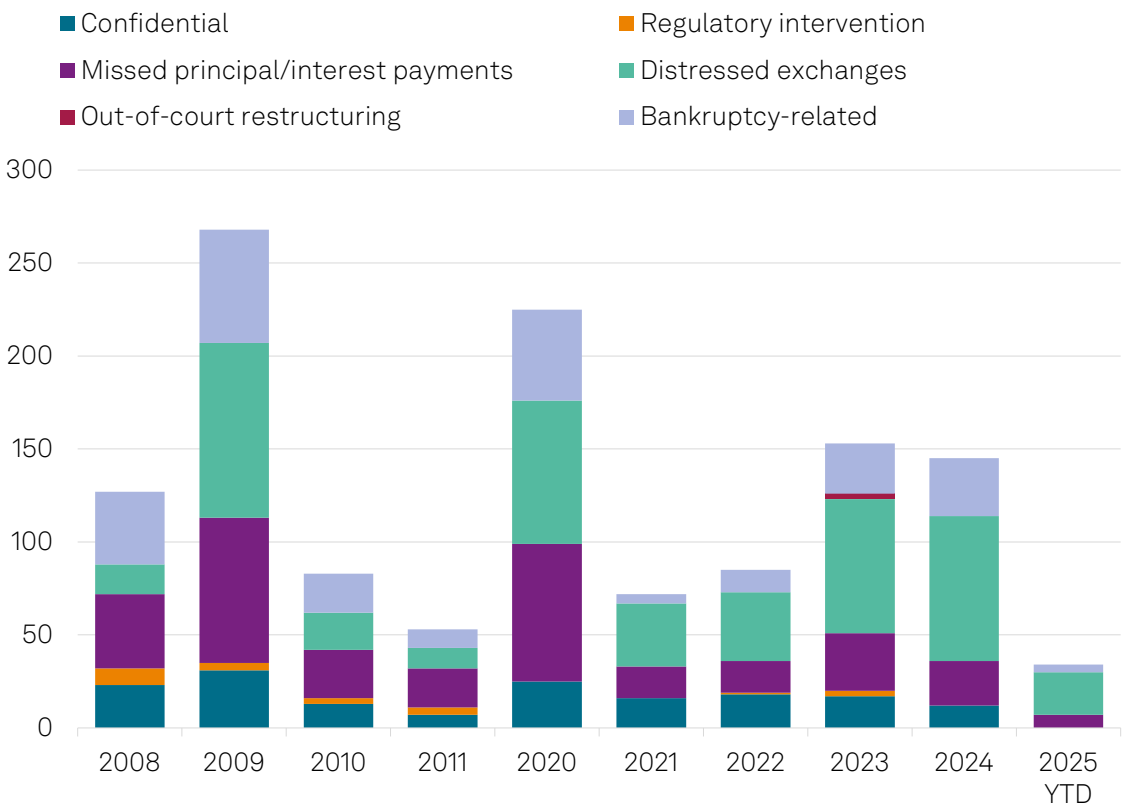
Excluding China. CreditPro data as of March 31, 2025. Default rates are trailing 12-month speculative-grade default count divided by trailing 12-month speculative-grade issuer count. Excludes sovereigns. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

- **Weakest links remained constant at three issuers** in April, or 0.82% of the speculative-grade rated entities. Two of the weakest links were in Brazil--Oi S.A. (telecom) and Invepar (transportation)--and one in Hungary, Nitrogenmuvek Zrt. (chemicals).

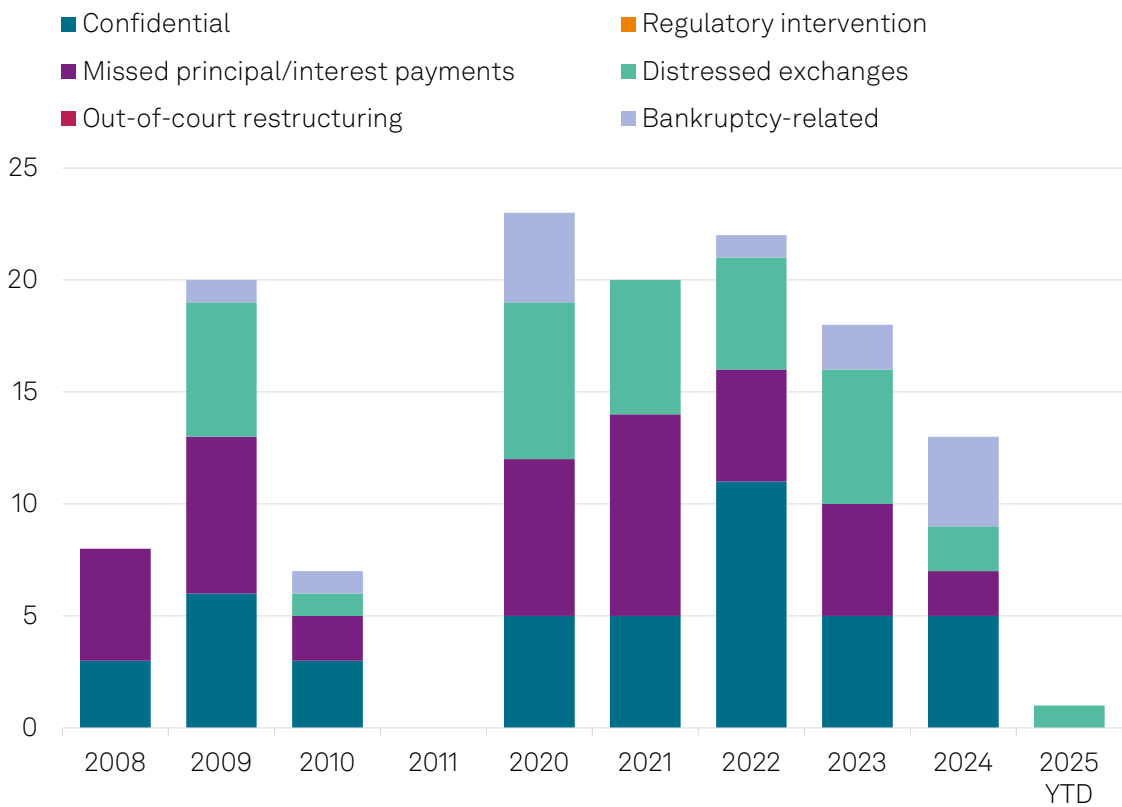
- **Default rates.** The March default rate (excluding China) was 1.66%, similar to the one last month. LatAm's default rate remained unchanged at 2.13%, and which remains in which all defaults have occurred since 2024.

Rating Actions | Defaults

Year-end global corporate defaults by reason



Year-end EM 18 corporate defaults by reason



Data as of April 30, 2025. Data has been updated to reflect confidential issuers. Excludes sovereigns. Includes Greater China and Red Chip companies. YTD—Year to date.
Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

Related Research And Contacts

Related Research

- [China Banking Brief: Added Buffers, Same State Support For Megabanks](#), May 13, 2025
- [Sovereign Brief: UAE's Domestic Debt Capital Market Gains Momentum](#), May 12, 2025
- [Hostilities Between India And Pakistan Heighten Credit Risks In Both Countries](#), May 8, 2025
- [Why Most EMEA Emerging Markets Are Slow To Adopt Bank Recovery And Resolution Plans](#), May 7, 2025
- [Tadawul On The Rise: Saudi Arabia's Investment Plans Fuel Growth](#), May 6, 2025
- [Saudi Residential Real Estate Brief: Growth To Continue Despite Rising Prices](#), May 5, 2025
- [Global Macro Update: Seismic Shift In U.S. Trade Policy Will Slow World Growth](#), May 1, 2025
- [GCC Companies Brace For A Storm: Impact Of Trade Tensions And Weaker Oil Prices](#), April 29, 2025
- [Sovereigns Are Likely To Weather The Direct Impact Of Trade Tensions While Secondary Effects Loom](#), April 24, 2025
- [LatAm Financial Institutions Monitor Q2 2025: Adapting To Market Volatility And Economic Shifts](#), April 24, 2025
- [Turkiye Banking Brief: Margin Pressure Will Resume In The Second Quarter](#), April 23, 2025
- [Islamic Finance 2025-2026: Resilient Growth Amid Upcoming Headwinds](#), April 17, 2025
- [Emerging Markets Monthly Highlights: U.S. Tariffs Cast A Cloud Over Economic Growth](#), April 16, 2025

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