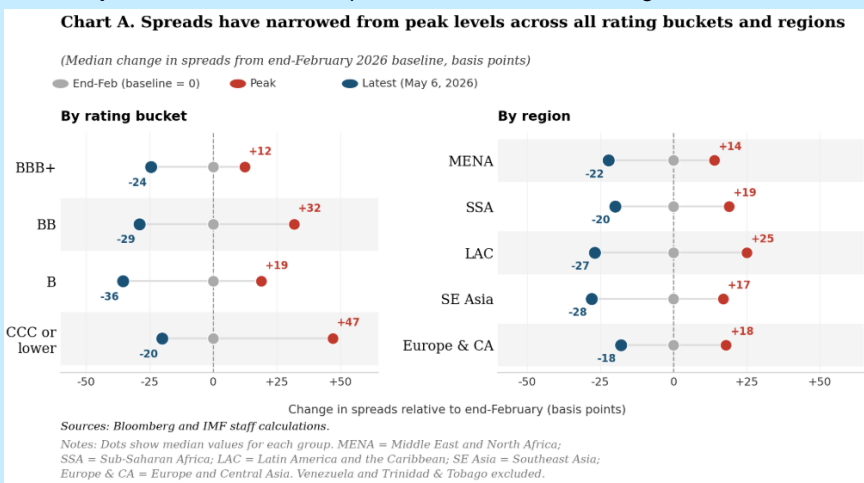




HIGHLIGHTS:

- **International debt issuance by emerging- and frontier markets rebounded strongly in April 2026 as spreads tightened following ceasefire announcements and improved risk sentiment.** This follows a sharp decline in March issuance amid heightened volatility, weaker risk appetite, and rising oil prices (Chart 1).
- **Hard currency sovereign issuance increased to \$29.8 bn in April 2026, more than double April 2025 issuance, and the strongest April since 2020.** Eleven sovereign issuers accessed markets, led by Poland (\$6 bn) and Brazil (US\$5.9 bn). The Democratic Republic of the Congo issued its debut Eurobond issuance (\$1.3 bn), while Pakistan (\$750mn) returned to market after a four-year absence. Nonfinancial corporate issuance (ex-China) increased to \$14.5 billion in April (+66% y/y), with resilient activity across most regions.
- **EM hard currency spreads are now narrower than prior to the conflict.** Spread levels across all categories narrowed in April (Charts A and 3), with spreads now tighter than they were at the end of February 2026. Market analysts point to resilient demand from investors, although some cautioned the potential room for further rally may be limited as the asset class's spreads are near historical tight.
- **EM sovereign rating momentum has weakened in recent months after a prolonged period in which upgrades outpaced downgrades.** In April, two sovereigns were downgraded and no upgrades were recorded. S&P downgraded Colombia by one notch to 'BB-' pointing to fiscal imbalances. Fitch downgraded Mozambique by one notch to 'CC' reflecting its assessment that a restructuring of the country's outstanding Eurobond has become probable over the rating horizon.
- **EM bond fund flows rebounded in April amid improved sentiment over geopolitical tensions in the Middle East.** April offsets much of the hard-currency outflows seen immediately after the conflict escalation (Chart 18). Local-currency flows also improved but remain more mixed, potentially reflecting evolving inflation developments and FX concerns.
- **Looking ahead, some analysts expect EM issuance to moderate in the near term, as issuers assess market conditions amid geopolitical uncertainty and rising global yields, while investor demand is expected to become more selective if global volatility persists.** Early in May, Ecuador tapped \$1bn of 2034 and 2039 notes, and Bolivia returned to international debt markets with a US\$1bn bond issuance, its first dollar sale since 2022. Potential issuers in the coming months include Mexico and the Philippines in the investment grade space, and Argentina, Guatemala, Pakistan and Türkiye in the HY space.



Overview

Chart 1. Pace of EM Sovereign and Corporate Issuance
(USD billions, ex. CHN corporates, range since 2011)

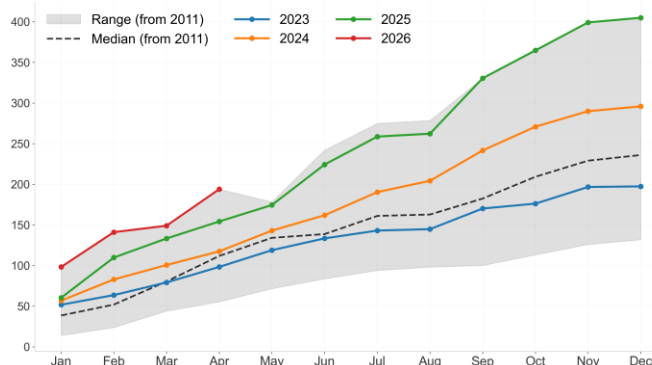
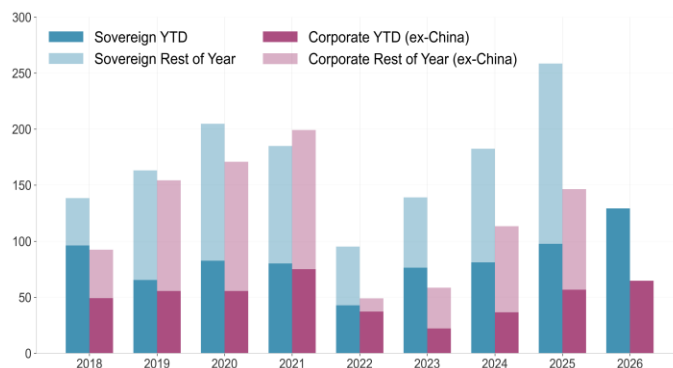


Chart 2. Total Sovereign and Corporate Issuance
(Historical trend, USD billions)



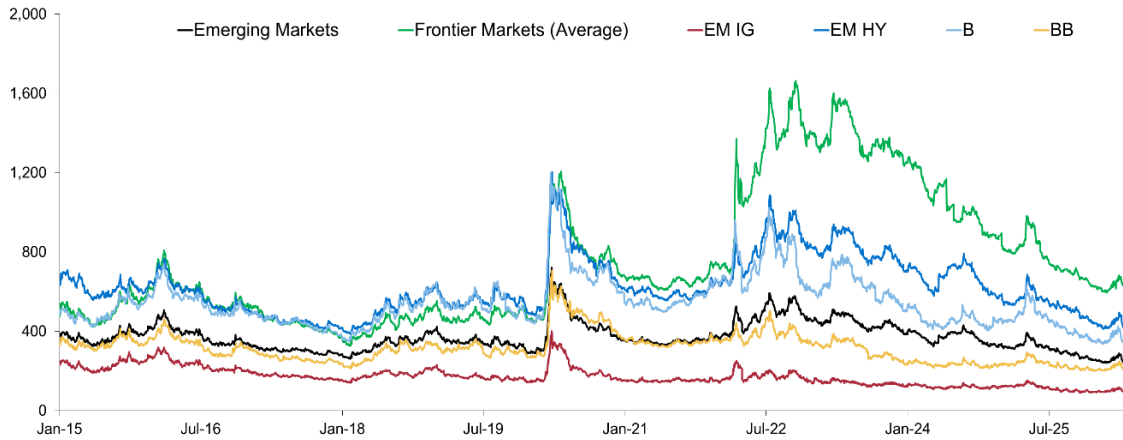
This monitor is produced by MCMGA. It captures international issuance, predominately denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.

Sources: Bloomberg, Bond Radar (issuance), EPFR (fund flows), JPMorgan (spreads), analyst reports, and IMF Staff.

Issuance Detail: Emerging Market Corporates and Sovereigns

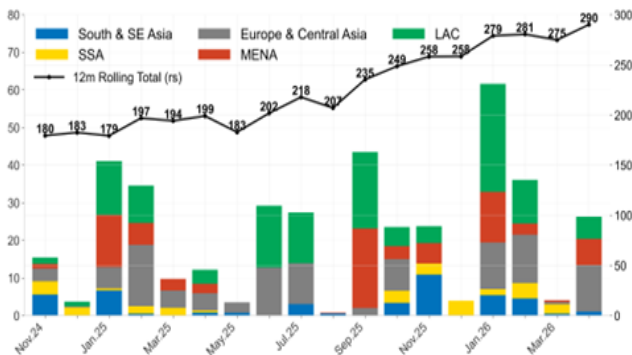
Spreads narrowed across most regions in April, reversing March's widening and returning close to pre-conflict levels, particularly for high-yield sovereigns

Chart 3. Emerging and Frontier Market Benchmark Spreads
(Basis points)



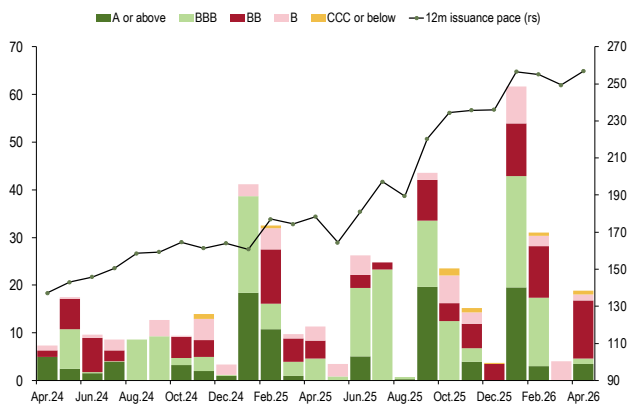
EM sovereign international issuance in April was concentrated in Emerging Europe and Latin America ...

Chart 4. EM Sovereign International Bond Issuance by Region (USD billions)



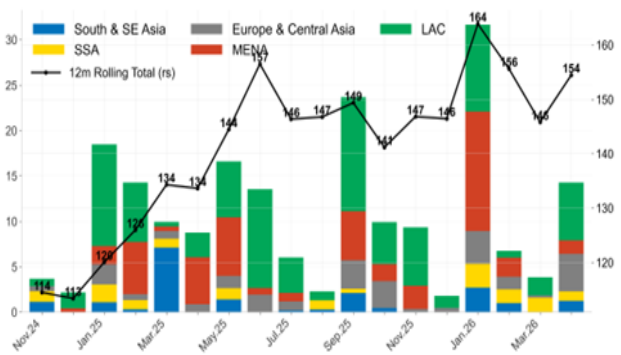
Most sovereign issuances in April came from by BB rated issuers, led by Brazil, Serbia, Türkiye and Uzbekistan

Chart 6. Sovereign Hard Currency Issuance by Rating (USD billions)



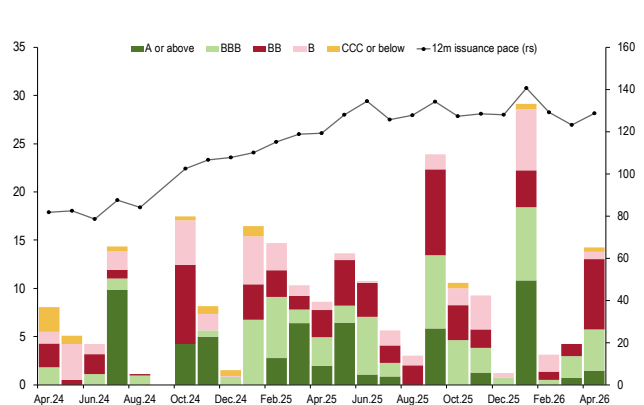
... while EM corporate issuances continue to be led by Latin America

Chart 5. Corporate International Bond Issuance by Region (USD billions)



For corporates, the proportion of high-yield issuances increased to roughly two thirds in April.

Chart 7. Corporate Hard Currency Issuance by Rating (USD billions)



Issuance Detail: Emerging Market Corporates and Sovereigns

Three frontier market sovereigns issued in April. Uzbekistan (BB) issued an international UZS-denominated 2029 bond with a 12.25% coupon; the Democratic Republic of Congo (B-) raised \$1.25bn in its first international bond sale which included a \$600mn 2032 bond with a coupon of 8.75% and a \$650mn 2037 bond with a coupon of 9.5%. Pakistan (B-) issued a Eurobond for the first time since 2022, raising \$750mn with a maturity in 2029 and a coupon of 6.975%. YTD issuances are near 2024 full year volume and has already surpassed full-year 2022 and 2023 levels.

Chart 8. Frontier Sovereign Issuance by Month (USD billions)

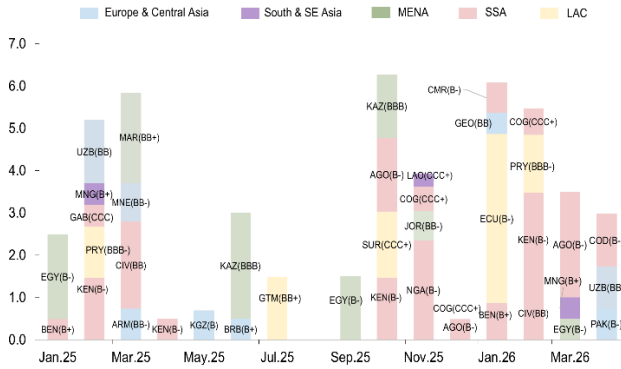
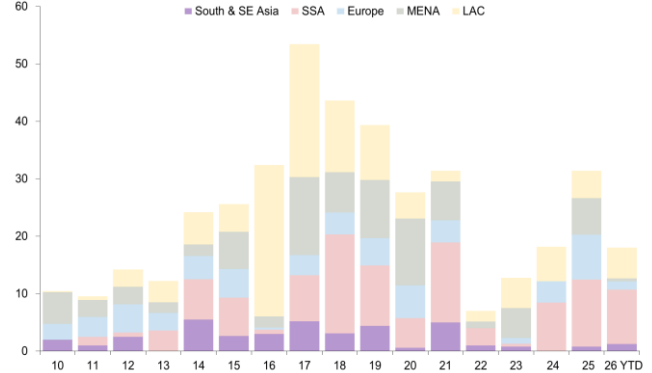
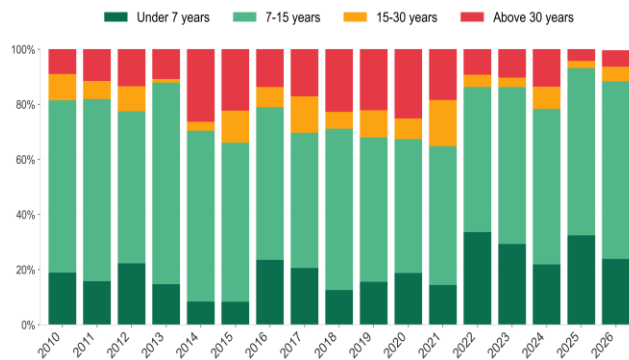


Chart 9. Frontier Sovereign Issuance by Year (USD billions)



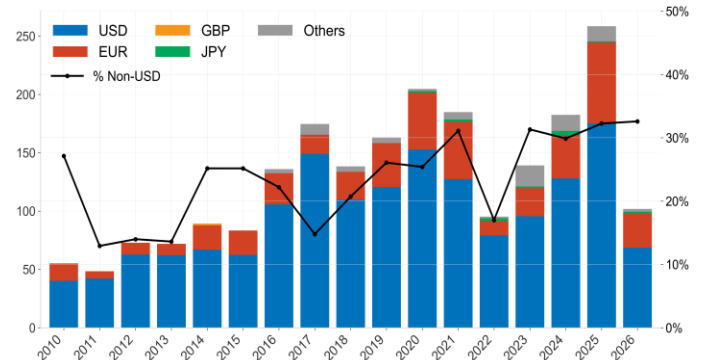
EM international debt issued in 2026 YTD remains concentrated in the short- to medium-term segment, with roughly 30% maturing within seven years.

Chart 9. EM Sovereign Issuance by Maturity (Percent)



The majority of issuance continues to be denominated in USD, with EUR-denominated debt amounting to roughly 30% of total April volume.

Chart 10. EM Sovereign Issuance by Currency (Percent)



Upcoming Debt Repayments

Refinancing pressures rise in June, although strong early-year issuance has improved near-term liquidity positions for several sovereigns. For frontier economies, larger repayments remain concentrated toward the end of 2026.

Chart 11. EM Sovereign Maturities by Region (USD billions)

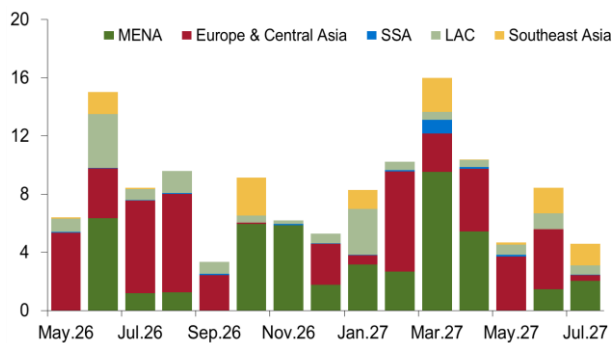
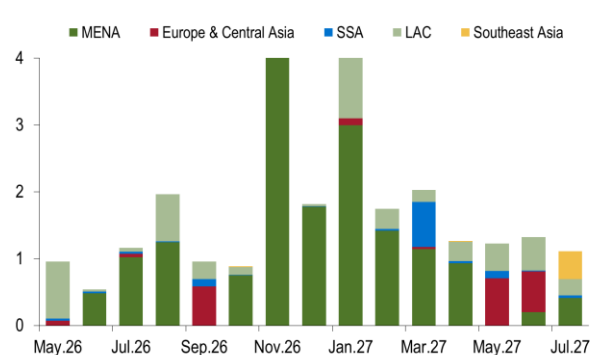


Chart 12. Frontier Sovereign Maturities by Region (USD billions)



Fund Flows and Bond Returns

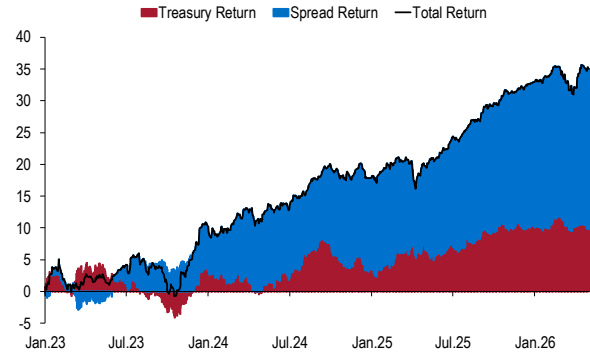
Sovereign hard currency returns turned positive again in April, driven primarily by spread tightening, pushing YTD returns into positive territory

Despite the March selloff, cumulative returns since early 2023 remain positive for the asset class

Chart 13. Sovereign Hard Currency Bond Returns (percent)

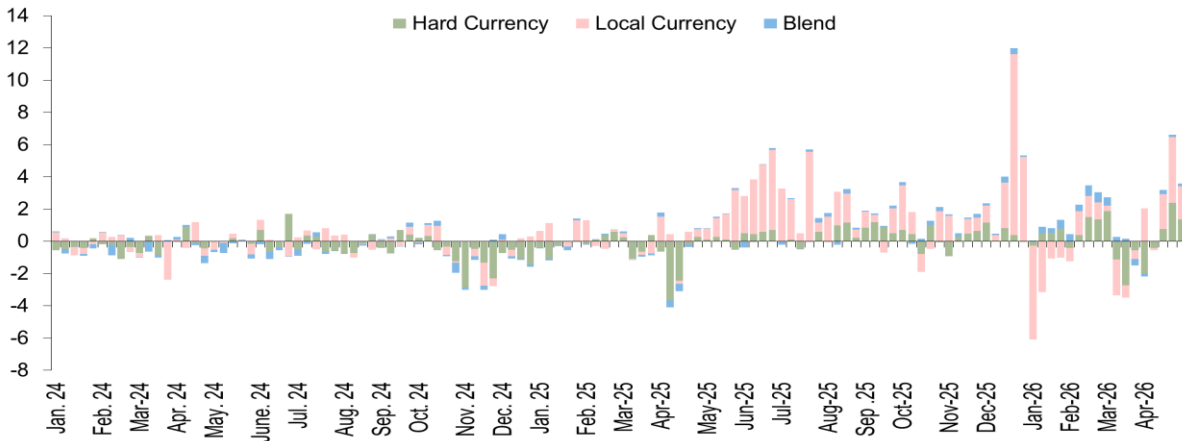


Chart 14. Sovereign Hard Currency Bond Returns (percent, cumulative since Jan. 2023)



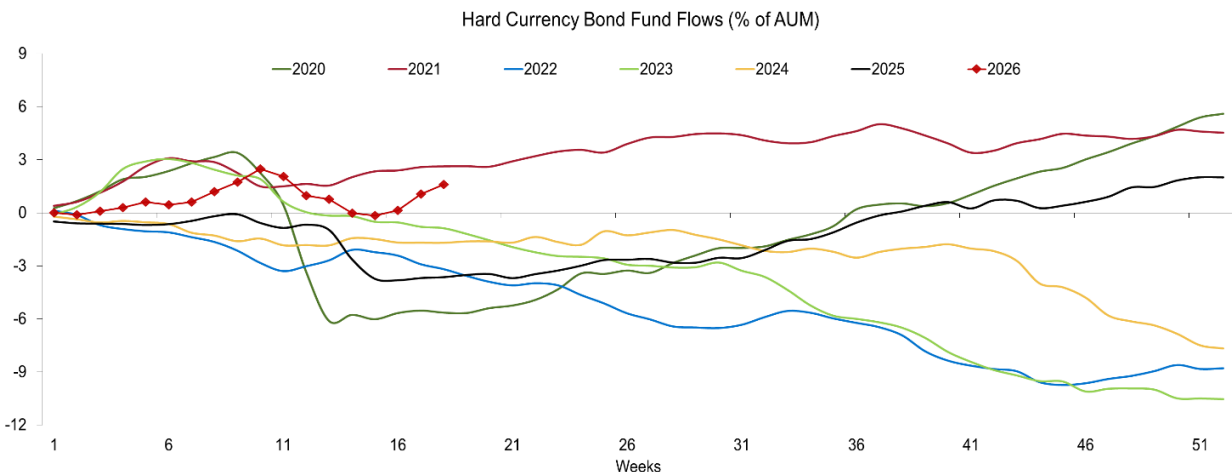
After a challenging month in March, EM bond fund flows – for both hard and local currency - reverted to positive in the past few weeks

Chart 15. ETF and Mutual Fund Flows (USD billions)



YTD hard currency fund inflows rebounded in recent weeks following improvements in sentiment over geopolitical tensions in the Middle East

Chart 16. Hard Currency Fund Flows (percent of AUM, cumulative, by year)



Sovereign Spreads and Yields

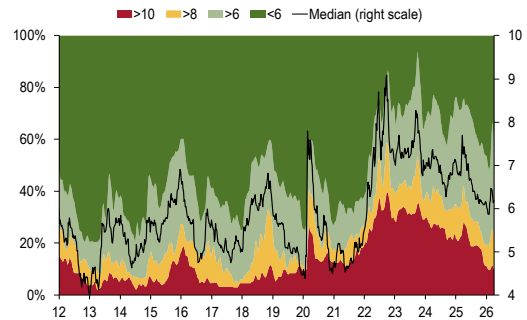
Spreads narrowed across the board in April, with Mozambique and Ukraine seeing the largest moves

Despite geopolitical developments and related uncertainty, the percentage of EMs with yields exceeding 10% remained broadly unchanged at around 10%...

Chart 17. Major Laggards and Gainers on Credit Spreads in March (Basis points; restricted to issuers with spreads below 2500)

Top-15 Leaders			Top-15 Laggards		
Country	Change in spreads	Latest spread	Country	Change in spreads	Latest spread
1 Mozambique	(333)	1,164	Paraguay	(27)	108
2 Ukraine	(211)	923	Romania	(25)	186
3 Bolivia	(153)	408	Peru	(25)	120
4 Ghana	(137)	289	Indonesia	(25)	85
5 Cameroon	(135)	494	Chile	(23)	83
6 Angola	(121)	421	Uruguay	(23)	62
7 Pakistan	(103)	404	Kazakhstan	(22)	74
8 Senegal	(98)	1,346	Philippines	(20)	72
9 Sri Lanka	(89)	239	United Arab Emirates	(20)	80
10 Ecuador	(89)	411	Saudi Arabia	(18)	89
11 Suriname	(88)	271	Malaysia	(13)	48
12 El Salvador	(80)	318	China	(12)	57
13 Nigeria	(78)	283	India	(11)	79
14 Ivory Coast	(70)	274	Poland	(10)	88
15 Kenya	(66)	472	Gabon	(9)	791

Chart 18. Distribution of Yields in EM Bond Index (share, 4-week average)



...while the number of EMs with spreads above 1,000bps remained ~7 suggesting that broader market conditions have remained relatively stable despite recent volatility

Chart 19. Share of Distressed Issuers and those with yields above 10% in EM Bond Index (share, 3-week average)

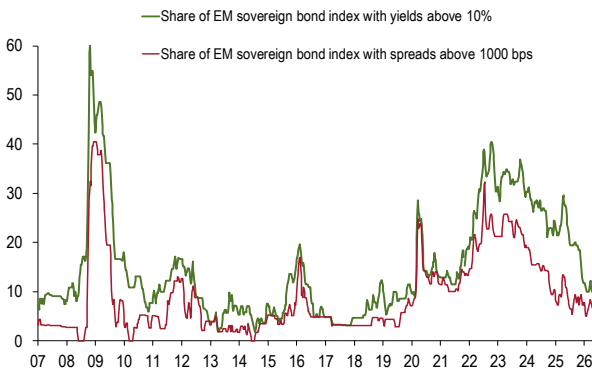


Chart 20. EM Yields and Spreads Decomposition (percent)

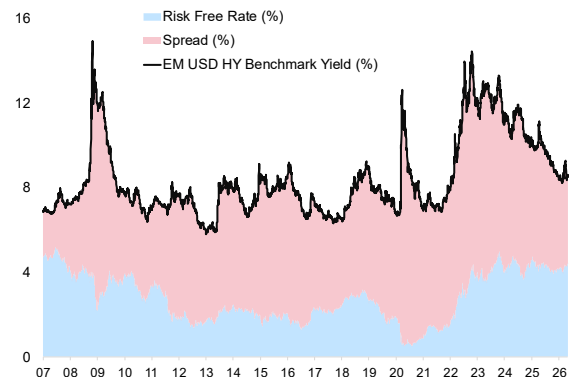
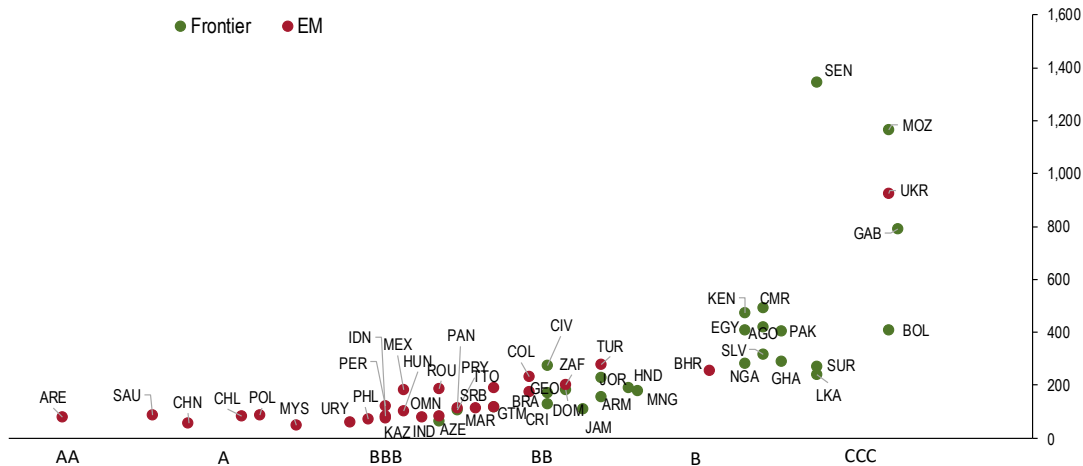
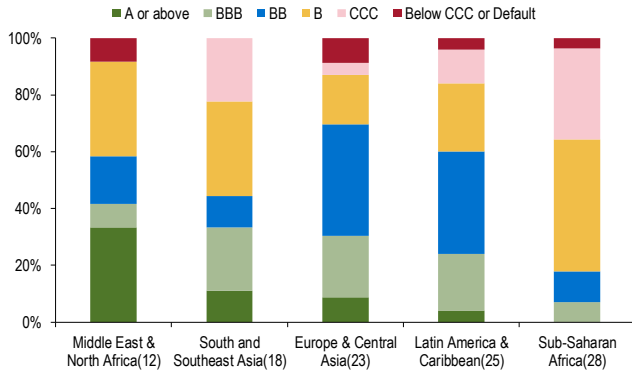


Chart 21. Spreads by Rating and Country (basis points, median rating)

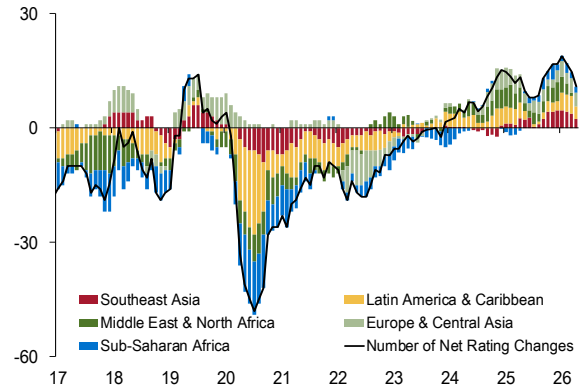


Annex

Annex Figure 1. Ratings by Region
(share by rating and region)



Annex Figure 2. Net Ratings Updates
(number of net rating actions, six-month sum)



Annex Table 1. Latest Ratings Actions

	New median rating	Latest			End Mar. 26		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Colombia	BB	BB-	BB	Baa3	BB	BB	Baa3
Mozambique	CCC	CCC+	CCu	Caa2u	CCC+	CCCu	Caa2u

Annex Table 2. Country Sovereign Issuance Totals

Issuer	2026	Jan-26	Feb-26	Mar-26	Apr-26
Mexico	14.5	14.5	-	-	-
Saudi Arabia	11.4	11.4	-	-	-
Poland	11.1	3.8	1.3	-	6.0
Brazil	10.3	-	4.5	-	5.9
Indonesia	8.3	2.7	4.5	-	1.1
Turkey	7.8	3.5	2.4	-	2.0
United Arab Emirates	6.5	-	3.0	-	3.5
Romania	5.5	-	5.5	-	-
Colombia	4.9	4.9	-	-	-
Hungary	4.8	3.5	1.3	-	-
Chile	4.3	4.3	-	-	-
Kuwait	4.2	-	-	2.2	2.0
Ecuador	4.0	4.0	-	-	-
Serbia	3.4	-	-	-	3.4
Qatar	3.0	-	-	-	3.0
Panama	3.0	-	3.0	-	-
Dominican Republic	2.7	-	2.7	-	-
Philippines	2.7	2.7	-	-	-
Angola	2.5	-	-	2.5	-
Kenya	2.2	-	2.2	-	-
Bahrain	2.1	2.1	-	-	-
Paraguay	1.4	-	1.4	-	-
Côte d'Ivoire	1.3	-	1.3	-	-
Democratic Republic of the Congo	1.3	-	-	-	1.3
North Macedonia	1.1	1.1	-	-	-
Trinidad and Tobago	1.0	1.0	-	-	-
Uzbekistan	1.0	-	-	-	1.0
Benin	0.9	0.9	-	-	-
Pakistan	0.8	-	-	-	0.8
Cameroon	0.7	0.7	-	-	-
Congo	0.6	-	0.6	-	-
Bosnia and Herzegovina	0.6	-	-	0.6	-
Mongolia	0.5	-	-	0.5	-
Egypt	0.5	-	-	0.5	-
Georgia	0.5	0.5	-	-	-