Emerging and Frontier Markets Issuance

September 11, 2026

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HIGHLIGHTS:

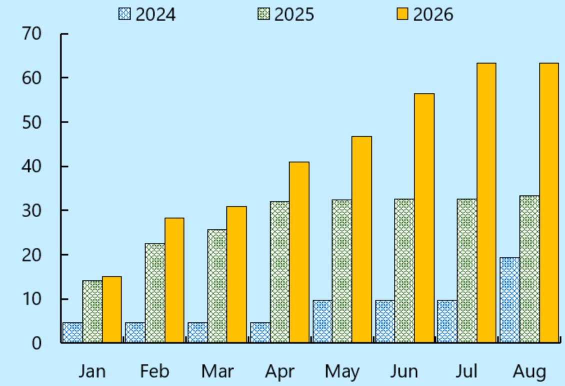
- **International debt issuance by emerging- and frontier markets moderated in the past two months, in line with seasonal slowdown.** Nonetheless, cumulative sovereign and corporate issuances remain at record levels (Charts 1 and 2) and market contacts note that activity is expected to pick up in the coming weeks.
  - EM and frontier sovereign issuance amounted to a combined $20.2 billion in July and August, comprising $18.6 billion and $1.6 billion, respectively.

Summary of EM and frontier sovereign issuance in July and August
(USD billion)

EM Sovereigns	July	August
Kuwait	6.0	
Chile	3.5	
Hungary	3.4	
Mexico	0.0	1.8
Malaysia	1.5	
China	0.0	0.9
Trinidad and Tobago	0.8	
Uruguay	0.7	
Total EM	**15.9**	**2.7**

Frontier Sovereigns	July	August
Honduras	0.8	
Gabon	0.8	
Total Frontier	**1.6**	

Chart Spotlight: MENA sovereign and corporate issuances
Cumulative YTD in USD billion



Sources: Bloomberg; Bondradar; JP Morgan; and IMF staff calculations

- **Underlying market conditions remained supportive, reflected in tight EM hard-currency spreads, favorable sovereign rating dynamics and constructive bond fund flows:**
  - **Despite persistent geopolitical tensions, Middle East sovereign spreads have been contained while issuance volume has increased compared to previous years** (see Chart Spotlight). Market analysts observed that demand for longer-term capital in the region is increasing, driven by infrastructure investment, sovereign refinancing needs, higher defense spending, and reconstruction efforts arising from recent geopolitical tensions in the Middle East.
  - **EM sovereign rating upgrades continued to outpace downgrades**. In August, the ratings of Benin, Ecuador, Kazakhstan, Pakistan and Tajikistan were upgraded, while only Senegal's rating was downgraded.
  - **EM bond fund inflows continued in the past two months**. Local-currency funds continue to lead inflows while hard-currency inflows remained modest (Charts 16 and 17).
- **Looking ahead, market contacts continue to view market access as still supportive and issuance activities are expected to pick up in coming weeks**. In early September, Saudi Arabia and Pakistan tapped the dollar markets with dual-tranche issuances. Market contacts anticipate potential sovereign issuers in the coming months to include Argentina, Brazil, Egypt, Guatemala, Nigeria, and Romania.

Overview

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

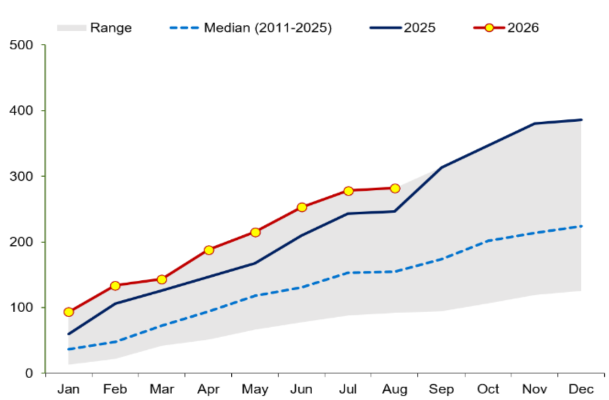
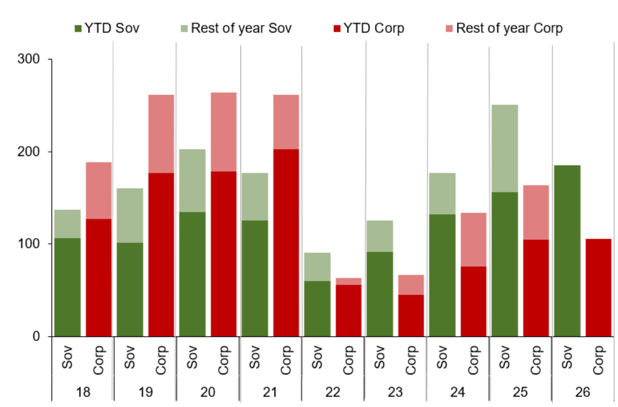


Chart 2. Total Sovereign and Corporate Issuance
(Historical trend, USD billions)

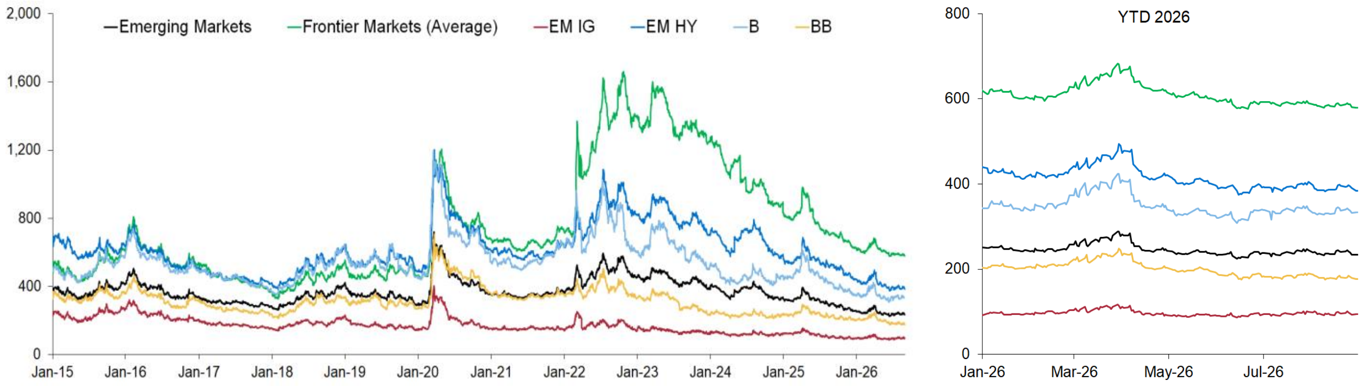


This monitor is produced by MCMGA. It captures international issuance, predominantly denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.
Sources: Bloomberg, Bond Radar (issuance), EPFR (fund flows), JPMorgan (spreads), analyst reports, and IMF staff.

Issuance Detail: Emerging Market Corporates and Sovereigns

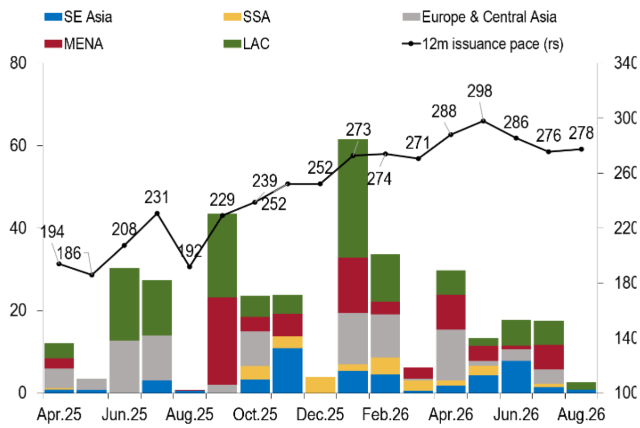
Benchmark sovereign spreads have retraced their early-April widening and remain relatively tight and range-bound

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



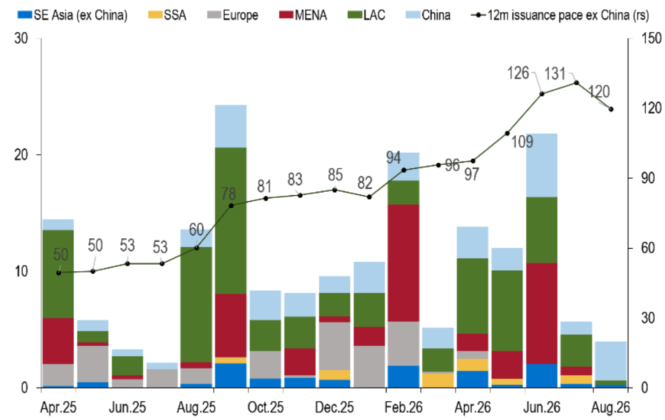
August was a relatively quiet month for EM sovereign international issuance, in line with seasonal trends…

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



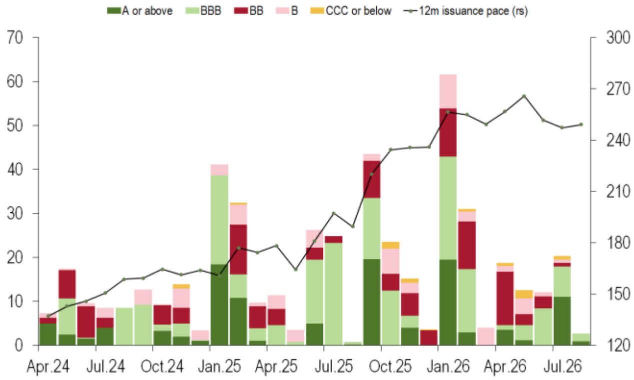
… while corporates issuance also slowed during the month

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



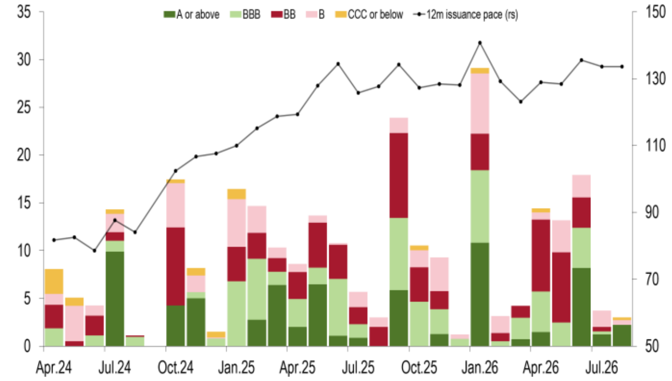
Mexico and China were the only sovereign issuers in August, tapping the JPY and CNH markets, respectively.

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



Corporate issuance was also subdued, with issuances led by China-based corporate issuers.

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



Frontier sovereign issuance remained elevated year to date, with July transactions from Honduras and Gabon pushing 2026 volumes close to 2025's full-year total.

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

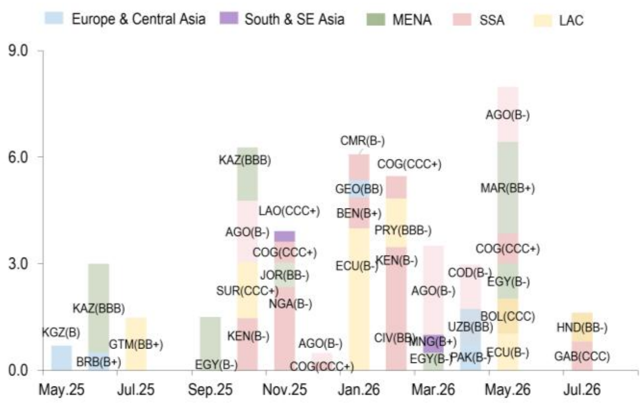
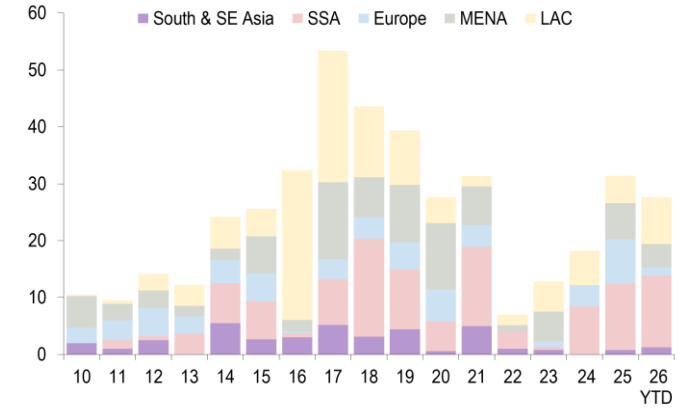
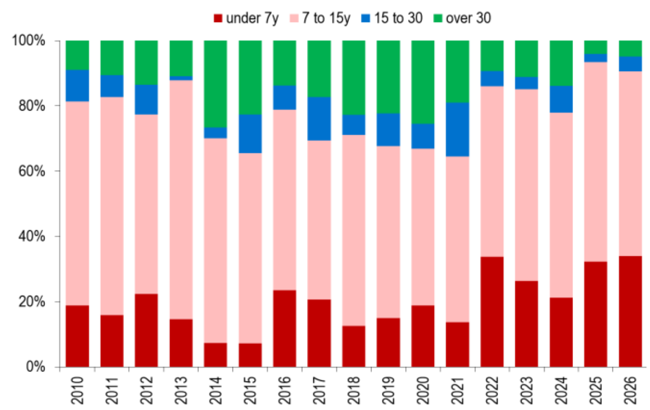


Chart 9. Frontier Sovereign Issuance by Year
(USD billions)



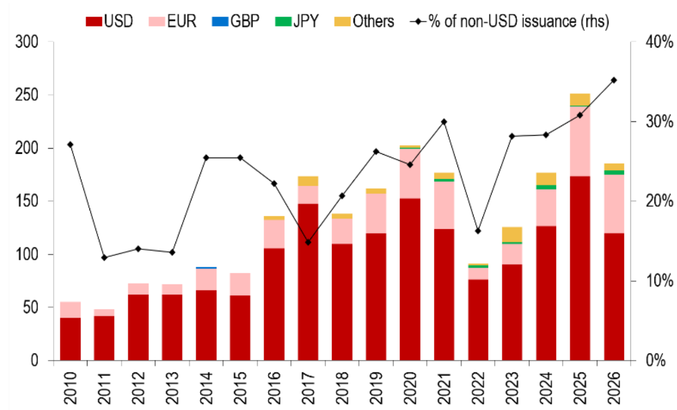
EM international debt issued in 2026 YTD remains concentrated in the short- to medium-term segment, with roughly 30% maturing within seven years.

Chart 10. EM Sovereign Issuance by Maturity
(Percent)



The USD remains the predominant issuance currency, while euro-denominated issuance also remains significant.

Chart 11. EM Sovereign Issuance by Currency
(Percent)



Upcoming Debt Repayments

EM and frontier sovereign refinancing needs are set to remain relatively contained through end-2026 before rising in early 2027

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

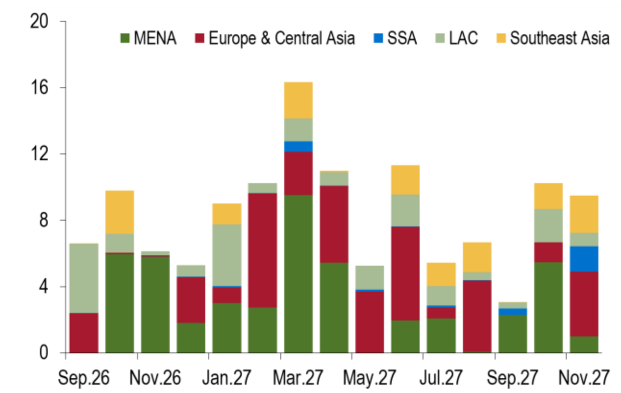
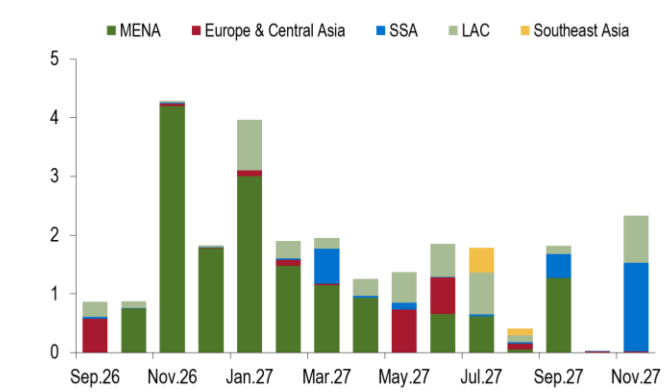


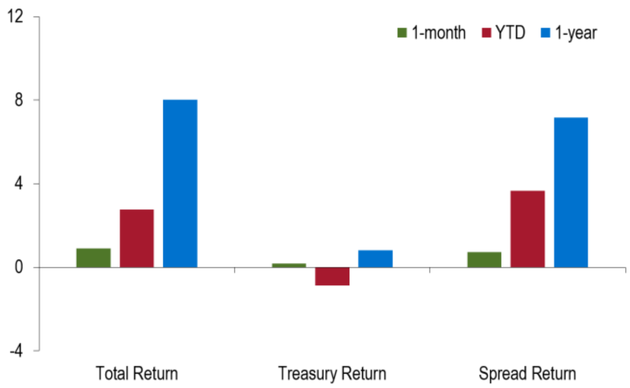
Chart 13. Frontier Sovereign Maturities by Region
(USD billions)



Fund Flows and Bond Returns

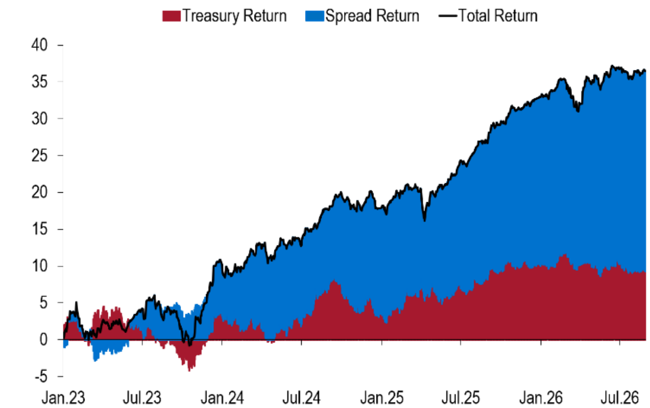
Hard currency sovereign returns have moderated in the past month amid tight spreads and volatile Treasury markets

Chart 14. Sovereign Hard Currency Bond Returns
(percent)



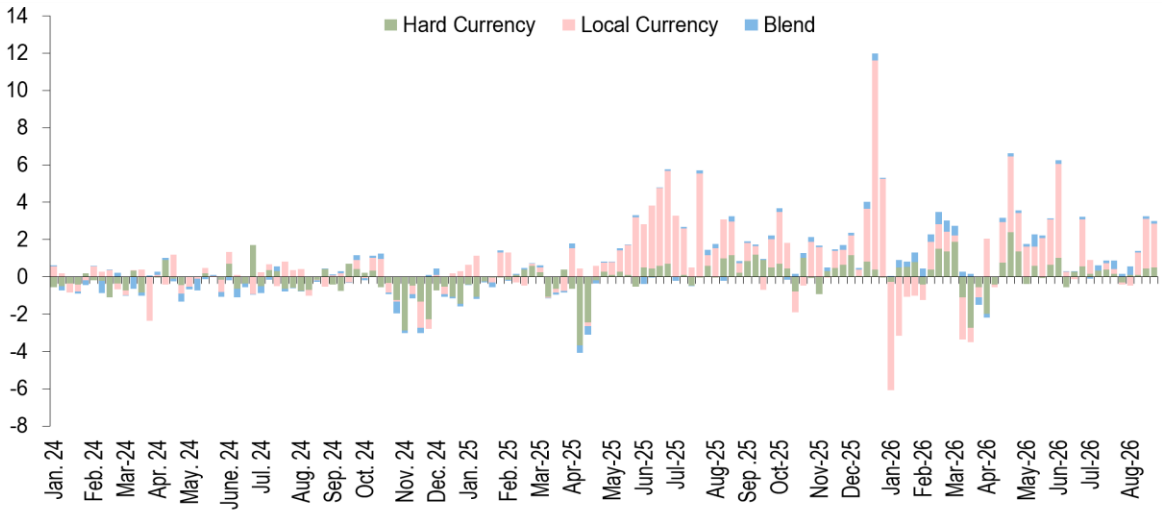
Consequently, YTD asset class returns have stalled this year, as compared to 2024 and 2025

Chart 15. Sovereign Hard Currency Bond Returns
(percent, cumulative since Jan. 2023)



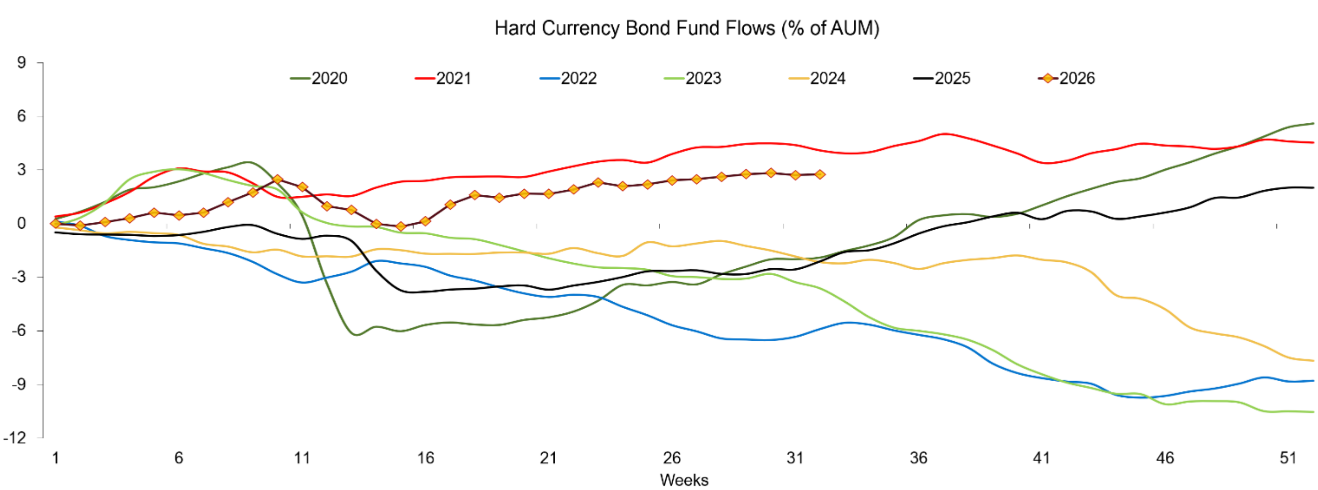
EM funds' inflows continued in August, primarily benefitting local currency funds

Chart 16. ETF and Mutual Fund Flows (USD billions)



In contrast, hard currency fund flows have largely stalled in recent weeks

Chart 17. Hard Currency Fund Flows (percent of AUM, cumulative, by year)



Sovereign Spreads and Yields

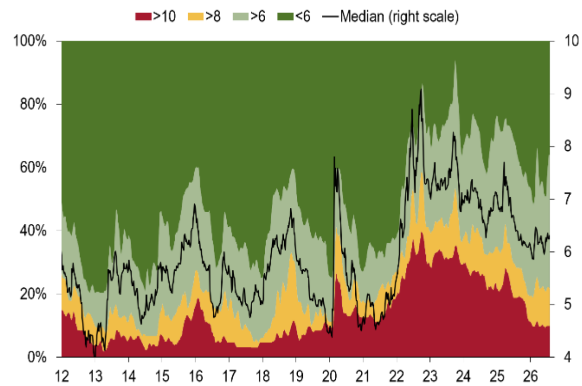
Spreads continued to narrow for most sovereigns in August, although idiosyncratic developments drove widening in a small number of cases

Chart 18. Major Laggards and Gainers on Credit Spreads in August (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
Cameroon	(60)	435	Panama	(4)	119
Kenya	(52)	357	Malaysia	(3)	55
Pakistan	(48)	294	Costa Rica	(3)	127
Mozambique	(47)	759	Paraguay	(2)	107
Ghana	(47)	219	Romania	(2)	167
Sri Lanka	(42)	95	Poland	(1)	87
Iraq	(39)	170	Colombia	(1)	189
Bolivia	(37)	396	Uruguay	(1)	65
Egypt	(34)	324	Jamaica	0	107
Ivory Coast	(33)	205	Gabon	0	664
Bahrain	(31)	259	China	1	60
El Salvador	(24)	271	India	2	81
South Africa	(24)	155	Mongolia	7	177
Turkey	(22)	261	Ukraine	20	715
Kazakhstan	(21)	67	Senegal	127	1,651

Despite geopolitical-related developments and elevated Treasury yields, the share of EMs with yields exceeding 10% remained broadly stable at around 10%...

Chart 19. Distribution of Yields in EM Bond Index (share, 4-week average)



…while the share of EMs with spreads above 1,000bps remained around 5%, suggesting that broader market conditions have remained conducive despite recent volatility

Chart 20. Share of Distressed Issuers and those with yields above 10% in EM Bond Index (share, 3-week average)

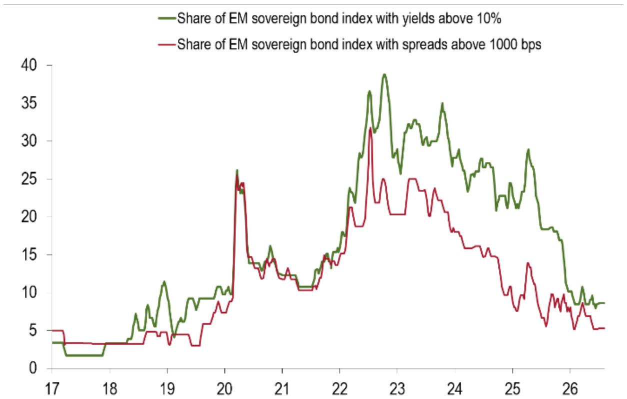


Chart 21. EM Yields and Spreads Decomposition (percent)

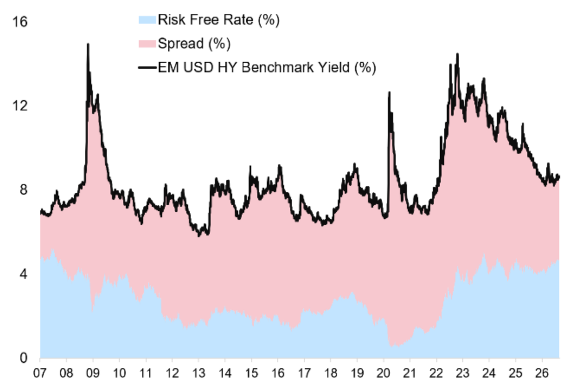
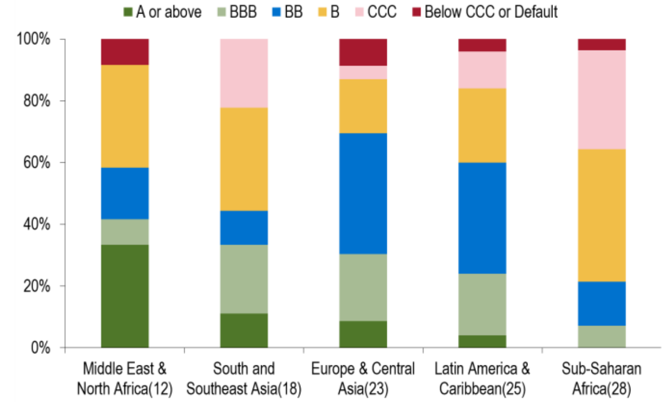


Chart 22. Spreads by Rating and Country (basis points, median rating)

Annex

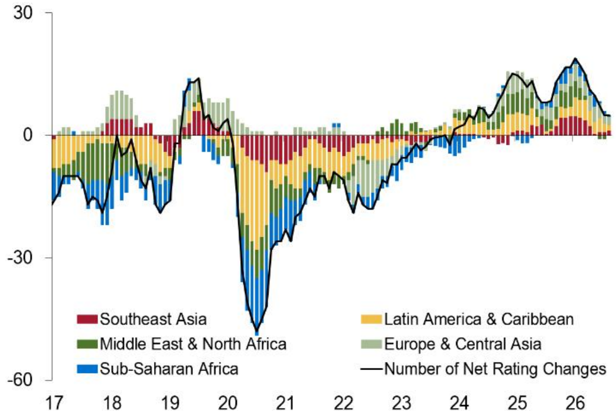
Annex Figure 1. Ratings by Region

(share by rating and region)



Annex Figure 2. Net Ratings Actions

(number of net rating actions, six-month sum)



Annex Table 1. Latest Ratings Actions

	New median rating	Latest			End Jul. 26		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Benin	**BB-**	BB-	B+	Ba3	BB-	B+	B1
Ecuador	**B-**	B	B-	Caa1	B-	B-	Caa1
Kazakhstan	**BBB**	BBB	BBB	Baa1	BBB-	BBB	Baa1
Pakistan	**B-**	B	B-	B3	B	B-	Caa1
Senegal	**CCC-**	CC		Caa2	CCC+		Caa1
Tajikistan	**B+**	B+		B2	B		B2

Annex Table 2. Country Sovereign Issuance Totals

Issuer	2026	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Mexico	22.5	-	-	-	6.2	-	1.8
Poland	12.2	-	6.0	1.1	-	-	-
Indonesia	11.8	-	1.1	3.4	-	-	-
Saudi Arabia	11.4	-	-	-	-	-	-
Turkey	10.6	-	2.0	-	2.7	-	-
Brazil	10.3	-	5.9	-	-	-	-
Kuwait	10.2		2.0	-	-	6.0	-
Hungary	8.2	-	-	-	-	3.4	-
Chile	7.8	-	-	-	-	3.5	-
China	7.4	-	-	0.9	5.6	-	0.9
United Arab Emirates	6.5	-	3.5	-	-	-	-
Romania	5.5	-	-	-	-	-	-
Ecuador	5.0	-	-	1.0	-	-	-
Philippines	4.9	-	-	-	2.2	-	-
Colombia	4.9	-	-	-	-	-	-
Angola	4.0	2.5	-	1.5	-	-	-
Serbia	3.4	-	3.4	-	-	-	-
Bahrain	3.1	-	-	-	1.0	-	-
Qatar	3.0	-	3.0	-	-	-	-
Panama	3.0	-	-	-	-	-	-
Dominican Republic	2.7	-	-	-	-	-	-
Morocco	2.6	-	-	2.6	-	-	-
Kenya	2.2	-	-	-	-	-	-
Trinidad and Tobago	1.8	-	-	-	-	0.8	-
Egypt	1.5	0.5	-	1.0	-	-	-
Malaysia	1.5	-	-	-	-	1.5	-
Congo	1.5	-	-	0.8	-	-	-
Paraguay	1.4	-	-	-	-	-	-
Côte d'Ivoire	1.3	-	-	-	-	-	-
Democratic Republic of the Congo	1.3	-	1.3	-	-	-	-
North Macedonia	1.1	-	-	-	-	-	-
Bolivia	1.0	-	-	1.0	-	-	-
Uzbekistan	1.0	-	1.0	-	-	-	-
Benin	0.9	-	-	-	-	-	-
Honduras	0.8	-	-	-	-	0.8	-
Gabon	0.8	-	-	-	-	0.8	-
Pakistan	0.8	-	0.8	-	-	-	-
Cameroon	0.7	-	-	-	-	-	-
Uruguay	0.7	-	-	-	-	0.7	-
Bosnia and Herzegovina	0.6	0.6	-	-	-	-	-
Mongolia	0.5	0.5	-	-	-	-	-
Georgia	0.5	-	-	-	-	-	-