GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Emerging and Frontier Markets Issuance

Friday, November 6, 2026

Prepared by: Esti Kemp and Xiang-Li Lim

HIGHLIGHTS:

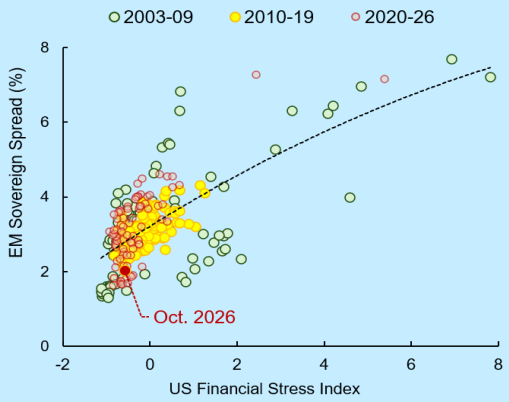
- **Emerging- and frontier-market international debt issuance moderated in October, compared to the same period last year.** Nonetheless, strong issuance earlier in the year kept cumulative sovereign and corporate issuance at historically high levels (Charts 1 and 2), although momentum has waned.
- **Sovereign issuers continued to access international markets despite volatile financing conditions.** Colombia raised a record amount in a single external debt issuance, which attracted peak demand of 3.3x the amount offered.
  - Frontier sovereign issuance also continued, with YTD 2026 volume now highest since 2019 (Charts 8 and 9).
  - Overall sovereign issuance volume in October was -57% y/y, but YTD volume remains near record high, benefitting from frontloaded issuances earlier in the year.

Summary of EM and frontier sovereign issuance in October 2026
(USD billion)

EM Sovereigns	October	Frontier Sovereigns	October
Colombia	5.2	Egypt	0.5
Kuwait	3.3	Gabon	0.5
Bahamas	1.1	Laos	0.5
Total EM	**9.6**	**Total Frontier**	**1.5**

- **Stabilizing US Treasury yields eased pressure on EM hard currency bonds in late October**
  - While EM sovereign spreads continued to widen in October, the pace of widening slowed in recent weeks alongside stabilizing US Treasury yields. Despite elevated yields, relatively accommodative US financial market conditions helped limit further pressure on EM credit (*See spotlight chart*).
  - The easing drag from US Treasury yields helped hard-currency sovereign bond returns turn positive year to date, more than offsetting the negative contribution from wider sovereign spreads (Charts 14 and 15).
  - Nonetheless, hard-currency bond fund flows continued to record outflows in recent weeks, although cumulative inflows remained positive for the year. Local-currency funds flows continue to remain more resilient (Charts 16 and 17).
- **Looking ahead, market access remains broadly open, with issuance activity expected to continue although heightened market volatility could weigh on sentiments.** Market contacts anticipate China, Chile, Indonesia, Kazakhstan, Kenya, Nigeria, and Qatar potential sovereign issuers in the coming months, while Bolivia and Guinea are reportedly considering issuances.

Spotlight Chart: Hard-currency spread and US financial stress index



Source: Blomberg Finance L.P.; and IMF staff calculations
Note: EM sovereign spread data are from Bloomberg indiex while the US Financial stress index is from St. Louis Federal Reserve Bank.

Overview

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

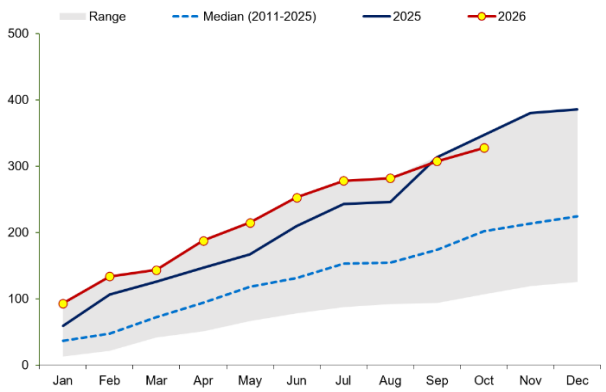
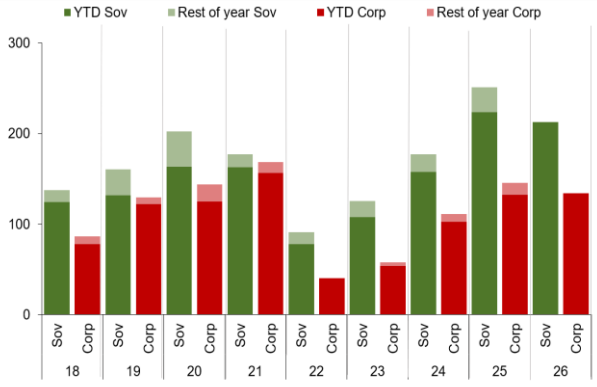


Chart 2. Total Sovereign and Corporate Issuance
(Historical trend, ex CHN corporates, USD billions)

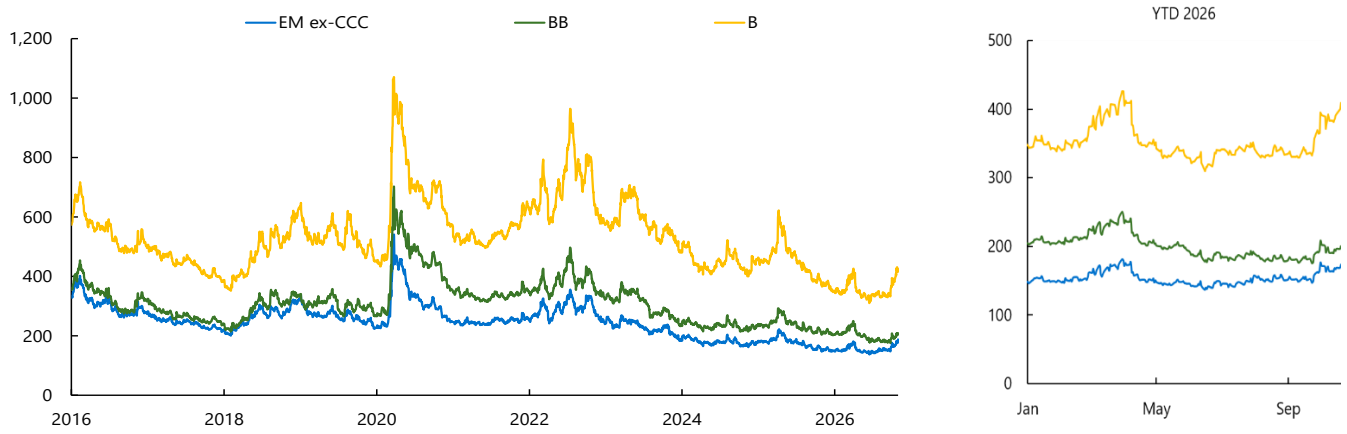


This monitor is produced by MCMGA. It captures international issuance, predominantly denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.
Sources: Bloomberg, Bond Radar (issuance), EPFR (fund flows), JPMorgan (spreads), analyst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

Issuance Detail: Emerging Market Corporates and Sovereigns

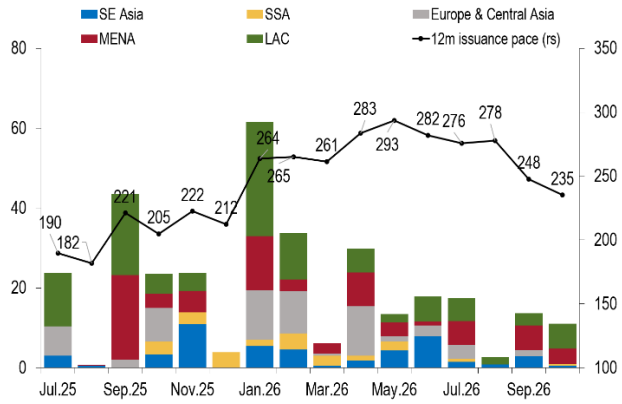
Benchmark sovereign spreads continued to widen through October, led by lower-rated sovereigns

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



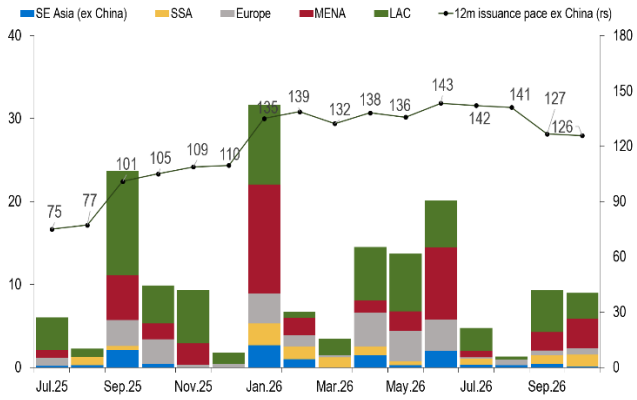
EM sovereign issuance has moderated following a strong first half, with volumes in the past two months below prior year's levels

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



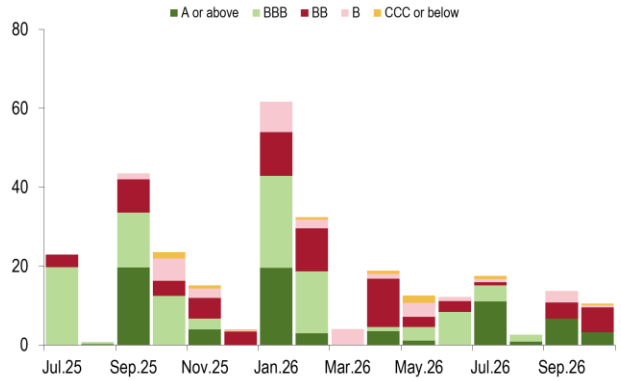
Nonetheless, corporate issuances (ex-China) was little changed

Chart 5. Corporate International Bond Issuance by Region (USD billions, ex-China)



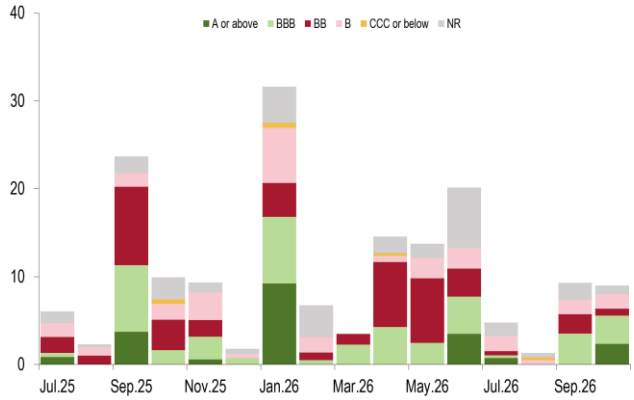
While overall issuance pace has moderated, lower-rated issuers continue to access primary markets

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



In contrast, corporate issuances have picked-up but more concentrated among higher-rated issuers

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



Issuance Detail: Emerging Market Corporates and Sovereigns

Frontier sovereign issuance has already surpassed the 2025 full-year total and is on track for its highest annual volume since 2019, with Egypt, Gabon and Laos accessing markets in October

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

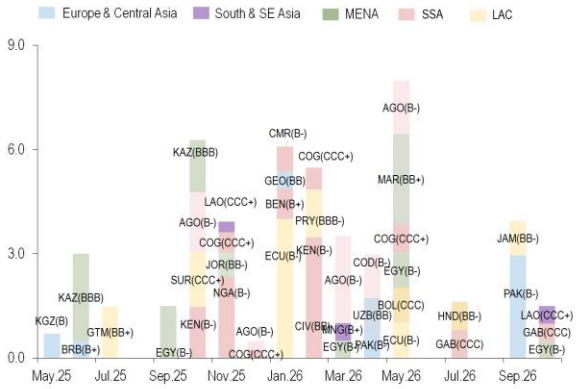
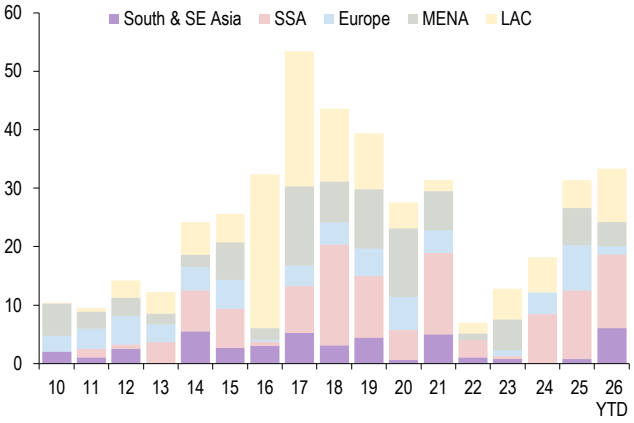
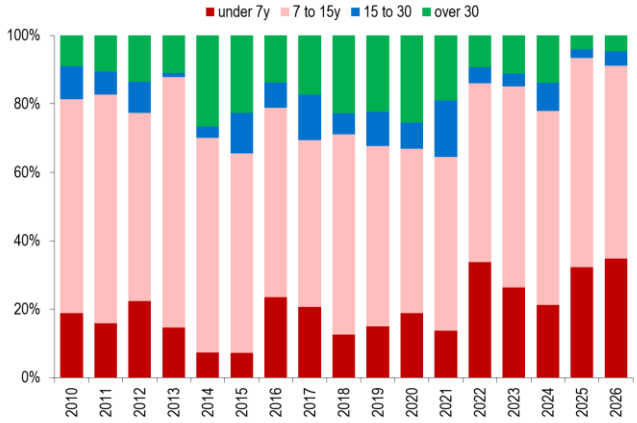


Chart 9. Frontier Sovereign Issuance by Year
(USD billions)



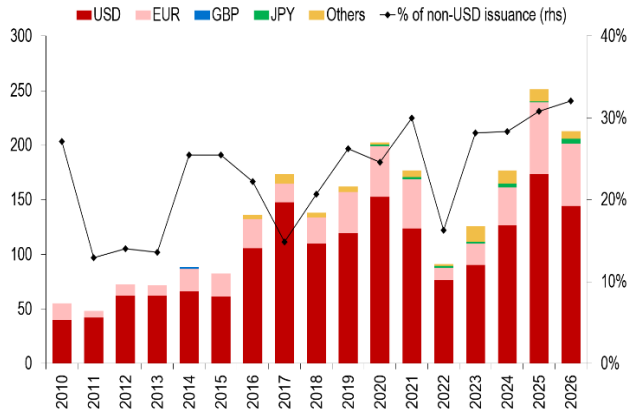
Short- to medium-term maturities account for a growing share of issuances, with nearly 35% of year-to-date issuance at tenors below seven years

Chart 10. EM Sovereign Issuance by Maturity
(Percent)



The US dollar remains dominant, but non-dollar issuance has reached a record share, led by euro-denominated bonds

Chart 11. EM Sovereign Issuance by Currency
(Percent)



Upcoming Debt Repayments

EM and frontier sovereign refinancing needs are gradually rising through early 2027, although some sovereigns have front-loaded issuances at the start of the year

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

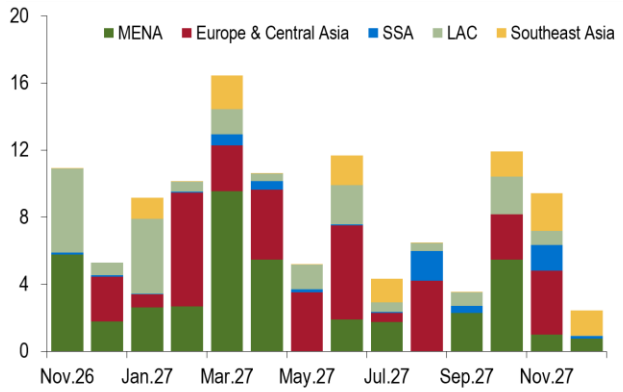
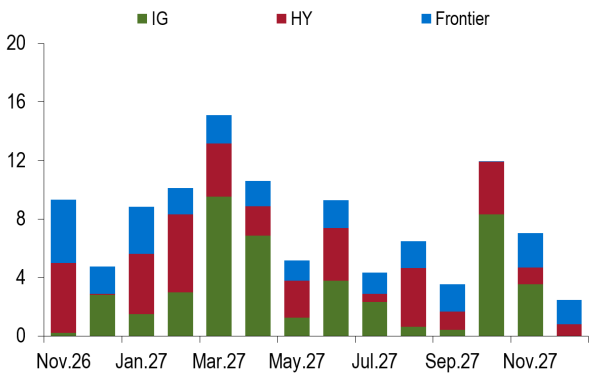


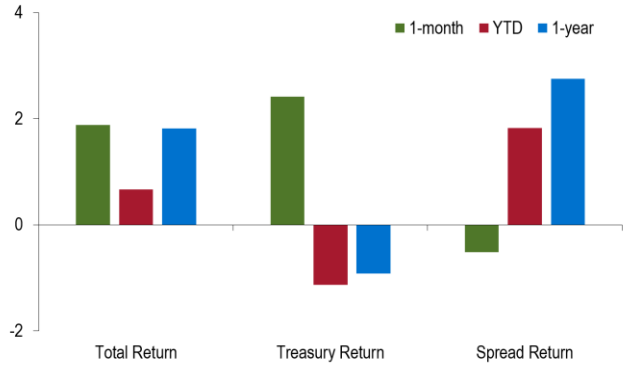
Chart 13. EM Sovereign Maturities by Credit Segment
(USD billions)



Fund Flows and Bond Returns

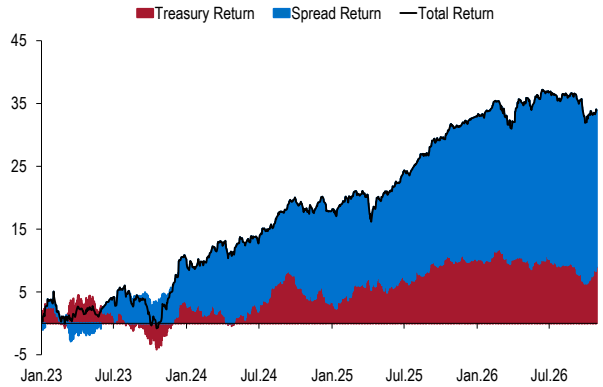
Hard-currency sovereign returns turned positive in October, as treasury yields stabilized…

Chart 14. Sovereign Hard Currency Bond Returns (percent)



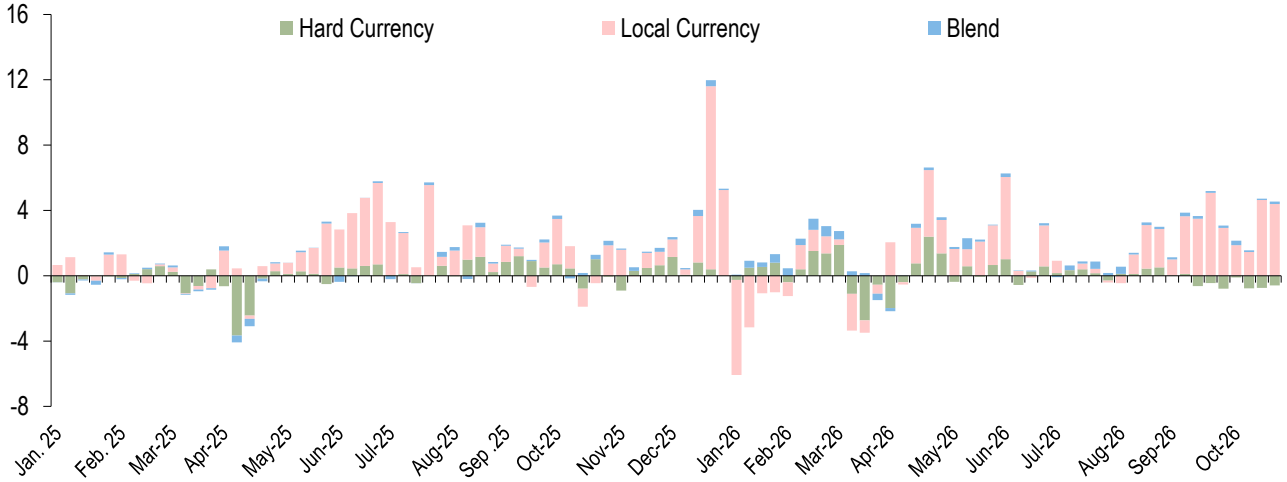
…bringing YTD asset class returns into positive territory, on track for a fourth consecutive year of gains

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



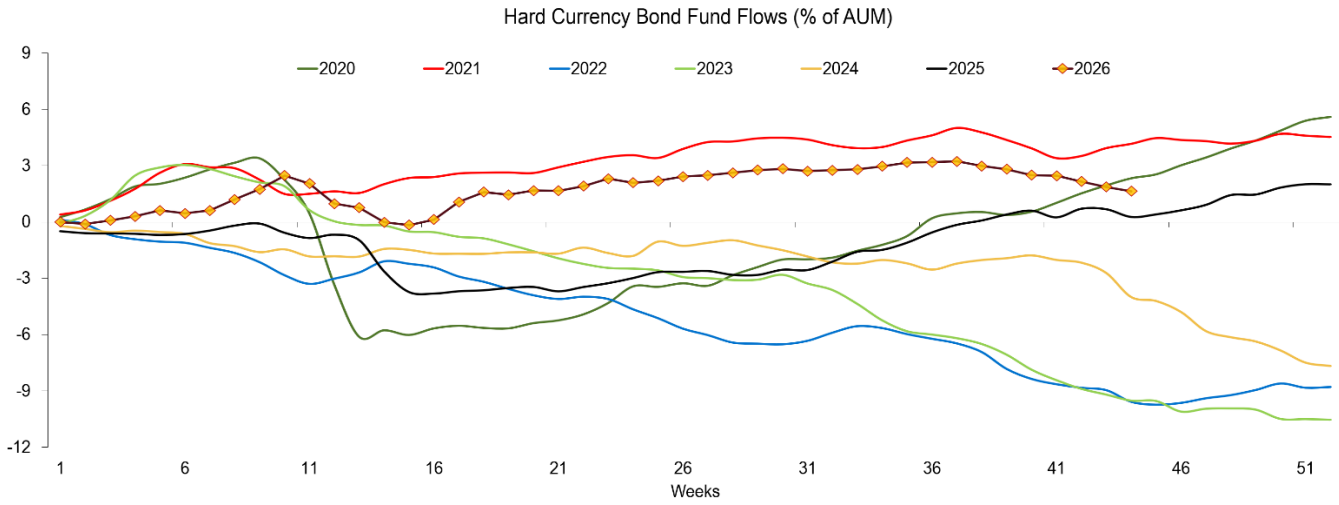
Despite recent market volatility, EM local-currency funds continued to attract inflows…

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



.. in contrast to hard-currency fund flows, although year-to-date inflows remain positive

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



Sovereign Spreads and Yields

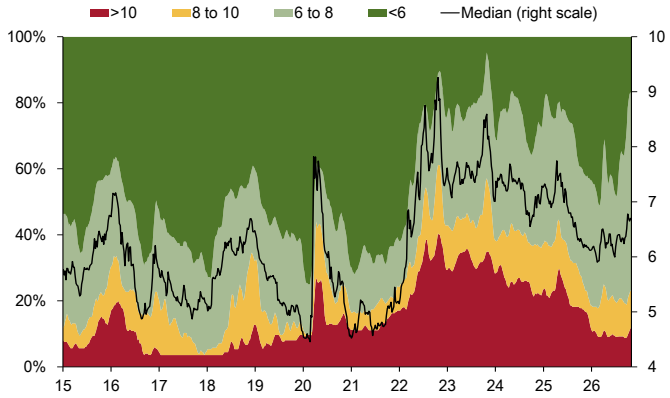
Sovereign spreads continue to widen for most issuers in October, particularly affecting lower-rated ones more than investment grade issuers

Chart 18. Major Laggards and Gainers on Credit Spreads in October (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
Armenia	(10)	146	Benin	45	288
Panama	(5)	129	Ghana	46	311
South Africa	(2)	203	Mongolia	48	232
Colombia	(2)	224	Senegal	51	1,465
Serbia	(2)	130	Iraq	56	223
Uruguay	1	79	Rwanda	63	212
Uzbekistan	1	153	Egypt	64	430
Chile	3	99	Kenya	67	451
China	3	5	Ukraine	72	913
Paraguay	3	119	Pakistan	80	403
Peru	4	117	Ecuador	88	576
Bolivia	4	488	Mozambique	88	747
Hungary	5	107	Gabon	153	921
Kazakhstan	5	84	Argentina	153	760
Oman	5	107	Cameroon	213	634

The share of sovereigns with yields above 10% remained broadly stable, while the median EM yields moved slightly higher as Treasury yields remain elevated

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



The share of distressed sovereigns remained low, alongside tentative signs of a peak in sovereign yields

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

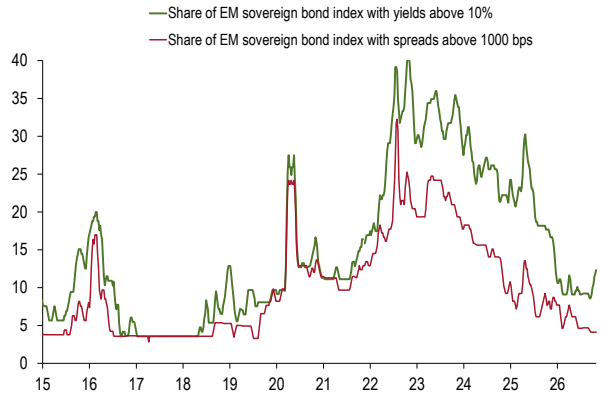


Chart 21. EM Yields and Spreads Decomposition (percent)

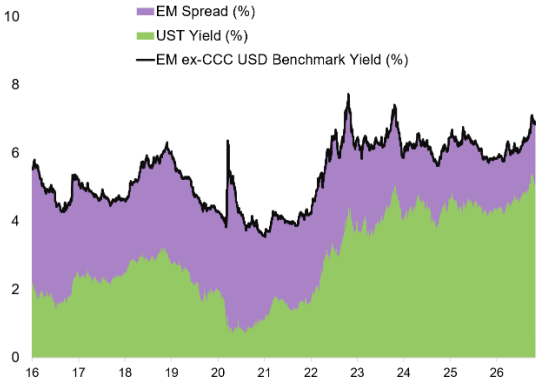
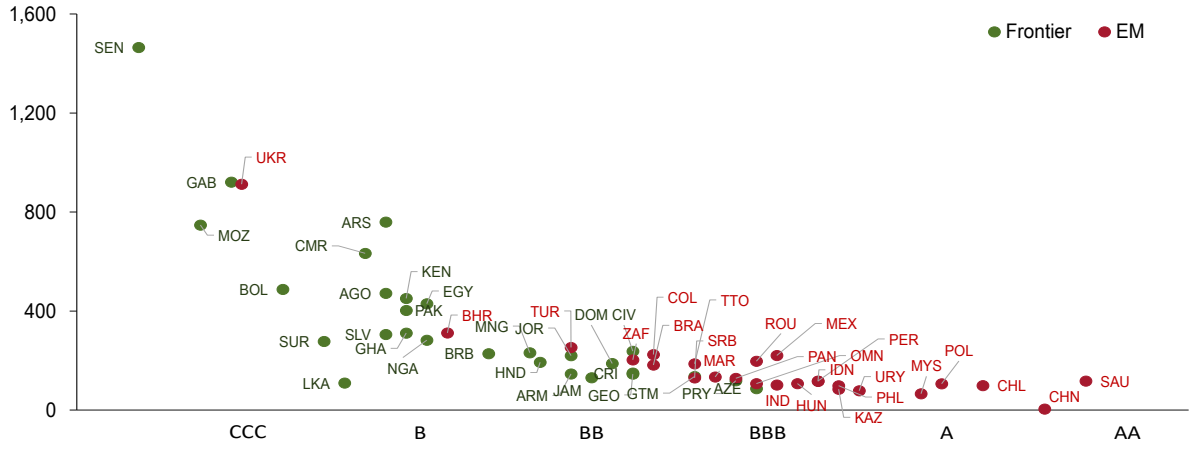


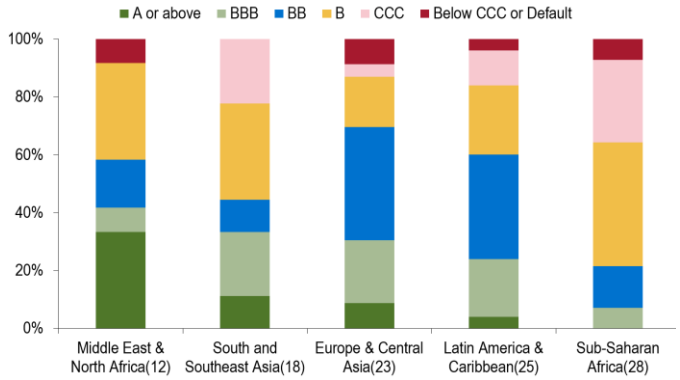
Chart 22. Spreads by Rating and Country (basis points, median rating)



Annex

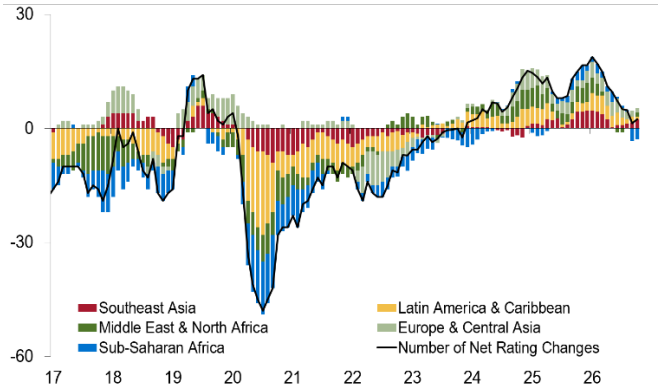
Annex Figure 1. Ratings by Region

(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 Sep. 26		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Bolivia	**CCC**	CCC+	CCC	Caa2	CCC+	CCC	Caa3
Cameroon	**B-**	B-	B-	Caa1u	B-	B	Caa1u
Egypt	**B**	B	B	B3	B	B	Caa1
Ghana	**B-**	B-	B	B3	B-	B	Caa1
Kyrgyz Republic	**B**	B+	B	B2	B+	B	B3
Lao P.D.R.	**CCC+**	B-	CCC+	Caa2	CCC+	CCC+	Caa2
Maldives	**CCC**		CCC-	Caa1		CCC-	Caa2
Senegal	**CC**	CC		Ca	CC		Caa2

Annex Table 2. Country Sovereign Issuance Totals

Issuer	2026	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Mexico	22.5	-	6.2	-	1.8	-	-
Saudi Arabia	14.7	-	-	-	-	3.3	-
Kuwait	13.4	-	-	6.0	-	-	3.3
Poland	12.2	1.1	-	-	-	-	-
Turkey	12.1	-	2.7	-	-	1.5	-
Indonesia	11.8	3.4	-	-	-	-	-
Brazil	10.3		-	-	-	-	-
Colombia	10.1	-	-	-	-	-	5.2
Chile	8.3	-	-	3.5	-	0.5	-
Hungary	8.2	-	-	3.4	-	-	-
China	7.4	0.9	5.6	-	0.9	-	-
United Arab Emirates	6.5	-	-	-	-	-	-
Qatar	6.0	-	-	-	-	3.0	-
Romania	5.5	-	-	-	-	-	-
Ecuador	5.0	1.0	-	-	-	-	-
Philippines	4.9	-	2.2	-	-	-	-
Dominican Republic	4.3	-	-	-	-	1.6	-
Angola	4.0	1.5	-	-	-	-	-
Pakistan	3.7	-	-	-	-	3.0	-
Serbia	3.4	-	-	-	-	-	-
Bahrain	3.1	-	1.0	-	-	-	-
Panama	3.0	-	-	-	-	-	-
Morocco	2.6	2.6	-	-	-	-	-
Kenya	2.2	-	-	-	-	-	-
Egypt	2.0	1.0	-	-	-	-	0.5
Trinidad and Tobago	1.8	-	-	0.8	-	-	-
Malaysia	1.5	-	-	1.5	-	-	-
Congo	1.5	0.8	-	-	-	-	-
Paraguay	1.4	-	-	-	-	-	-
Gabon	1.3	-	-	0.8	-	-	0.5
Côte d'Ivoire	1.3	-	-	-	-	-	-
Democratic Republic of the Congo	1.3	-	-	-	-	-	-
North Macedonia	1.1	-	-	-	-	-	-
Bahamas, The	1.1	-	-	-	-	-	1.1
Jamaica	1.0	-	-	-	-	1.0	-
Bolivia	1.0	1.0	-	-	-	-	-
Uzbekistan	1.0	-	-	-	-	-	-
Benin	0.9	-	-	-	-	-	-
Honduras	0.8	-	-	0.8	-	-	-
Cameroon	0.7	-	-	-	-	-	-
Uruguay	0.7	-	-	0.7	-	-	-
Bosnia and Herzegovina	0.6	-	-	-	-	-	-
Laos	0.5	-	-	-	-	-	0.5
Mongolia	0.5	-	-	-	-	-	-
Georgia	0.5	-	-	-	-	-	-