



HIGHLIGHTS:

- Emerging- and frontier market international debt issuance continued despite elevated US Treasury yields, keeping cumulative sovereign and corporate issuance at historically high levels (Charts 1 and 2).

- Despite heightened market volatility, several sovereigns issued in September, with the largest issuers including Saudi Arabia, Qatar and Pakistan, all in USD.

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

EM Sovereigns	September
Saudi Arabia	3.3
Qatar	3.0
Dominican Republic	1.6
Turkey	1.5
Chile	0.5
Total EM	9.7

Frontier Sovereigns	September
Pakistan	3.0
Jamaica	1.0
Total Frontier	4.0

- Frontier sovereign YTD 2026 issuance volume has now surpassed 2025's full-year total (Charts 8 and 9).

- Overall sovereign issuance volume in September was -63% y/y, but YTD volume remains at record high, supported strong issuances earlier in the year.

- Market conditions became less supportive towards the end of September, following generally constructive conditions earlier in the month. Rising US Treasury yields and wider EM spreads increased borrowing costs and weighed on investors' willingness to add risk. By the end of September, market contacts reported greater demand for new-issue concessions, while some planned transactions were postponed or abandoned.

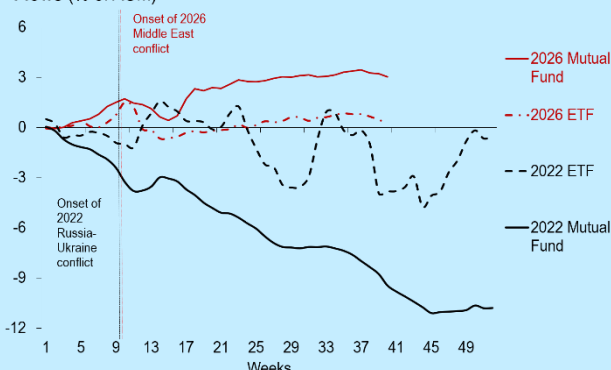
- EM sovereign spreads widened across ratings and regions between late August and early October, although most segments remained below the widest levels seen in 2026. Lower-rated credits saw the largest moves.

- Hard-currency sovereign returns turned negative year to date, as losses from the US Treasury component of bonds outweighed positive returns from lower spreads (Charts 14 and 15).

- Hard-currency fund flows have weakened in recent weeks, while local-currency funds flows were more resilient (Charts 16 and 17). Hard-currency funds recorded outflows over the past four weeks, although YTD flows remain positive. Nonetheless, the recent outflows are less pronounced than those observed at the onset of the post-pandemic monetary policy tightening cycle in 2022 (see Spotlight Chart).

- Looking ahead, market access remains open and issuance activity is expected to continue. Market contacts anticipate potential sovereign issuers in the coming months to include Colombia, Egypt, Nigeria, Chile, and Romania.

Spotlight Chart: Hard Currency Bond Mutual and ETF Fund Flows (% of AUM)



Source: EPFR and IMF staff calculations

Overview

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

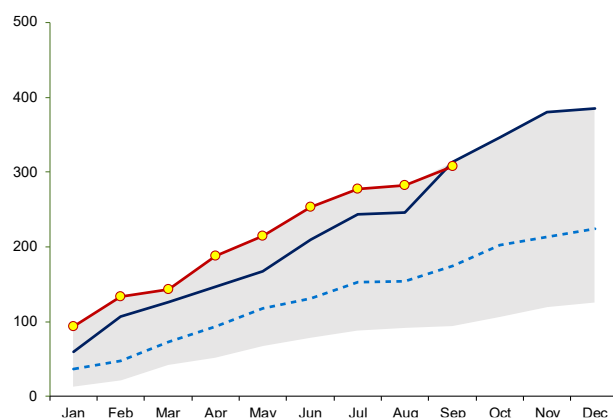
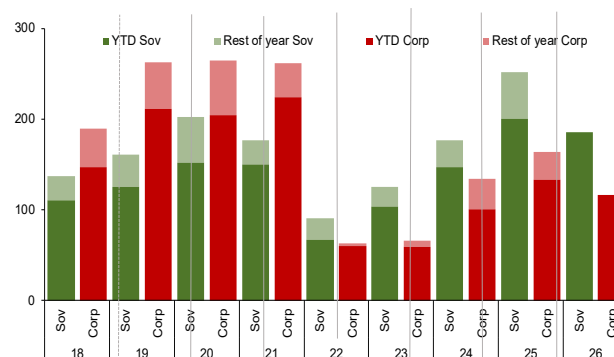


Chart 2. Total Sovereign and Corporate Issuance
(Historical trend, USD billions)



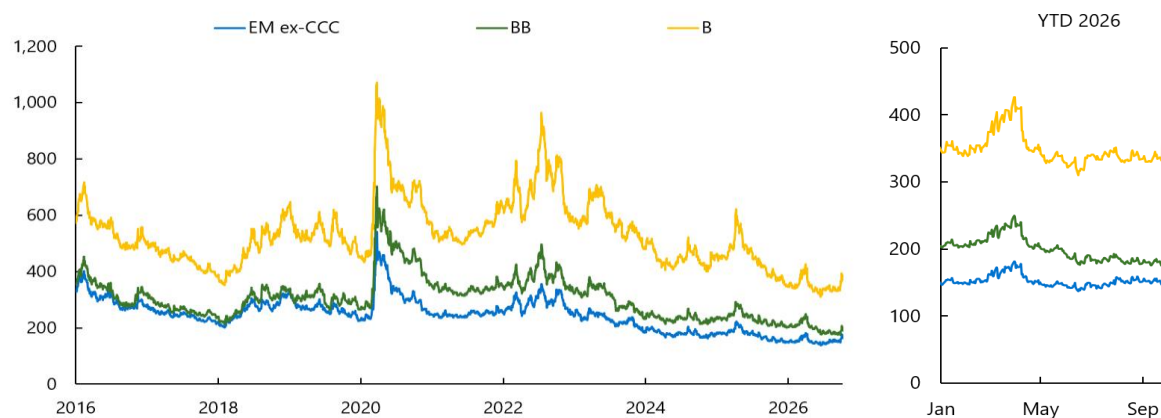
This monitor is produced by MCMGA. It captures international issuance, predominantly denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.

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

Issuance Detail: Emerging Market Corporates and Sovereigns

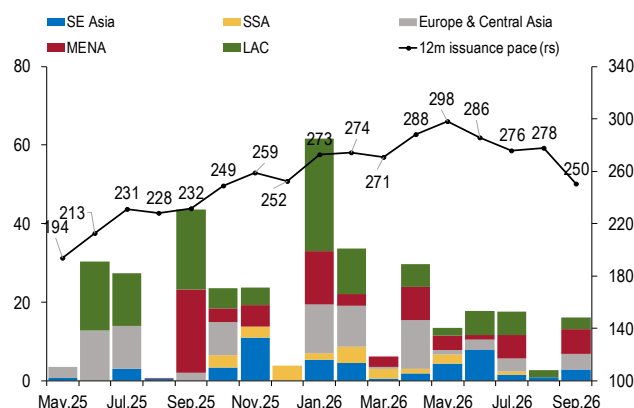
Benchmark sovereign spreads increased towards the end of September, led by lower-rated sovereigns

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



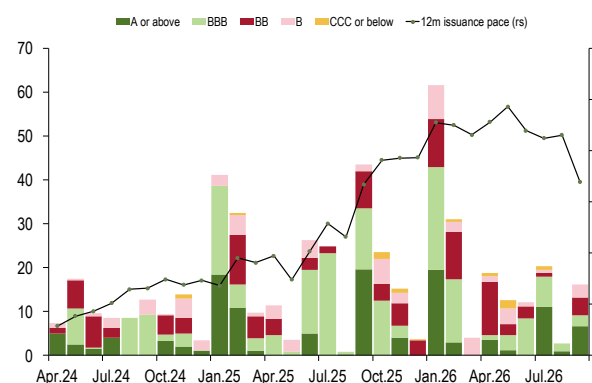
EM sovereign international issuance rebounded in September after a seasonally quiet August, though remained below September 2025 levels...

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



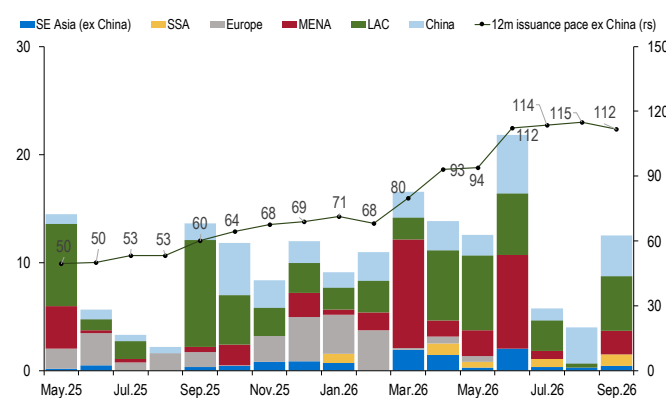
September sovereign issuance was concentrated in investment-grade credits, alongside renewed frontier issuance

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



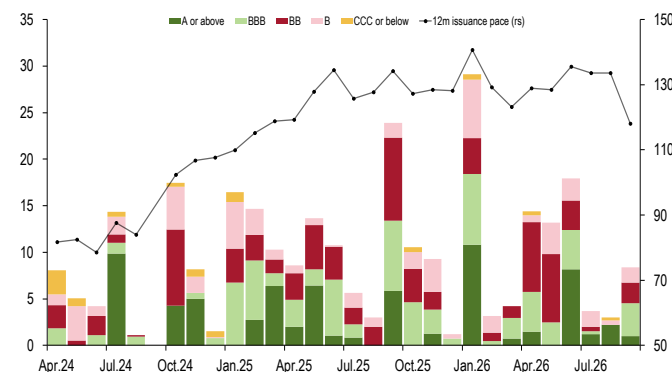
... while corporates issuance also rebounded during the month

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



Corporate issuance in September was also 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 in 2026 has surpassed 2025's full-year total, with Pakistan and Jamaica returning to markets in September

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

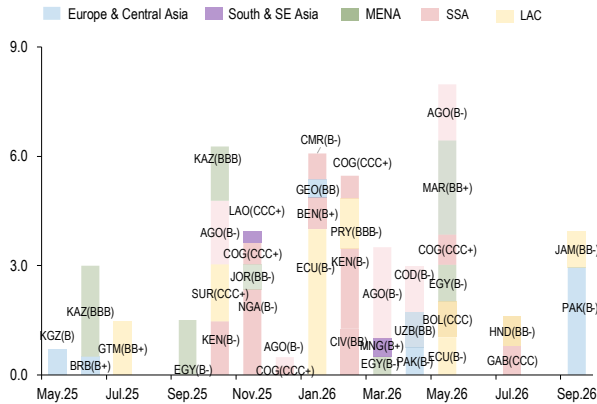
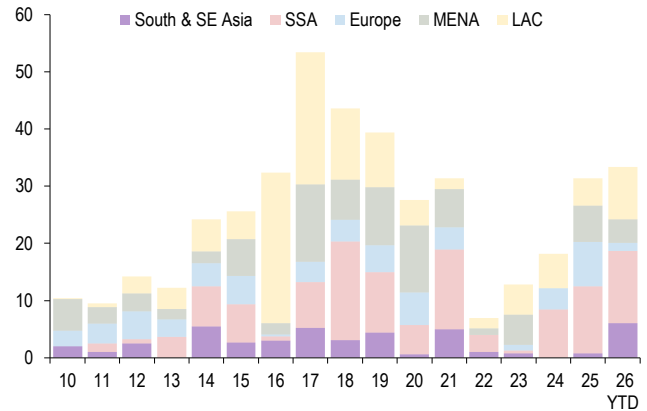
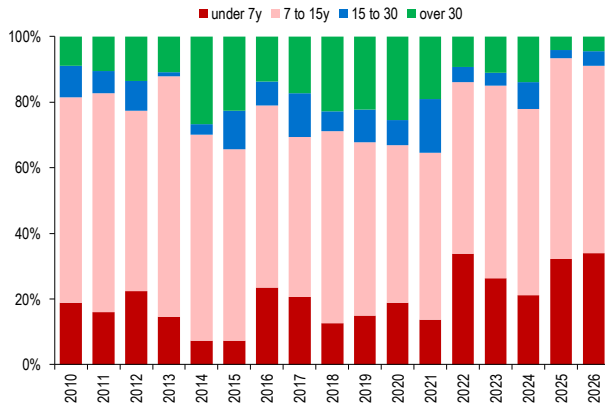


Chart 9. Frontier Sovereign Issuance by Year (USD billions)



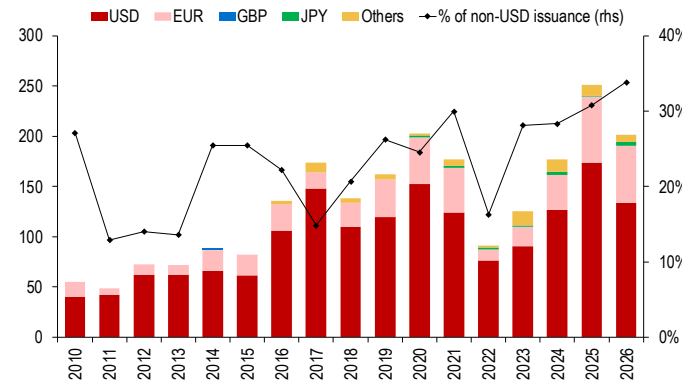
EM international debt remains concentrated in the short-to medium-term segment, with roughly 30% issued so far this year at tenors below seven years

Chart 10. EM Sovereign Issuance by Maturity (Percent)



The US dollar remains the dominant issuance currency, although the share of non-dollar issuance has increased, led by euro-denominated bonds

Chart 11. EM Sovereign Issuance by Currency (Percent)



Upcoming Debt Repayments

EM and frontier sovereign refinancing needs is 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)

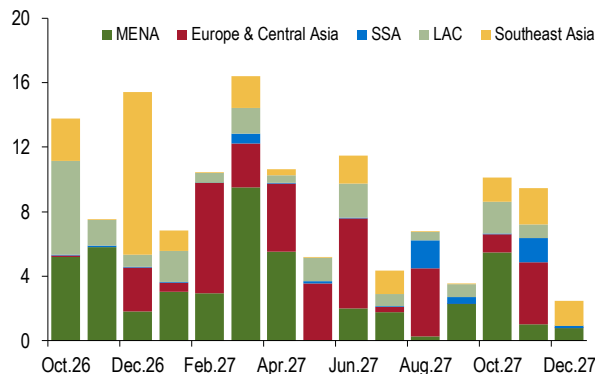
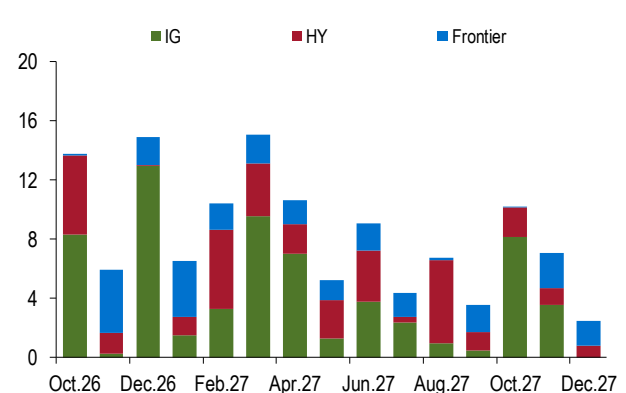


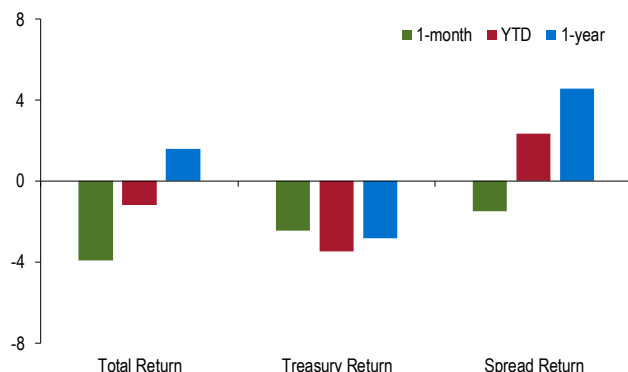
Chart 13. EM Sovereign Maturities by Credit Segment (USD billions)



Fund Flows and Bond Returns

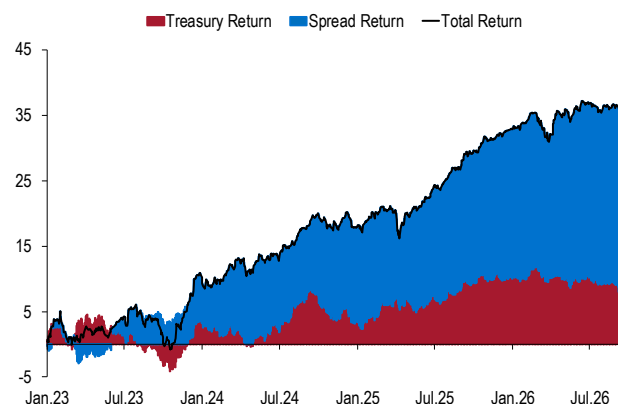
Hard-currency sovereign returns declined in September amid losses from both Treasuries and wider spreads

Chart 14. Sovereign Hard Currency Bond Returns
(percent)



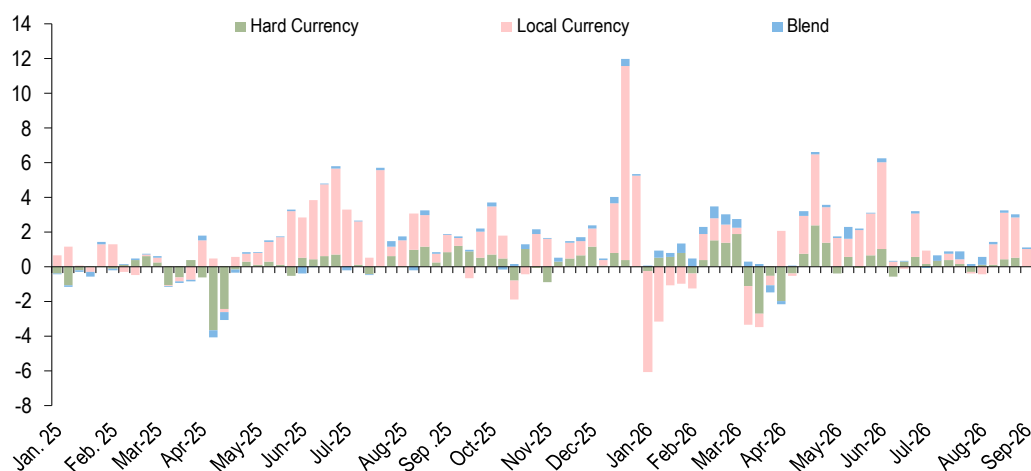
Consequently, hard-currency sovereign returns have turned negative YTD, as Treasury losses have outweighed positive spread returns

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



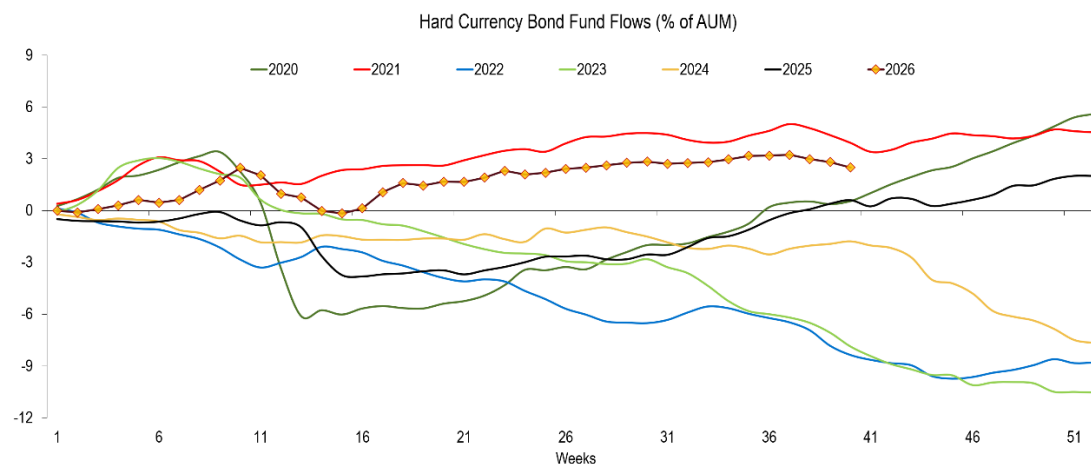
EM Local-currency funds continued to attract strong inflows in September, while hard-currency flows weakened

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



Hard-currency fund flows have turned negative in recent weeks, although year-to-date inflows remain positive

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



Sovereign Spreads and Yields

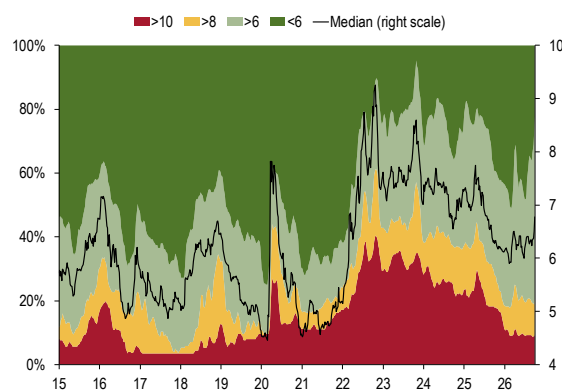
Sovereign spreads widened for most issuers in September, while tightening was concentrated in a smaller number of countries

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
Senegal	(78)	1,433	South Africa	36	216
Mozambique	(45)	728	Armenia	37	176
Sri Lanka	(15)	78	Ivory Coast	38	247
Rwanda	(15)	172	Bolivia	38	500
Iraq	(5)	204	Colombia	40	233
Brazil	(4)	173	Angola	42	458
China	(2)	1	Pakistan	45	346
Georgia	0	147	Kenya	48	409
Malaysia	1	57	Egypt	53	381
Cameroon	3	448	Bahrain	57	322
India	6	89	Ghana	82	309
Indonesia	8	102	Ecuador	120	534
Panama	8	130	Argentina	131	649
Mongolia	8	189	Gabon	178	854
Peru	8	114	Ukraine	191	915

The share of sovereigns with yields above 10% remained broadly stable, while the median EM yields moved higher against a backdrop of geopolitical-related developments and elevated Treasury yields

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



The share of distressed sovereigns remained low, suggesting limited broader credit stress despite recent volatility

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

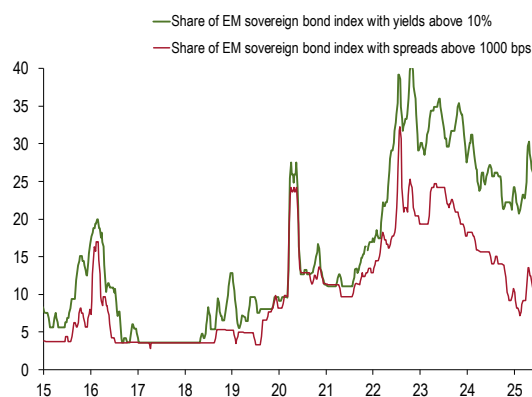


Chart 21. EM Yields and Spreads Decomposition (percent)

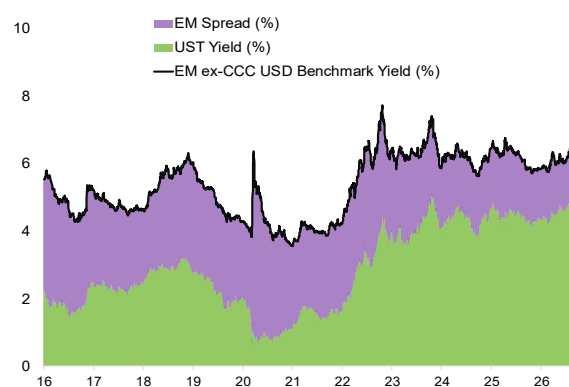
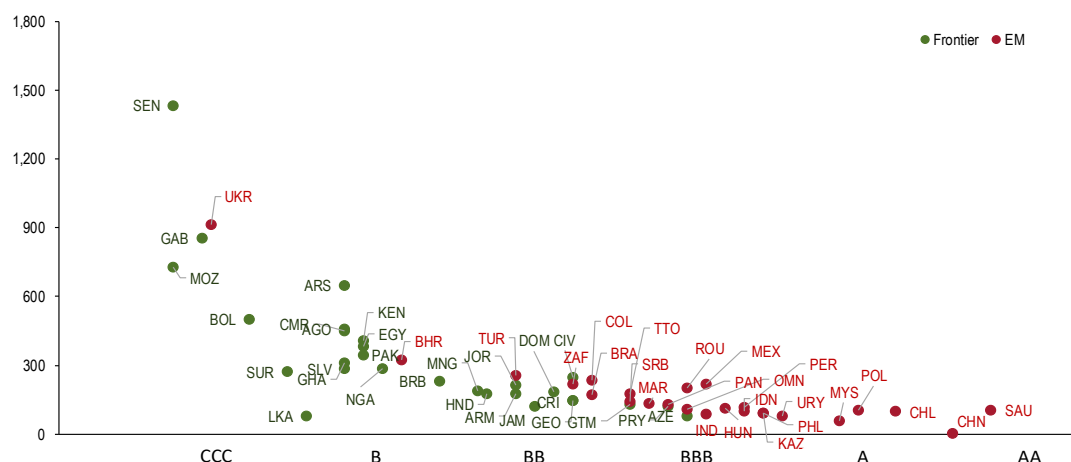


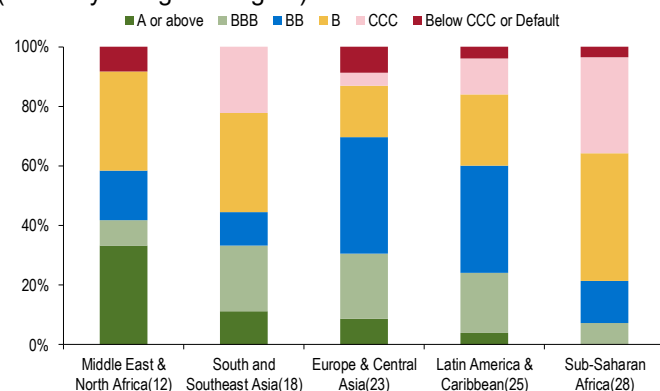
Chart 22. Spreads by Rating and Country (basis points, median rating)



Annex

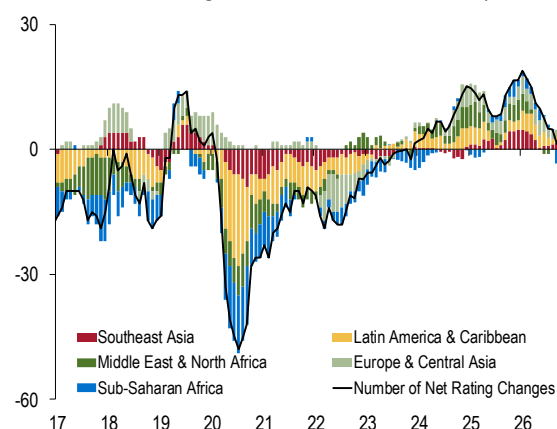
Annex Figure 1. Ratings by Region

(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

	Latest				End Aug. 26		
	New median rating	S&P	Fitch	Moody's	S&P	Fitch	Moody's
Belize	B-	B-		B3	B-		Caa1
Botswana	BBB	BBB-		Baa2	BBB-		Baa1
Mozambique	CCC-	CCC	CCu	Caa3u	CCC+	CCu	Caa2u
Poland	A-	A-	A-	A3	A-	A-	A2
Senegal	CCC-	CC		Caa2	CCC+		Caa2

Annex Table 2. Country Sovereign Issuance Totals

Issuer	2026	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Mexico	22.5	-	-	6.2	-	1.8	-
Saudi Arabia	14.7	-	-	-	-	-	3.3
Poland	12.2	6.0	1.1	-	-	-	-
Turkey	12.1	2.0	-	2.7	-	-	1.5
Indonesia	11.8	1.1	3.4	-	-	-	-
Brazil	10.3	5.9	-	-	-	-	-
Kuwait	10.2	-	-	-	6.0	-	-
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	3.5	-	-	-	-	-
Qatar	6.0	3.0	-	-	-	-	3.0
Romania	5.5	-	-	-	-	-	-
Ecuador	5.0	-	1.0	-	-	-	-
Philippines	4.9	-	-	2.2	-	-	-
Colombia	4.9	-	-	-	-	-	-
Dominican Republic	4.3	-	-	-	-	-	1.6
Angola	4.0	-	1.5	-	-	-	-
Pakistan	3.7	0.8	-	-	-	-	3.0
Serbia	3.4	3.4	-	-	-	-	-
Bahrain	3.1	-	-	1.0	-	-	-
Panama	3.0	-	-	-	-	-	-
Morocco	2.6	-	2.6	-	-	-	-
Kenya	2.2	-	-	-	-	-	-
Trinidad and Tobago	1.8	-	-	-	0.8	-	-
Egypt	1.5	-	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	-	-	-	-	-	-
Jamaica	1.0	-	-	-	-	-	1.0
Bolivia	1.0	-	1.0	-	-	-	-
Uzbekistan	1.0	1.0	-	-	-	-	-
Benin	0.9	-	-	-	-	-	-
Honduras	0.8	-	-	-	0.8	-	-
Gabon	0.8	-	-	-	0.8	-	-
Cameroon	0.7	-	-	-	-	-	-
Uruguay	0.7	-	-	-	0.7	-	-
Bosnia and Herzegovina	0.6	-	-	-	-	-	-
Mongolia	0.5	-	-	-	-	-	-
Georgia	0.5	-	-	-	-	-	-