



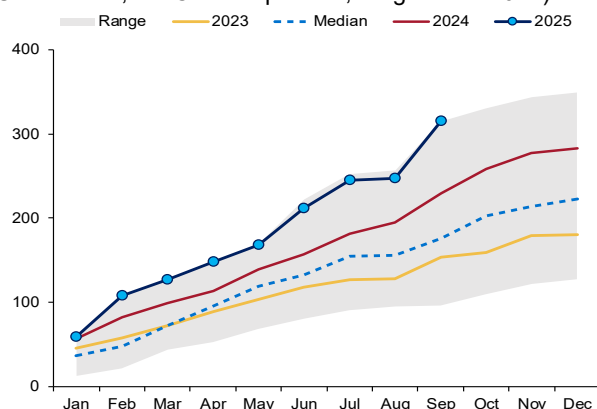
## SEPTEMBER HIGHLIGHTS:

- **Total international sovereign and nonfinancial corporate (ex-China) issuance rebounded to \$67.2 billion in September, following a typically slow August.** YTD 2025 issuance has reached \$314.9 billion, up +37% y/y (Chart 1), driven largely by strong activity in the past month, alongside January, February, June and July.
- **Monthly sovereign issuance was at \$43.5 billion, a record for the month of September, from:**
  - Mexico's \$14 billion issuance, across dollar (\$8 billion) and euro (€5 billion) bonds, with part of the proceeds used as capital contribution to Pemex
  - Kuwait's \$11.25 billion issuance across three tranches (2028, 2030 and 2035 maturities), its first issuance since 2017
  - Saudi Arabia's \$5.5 billion sukuk, which was its first global sukuk issuance that is based on the ijarah (lease) structure
  - Colombia's €4.1 billion three-part issuance, its first euro-denominated issuance in almost 10-years
  - Abu Dhabi's (UAE) \$3 billion issuance, which was its first issuance in over a year
  - Türkiye's \$2 billion issuance
  - Brazil's \$1.75 billion issuance, its third global debt sale this year, the most since 2014
  - Egypt's \$1.5 billion sukuk, which drew demand of over \$9 billion and priced more favorably compared to its conventional Eurobonds, according to the Ministry of Finance
- **Nonfinancial corporate issuance (ex-China) rebounded to \$23.7 billion, also a record for the month of September,** led by Latin America (\$12.6 billion) followed by MENA (\$5.4 billion).
- **EM sovereign index spreads continue to tighten in September although frontier spreads continue to lag** (Chart 2). Investment-grade spreads are now at their narrowest since mid-2007, while high-yield spreads are approaching levels last seen in early 2020. In contrast, frontier sovereigns' spreads remain elevated and heterogeneous. Persistently high US Treasury yields have left a weak tail of sovereigns (~20%) to trade at yield levels above 10% (Chart 21).
- **EM funds inflows persisted through September,** supporting both hard and local currency bond funds (Chart 17). Notably, on a cumulative basis, hard currency bond fund flows have turned positive YTD (Chart 18) and are on track to end three consecutive years of net outflows.
- **EM sovereign credit rating upgrades continue to outpace downgrades.** In September, six sovereigns (Bahamas, Costa Rica, Jamaica, Morocco, Sri Lanka and Tunisia) received upgrades while only one (Botswana) saw a downgrade.
- **Issuance has remained robust in early October.** Several sovereigns have already tapped the primary markets, including Angola's first Eurobond sale since 2022, alongside Bahrain, Indonesia, Kenya, Oman and Romania. Market analysts highlight other potential issuers, such as Panama, the Philippines, and Poland in the investment-grade segment, while Brazil, Cameroon and South Africa may also issue in the high-yield space.

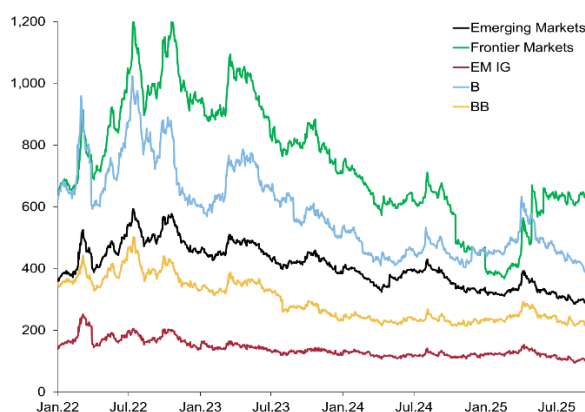
## Overview

**Chart 1. Pace of EM Sovereign and Corporate International Issuance**

(USD billions, ex. CHN corporates, range since 2011)



**Chart 2. Emerging and Frontier Market Benchmark Spreads**  
(Basis points)



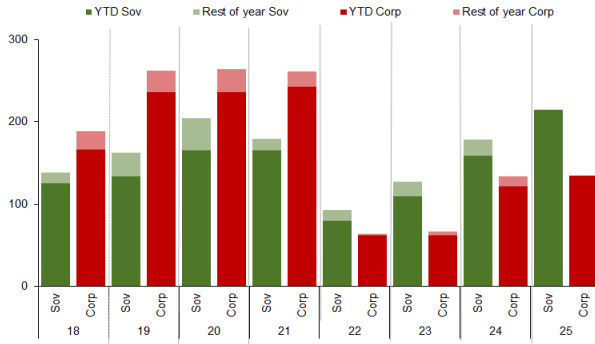
This monitor is produced by MCMGA. It captures international issuance, predominately denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.

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

## Issuance Detail: Emerging Market Corporates and Sovereigns

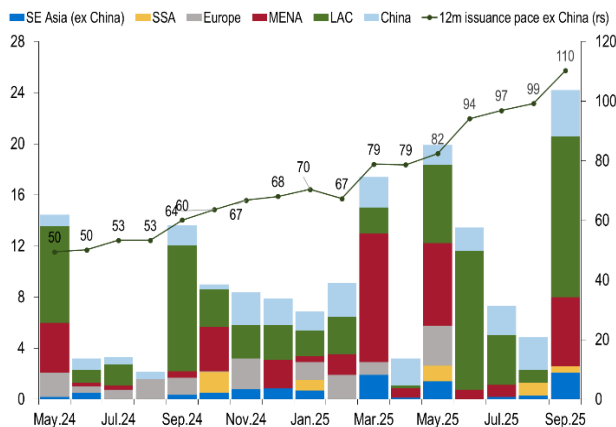
*Sovereign issuance has now exceeded 2024 full year levels, while corporate issuance is on-track to follow suit*

**Chart 3. Total Sovereign and Corporate Issuance**  
(Historical monthly patterns, USD billions)



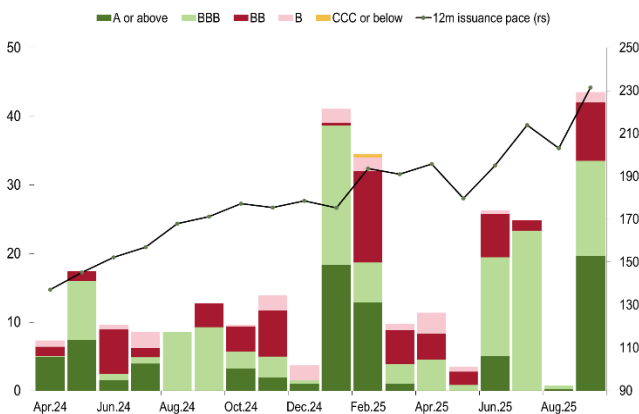
*Corporate issuance posted the largest monthly volume since June 2021, and also led by Latin American corporates*

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



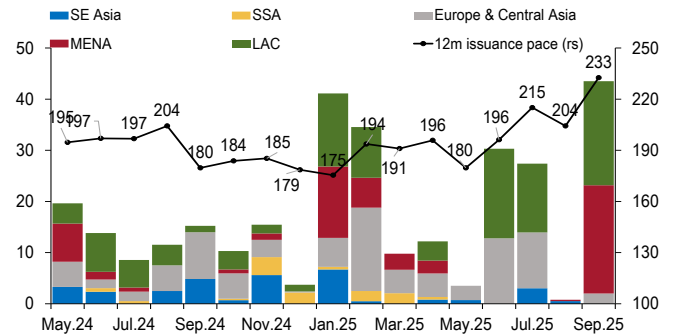
*High-yield sovereign issuance rebounded after a quiet August, from Brazil, Colombia, Egypt and Türkiye*

**Chart 7. Sovereign Hard Currency Issuance by Rating** (USD billions; Percent)



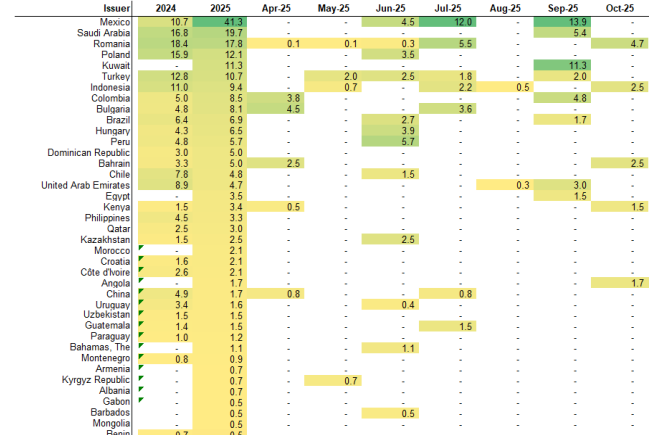
*Latin America led sovereign issuances in September, primarily from Mexico's multi-tranche issuance*

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



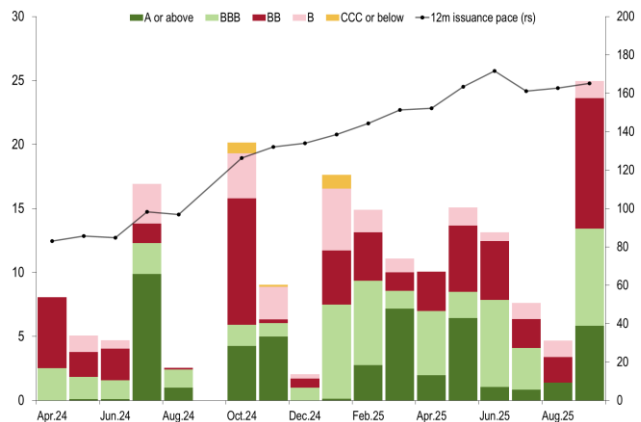
*Mexico's volume in 2025 is a record for an EM sovereign within a calendar year, and accounting for almost 20% of total YTD EM sovereign supply*

**Chart 6. Country Sovereign Issuance Totals** (USD billions)



*HY corporate issuances were also robust, representing nearly half of rated corporate issuances in September*

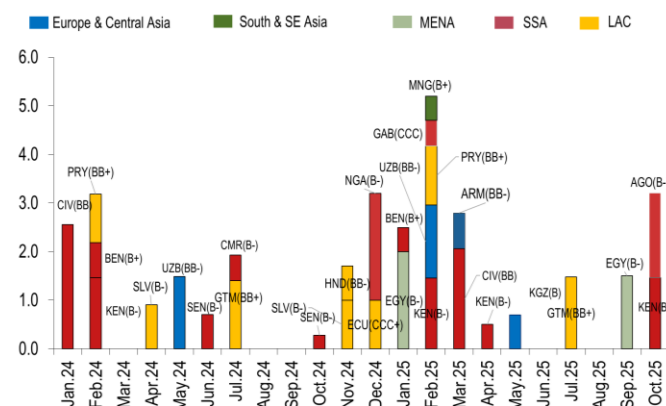
**Chart 8. Corporate Hard Currency Issuance by Rating** (USD billions)



## Issuance Detail: Emerging Market Corporates and Sovereigns

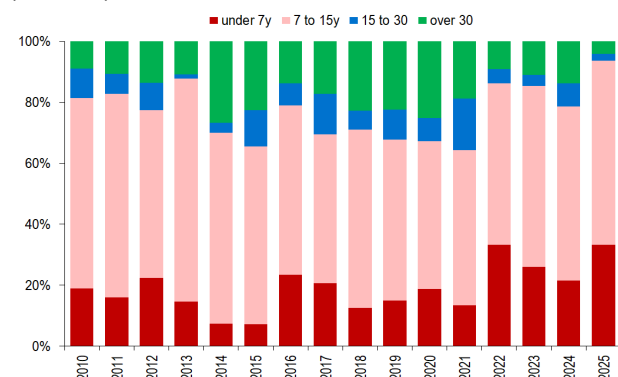
Frontier issuances have started to pick up after a few quiet months

**Chart 9. Frontier Sovereign Issuance by Rating**  
(USD billions)



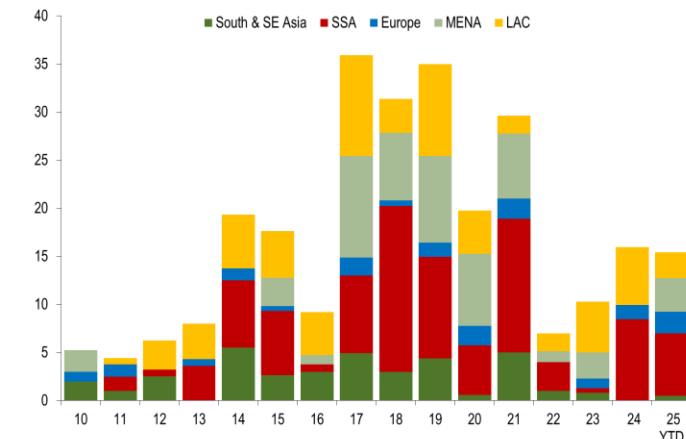
YTD 2025 issuance maturities have predominantly been under 15 years, with noticeable decline in ultra-long maturity issuances compared to previous years

**Chart 11. EM Sovereign Issuance by Maturity**  
(Percent)



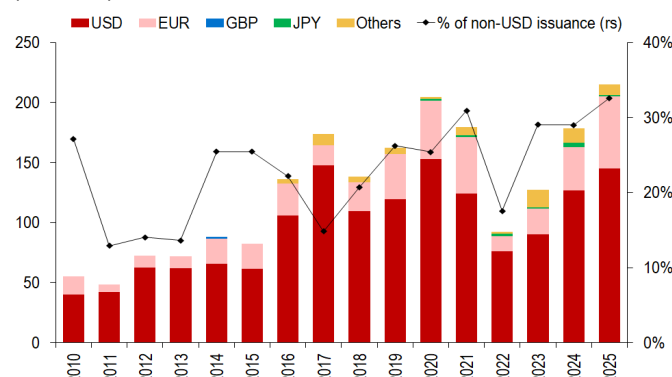
Nonetheless, YTD 2025 frontier volume has exceeded 2022 and 2023 levels, and almost matching 2024 levels

**Chart 10. Frontier Sovereign Issuance by Region**  
(USD billions)



YTD 2025 non-US Dollar issuance volume accounts for 33% of total volume, the highest in over 15 years, led by larger EUR-denominated issuances

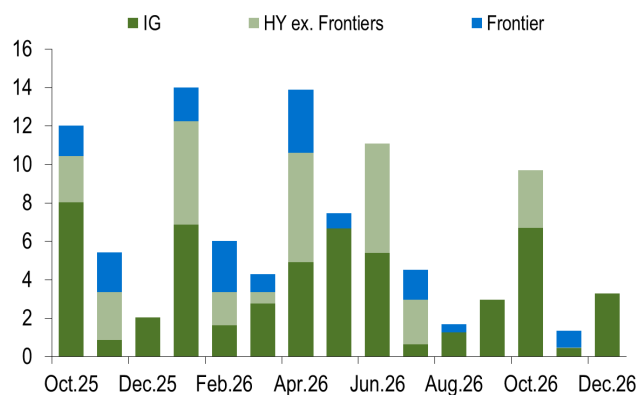
**Chart 12. EM Sovereign Issuance by Currency**  
(Percent)



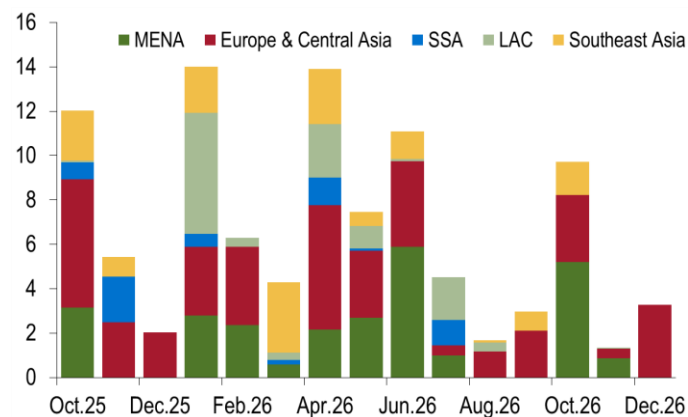
## Upcoming Amortizations

EM sovereigns' refinancing needs are largely concentrated in October, as well as January, April and October 2026

**Chart 13. EM Sovereign Maturities by Rating**  
(USD billions)



**Chart 14. EM Sovereign Amortizations by Region**  
(USD billions)



## Fund Flows and Bond Returns

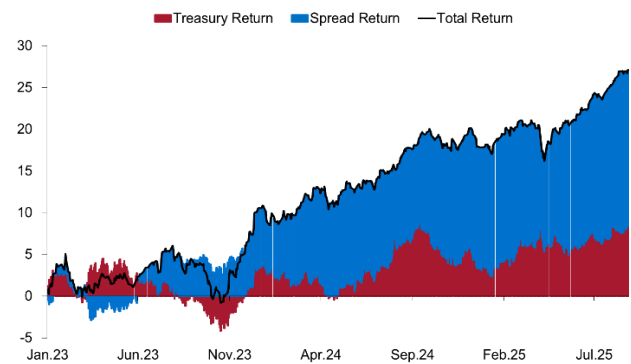
Over the past month, returns from spreads offset small losses from treasury yield movements...

**Chart 15. Sovereign Hard Currency Bond Returns (percent)**



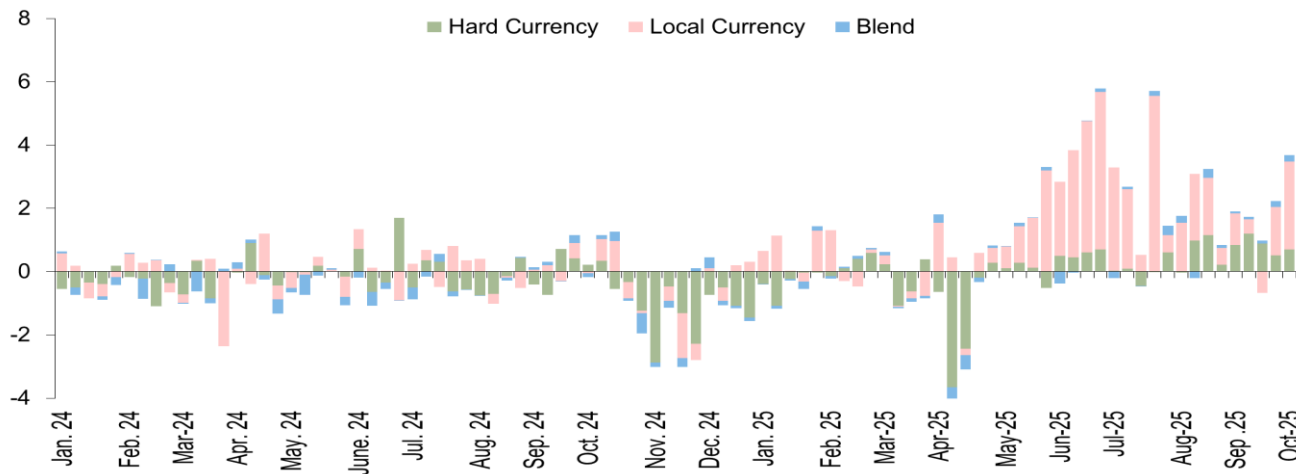
...with spreads compression contributing most of the asset class returns since April 2025

**Chart 16. Sovereign Hard Currency Bond Returns (percent, cumulative since Jan. 23)**



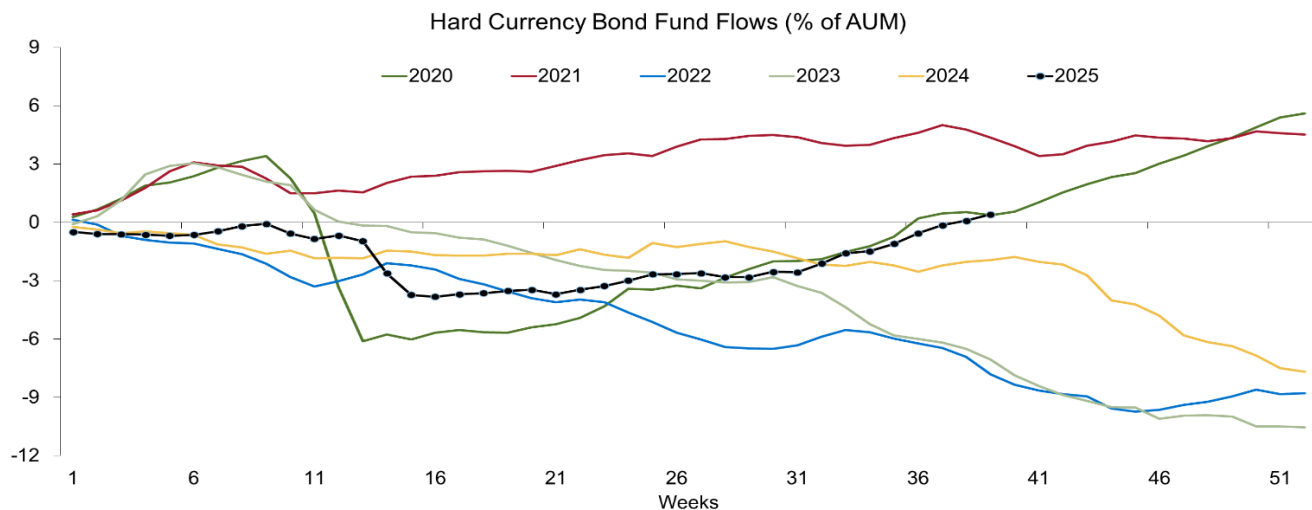
After a surge in June and July, bond fund inflows have moderated in recent weeks, with hard currency funds continuing to post small inflows

**Chart 17. ETF and Mutual Fund Flows (USD billions)**



YTD 2025 cumulative flows have recently turned positive, and tracking 2020 levels

**Chart 18. Hard Currency Fund Flows (percent of AUM, cumulative, by year)**



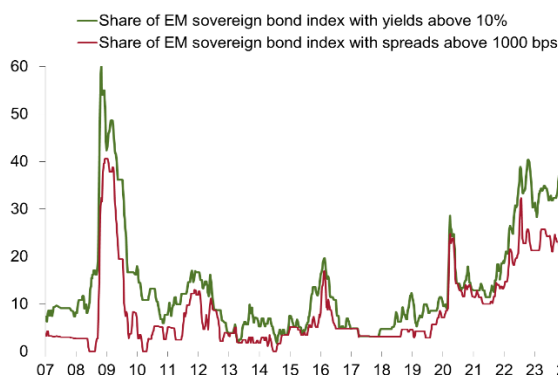
## Sovereign Spreads and Yields

Spreads were largely tighter for most sovereigns in September, although several countries saw some widening due to idiosyncratic developments

**Chart 19. Major Laggards and Gainers Last Month on Credit Spreads** (Basis points; restricted to issuers with spreads below 2500)

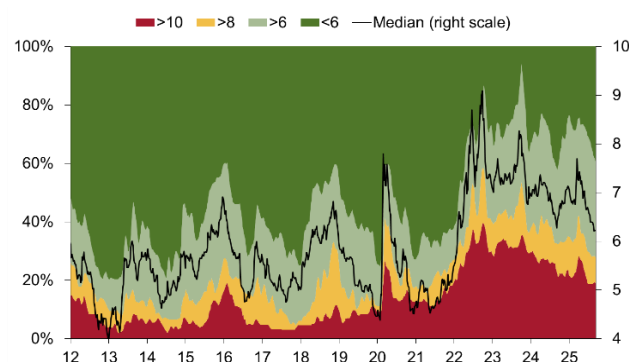
Top-10 Leaders			Top-10 Laggards		
Country	Change in spreads	Latest spread	Country	Change in spreads	Latest spread
1 Ivory Coast	(57)	320	1 Malaysia	(6)	55
2 Kenya	(53)	439	2 Philippines	(5)	51
3 Egypt	(48)	459	3 Armenia	(5)	209
4 Angola	(48)	587	4 Uruguay	(4)	70
5 Ghana	(47)	406	5 Turkey	(3)	260
6 Pakistan	(45)	428	6 Georgia	(3)	272
7 Honduras	(42)	257	7 Suriname	1	418
8 Sri Lanka	(40)	304	8 India	1	72
9 Mongolia	(36)	258	9 Ukraine	2	1,066
10 South Africa	(31)	225	10 Indonesia	4	77
11 Panama	(30)	176	11 Iraq	12	217
12 Morocco	(27)	104	12 Ecuador	21	777
13 Bahrain	(26)	179	13 Gabon	39	858
14 El Salvador	(24)	376	14 Senegal	56	811
15 Serbia	(23)	117	15 Bolivia	67	1,394

**Chart 21. Share of Distressed Issuers in EM Bond Index** (share, 3-week average)

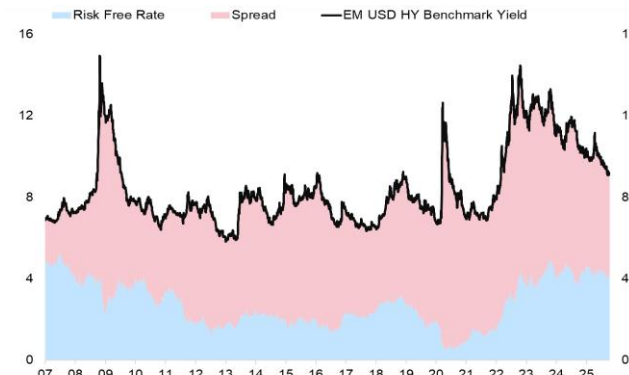


Spread compression has contributed to lower all-in yields for most EMs in the past month

**Chart 20. Distribution of Yields in EM Bond Index** (share, 4-week average)

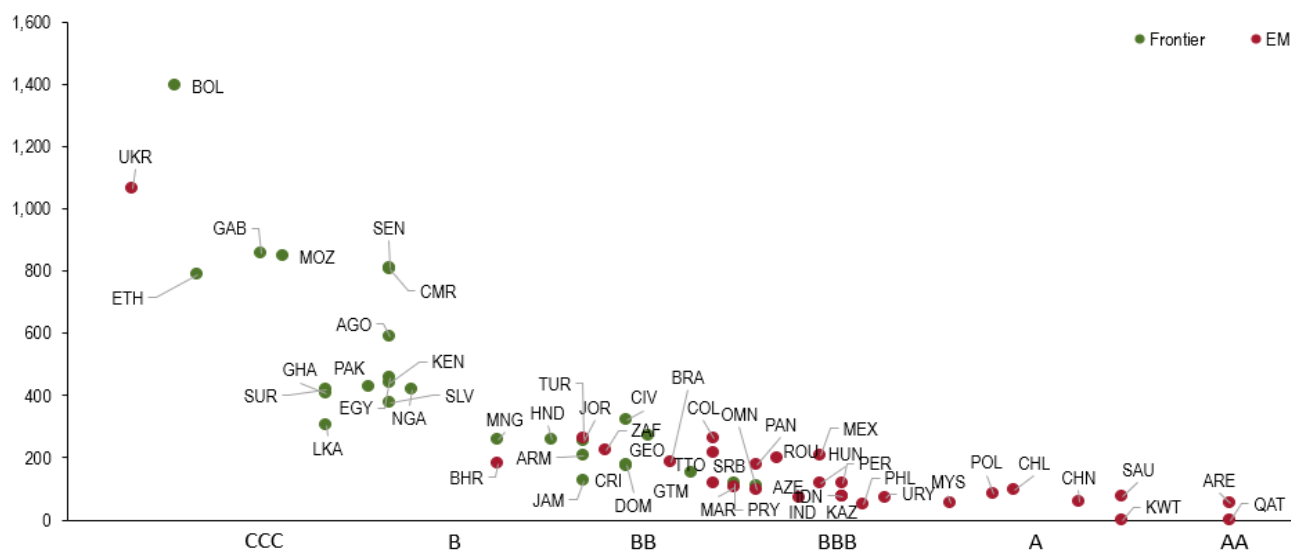


**Chart 22. EM Yields and Spreads Decomposition** (percent)



Although spreads have compressed, elevated UST yields have kept all-in yields relatively high for a weak tail of EMs

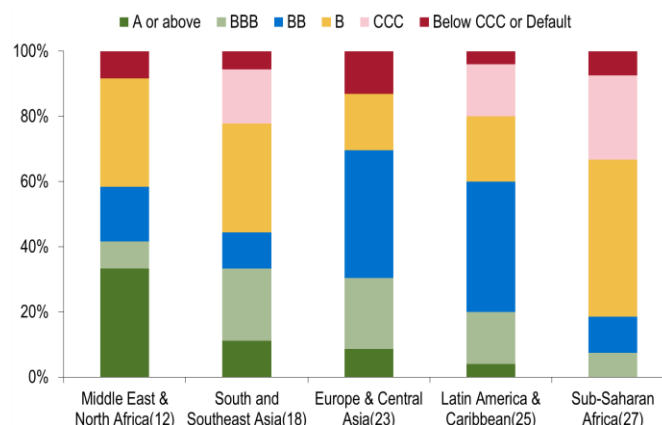
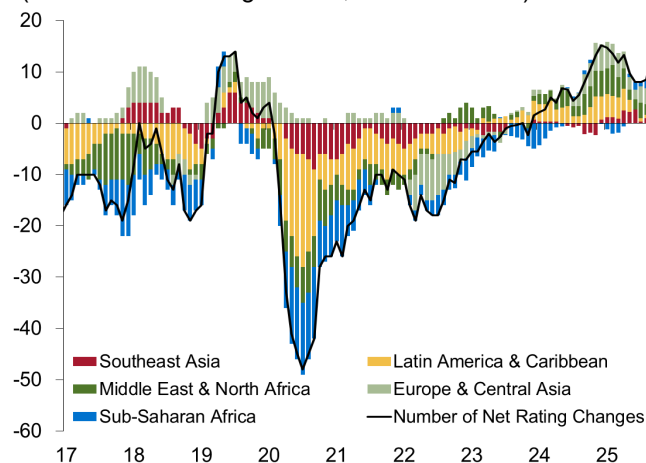
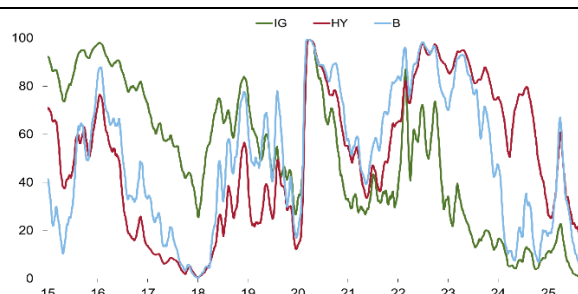
**Chart 23. Spreads by Rating and Country** (basis points, median rating)



## Annex

**Annex Table 1. Issuance Coupons by Rating, Sovereign USD bonds (percent)**

Maturity (yrs)	A or above			BBB			BB			B		
	<7	7 to 15	>15	<7	7 to 15	>15	<7	7 to 15	>15	<7	7 to 15	>15
Jan.21	2.4	3.3		2.4	3.6		4.8	4.8	5.9		4.4	6.3
Feb.21										3.9	5.9	7.5
Mar.21		3.5		3.2	3.7					3.0	7.9	8.9
Apr.21	2.1	3.1		3.3	4.2		2.8					
May.21	2.5	3.1		4.4								
Jun.21				1.5	2.3	3.8	5.1	4.3	4.8	3.5	5.4	
Jul.21	2.6	3.1		2.7	3.2					6.0	7.1	8.9
Aug.21												
Sep.21	1.9	3.1		2.1	3.2		5.4	4.7		5.8	6.9	8.5
Oct.21	2.0	3.1		3.0	3.6			5.2				
Nov.21	2.3	3.3									4.8	
Dec.21												
Jan.22	2.8	3.5	4.0	3.0	3.5	4.5	3.8				8.0	
Feb.22							5.8			7.3	7.5	
Mar.22		4.3		3.2	3.6	4.3				8.6	8.4	
Apr.22							5.9	7.3			8.8	
May.22				4.8	5.4							
Jun.22		4.1	5.0		5.4							
Jul.22												
Aug.22					5.4		5.3					
Sep.22				4.2	4.7	5.5						
Oct.22	5.3	5.5		5.2	5.7	6.0				9.8		
Nov.22	5.5	5.8		6.4	7.6		8.0			9.9		
Dec.22										9.9		
Jan.23	4.8	4.9	5.0	5.0	5.9	6.4	6.3	7.0			9.4	
Feb.23					6.5					10.9		
Mar.23		4.9	5.5	6.1	6.3	6.9	6.0	6.5		9.4		
Apr.23					6.3	7.5	6.0				7.7	
May.23	4.2	4.3										
Jun.23		5.0	5.3									
Jul.23					6.4							
Aug.23												
Sep.23		4.9			6.3	6.9		7.1				
Oct.23			3.4				7.9					
Nov.23		6.5		5.3	5.7			7.1	8.0	8.2		
Dec.23												
Jan.24	4.8	5.0	5.8	5.1	5.6	5.8		6.9	7.1			
Feb.24					7.3	7.9		7.0			7.8	
Mar.24	4.6	5.1	5.5								7.3	
Apr.24	4.9	5.0	5.5					8.0	8.8	4.8		
May.24	5.0	5.0			5.3	5.6		6.9				
Jun.24	4.5	4.9			6.4		7.1	6.2				
Jul.24	4.3							6.3			8.3	
Aug.24				5.5	4.9	5.2						
Sep.24					5.3	5.2		6.5				
Oct.24					5.1			7.8	8.4			
Nov.24	4.2			5.0	5.3	5.7	6.5	7.9	8.0		5.9	9.7
Dec.24	6.0									9.6	10.4	
Jan.25	5.3	5.6		5.6	6.0	6.6		8.4	8.6	9.5		
Feb.25	4.9	5.3			6.5			6.9	6.9	6.6	9.5	
Mar.25		5.0						7.4				
Apr.25							7.4	8.5			7.3	
May.25								7.3			7.8	
Jun.25				5.4	5.8	6.8	6.1	7.4			8.0	
Jul.25				5.3	5.9			6.3	6.9			
Aug.25	4.9											
Sep.25	4.0	4.9		4.8	5.5		5.5	7.0	7.3	7.2		

**Annex Table 2. Ratings by Region**  
(share by rating and region)**Annex Table 3. Net Ratings Updates**  
(number of net rating actions, six-month sum)**Annex Table 4. Sovereign Spreads by Percentile and Rating (4-week average)****Annex Table 4. Latest Ratings Actions**

	New Median rating	Latest			End Aug. 25		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Bahamas	BB-	BB-	BB-	B1	B+	BB-	B1
Botswana	BBB+	BBB	NR	A3	BBB+	NR	A3
Costa Rica	BB	BB-	BB	Ba2	BB-	BB	Ba3
Jamaica	BB-	BB	BB-u	B1	BB-	BB-u	B1
Morocco	BB+	BBB-	BB+u	Ba1	BB+	BB+u	Ba1
Sri Lanka	CCC+	CCC+	CCC+	Caa1	SD	CCC+	Caa1
Tunisia	B-	NR	B-	Caa1	NR	CCC+	Caa1

Note: Annex Table 3 incorporates Moody's, Fitch, and S&P ratings agencies. Size of ratings adjustment not reflected; a ratings change by any agency counts as "1".