



JUNE HIGHLIGHTS:

- **Total international sovereign and nonfinancial corporate issuance accelerated to \$42.8 bn in June, marking the highest YTD issuances since 2021.** YTD 2025 issuance has reached \$221.8 bn, an increase of +34.9% y/y (Chart 1), largely due to an exceptionally strong start to the year.
- **Monthly sovereign issuance accelerated to \$29.2 bn, the largest volume on record for the month of June:**
 - Investment-grade issuers were Hungary, Kazakhstan, Mexico, Peru, Poland, Romania, and Uruguay:
 - Uruguay issued its first CHF-denominated bond, with the finance minister noting that the CHF interest rates were more attractive than a Euro bond issuance.
 - High-yield sovereigns Bahamas, Barbados, Brazil and Türkiye tapped the primary markets in June:
 - Bahamas' 2036 \$1.07 billion issue was its first in three years.
 - Barbados debuts its bond with a "disaster protection" clause. The bond allows the government to temporarily suspend debt payments in the event of a natural disaster or pandemic. The clause would allow the sovereign to defer payments for up to two years in the event of major shocks. Nonetheless, this option can be blocked if opposed by 50% of holders. The bond was oversubscribed by more than 5x and priced at 8% yield.
- **Nonfinancial corporate issuance moderated to \$15.4 bn (from \$18.1 bn),** led by MENA (\$6.4 bn) and LATAM (\$6.1 bn) corporates. Despite the moderation in issuances, the monthly volume was the largest in the month of June since 2021.
- **EM sovereign spreads tightened marginally (-14 bps) in June, with lower rated sovereigns tightening more (B rated sovereigns tightened -42 bps)** (Chart 2). Senegal's spread underperformed during the month and was amongst the worst performers (Chart 19) amidst concerns over its growing debt burden. More broadly, despite the recent tightening in spreads, the persistently elevated US Treasury yields have led to around 21% of sovereigns in the benchmark index with yields above 10% (Chart 21).
- **Local currency bond funds experienced large inflows.** Despite the relatively large issuances during the month, hard currency bond fund inflows have remained comparably tepid (Chart 17). Cumulative YTD outflows are close to 3% of AUM, showing only a slight improvement compared to the levels observed in 2022 and 2023 (Chart 18).
- **EM credit ratings drift was balanced in the past month,** with two sovereign upgrades and two downgrades. Bolivia and Colombia were downgraded, while Ghana and Uzbekistan received upgrades.
- **Other EMs may look to tap the primary markets if financial conditions remain accommodative.** Market analysts noted that potential issuers include Antigua and Barbuda, Bosnia and Herzegovina, Indonesia, Kuwait, Oman and Uruguay, who may tap the international markets in the coming months.

Overview

Chart 1. Pace of EM Sovereign and Corporate International Issuance

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

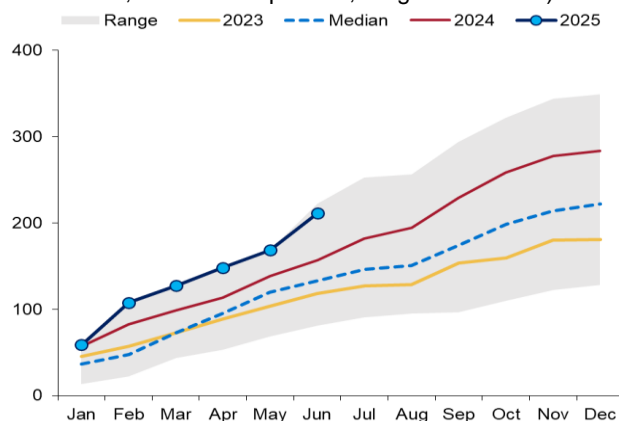
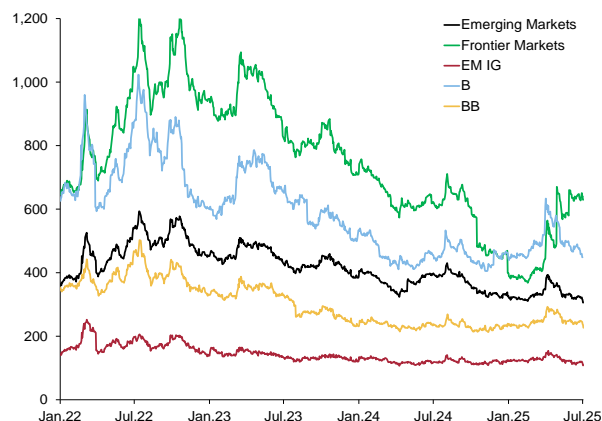


Chart 2. Emerging and Frontier Market Benchmark Spreads (Basis points)



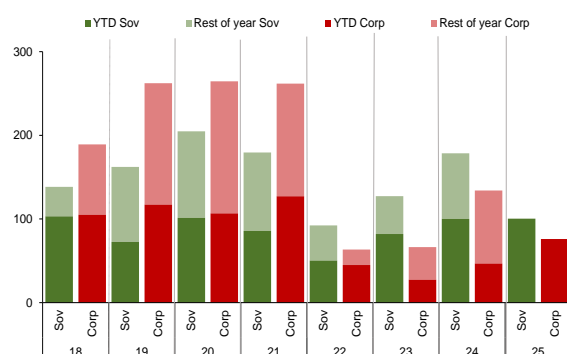
This monitor is produced by MCMGA. It captures international issuance, predominately denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.

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

Issuance Detail: Emerging Market Corporates and Sovereigns

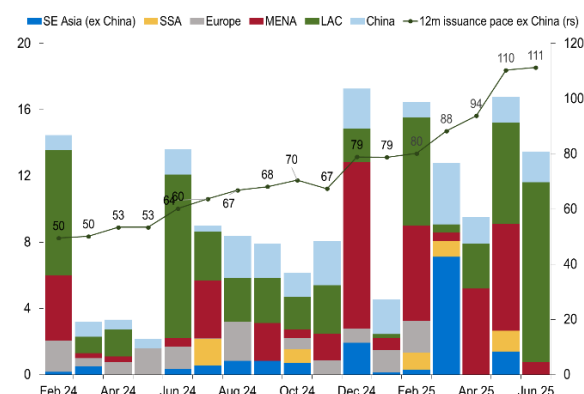
Through June, sovereign issuance has kept pace with 2024 levels, while corporate issuance has surged to its highest level since 2021

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



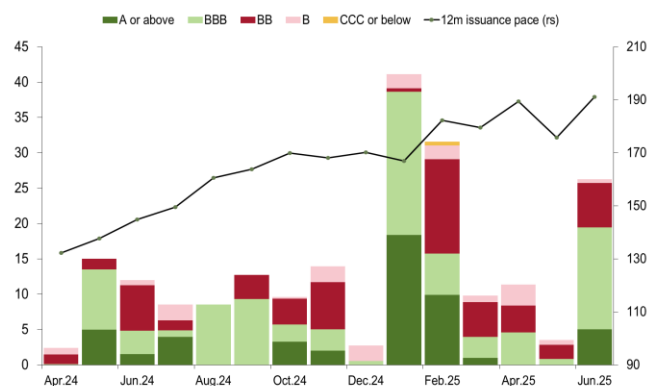
Corporate issuances continue to be robust, with 12-month issuance pace almost doubling in the past year

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



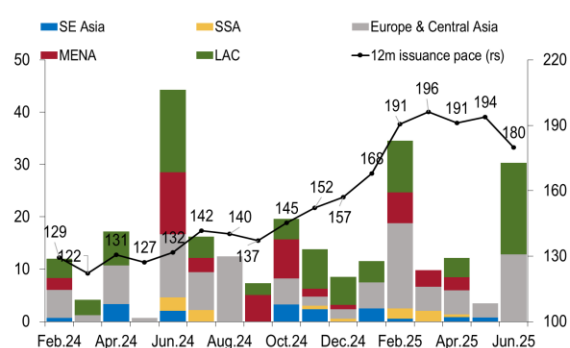
HY sovereign issuances accelerated, led by Bahamas, Barbados, Brazil, Türkiye and Uruguay...

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



Sovereign issuances in June were primarily from LATAM, Europe and Central Asia

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



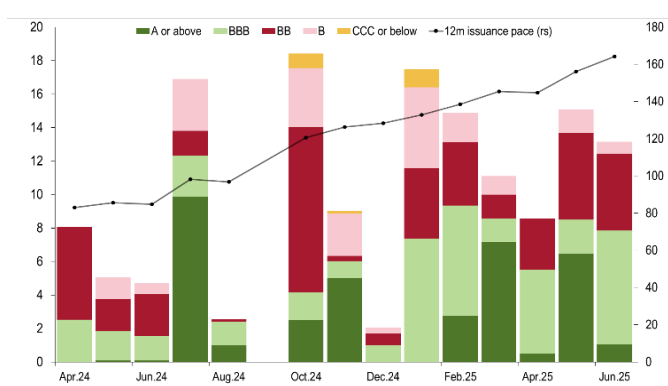
37 sovereigns have issued new Eurobonds in 2025, including 6 new issuers in June (Hungary, Peru, Chile, Kazakhstan, Bahamas and the Barbados)

Chart 6. Country Sovereign Issuance Totals
(USD billions)

Issuer	2024	2025	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Mexico	10.7	15.4	11.0	-	-	-	-	4.5
Saudi Arabia	16.8	14.3	11.9	2.4	-	-	-	3.5
Poland	15.9	12.1	3.1	5.5	-	-	-	-
Romania	18.4	7.6	-	4.1	2.9	0.1	0.1	0.3
Turkey	12.8	7.0	-	2.5	-	-	-	2.6
Hungary	4.3	6.5	2.6	-	-	-	-	3.9
Peru	4.8	5.7	-	-	-	-	-	5.7
Brazil	6.4	6.2	-	2.5	-	-	-	2.7
Dominican Republic	3.0	5.0	-	5.0	-	-	-	-
Chile	7.8	4.8	3.3	-	-	-	-	1.5
Bulgaria	4.5	4.5	-	-	-	4.5	-	-
Indonesia	11.0	4.2	3.4	-	-	-	0.7	-
Colombia	5.0	3.8	-	-	-	3.8	-	-
Philippines	4.5	3.3	3.3	-	-	-	-	-
Qatar	2.5	3.0	-	3.0	-	-	-	-
Kazakhstan	1.5	2.5	-	-	-	-	-	2.5
Bahrain	3.3	2.5	-	-	-	-	-	-
Morocco	-	2.1	-	-	2.1	-	-	-
Croatia	1.6	2.1	-	2.1	-	-	-	-
Côte d'Ivoire	2.6	2.1	-	-	2.1	-	-	-
Egypt	-	2.0	2.0	-	-	-	-	-
Kenya	1.5	2.0	-	1.5	-	0.5	-	-
Uruguay	3.4	1.6	-	1.2	-	-	-	0.4
United Arab Emirates	8.9	1.5	-	0.5	1.0	-	-	-
Uzbekistan	1.5	1.5	-	1.5	-	-	-	-
Paraguay	1.0	1.2	-	-	-	-	-	-
Bahamas, The	-	1.1	-	-	-	-	-	1.1
Montenegro	0.8	0.9	-	-	0.9	-	-	-
China	4.9	0.6	-	-	-	0.7	0.8	-
Armenia	-	0.7	-	-	-	-	-	-
Kyrgyz Republic	-	0.7	-	-	-	-	0.7	-
Albania	-	0.7	-	-	-	-	-	-
Gabon	-	0.5	-	0.5	-	-	-	-
Barbados	-	0.5	-	-	-	-	-	0.5
Mongolia	-	0.5	-	0.5	-	-	-	-
Benin	0.7	0.5	0.5	-	-	-	-	-

...with similar observation in HY corporates, which posted strong issuance volume in the past two months

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

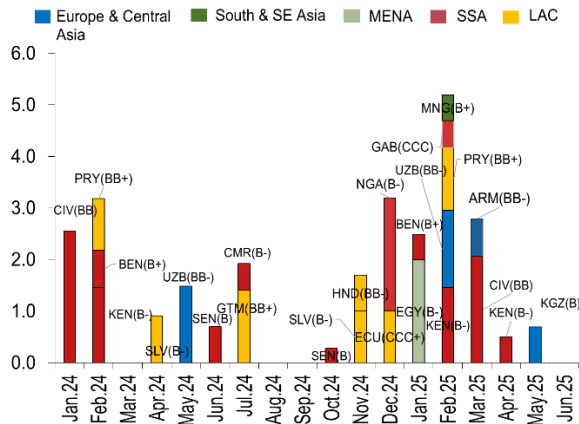


Issuance Detail: Emerging Market Corporates and Sovereigns

Frontier issuances were largely muted in June after a strong start to the year...

... but YTD 2025 have exceeded 2022 and 2023 levels

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



Issuances have been concentrated in 7-10 years, with lower issuances over 30-year, and a small uptick in sub-7-year issuances

Chart 11. EM Sovereign Issuance by Maturity
(Percent)

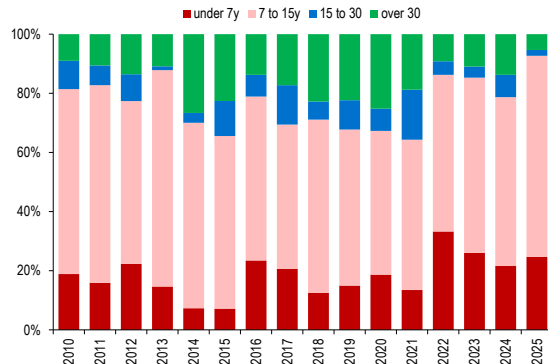
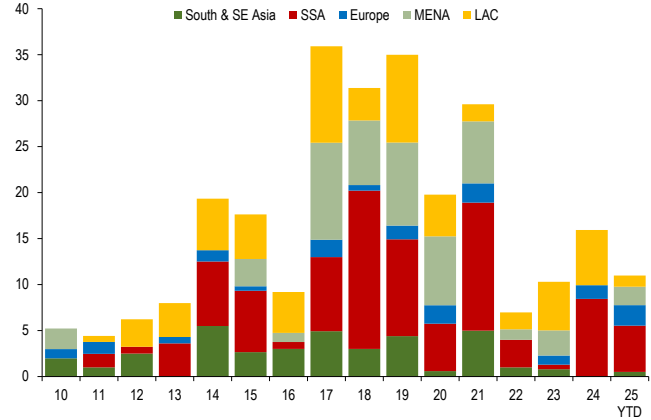
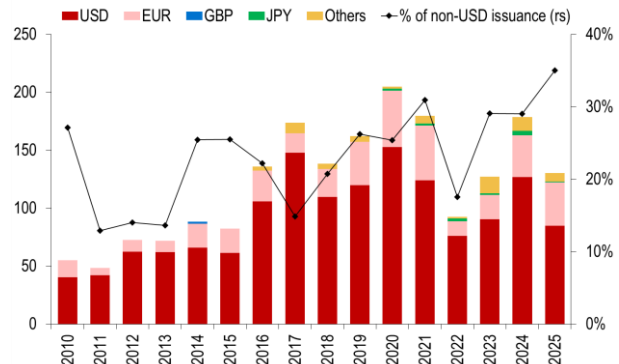


Chart 10. Frontier Sovereign Issuance by Region
(USD billions)



YTD non-US Dollar issuance volume constituted 35% of total volume, the highest in at least 15 years, and primarily driven from growing interests in EUR issuances

Chart 12. EM Sovereign Issuance by Currency
(Percent)



Upcoming Amortizations

Near term maturities are limited until October, with upcoming maturities mostly concentrated in January and April 2026

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

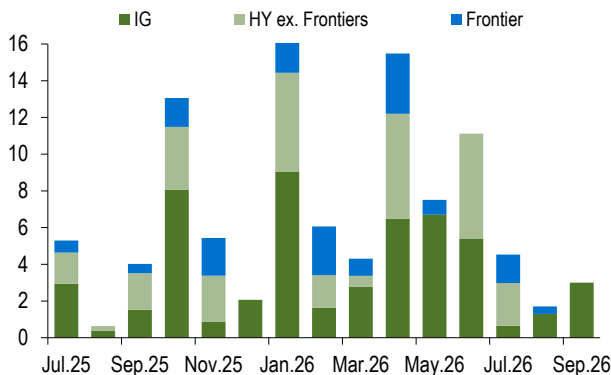
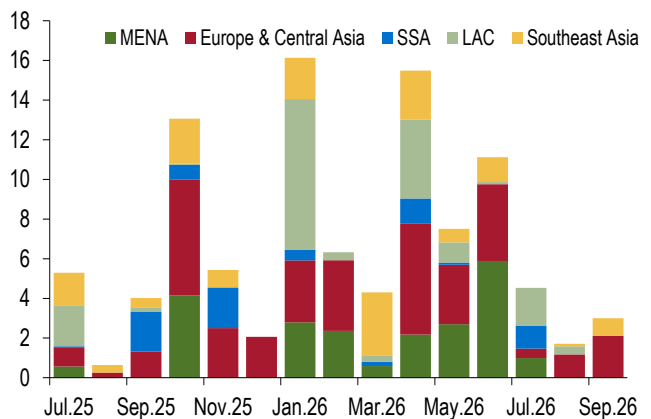


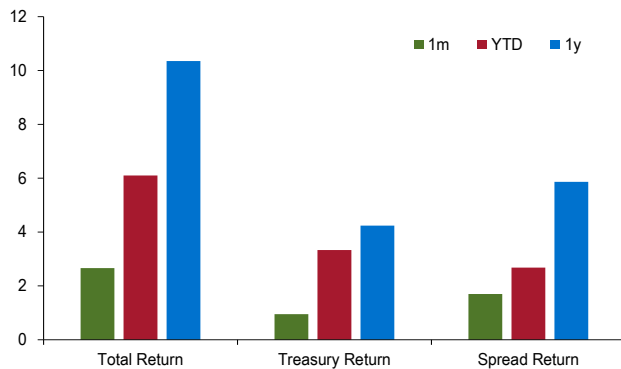
Chart 14. EM Sovereign Amortizations by Region
(USD billions)



Fund Flows and Bond Returns

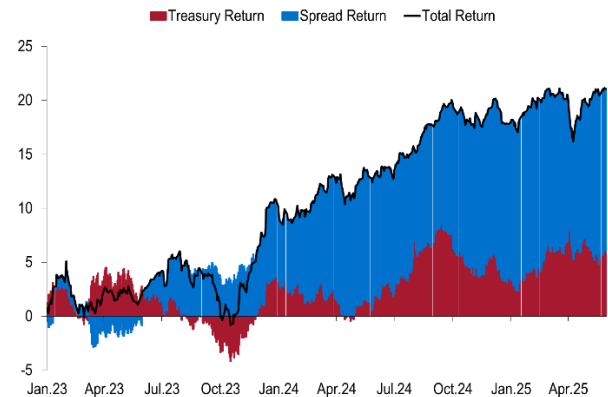
In the past month, tightened spread and lower US treasury yields have supported returns of the asset class

Chart 15. Sovereign Hard Currency Bond Returns
(percent)



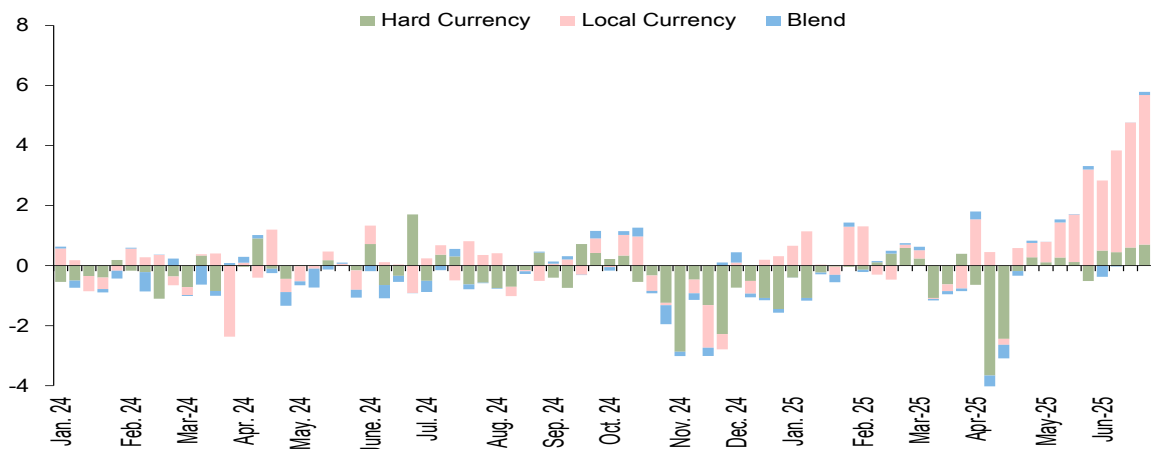
More broadly, asset class returns have been supported, with spreads constituting most of the returns since 2024

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



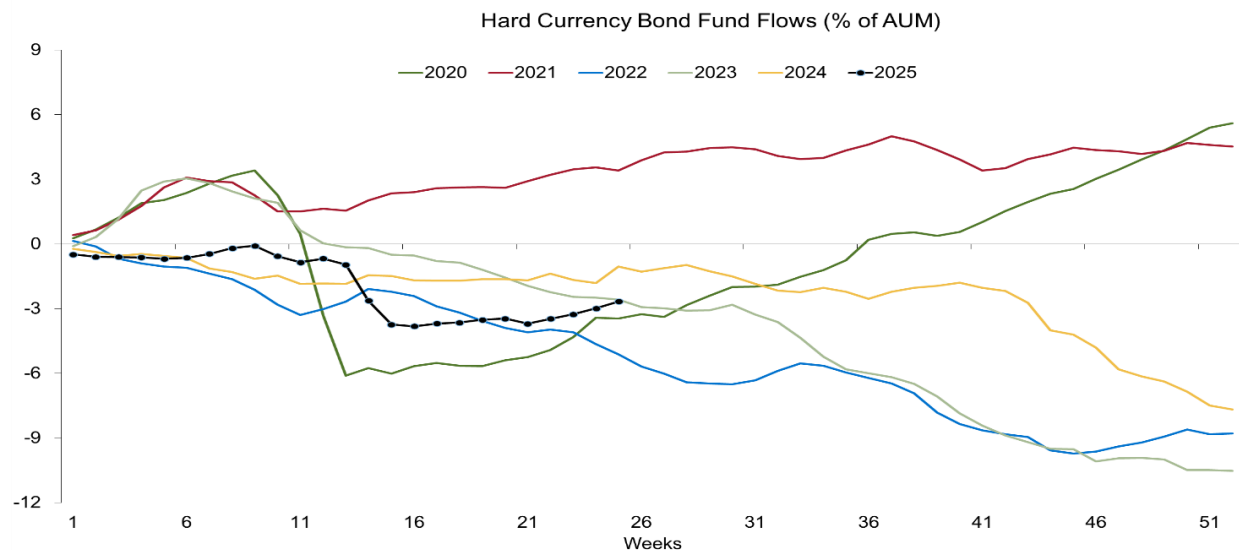
Although EM bond flows have been supported by increasing flows into local currency in recent weeks, hard currency bond funds continue to see small inflows despite the positive returns

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



YTD 2025 cumulative flows is still negative, and are comparable to levels observed in mid-2020 and 2023

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



Sovereign Spreads and Yields

Spreads tightened for most EMs in June, with notable rally amongst mostly lower-rated sovereigns...

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
Ecuador	(284)	814	Kazakhstan	(1)	109
Bolivia	(125)	1,877	China	0	75
Suriname	(113)	400	Philippines	0	74
Gabon	(110)	862	Guatemala	1	196
Angola	(110)	711	United Arab Emirates	1	96
Ghana	(63)	535	Saudi Arabia	2	101
Nigeria	(61)	497	Iraq	2	270
Pakistan	(56)	594	Costa Rica	3	206
Egypt	(43)	533	Ukraine	3	1,111
Georgia	(34)	327	Colombia	5	349
Honduras	(31)	326	Hungary	5	161
Cameroon	(27)	902	Qatar	6	69
Sri Lanka	(27)	379	Kuwait	7	49
Panama	(25)	255	Bahrain	12	248
Mexico	(23)	267	Senegal	170	940

...which has aided the decline in overall yields, although the pace is uneven and slow

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

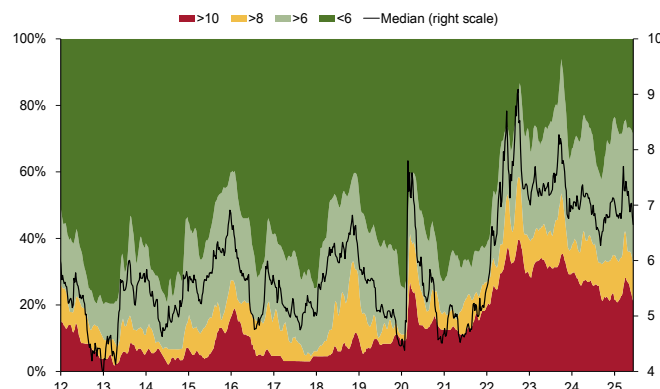


Chart 21. Share of Distressed Issuers in EM Bond Index (share, 3-week average)

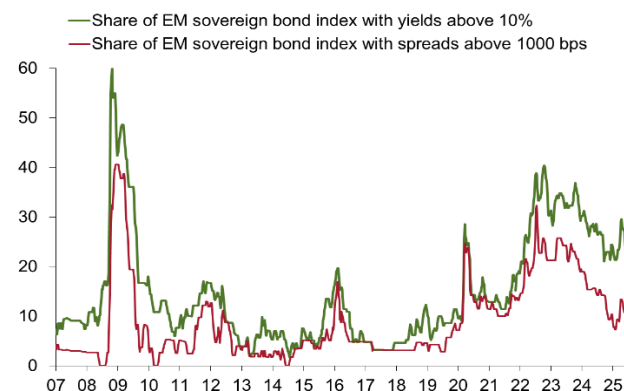


Chart 22. EM Yields and Spreads Decomposition (percent)

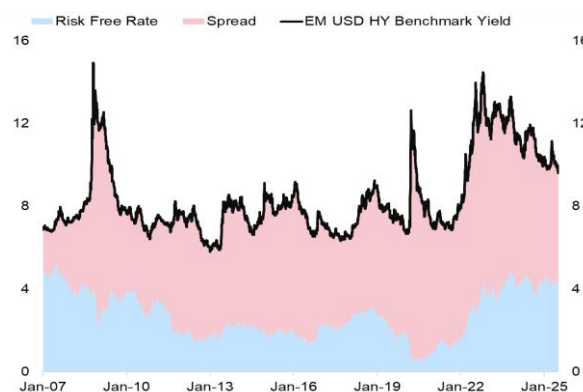
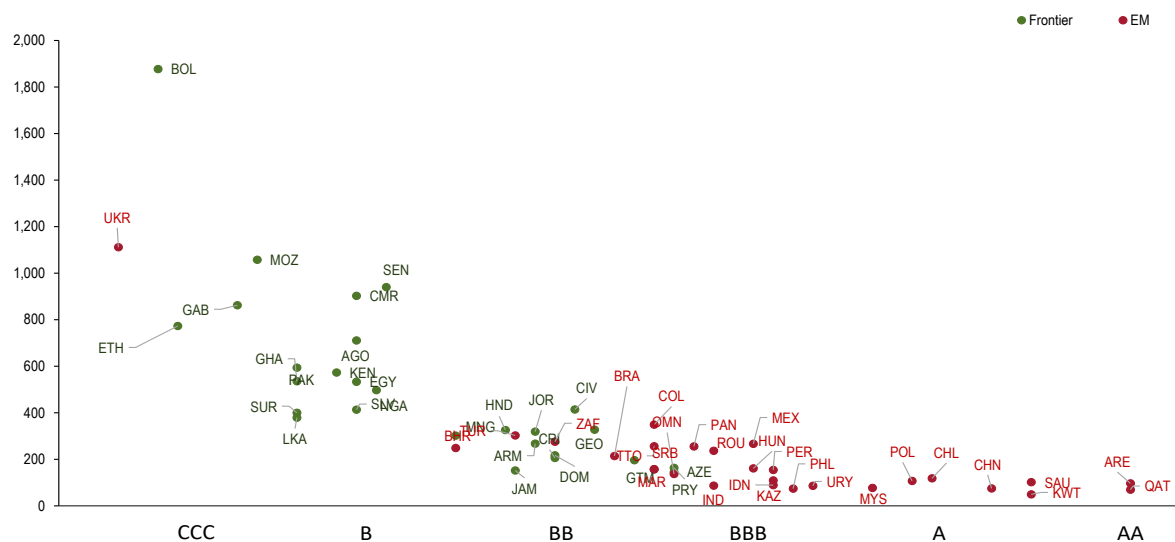


Chart 23. Spreads by Rating and Country (basis points, median rating)

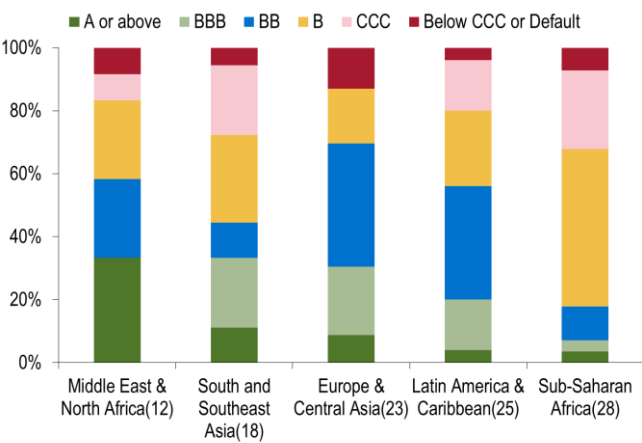


Annex

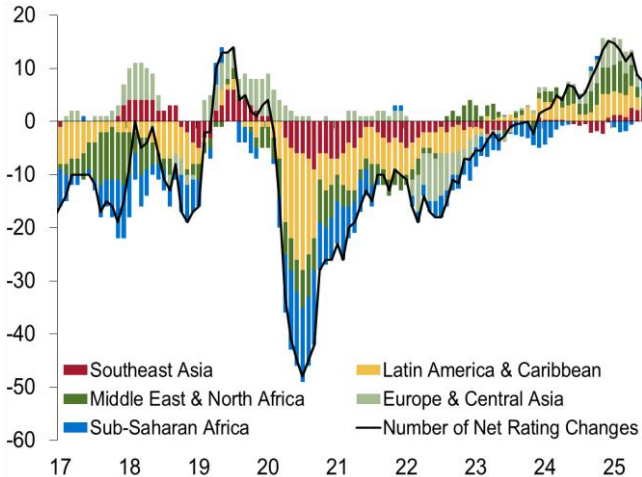
Annex Table 1. Issuance Coupons by Rating, Sovereign USD bonds (percent)

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	3.1	2.9	3.2	4.9	6.1	4.7	5.3	4.7				
Feb.21												
Mar.21	4.4	3.5	3.3									
Apr.21	3.3	3.1	3.7		2.8							
May.21		4.4	2.8									
Jun.21	2.6	3.0	3.1	4.9	4.8	4.4		4.9	4.5			
Jul.21	3.2	2.9	2.9				6.0	7.9	7.4			
Aug.21												
Sep.21		2.9	2.6	6.1	5.0		7.3	7.6	6.8			
Oct.21	2.8	3.0	3.2			5.2						
Nov.21		2.3	3.3					3.9	5.6			
Dec.21												
Jan.22	3.6	3.8	3.5	3.8					8.0			
Feb.22					5.8		7.3	7.5				
Mar.22	4.2	3.9	3.6				8.5					
Apr.22				7.3	5.9				8.8			
May.22	5.0	5.3										
Jun.22	5.0	5.3	4.8									
Jul.22												
Aug.22	4.9	6.0			5.3							
Sep.22		4.7	4.8									
Oct.22	5.4	5.5		5.8			9.8					
Nov.22	5.5	6.7		8.0	6.4			9.9	9.9			
Dec.22								9.9	9.9			
Jan.23	4.9	5.0	4.8	5.1	6.0	4.6	6.8	7.5	6.3	9.4		
Feb.23				6.5						10.9		
Mar.23	4.9		5.5	6.3	6.6			6.5	6.3		9.4	
Apr.23					6.3			6.8		6.3	8.4	
May.23	4.4											
Jun.23		5.0	5.3					6.2				
Jul.23				6.4								
Aug.23												
Sep.23		4.9		6.1	6.6		7.1					
Oct.23		3.4							7.9			
Nov.23		6.5					6.3	8.0		7.9	8.5	
Dec.23												
Jan.24	4.9	5.8	4.9	5.8	5.2	4.7	7.0			7.7	7.9	7.6
Feb.24					7.1	7.8						
Mar.24	5.5	5.1	4.6							7.3		
Apr.24							8.4			0.3	9.3	
May.24	5.3	5.3	5.3	5.6	5.3		6.9					
Jun.24	4.9			5.4	6.4	5.1	6.6	6.0				
Jul.24							6.6	6.1		7.1	9.5	
Aug.24				5.5	5.0	4.4						
Sep.24				5.2	5.3		6.5					
Oct.24					5.1		8.1					
Nov.24		4.2		5.5	5.0		6.8	8.3		7.8		
Dec.24										10.0		
Jan.25	5.5	5.7	5.1	6.3	5.6	6.9	8.4			9.5	8.6	
Feb.25	5.4	5.5	4.9	7.5	5.4		6.8	7.0	7.2	6.6	9.5	
Mar.25	5.0						6.8	8.1				
Apr.25								7.4	8.5	7.5	7.3	
May.25									7.3		7.8	
Jun.25				5.4	6.1		6.8	6.6			8.0	

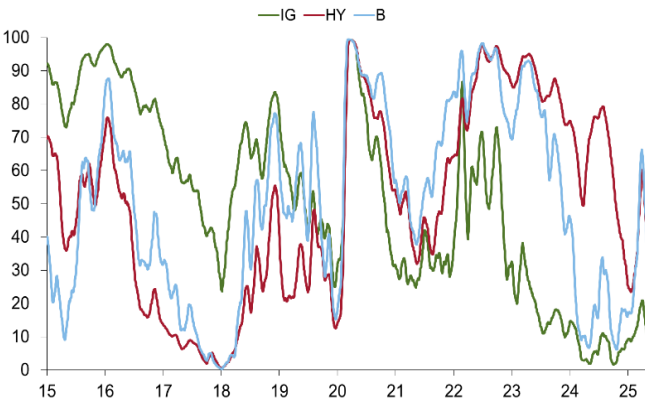
Annex Table 2. Ratings by Region (share by rating and region)



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 May, 25		
	S&P	Fitch	Moody's	S&P	Fitch	Moody's
Bolivia	CCC-	CCC-	Ca	CCC+	CCC-	Ca
Colombia	BB+	BB	Baa3	BB+	BB+	Baa2
Ghana	CCC+	CCC+	Baa2	CCC+	RD	Caa2
Uzbekistan	BB-	BB	Ba3u	BB-	BB-	Ba3u

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