



## APRIL HIGHLIGHTS:

- **Total international sovereign and nonfinancial corporate issuance slowed to \$22.5 bn in April but remains the highest YTD since 2021.** YTD issuance of \$155.5 bn is up 30% y/y (Chart 3), largely due to an exceptionally strong January-February, though primary markets were fairly resilient in April amid extreme market volatility. Excluding Chinese corporate issuance, which has been depressed in recent years, sovereign and corporate issuance remains on a record pace YTD (Chart 1).
- **Sovereign issuance totaled \$12.2 bn in April, with 5 issuers (plus China).** New issuance concessions were fairly large in April, averaging over 20 bps for both IG and HY, compared to a long term average of 5-10 bps for IG (*Morgan Stanley data*). 37% of issuance in 2025 has been non-dollar denominated, well above the 10y average of 25%.
  - *Investment grade:* Bulgaria sold \$4.5 bn in euro denominated notes (2034, 2038). Romania reopened a euro denominated bond issued in February for an additional \$0.1 bn. China also sold \$0.8 bn in offshore RMB bonds.
  - *High yield:* Bahrain sold \$2.5 bn across two bonds (2027, 2033), while Kenya issued \$0.5 bn in a private placement maturing in 2032. Colombia was able to place \$3.8 bn across two bonds, with a coupon of 8.5% on a ten year maturity.
- **Nonfinancial corporate issuance slowed to \$10.2 bn, led by MENA, for the weakest monthly volume of the year.** Issuance ex. China of \$8.8 bn was 17% higher versus April 2024, and up over 50% YTD (Chart 3, 5, 8). SOEs helped drive \$3.5 bn of issuance in the UAE, while corporates in Mexico, Morocco, Peru, Chile, and Uzbekistan also sold bonds. At \$1.6 bn, Chinese offshore USD corporate issuance remained sluggish, but was broadly in line with the average over the last year.
- **EM sovereign spreads widened in April (+19 bps net), though they have recovered significantly since the peak of the sell off** (Chart 2). Single B spreads rose 60 bps on net in April (peak +90 bps). Idiosyncratic drivers and lower oil prices drove spreads more than 200 bps higher in Pakistan, Bolivia, Mozambique, Gabon, and Angola. Investment grade spreads remain tight at roughly the 20<sup>th</sup> percentile historically, while high yield has risen to the 60<sup>th</sup> percentile. The median yield on the benchmark index rose above 7%, with around 30% of issuers having yields above 10%, up from around 20% earlier in the year (Chart 20, 21).
- **Bond fund flows turned sharply negative in April, though outflows moderated by the end of the month** (Chart 17). Outflows from hard currency funds reached \$7 bn across four weeks, or just over 3% of AUM. YTD outflows are close to 4% of AUM. Local currency funds performed considerably better, with net inflows on the month.
- **Positive ratings momentum mostly continued.** Four sovereigns received upgrades, with 2 seeing downgrades. Fitch upgraded Nigeria (B- to B) and Pakistan (CCC+ to B-), Moody's upgraded Barbados (B3 to B2), and S&P upgraded Togo (B to B+). China and Bolivia received downgrades, with median ratings of A+ and CCC-, respectively (see Annex).
- **Stabilizing risk sentiment should support primary markets, though early prefunding may limit issuance volumes in the coming months.** Market volatility and sovereign spreads have eased from the early April sell off. According to market analysts, possible upcoming issuers include Poland, Romania, and Kuwait, alongside Guatemala and Oman among high yield sovereigns. Near term maturities are limited until October, with a subsequent increase heading into 2026. Nevertheless, Brazil, Indonesia, Turkey, and Egypt have sizeable payments due in the next two months.

## Overview

Chart 1. Pace of EM Sovereign and Corporate International Issuance

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

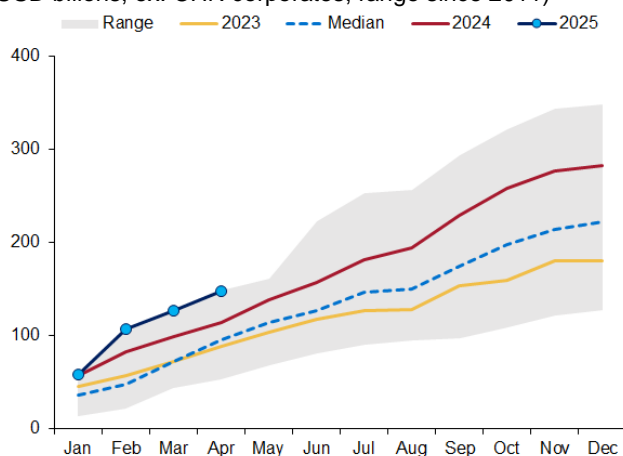
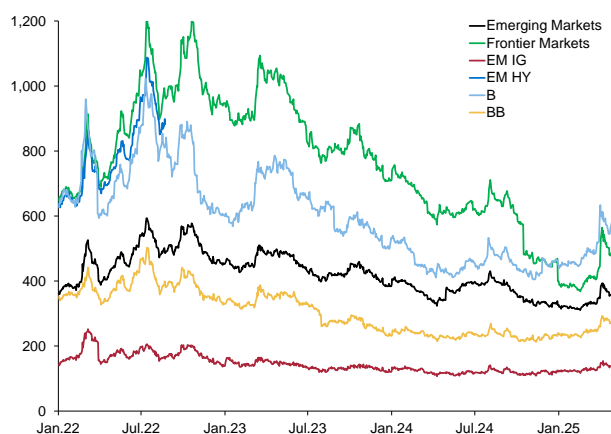


Chart 2. Emerging and Frontier Market Spreads (Basis points)



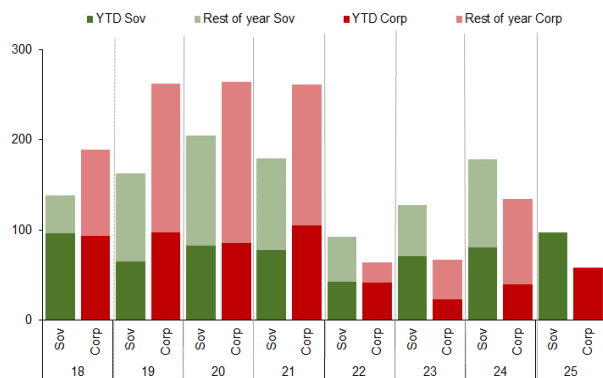
This monitor is produced by MCMGA. It captures international issuance, predominately denominated in hard currencies, and does not include domestically issued bonds in any currency. Issuance totals refer to proceeds.

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

## Issuance Detail: Emerging Market Corporates and Sovereigns

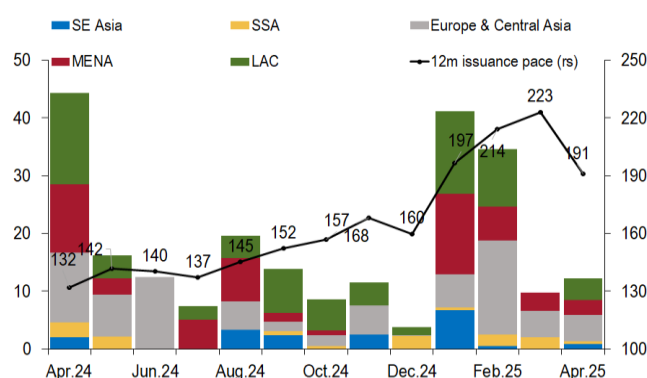
Despite modest issuance in March-April, total sovereign and corporate issuance is the highest since 2021.

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



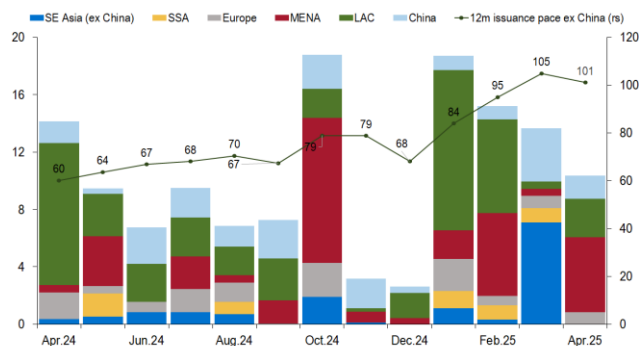
Sovereign issuance in April was geographically diverse, with new issuance spread across Latin America, MENA, and Europe & Central Asia.

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



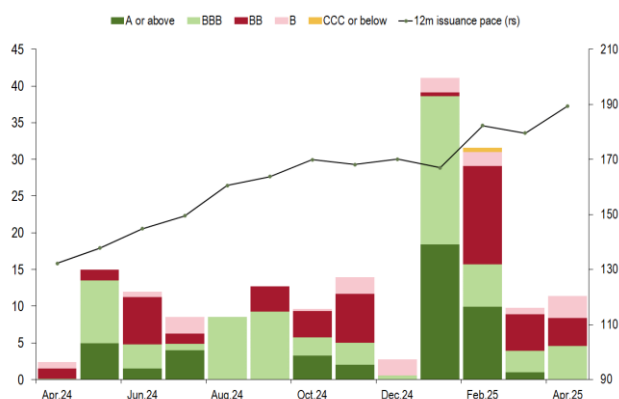
Corporate issuance declined but remained above the 2024 average, led by MENA

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



High yield issuers included Bahrain, Colombia (median is HY), and Kenya

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



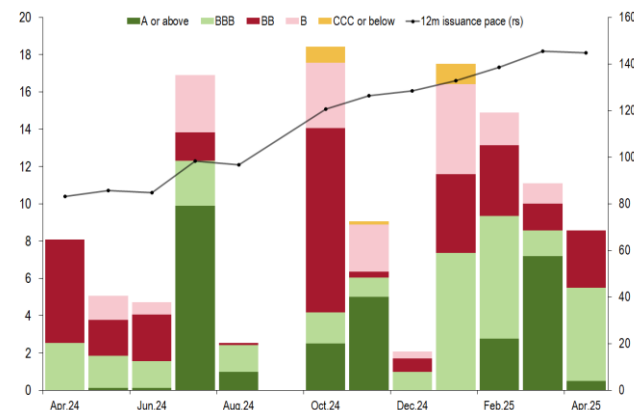
Thirty-one sovereigns have issued new Eurobonds in 2025, including six in April.

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

Issuer	2024	2025	Feb-25	Mar-25	Apr-25
Saudi Arabia	16.8	14.3	2.4	-	-
Mexico	10.7	11.0	-	-	-
Poland	15.9	8.6	5.5	-	-
Romania	18.4	7.2	4.1	2.9	0.1
Dominican Republic	3.0	5.0	5.0	-	-
Bulgaria	4.8	4.5	-	-	4.5
Colombia	5.0	3.8	-	-	3.8
Indonesia	11.0	3.4	-	-	-
Chile	7.8	3.3	-	-	-
Philippines	4.5	3.3	-	-	-
Qatar	2.5	3.0	-	-	-
Hungary	4.3	2.6	3.0	-	-
Bahrain	3.3	2.5	-	-	2.5
Turkey	12.8	2.5	2.5	-	-
Brazil	6.4	2.5	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	-	-	-
Kenya	1.5	2.0	1.5	-	0.5
United Arab Emirates	8.9	1.5	0.5	1.0	-
Uzbekistan	1.5	1.5	1.5	-	-
Paraguay	1.0	1.2	1.2	-	-
Uruguay	3.4	1.2	1.2	-	-
Montenegro	0.8	0.9	-	0.9	-
China	4.9	0.8	-	-	0.8
Armenia	-	0.7	-	0.7	-
Albania	-	0.7	0.7	-	-
Gabon	-	0.5	0.5	-	-
Mongolia	-	0.5	0.5	-	-
Benin	0.7	0.5	-	-	-

Corporate issuance was led by BBB-rated firms, though several BB-rated companies also sold new bonds.

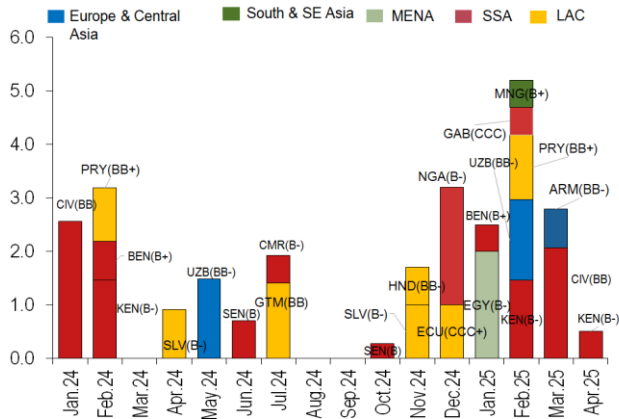
**Chart 8. Corporate Hard Currency Issuance by Rating**  
(USD billions)



## Issuance Detail: Emerging Market Corporates and Sovereigns

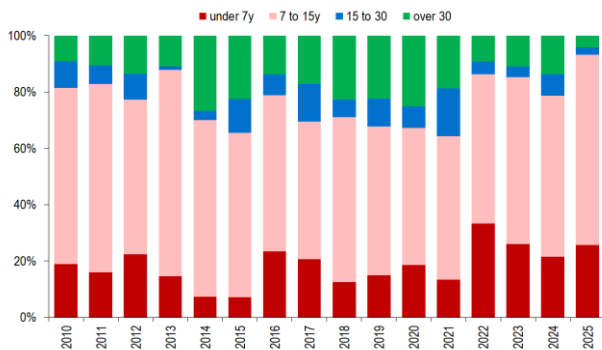
Kenya was the lone frontier issuer, with a \$0.5 bn private placement maturing in 2032.

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



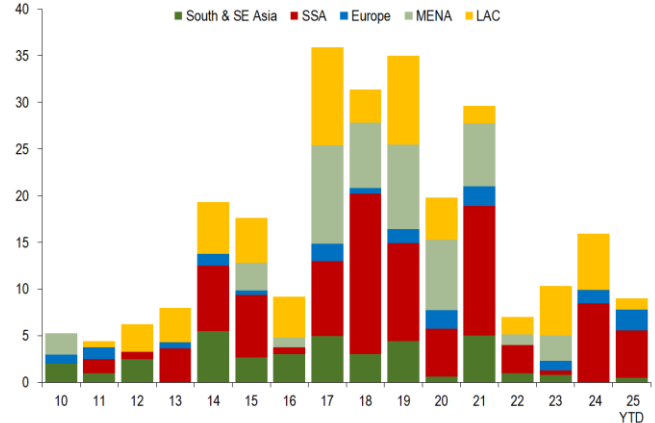
Issuers have shortened maturities, with fewer bonds at tenors over 20y, and an uptick in sub-7y notes.

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



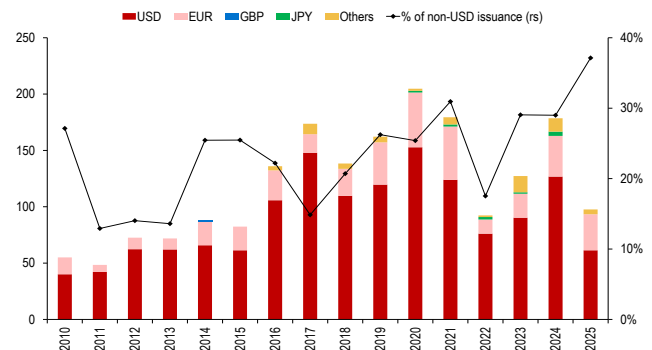
Frontier issuance is on track to surpass 2024, though remains below the 2017-2021 pace.

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



Non-dollar denominated issuance accounts for nearly 40% of issuance, the highest in at least 15 years.

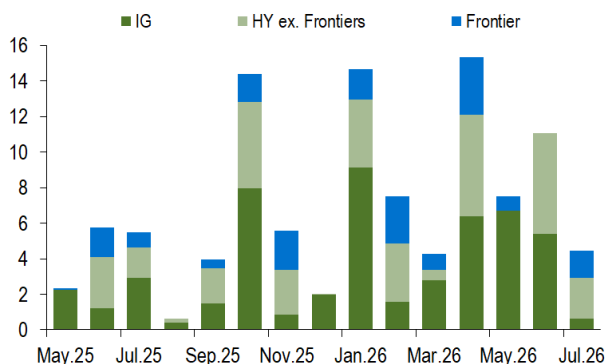
**Chart 12. EM Sovereign Issuance by Currency**  
(Percent)



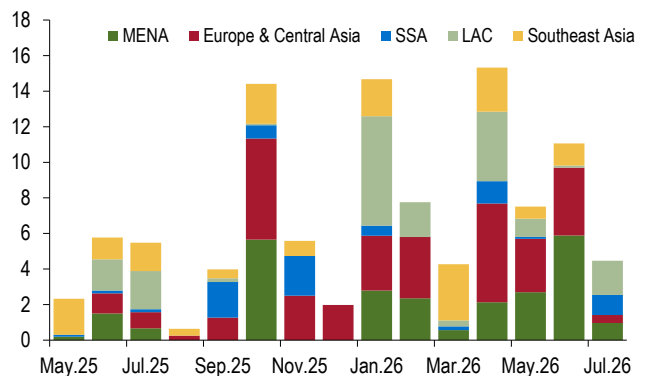
## Upcoming Amortizations

Near term maturities are limited until October, with a marked pickup up in 2026.

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



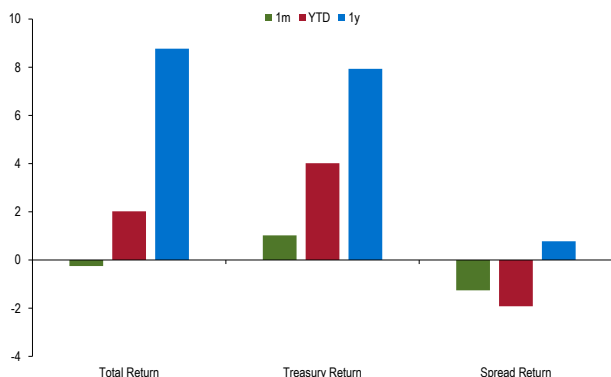
**Chart 14. EM Sovereign Amortizations by Region**  
(USD billions)



## Fund Flows and Bond Returns

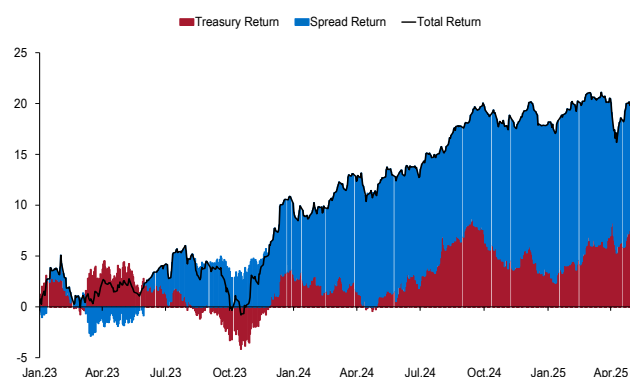
Total returns were negative over the last month, driven by wider spreads, though YTD returns remain positive (2%).

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



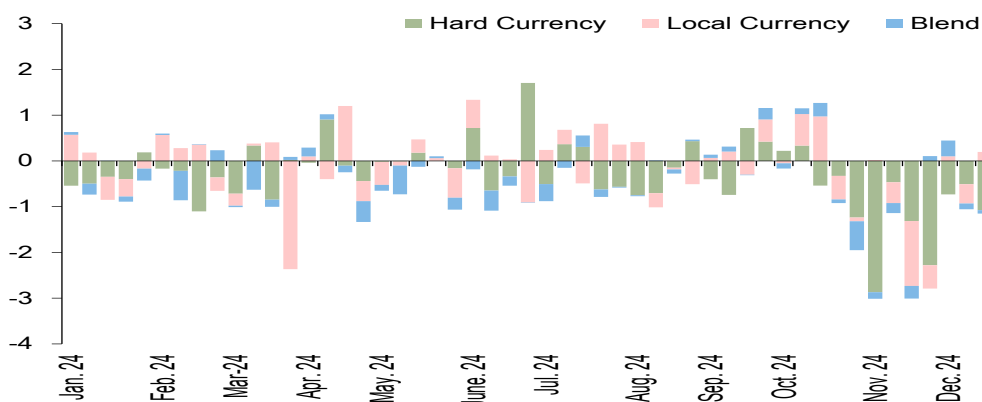
Longer term returns remain positive (since 2023), largely driven by tighter spreads following the post-pandemic sovereign distress.

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



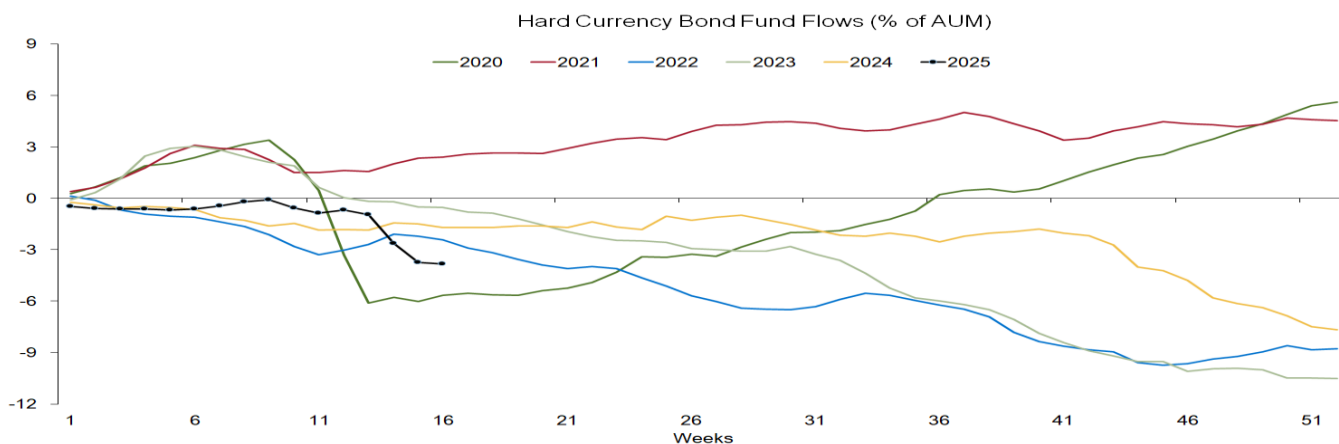
Hard currency bond funds saw sharp outflows in April (\$6.9 bn), though the most recent week of data shows some improvement

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



Hard currency bond fund outflows have reached 4% of assets under management through April

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



## Sovereign Spreads and Yields

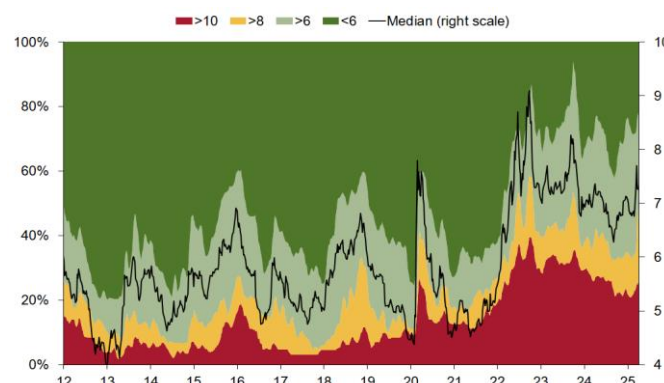
Spreads widened for most EMs in April, notably lower rated issuers in SSA and Bolivia.

The median USD yield has surpassed 7% again, as nearly 40% of the benchmark index have yields over 8%.

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

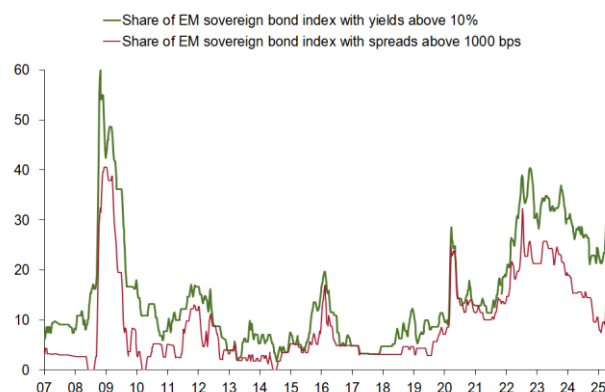
Top-10 Leaders			Top-10 Laggards		
Country	Change in spreads	Latest spread	Country	Change in spreads	Latest spread
Ecuador	(437)	1,189	Ivory Coast	94	495
Philippines	(3)	91	Nigeria	114	685
Indonesia	(2)	117	Suriname	127	611
Uruguay	0	102	Kenya	130	710
Chile	1	133	Iraq	137	403
Poland	1	118	Sri Lanka	150	548
Brazil	2	230	Senegal	157	857
Qatar	3	76	Ghana	160	843
United Arab Emirates	5	106	Ukraine	181	1,103
Panama	7	304	Cameroon	203	1,063
Peru	8	176	Pakistan	206	853
Saudi Arabia	9	120	Bolivia	221	2,109
Malaysia	9	97	Angola	253	970
Paraguay	9	185	Mozambique	259	1,256
El Salvador	9	470	Gabon	292	1,125

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

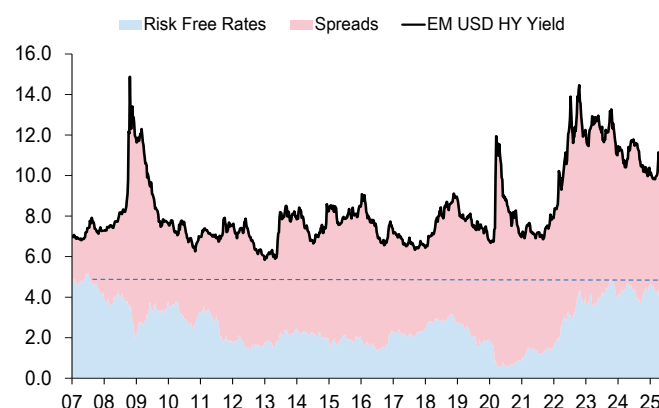


**Chart 21. Share of Distressed Issuers in EM Bond Index** (share, 3-week average)

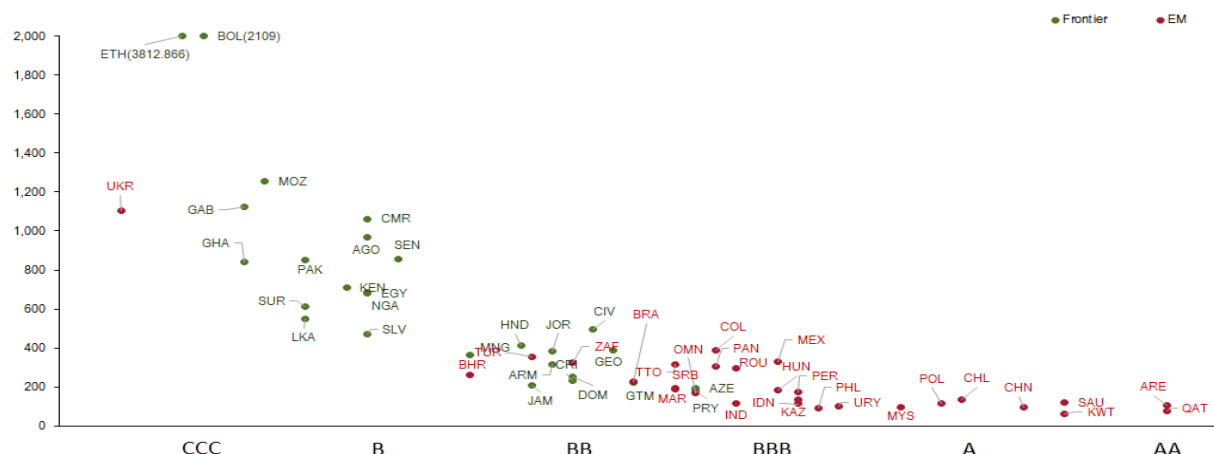
Wider credit spreads, notably for sub-investment grade (high yield) issuers, combined with elevated risk free rates has kept emerging market USD yields relatively high.



**Chart 22. EM Yields and Spreads Decomposition**



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

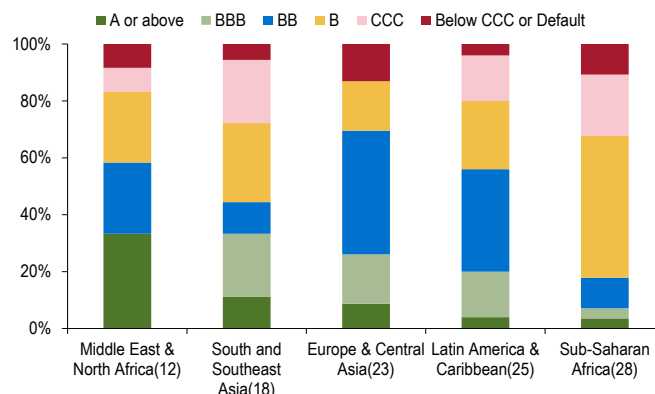


## Annex

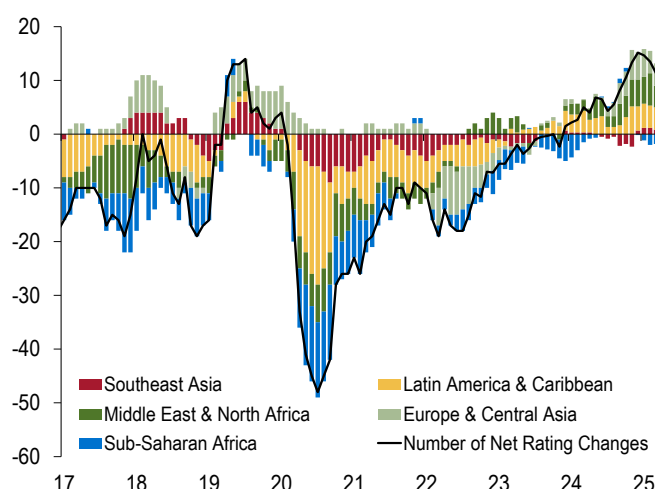
**Annex Table 1. Issuance Coupons by Rating, Sovereign USD bonds (percent)**

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						
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				
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		5.6	5.8		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				7.3		
Mar.24	5.5	5.1	4.6					8.4		0.3	9.3	
Apr.24												
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		7.1	9.5	
Jul.24								6.6	6.1			
Aug.24				5.5	5.0	4.4		6.5				
Sep.24				5.2	5.3							
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							8.1				
Apr.25								7.4	8.5	7.5	7.3	

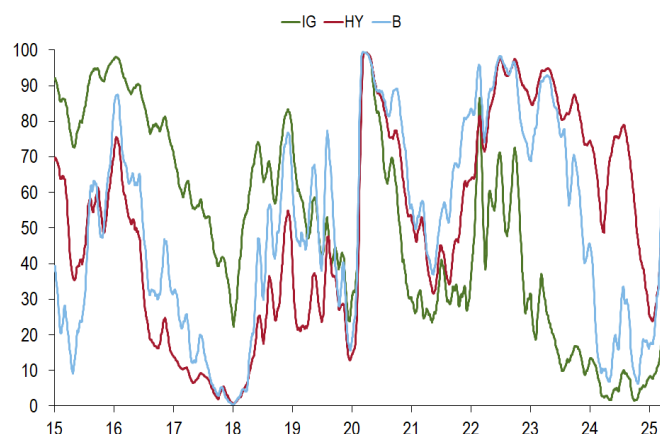
**Annex Table 2. Ratings by Region**  
(share by rating and region)



**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 Mar. 25		
		S&P	Fitch	Moody's	S&P	Fitch	Moody's
Barbados	B	B	B+	B2	B	B+	B3
Nigeria	B-	B-	B	Caa1	B-	B-	Caa1
Pakistan	CCC+	CCC+	B-	Caa2	CCC+	CCC+	Caa2
Togo	B	B+		B3	B		B3
Bolivia	CCC-	CCC+	CCC-	Ca	CCC+	CCC-	Caa3
China	A+	A+	Au	A1	A+	A+u	A1

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".