

Emerging Markets Monthly Highlights

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Despite Vaccines, Normality Still Elusive

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S&P Global
Ratings

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S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

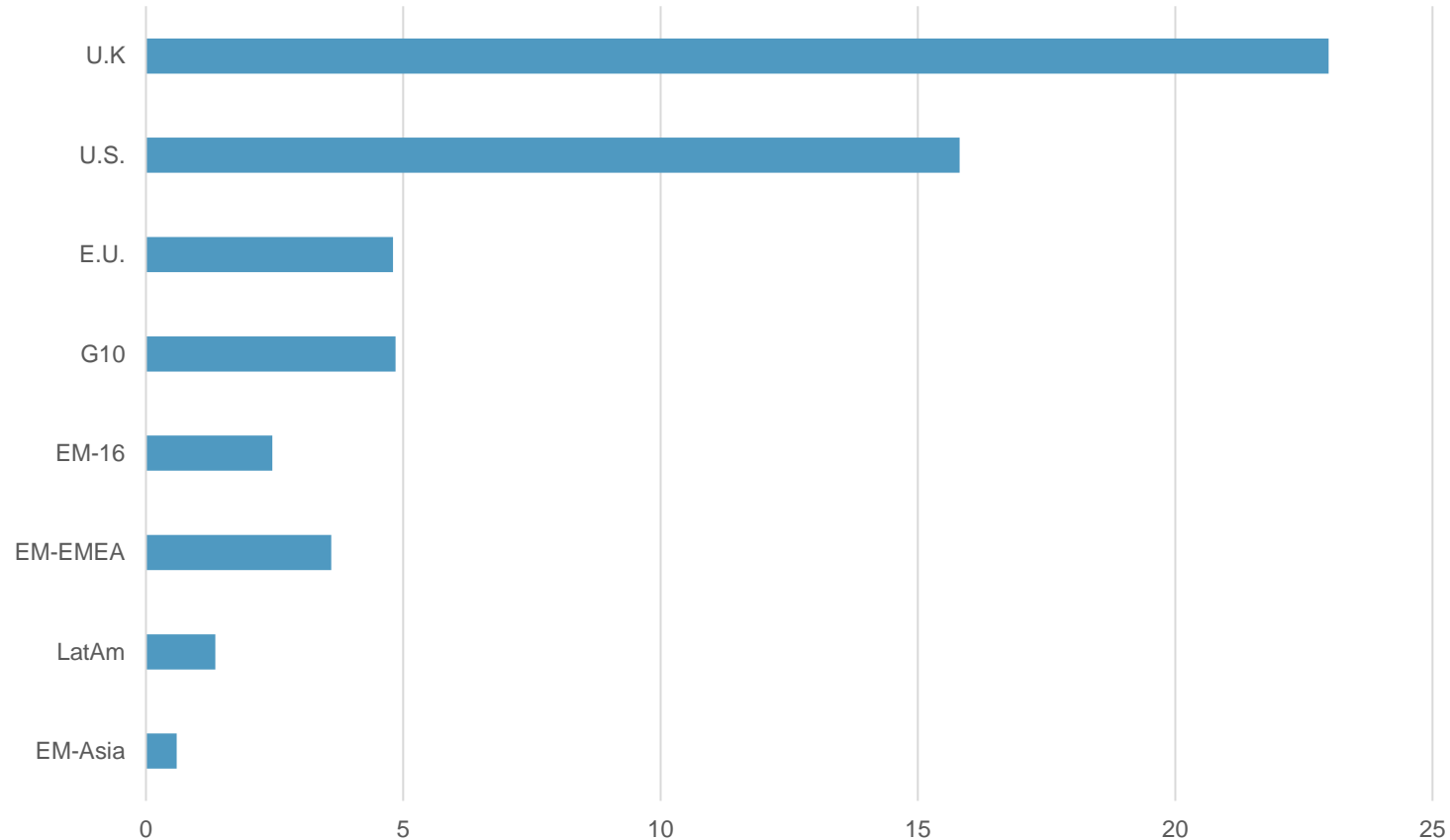
Key Takeaways

- There are early signs that economic conditions across most emerging markets (EMs) have improved marginally, following an overall setback in activity in late December – early January. COVID-19 cases started to decline at the end of January and into February, which coincided with an improvement in mobility-related indicators. Manufacturing confidence indices remain near their recent highs, and so do commodity prices, suggesting the goods-driven recovery remained broadly in place in January. However, downside risks to growth are still considerable, given the fluid pandemic-related developments and varying degrees of lockdowns in most EMs.
- The vaccination pace is starting to pick up, with wide variations across EMs, most of which are lagging advanced economies. Chile is an outlier given that roughly 10% of its population is now vaccinated after a ramp-up this month. Poland and Turkey are not far behind. Most of the rest of EMs are significantly behind. Widespread immunity in those countries will lag considerably, potentially delaying the opening of services sectors sensitive to social-distancing measures, such as tourism. This raises concerns about the prevalence of the pandemic in EMs and potential setbacks for their economies and overall credit risk.
- Fiscal metrics have worsened during the outbreak across key EMs due to shrinking revenue stemming from the falling output, and pandemic-related fiscal packages. By 2023, about half of key EMs that we rate should at least stabilize government debt to GDP, according to our forecasts. Seven out of 16 key EMs that we rate are unlikely to stabilize their debt ratios by 2023, under our current assumptions regarding their fiscal policy choices, nominal growth prospects, and effective funding costs.
- Financing conditions in EMs have remained supportive in January, but concerns are growing about potential spillovers to EMs from higher yields in the U.S. The low yield/high-liquidity environment means that EM credit in primary and secondary markets remains attractive. However, the increasing likelihood of a passage of more sizeable stimulus in the U.S., is boosting inflation expectations and pushing U.S. yields higher. This could have a negative impact on capital flows to the riskier EMs. For now, this seems more of fat tail risk.



Vaccination Progress Advancing In EMs At Varying Pace

Total COVID-19 Vaccines Administered Per Hundred Population

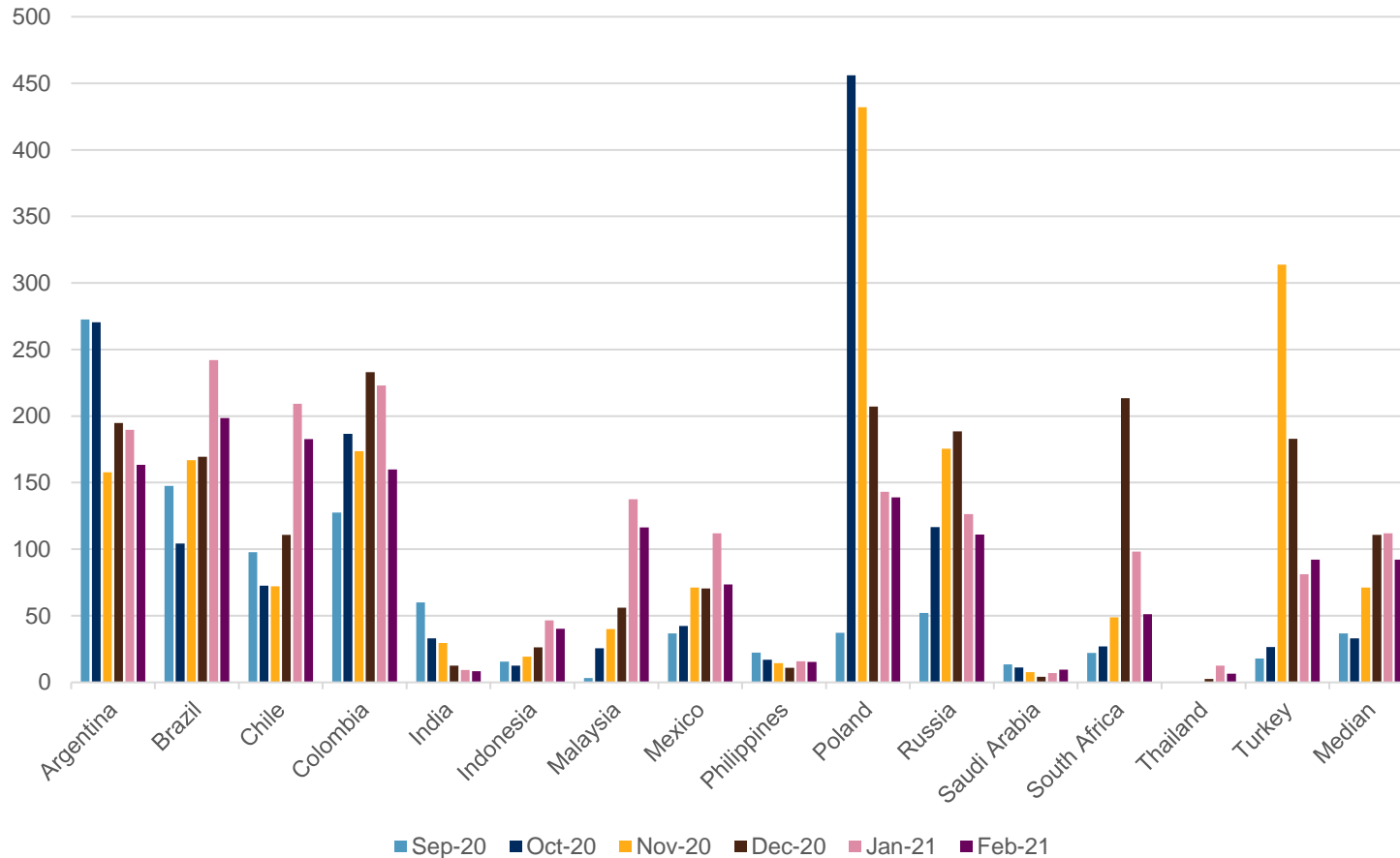


As of Feb. 14, 2021. Source: OWID. For country groupings, we use the median vaccinations administered per hundred population, except for the EU where we take the absolute number.

- Most EMs are lagging developed markets (DMs) in the vaccination race, but there are some exceptions. Chile is an outperformer, with roughly 10% of its population now vaccinated. Poland and Turkey are not far behind, having vaccinated a similar proportion of its population as the median in G10 economies (about 5%). In some cases, the number of daily vaccines administered has been increasing sharply in recent weeks, such as in Brazil, which means more progress is expected in the near term. The slow vaccination rollout is occurring in the more populous Asian countries, but COVID-19 is generally more under control in most cases.

New COVID-19 Cases Started To Slip In Early February

New Daily Reported COVID-19 Cases Per Million Population

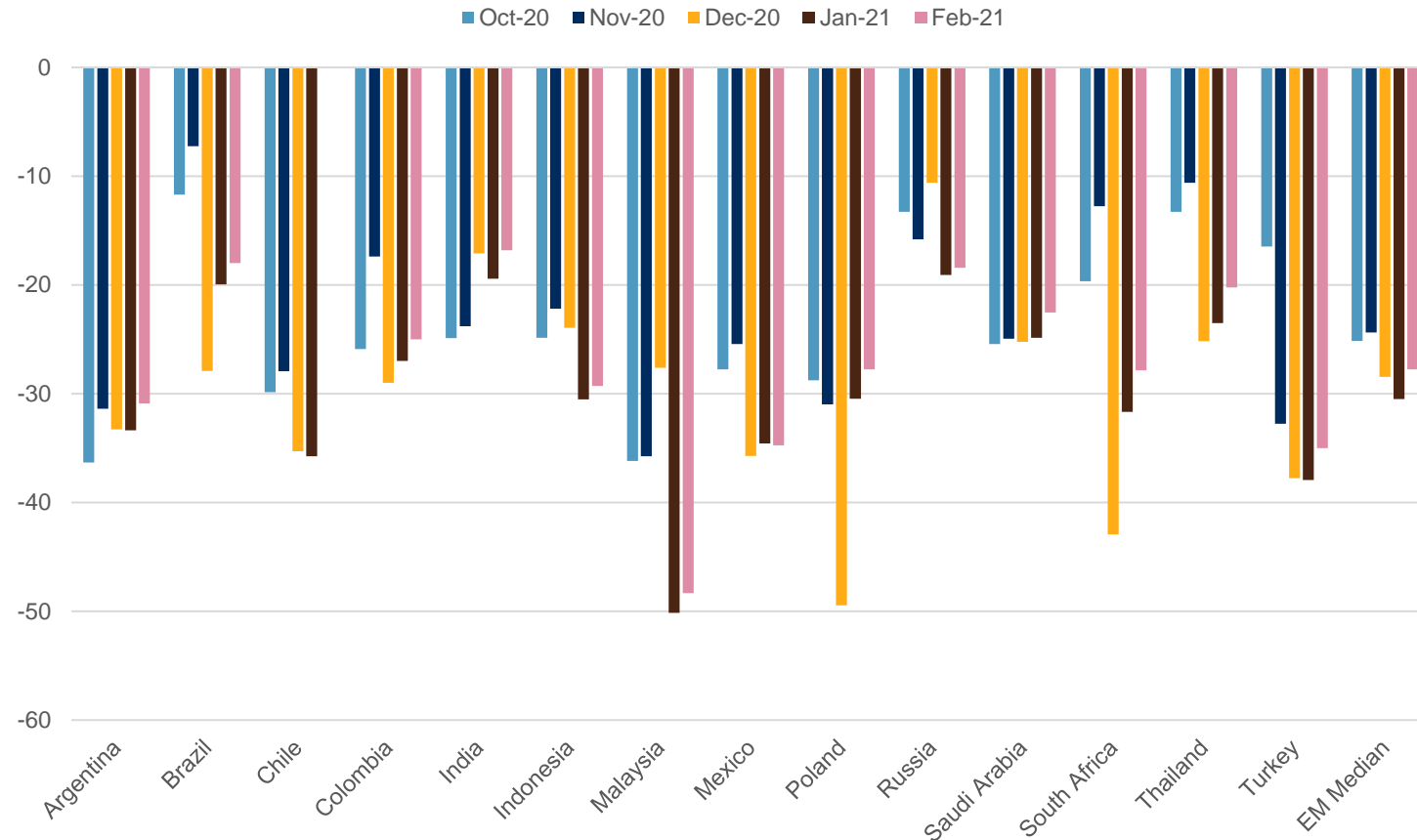


– **Some good news, but it's too early to celebrate.** Most EMs started February with fewer new daily COVID-19 cases than in the previous month. However, in most countries, new daily cases are still very close to their all-time highs. Moreover, new variants, such as the Brazilian mutation, are starting to spread to other countries, potentially posing setbacks to the vaccination campaign.

Note: Seven-day moving average. Figures are end of month. February is as of the 8th. Source: OWID.

Mobility Showed Some Signs Of Improvement In Recent Weeks

Mobility Index, Seven-Day Moving Average, End Of Period (Deviation From Pre-Pandemic Level)



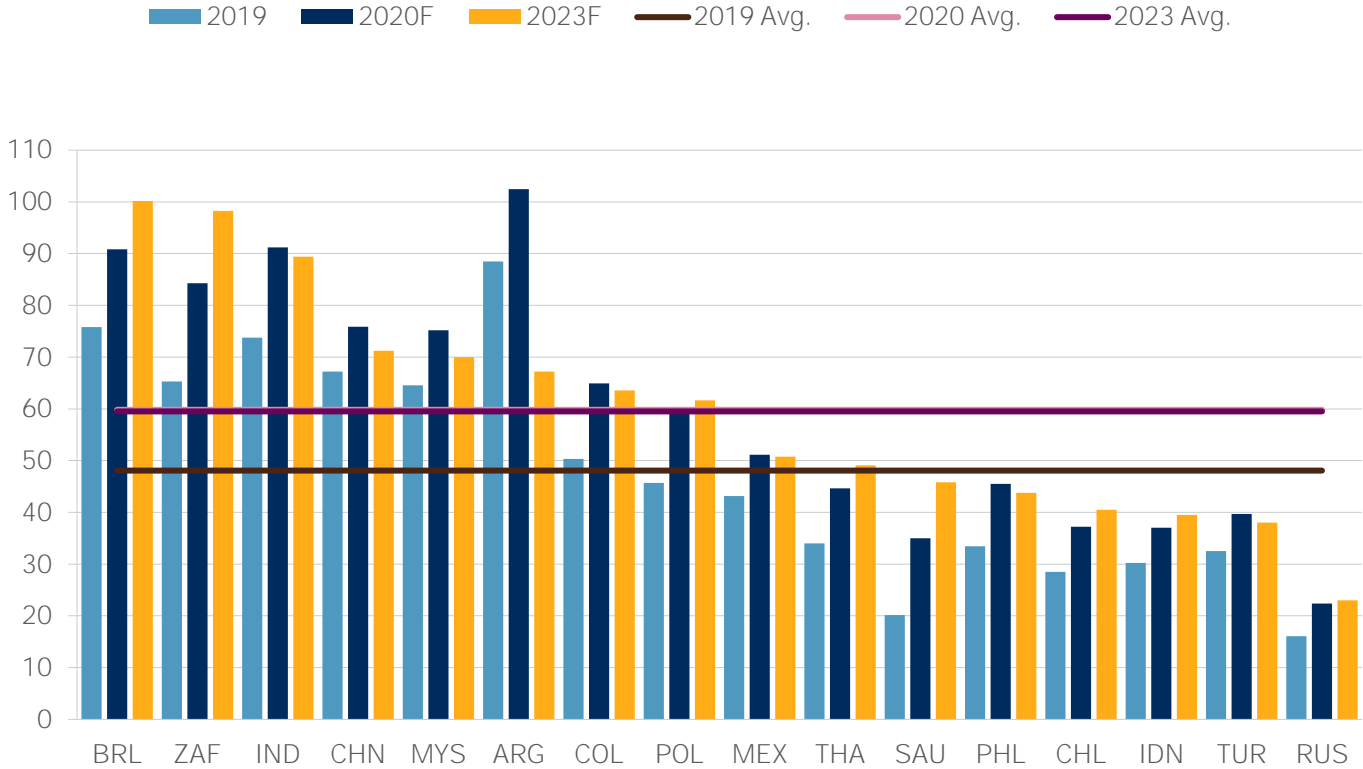
- Mobility improved marginally by the end of January - early February. Following a setback to mobility at the end of December, and early January, mobility has improved. This coincided with the recent decline in the number of new daily COVID-19 cases across most of the major global economies, including most EMs.
- However, mobility remains generally far from pre-pandemic levels, in many cases due to new lockdown measures. Mobility in the median EM is still close to 30% below pre-pandemic levels.

Note: February is as of the 5th. The index is an equally-weighted index of retail & recreation, transit, and workplaces. The baseline is the median value, for the corresponding day of the week, between January 3 and Feb. 6, 2020. Note: Early-December is as of the 7th. Source: Google LLC "Google COVID-19 Community Mobility Reports", S&P Global Ratings.

EM Sovereigns | The Pandemic Led to a Rapid Increase in Sovereign Debt

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Gross General Government Debt In Key EMs



Source: S&P Global Ratings

- The COVID-19 pandemic continues to weigh on the global economy. Intermittent lockdowns and protracted economic uncertainty have elevated private-sector savings rates. In response, governments have stepped up public spending to record highs, leading to a rapid increase in sovereign debt.
- We forecast median general government debt for the key 16 EM sovereigns we rate at 55.3% of GDP by the end of 2021, or 10.9 percentage points (ppts) above the 2019 levels and 19.5 ppts above the 2008 figures.
- We forecast median general government debt for the largest 60 EM sovereigns we rate at 65.8% of GDP in 2021, or 15.5 ppts above 2019 levels and 30 ppts above the 2008 figures. In 2021, general government debt is set to exceed 100% of GDP in 13 EMs.

EM Sovereigns | Considerable Fiscal Consolidation Needed To Stabilize Debt

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Key EM Sovereigns: Ranked By Debt Stabilization Trajectory

	B-A			A	B	C	D	E	D-C	E-C
	Debt Stabilization Trajectory 2023F (ppts)	Debt/GDP 2020F (%)	Debt/GDP 2021F (%)	Debt/GDP 2022F (%)	Debt/GDP 2023F (%)	Primary Balance /GDP 2020F (%)	Primary Balance /GDP 2023F (%)	DSPB 2023F (%)	Expected Adjustment 2023F (ppts of GDP)	Required Adjustment 2023F (ppts of GDP)
Saudi Arabia	4.5	35.0	38.2	41.3	45.8	-10.0	-2.3	0.5	7.7	10.5
South Africa	3.8	84.3	90.0	94.5	98.2	-11.0	-1.4	1.2	9.6	12.2
Brazil	1.8	90.8	95.1	98.3	100.2	-11.4	-2.1	-1.4	9.4	10.0
Russia	0.3	22.4	23.0	22.9	23.0	-3.9	0.0	-0.4	3.9	3.9
Chile	0.2	37.2	39.6	40.3	40.5	-10.2	-1.8	-1.7	8.4	8.5
Poland	0.1	59.4	62.1	61.5	61.7	-8.0	-1.2	-1.4	6.8	6.6
Thailand	0.0	44.6	49.1	49.0	49.1	-3.5	-0.3	-0.8	3.2	2.7
Mexico	(0.2)	51.1	50.7	51.0	50.8	-0.6	0.1	-0.4	0.7	0.2
Indonesia	(0.3)	37.0	39.1	39.8	39.5	-4.6	-1.1	-1.6	3.5	3.0
China	(0.5)	75.9	72.6	71.8	71.2	-3.1	-2.1	-4.3	1.0	-1.2
India	(0.6)	91.2	89.6	90.0	89.4	-6.6	-2.0	-3.0	4.6	3.7
Turkey	(0.6)	39.7	38.1	38.0	38.0	-1.2	-0.6	-1.8	0.6	0.2
Malaysia	(1.8)	75.2	73.2	71.8	70.0	-3.7	-1.0	-2.6	2.8	1.1
Philippines	(1.8)	45.5	45.6	45.5	43.7	-6.4	-0.5	-2.5	5.9	3.9
Colombia	(2.4)	64.9	68.3	65.9	63.6	-6.3	1.8	-0.8	8.1	5.5
Argentina	(15.0)	102.4	101.9	82.3	67.2	-6.8	-4.0	-20.5	2.8	-13.7

Higher by 2023	Debt rise by at least 1 ppt of GDP by 2023	>150	>10
Moderately higher by 2023	Debt rises by 0-1 ppts of GDP by 2023	100-150	5-10
Stable or slightly downward by 2023	Debt declines by 0-1 ppts of GDP by 2023	50-100	0-5
Solid downward path by 2023	Debt declines by at least 1ppt of GDP by 2023	0-50	<0

- By 2023, about half of key EM rated sovereigns will manage to at least stabilize government debt to GDP, according to our forecasts, given significant fiscal consolidation, economic recovery, and sustained low debt costs (see slide 9).
- We expect that roughly seven out of 16 key EM rated governments are unlikely to stabilize public finances by 2023, absent stronger economic performance and better fiscal outcomes than we currently expect.
- There are substantial risks to our projections, including weaker real and nominal GDP due to extended pandemic consequences; premature stimulus withdrawal (fiscal and monetary); failure to cut spending due to political resistance; and materializing contingent liabilities, among others.

DSPB--Debt-Stabilizing Primary Balance. GDP forecasts in 2020-2023 are based on the underlying domestic economy. Source: S&P Global Ratings.

EM Sovereigns | Low Rates Help Considerably

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Key EM Sovereigns: Ranked By i-g

	LT FC Rating	Outlook	A-B i-g (%)	Effective GG rate (i) 2020F (%)	A Effective GG rate (i) 2023F (%)	B Nominal GDP Growth (g) 2023F (%)	Level Nominal GDP 2023F vs 2019 (%)
Saudi Arabia	A-	Stable	1.4	5.1	4.2	2.8	95.3
South Africa	BB-	Stable	1.3	7.5	7.0	5.7	117.3
Mexico	BBB	Negative	-0.8	5.6	4.6	5.4	113.8
Colombia	BBB-	Negative	-1.3	7.4	5.6	6.9	117.2
Brazil	BB-	Stable	-1.6	5.8	4.5	6.0	118.5
Russia	BBB-	Stable	-1.6	4.9	4.4	6.0	118.5
Thailand	BBB+	Stable	-1.8	3.7	3.1	4.8	109.0
Poland	A-	Stable	-2.3	2.8	2.7	5.0	115.4
India	BBB-	Stable	-3.6	8.0	6.6	10.2	128.1
Malaysia	A-	Negative	-3.9	4.0	3.3	7.1	118.4
Indonesia	BBB	Negative	-4.3	5.0	4.0	8.3	126.3
Chile	A+	Negative	-4.4	2.8	2.0	6.4	119.3
Turkey	B+	Stable	-5.3	9.3	7.5	12.8	158.4
Philippines	BBB+	Stable	-6.0	5.2	4.2	10.1	126.9
China	A+	Stable	-6.5	0.9	0.9	7.4	131.3
Argentina	CCC+	Stable	-33.8	2.8	2.0	35.8	362.7
Much higher in 2023	Debt rise by at least 1 ppt of GDP by 2023						90-110
Slightly higher in 2023	Debt rises by 0-1 ppts of GDP by 2023						110-130
Stable or slightly downward in 2023	Debt declines by 0-1 ppts of GDP by 2023						130-150
Solid downward path in 2023	Debt declines by at least 1ppt of GDP by 2023						>150

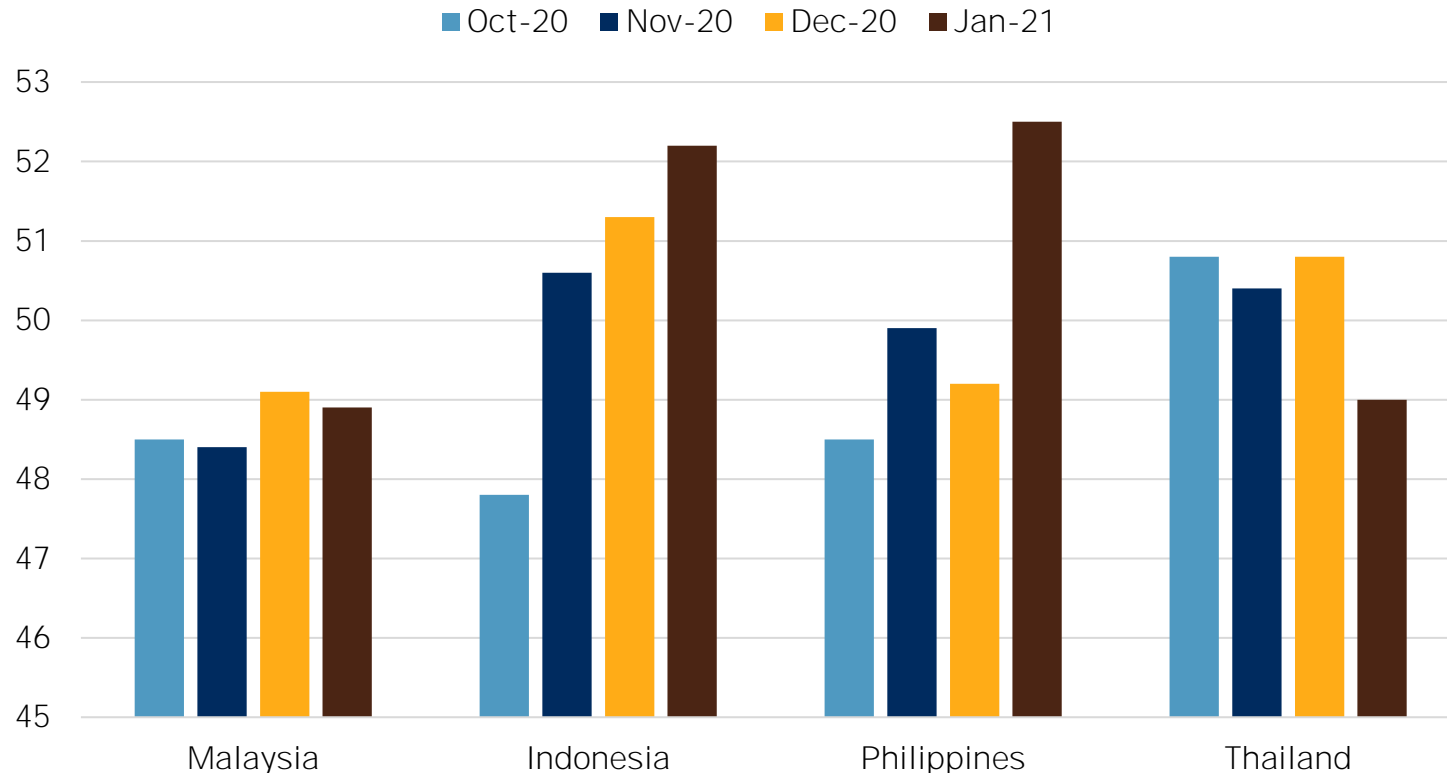
- The good news is that most rated sovereigns face the current fiscal shock with historically low funding costs. Monetary stimulus in DMs has pushed down funding costs in most EMs through rising portfolio inflows. The effective general government borrowing rate for the 60 largest rated EM sovereigns was 4.7% last year, compared with 5.1% in 2015.
- The key determinant of future debt stability is i-g, the average cost of debt minus the growth of nominal GDP. Sovereigns, with GDP growing faster in nominal local currency terms than the average cost of debt, can stabilize debt while running a primary budget deficit (the size of that debt stabilizing primary balance or DSPB is determined by the level of debt to GDP in the previous year, and the value of i-g). In contrast, sovereigns, which pay more on their debt than nominal growth, must operate primary surpluses to stabilize debt to GDP.
- For EMs, particularly those that finance themselves in foreign currency and are subject to exchange rate volatility, the simple DSPB is a less reliable indicator but a still useful gauge for how much fiscal lifting they may need in the next three years.

Regional Economic Highlights

EM Asia Economics | Steady Manufacturing Activity

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Manufacturing Purchasing Managers Indices



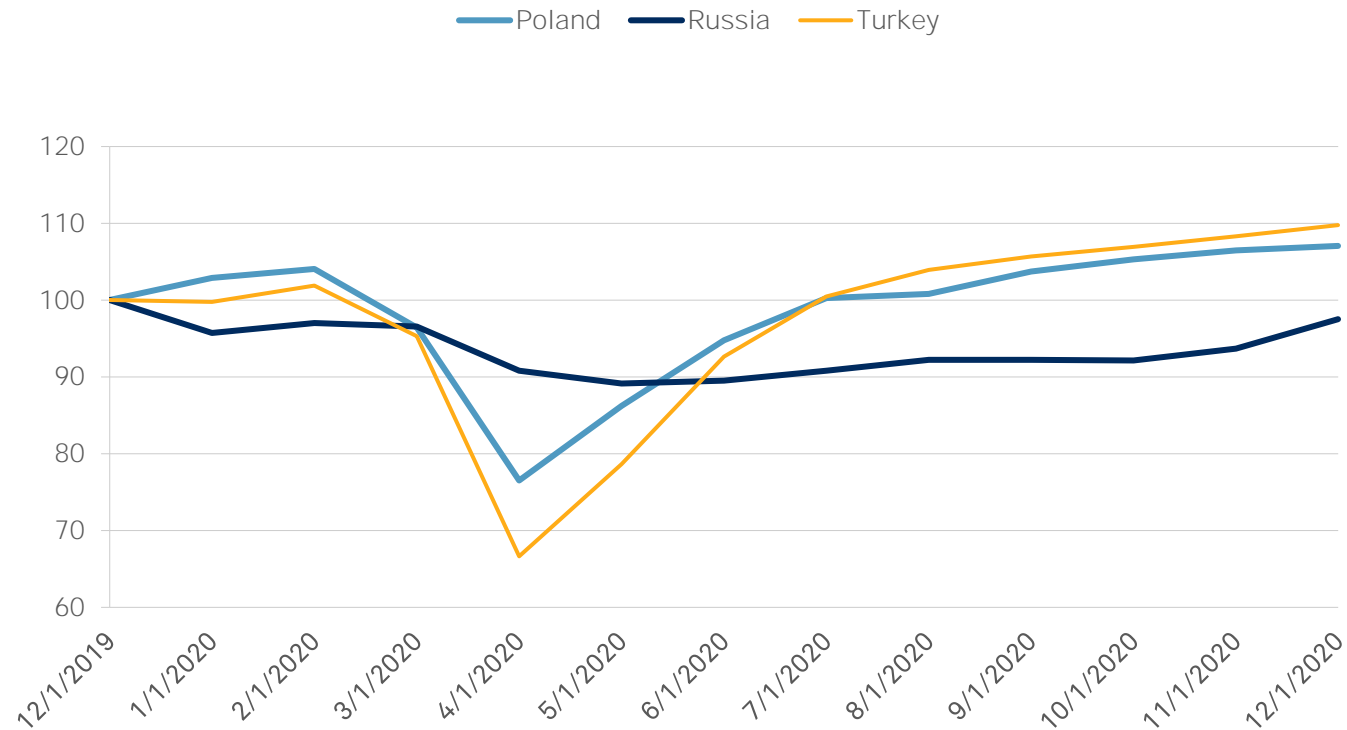
Excluding China and India. Headline PMI numbers shown. Numbers above 50 indicate expansion in activity over the previous month. Source: IHS Markit.

- Lockdown fatigue. Lockdowns are proving increasingly difficult, especially for small, medium, and micro enterprises in the region. Current lockdowns are moderate to severe in parts of the region. New infections have leveled off in recent days but haven't declined sharply. However, limited public support for widescale lockdowns means policymakers are refraining from tightening them further.
- Manufacturing activity is steady, but cracks appeared in parts of EM Asia. Mobility restrictions will hit services activity harder than manufacturing. The latter is broadly stable in the region - it picked up in Indonesia and the Philippines, and was marginally weaker in Malaysia. It fell noticeably in Thailand partly due to new mobility measures.

EM EMEA Economics | Industrial Sector Remains Resilient

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Industrial Production, December 2019 = 100



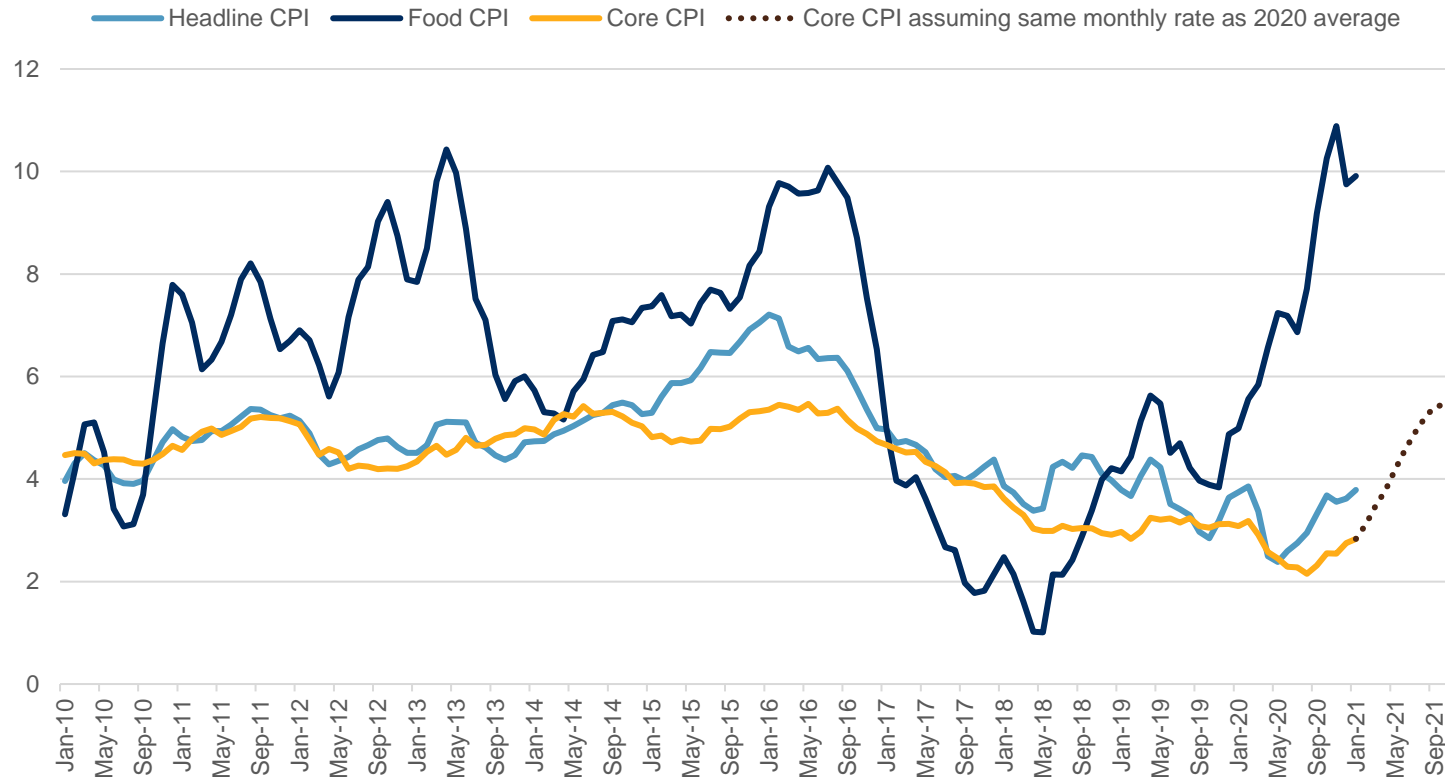
Source: Datastream, S&P Global Ratings.

- Pandemic picture has improved in EM EMEA. New daily reported COVID-19 cases dropped in January in Poland, Russia, and Turkey (although they picked up slightly in the latter country this month). Vaccination is advancing in the region, with Poland and Turkey among the top three performers among key EMs in terms of vaccinations per capita. The improved pandemic situation should support a gradual recovery in the services sector.
- Resilient industrial output. Poland's GDP contracted 0.7% in Q4 2020 from the previous quarter, as the surge in infections and social-distancing measures took a toll on economic activity. The customer-facing services sector was the hardest hit, but industrial output continued to grow in Q4. Industrial production in Turkey was up 1.3% in December. In addition, sentiment surveys suggest that growth momentum remained strong in January, with manufacturing PMI rising to 54.1 from 50.8 in December. Industrial production contracted in Russia in January, after strong growth in December. We expect higher oil production to boost mining output, as the restrictions on supply as part of OPEC+ deal are gradually lifted.

LatAm Economics | Brazil Is First In Line To Increase Rates

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Consumer Price Inflation, % Change Year Over Year



- Higher core inflation ahead. The biggest driver of headline inflation in 2020 was food prices, due to hoarding behavior and supply chain disruptions related to the pandemic. However, as sectors reopen, demand picks up, and supply chains normalize, food inflation will fall and core inflation will rise. Inflation, in year-over-year terms will be particularly higher in Q2, given the base effects from low inflation in Q2 of last year, at the onset of the pandemic.
- Brazil likely to start hiking by mid-year. Most central banks in the region will delay monetary policy normalization as long as possible, given the impact of the removal of fiscal stimulus in most economies, and the still vulnerable domestic demand. However, Brazil's mounting fiscal risk premia, given a sharp increase in debt ratios, uncertainty over compliance with the government's spending cap, and significant amount of short-term debt needed to be rolled over this year, will likely push the central bank to start increasing rates first among Latin American economies.

Macro-Credit Dashboards

GDP Summary | Q4 GDP Numbers Surprisingly On The Upside

Country	Latest Reading (y/y)	Period	5Y Avg	2019	2020e	2021f	2022f
Argentina	-10.2	Q3	-0.3	-2.1	-11.7	4.0	3.0
Brazil	-3.9	Q3	-0.6	1.1	-4.7	3.2	2.6
Chile	-9.1	Q3	2.1	1.0	-6.4	5.2	3.9
Colombia	-3.6	Q4	2.4	3.3	-7.8	5.1	4.6
Mexico	-4.5	Q4	2.1	-0.3	-9.3	3.9	2.9
China	6.5	Q4	6.7	6.1	2.1	7.0	5.0
India	-7.5	Q3	6.9	4.2	-9.0	10.0	6.0
Indonesia	-2.2	Q4	5.0	5.0	-1.7	5.4	5.2
Malaysia	-3.4	Q4	4.9	4.3	-5.6	7.5	5.2
Philippines	-8.3	Q4	6.4	6.0	-9.5	9.6	7.6
Thailand	-4.2	Q4	3.4	2.4	-6.4	5.0	3.9
Poland	-2.8	Q4	4.2	4.6	-3.0	3.8	4.2
Russia	-3.4	Q3	0.8	1.3	-3.5	2.9	2.7
Saudi Arabia	-3.8	Q4	1.6	0.3	-4.5	2.2	2.7
South Africa	-6.0	Q3	0.8	0.2	-7.3	3.6	2.5
Turkey	6.7	Q3	4.1	0.9	-1.5	3.6	3.3

Note: Red means GDP growth is below five-year average (2015-2019). Blue means the opposite. F—Forecast. Source: Haver Analytics and S&P Global Ratings.

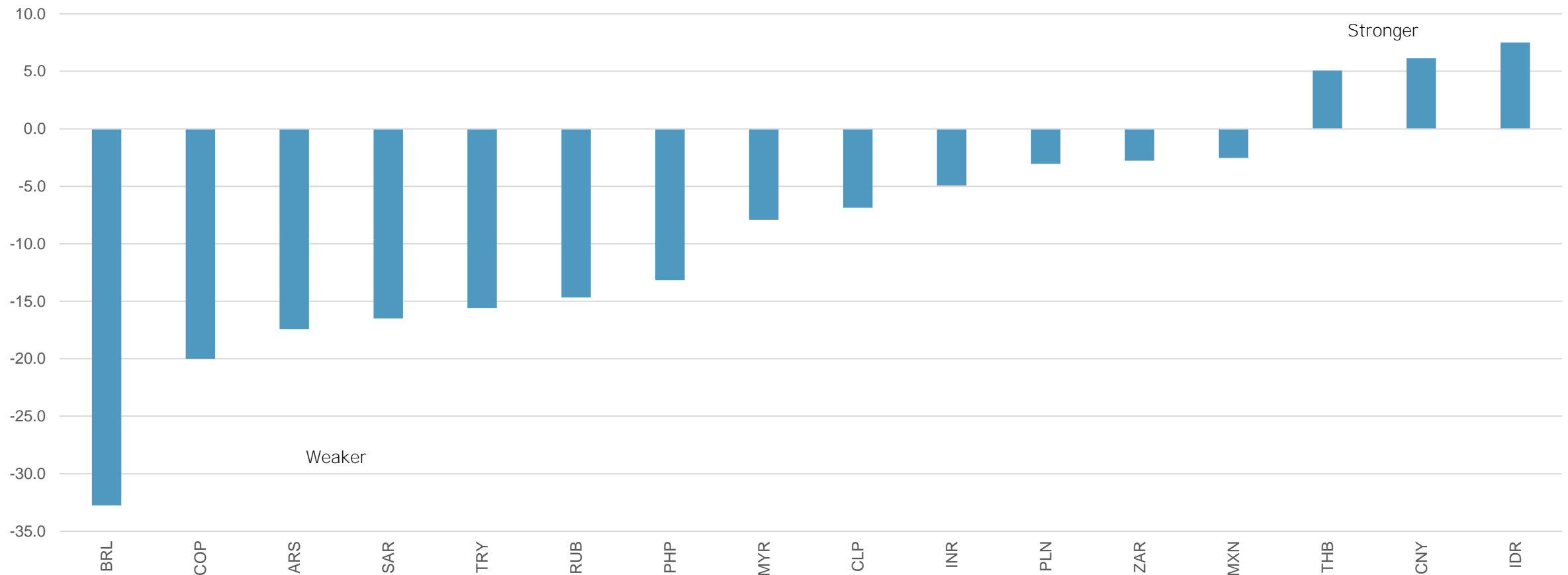
Monetary Policy/FX | LatAm Currencies Underperformed In February

Country	Policy Rate	Inflation Target	Latest Inflation Reading	Latest Rate Decision	Next Meeting	December Exchange Rate Chg.	2020 Exchange Rate Chg.
Argentina	38.00%	No Target	36.1%	N/A	N/A	-3.6%	-28.9%
Brazil	2.00%	3.75% +/-1.5%	4.5%	Hold	Mar. 18	-5.0%	-22.5%
Chile	0.50%	3% +/-1%	3.0%	Hold	Mar. 30	-2.8%	5.6%
Colombia	1.75%	3% +/-1%	1.6%	Hold	Mar. 26	-4.1%	-4.5%
Mexico	4.25%	3% +/-1%	3.2%	25 bps cut	Mar. 25	-3.2%	-5.0%
China	2.20%	3%	0.2%	Hold	N/A	1.5%	6.7%
India	4.00%	4% +/-2%	4.6%	Hold	N/A	0.2%	-2.3%
Indonesia	3.75%	3.5% +/-1%	1.6%	Hold	Feb. 18	0.1%	-1.3%
Malaysia	1.75%	No Target	-1.4%	Hold	Mar. 04	-0.5%	1.8%
Philippines	2.00%	3% +/-1%	4.2%	Hold	Mar. 25	-0.1%	5.5%
Thailand	0.50%	2.5% +/-1.5%	-0.3%	Hold	Mar. 24	0.1%	0.1%
Poland	0.10%	2.5% +/-1%	2.3%	Hold	Mar. 03	0.2%	1.6%
Russia	4.25%	4.00%	5.2%	Hold	Mar. 19	-1.8%	-16.7%
Saudi Arabia	1.00%	3% +/-1%	5.4%	Hold	N/A	0.0%	0.0%
South Africa	3.50%	3%-6%	3.1%	Hold	Mar. 25	-3.1%	-4.7%
Turkey	17.00%	5% +/-2%	15.0%	Hold	Feb. 18	1.8%	-20.0%

Note: Red means inflation is above the target range, policy is tightening, and exchange rate is weakening. Blue means the opposite. A positive number for the exchange-rate change means appreciation. Argentina's central bank no longer targets inflation, nor does it set the policy rate directly (it is set based on monetary aggregates targeting). For China, we use the PBOC's seven-day reverse repo. Source: Bloomberg, Haver Analytics, and S&P Global Ratings.

Real Effective Exchange Rates | Asia Currencies Are Outperforming

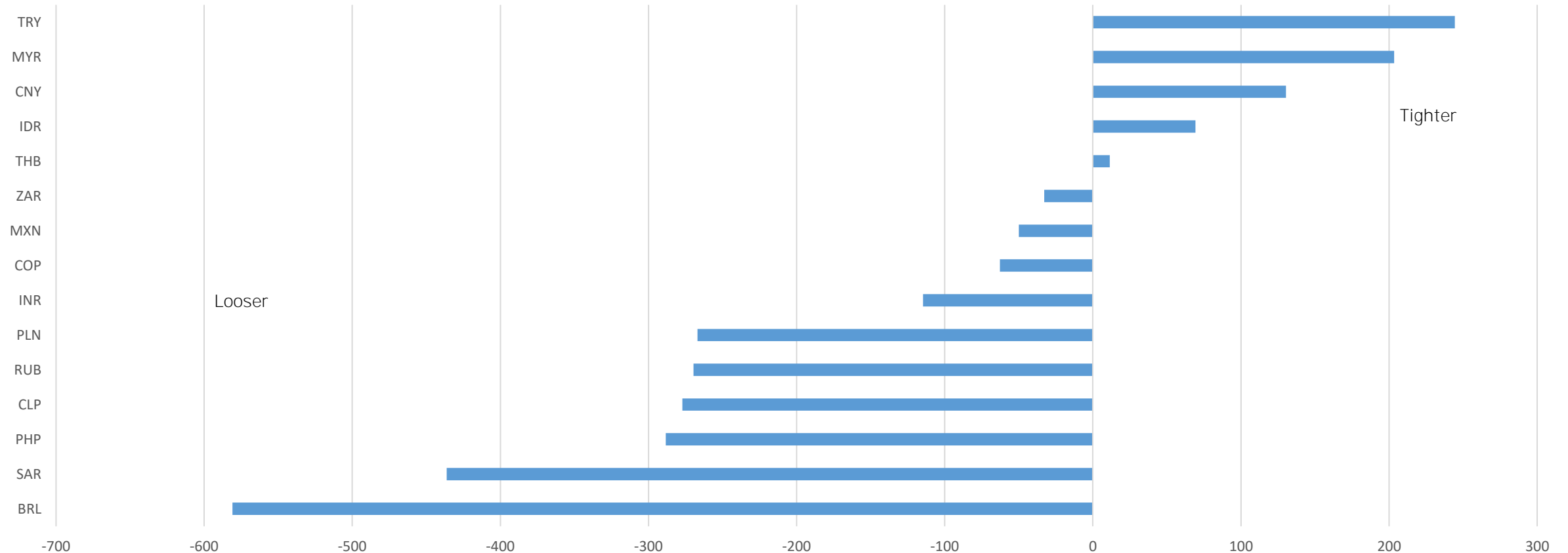
% Change From 10-Year Average



Note: Data is computed on 10 years of the monthly average data of the J.P. Morgan Real Broad Effective Exchange Rate Index (PPI-deflated). Data as of January 31. Source: S&P Global Ratings, Haver Analytics, and J.P. Morgan.

Real Interest Rates | Brazil Is Likely To Start Hiking Rates By Mid-Year

Deviation In Current Real Benchmark Interest Rates From 10-Year Average, bps



Note: Real interest rates are deflated by CPI. In the cases where we didn't have 10 years of history, we used all the available data to calculate the average. We exclude Argentina. For China, we use the seven-day reverse repo rate. Data as of January 31. Source: Haver Analytics and S&P Global Ratings.

EM Heat Map

Emerging Markets Risk Profile

Sovereign Ratings (February 15, '21)

	Argentina	Brazil	Chile	Colombia	Mexico	China	India	Indonesia	Malaysia	Philippines	Thailand	Poland	Russia	Saudi Arabia	South Africa	Turkey
FC Sovereign Rating	CCC+	BB-	A+	BBB-	BBB	A+	BBB-	BBB	A-	BBB+	BBB+	A-	BBB-	A-	BB-	B+
Sovereign Outlook	Stable	Stable	Negative	Negative	Negative	Stable	Stable	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Institutional	6	4	2	3	3	3	3	3	3	4	4	4	5	4	4	5
Economic	5	5	4	4	5	3	4	4	4	4	4	4	5	4	5	4
External	6	2	4	6	2	1	1	4	2	1	1	2	1	1	3	6
Fiscal (BDGT)	6	6	2	3	3	4	6	3	3	3	3	4	4	5	6	4
Fiscal (DBT)	5	5	1	4	4	2	6	3	5	3	3	2	1	1	6	4
Monetary	6	3	2	3	3	3	3	3	2	3	2	2	3	4	2	4

Financial Institutions (February 15, '21)

Economic Risk	10	7	4	7	6	7	7	6	5	6	7	4	8	5	7	8
Industry Risk	7	5	3	5	3	5	5	6	3	5	4	5	7	3	5	9
Institutional Framework	High	Int.	Low	High	Int.	High	High	High	Int.	High	Int.	Int.	Very High	Int.	Int.	Very High
Derived Anchor	b+	bb+	bbb+	bb+	bbb-	bb+	bb+	bb+	bbb	bbb-	bb+	bbb	bb-	bbb	bb+	b+
Eco. Risk Trend	Stable	Stable	Negative	Stable	Stable	Stable	Stable	Negative	Stable	Negative	Negative	Negative	Stable	Stable	Negative	Negative
Eco. Imbalances	H	H	Lw	H	Int	H	H	Lw	Lw	Lw	Lw	Lw	H	Int	H	VH
Credit Risk	EH	H	Int	H	Int	VH	VH	VH	H	H	EH	Int	VH	Int	H	VH
Competitive Dynamics	H	H	Int	Int	Int	H	H	H	Int	Int	H	H	H	Int	Int	VH
Funding	VH	Int	Lw	Int	Lw	VLw	Lw	Int	Lw	Int	Lw	Int	H	Lw	H	VH

Non-Financial Corporates (Rated)

Median Rating (Jan. 31, 2020)	CCC+	BB-	BBB	BBB-	BB+	BBB	BB+	B+	BBB+	BBB	BBB+	BB+	BB+	BBB+	BB-	BB-
Net Debt/ EBITDA	2.3	2.2	4.1	3.2	3.9	3.3	3.1	3.6	2.7	3.5	3.8	2.1	2.9	3.3	2.9	3.5
ROC Adj. ^o	-29.6	0.2	-0.6	1.3	0.3	-2.7	-3.6	0.0	0.3	0.0	1.7	-0.9	2.3	1.2	0.1	-6.9
EBITDA INT. COV.	2.5	3.1	6.5	4.5	3.7	5.8	3.7	3.7	7.9	6.2	8.4	12.9	4.6	7.9	4.6	2.6
NFC FC Debt % GDP*	10.3	17.1	37.0	10.6	20.9	6.5	7.5	9.0	10.4	5.9t	7.2	13.4	13.9	9.3	16.2	34.5
NFC Debt % of GDP*	14.9	43.5	110.9	36.1	27.7	159.1	44.8	22.8	68.7	32.0	47.5	43.8	47.8	48.8	39.6	69.2

Color Coding

Sovereign--Each of the factors is assessed on a continuum spanning from '1' (strongest) to '6' (weakest). Based on "Sovereign Rating Methodology," Dec. 23, 2014.

Financial Institutions BICRA--The overall assessment of economic risk and industry risk, which ultimately leads to the classification of banking systems into BICRA groups, is determined by the number of "points" assigned to each risk score on the six-grade scale. The points range from '1' to '10', with one point corresponding to "very low risk" and '10' points corresponding "extremely high risk," based on "Banking Industry Country Risk Assessment Methodology and Assumptions," Nov. 9, 2011, and "Banks Rating Methodology and Assumptions," Nov. 9, 2011.

Nonfinancial Corporates--Ratios are derived from the median of rated corporates in their respective countries. We then rank them according to our "Corporate Methodology," Nov. 19, 2013 by using table 17, with levels that go from minimal to highly leveraged. *We assess return on capital by using the median of our rated corporates in their respective countries, then we adjust for inflation. We then rank it based on our "Corporate Methodology," Nov. 19, 2013. *Nonfinancial corporates' debt and foreign currency denominated debt is based on IIF global debt monitor with data as of March 2020.

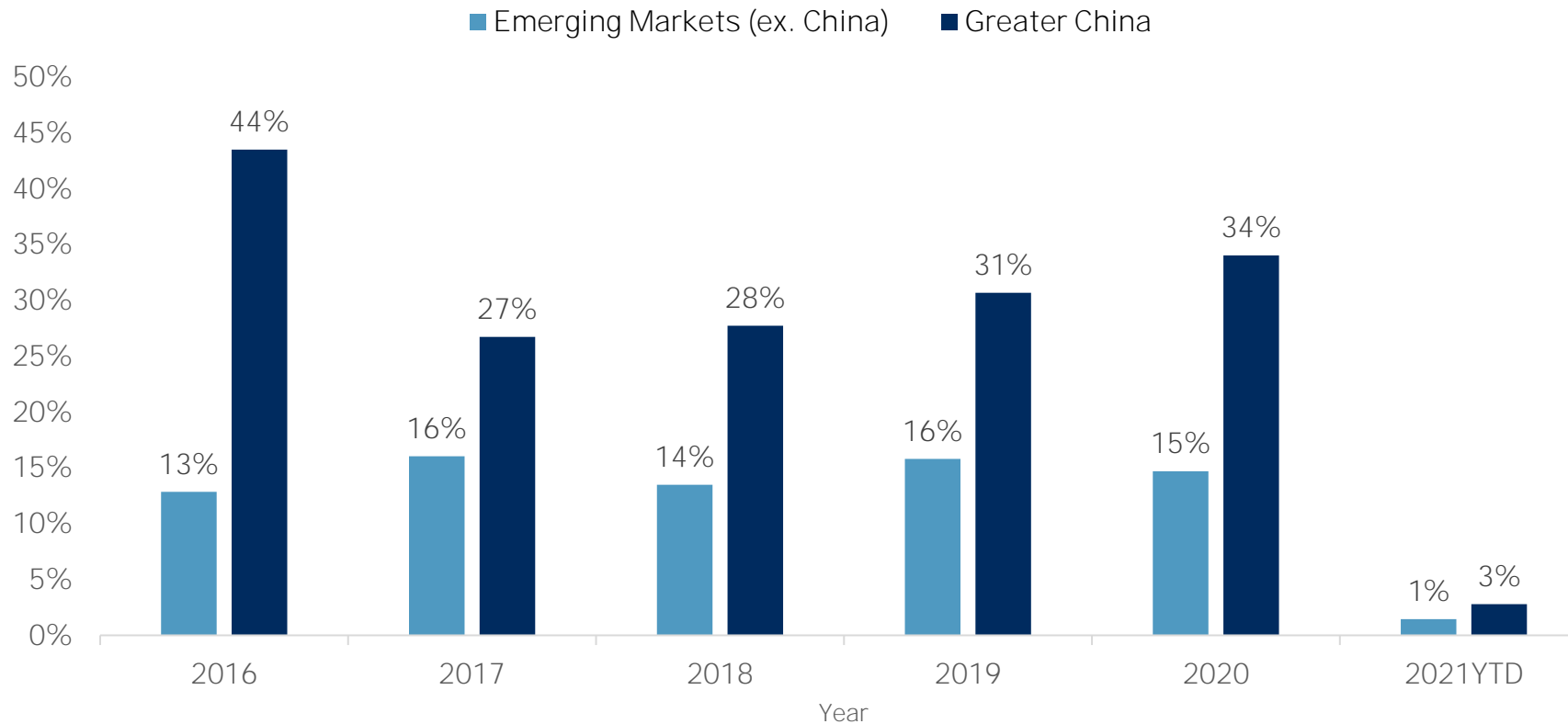
Source: *-IIF IQ 2020. t - Source: Bangko Sentral NG Pilipinas: Corporate Variables Capital IQ 1Q 2020. S&P Global Ratings.

Financing Conditions

Highlights

Financing Conditions | Accommodative Conditions Boost Debt Issuance Early In 2021

EM Corporate Debt Growth Eased Despite Low Financing Costs For 2020, While Greater China's Debt Growth Increased

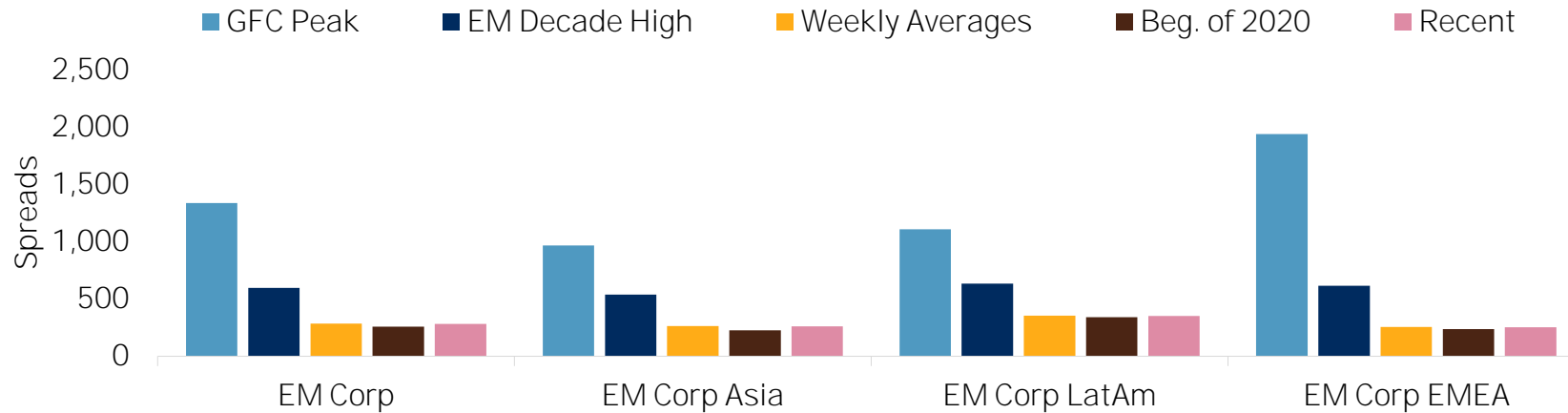


- EM (ex. China) debt growth remained at about the same year-over-year level, despite the lower financing costs supported by central banks in 2020. Latin America saw relatively healthy issuance activity early in January.
- **Greater China's debt growth** increased in 2020 marginally over the 2019 level, though it remains substantively lower than in 2016, before deleveraging initiatives took hold. So far in 2021, Greater China has seen increased investor demand, boosting supply.

Corporate debt growth computed as total cumulative corporate (financial and non-financial bond issuance divided by bond debt outstanding from beginning of the year. Data as of Feb. 1, 2021. Source: Refinitiv and S&P Global Ratings.

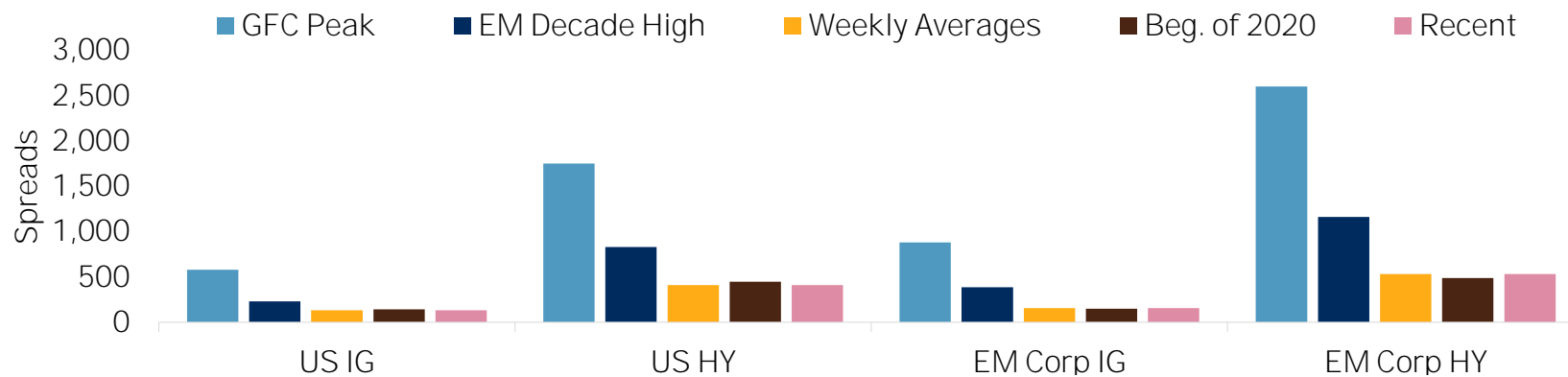
EM Credit Spreads | Spreads Compressed Amid Positive Vaccine News

EM Spreads By Region (Levels, bps)



Note: Data as of Jan. 29, 2021. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis.

U.S. And EM Spreads (Levels, bps)

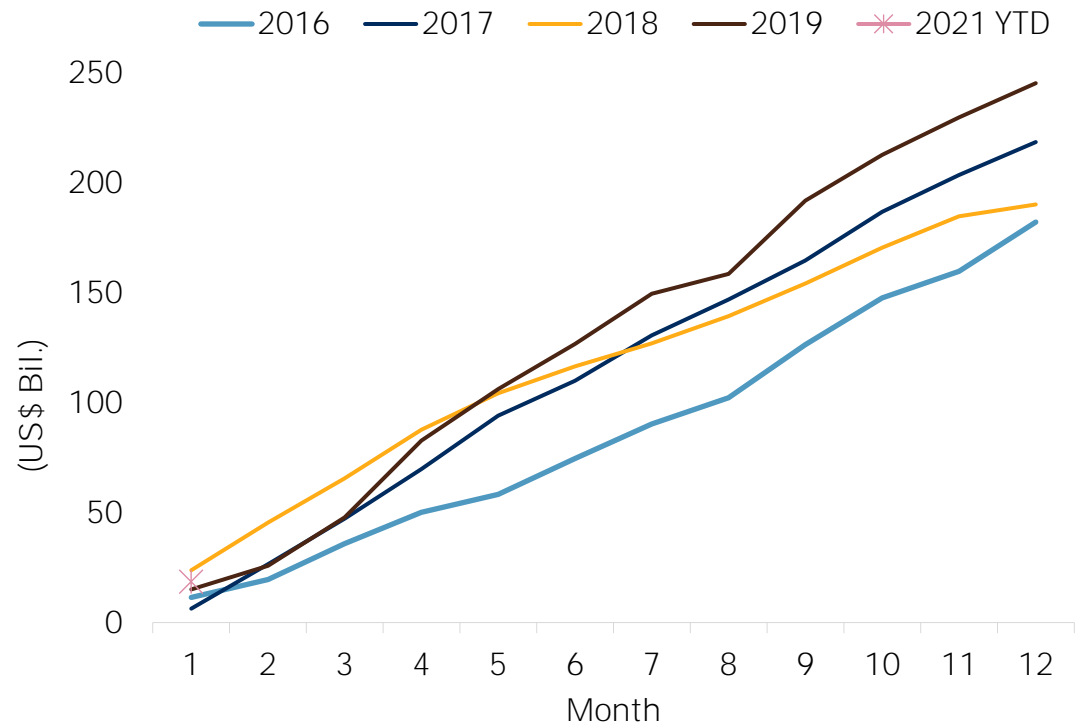


Note: Data as of Jan. 29, 2021. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis. HY – High Yield; IG – Investment Grade.

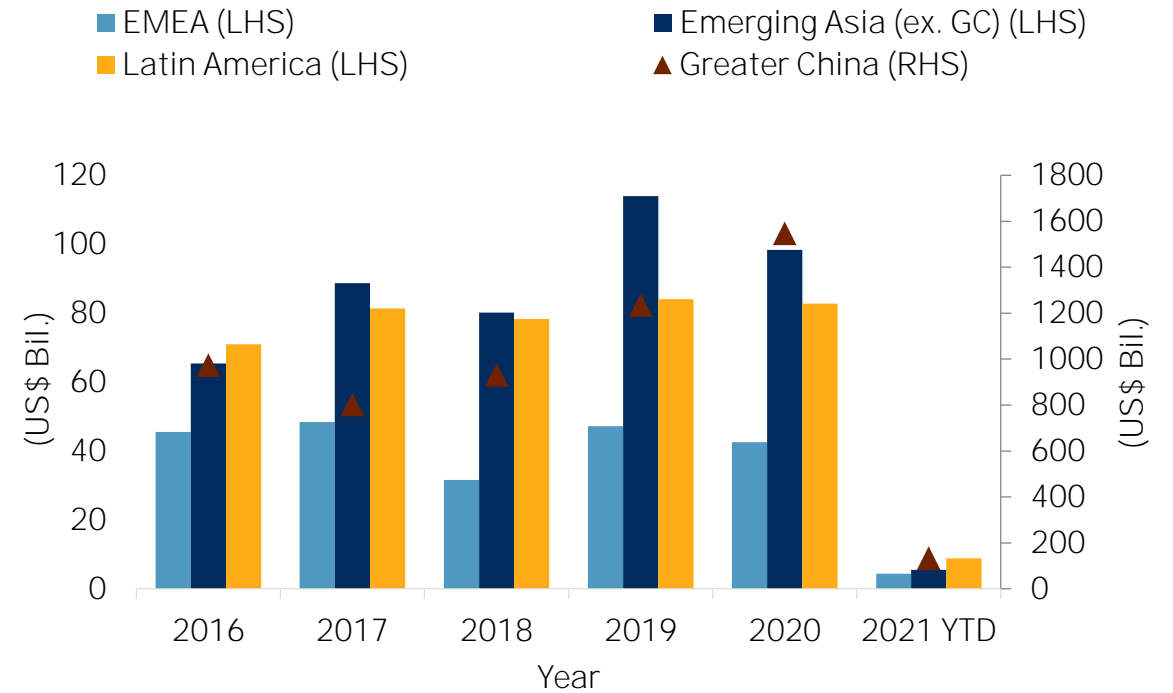
- Spreads compressed in January. For 2021, U.S. credit spreads continued to flatten for both IG and HY, and are below the early-2020 level. However, EM spreads remain just slightly above levels in early 2020.
- Markets differentiation persists. Despite the compressed spreads across markets, EM spreads remained relatively higher. Risk aversions persist and will continue to reflect pressure on revenue.

EM | Corporate Financial And Non-Financial Issuance

EM Cumulative Corporate Bond Issuance



EM Regional Bond Issuance

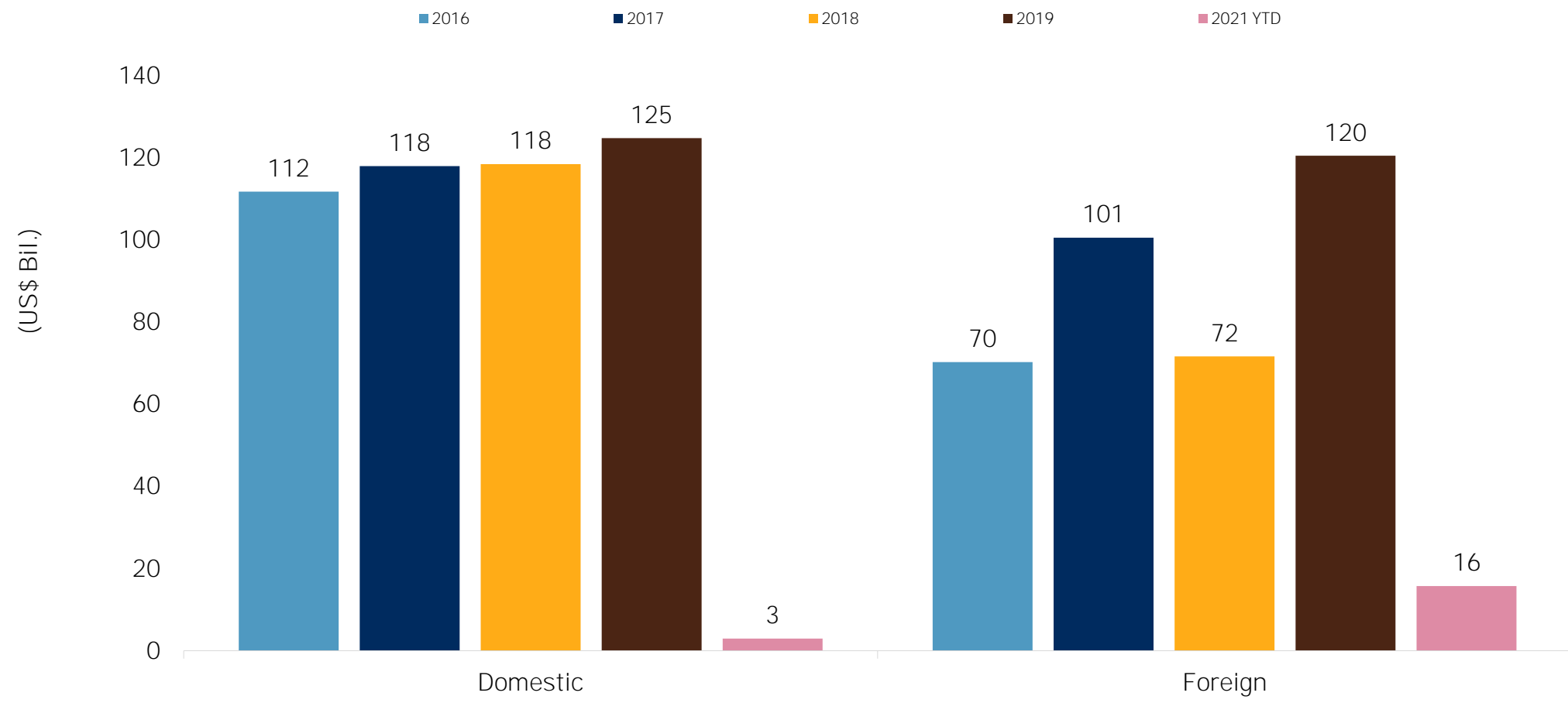


Excluding Greater China. Data as of Jan. 31, 2021. Data including not rated, and financial and non-financial entities. Source: S&P Global Ratings Research and Thomson Reuters.

Data as of Jan. 31, 2021, and full year data for 2006-2020, for both financial and non-financial entities. Source: S&P Global Ratings Research and Thomson Reuters.

EM Corporate Issuance| By Market

EM Issuance By Market



Excluding Greater China. Data as of Jan. 31 for 2021, full year data for 2016-2020. Source: S&P Global Ratings Research and Thomson Reuters.

Issuance| Sovereign Top Deals By Debt Amount In The Past 90 Days

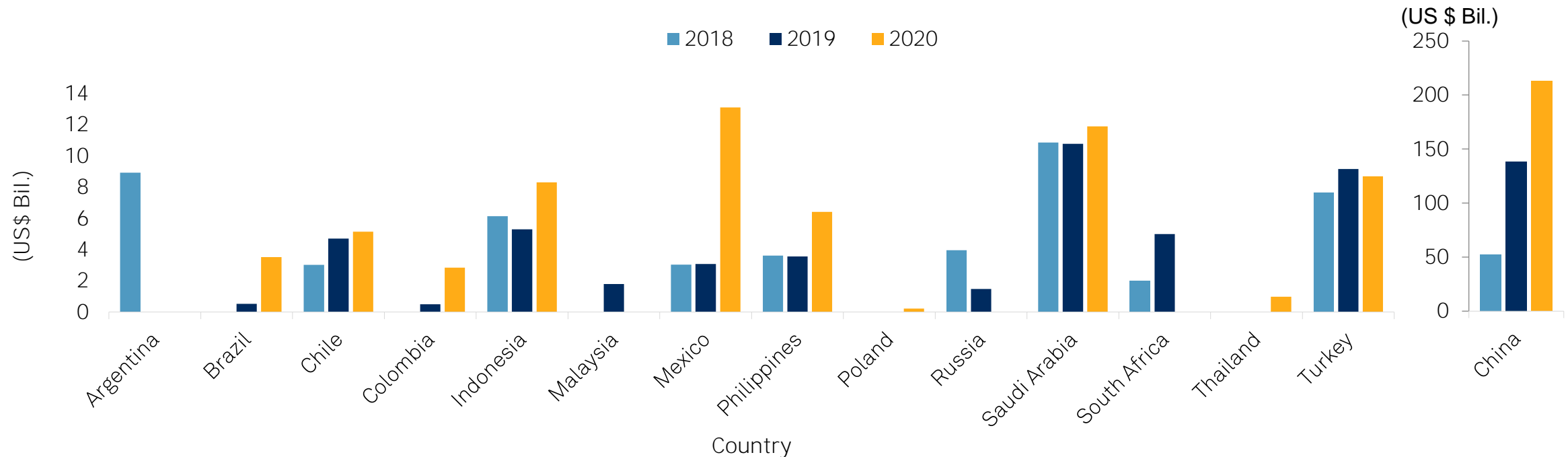
Issue Date	Issuer	Country	Market Place	S&P Issue-Rating	S&P Sovereign Rating (as of Jan. 31, 2021)	Security Description	Issuance (US \$ Currency Mil.)
24-Nov-20	Republic of Turkey	Turkey	U.S. Public	NR	B+	5.950% Global Bonds due '31	USD \$ 2,241
16-Nov-20	Mexico	Mexico	U.S. Public	NR	BBB	2.659% Sr Unsecurd Nts due '31	USD \$ 1,825
16-Nov-20	Mexico	Mexico	U.S. Public	NR	BBB	3.771% Sr Unsecurd Nts due '61	USD \$ 1,800
2-Dec-20	Philippines	Philippines	U.S. Public	BBB+	BBB+	2.650% Global Notes due '45	USD \$ 1,500
2-Dec-20	Philippines	Philippines	U.S. Public	BBB+	BBB+	1.648% Global Notes due '31	USD \$ 1,250
2-Dec-20	Republic of Brazil	Brazil	U.S. Public	BB-	BB-	4.750% Global Notes due '50	USD \$ 780
24-Nov-20	Thailand	Thailand	Thailand Private	NR	BBB+	1.652% Sr Unsecurd Nts due '35	THB \$ 659
2-Dec-20	Republic of Brazil	Brazil	U.S. Public	BB-	BB-	2.875% Global Notes due '25	USD \$ 514

Data as of Jan. 31, 2021 (last 90 days); includes local/foreign currencies; EM excludes China. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Source: S&P Global Ratings Research.

Issuance| EM Sovereign Debt

- For EMs, sovereign debt in 2020 has surpassed the 2019 level. However, no sovereign debt issuances in January.
- Over half of the EM economies had higher 2020 sovereign debt than in 2019, given that governments and central banks are focused on economic recovery through various “stimulus”.

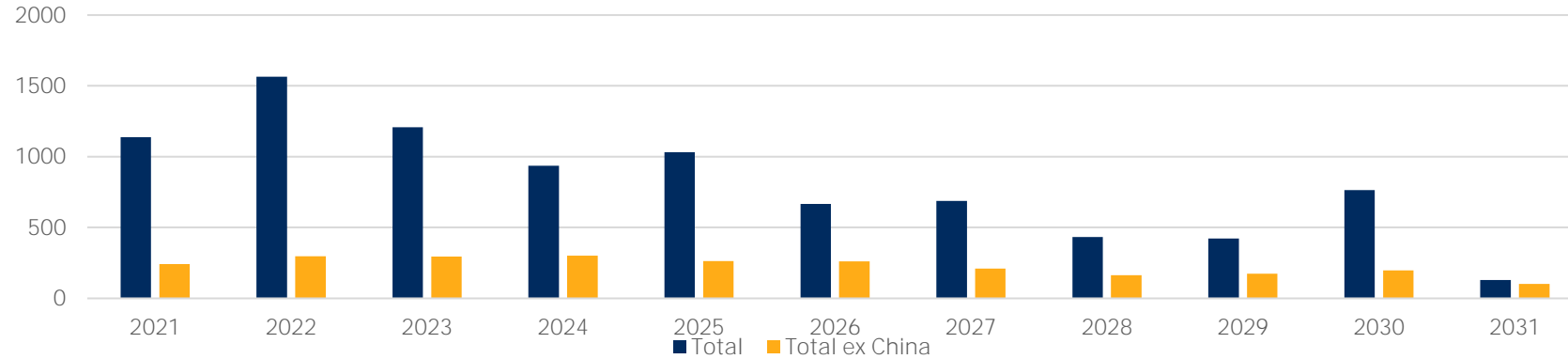
EM Sovereign Debt



Data as of Jan. 31 for 2021; includes local/foreign currencies. Included where Fungible is 'N' or Blank. China includes mainland China and Hong Kong. Source: S&P Global Ratings Research.

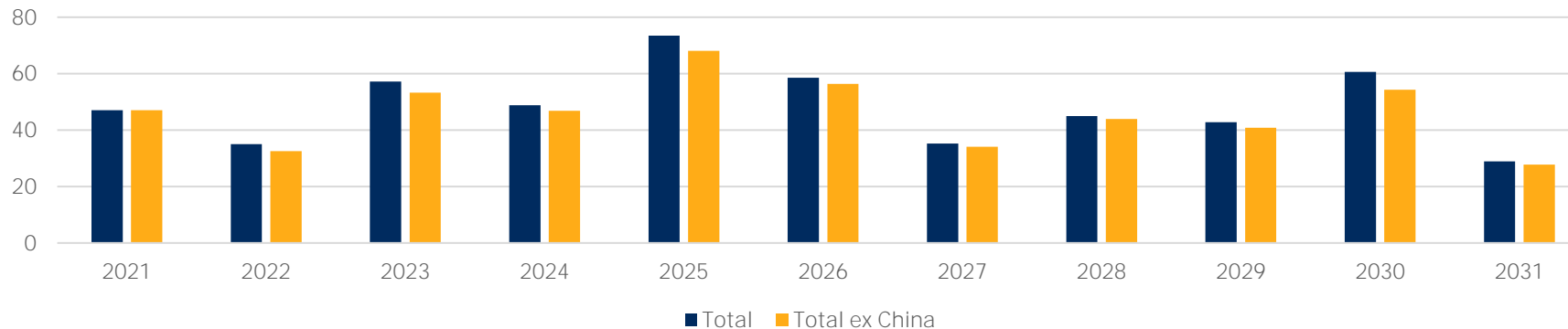
EM Sovereign Bonds | Maturity Profile

Sovereign Bond Maturity Profile (Bil. \$ Maturing By Year)



Data as of Feb. 9, 2021. Source: Bloomberg and S&P Global Ratings. Includes publicly listed sovereign debt securities currently outstanding.

Sovereign Bond Maturity Profile - Major Currencies (Bil. \$ Maturing By Year)



Data as of Feb 9, 2021. Source: Bloomberg and S&P Global Ratings. Includes publicly listed sovereign debt securities currently outstanding that were issued in USD, EUR, GBP and JPY.

- About half of publicly traded EM sovereign bonds maturing in the next 10 years come due in the coming four years, led by China's domestically-issued debt.
- However, the amounts of foreign currency-denominated debt are much smaller, with maturities only ramping up in 2023-2026.

Issuance| EM (excluding China) Financial And Non-Financial Top 20 Deals For The Past 90 Days

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Mil)
17-Nov-20	24-Nov-50	Saudi Arabian Oil Co	Saudi Arabia	Integrated Oil & Gas	U.S. Private	NR	3.250% Global MTNs due '50	US	\$ 2,229
17-Nov-20	24-Nov-70	Saudi Arabian Oil Co	Saudi Arabia	Integrated Oil & Gas	U.S. Private	NR	3.500% Global MTNs due '70	US	\$ 2,224
17-Nov-20	24-Nov-30	Saudi Arabian Oil Co	Saudi Arabia	Integrated Oil & Gas	U.S. Private	NR	2.250% Global MTNs due '30	US	\$ 1,988
9-Nov-20	19-Nov-30	Deutsche Bank SA	Brazil	Banks	Euro Public	BBB-	Fix/Flt Bond due '30	EUR	\$ 1,766
9-Nov-20	19-Nov-25	Deutsche Bank SA	Brazil	Banks	Euro Public	BBB-	Fix/Flt Bond due '25	EUR	\$ 1,764
17-Nov-20	24-Nov-25	Saudi Arabian Oil Co	Saudi Arabia	Integrated Oil & Gas	U.S. Private	NR	1.625% Global MTNs due '25	US	\$ 1,000
4-Jan-21	13-Jan-31	Export-Import Bank of India	India	Banks	U.S. Private	BBB-	2.250% Medium-Term Nts due '31	US	\$ 990
7-Jan-21	14-Jan-31	Mercadolibre Inc	Argentina	High Technology	U.S. Public	BB+	3.125% Global Notes due '31	US	\$ 700
26-Jan-21	2-Feb-31	Adani Ports & SE Zone Ltd	India	Transportation	U.S. Private	BBB-	3.100% Senior Notes due '31	US	\$ 500
6-Jan-21	13-Mar-24	Shriram Transport Fin Co Ltd	India	Finance Company	U.S. Private	BB-	4.400% Secured MTNs due '24	US	\$ 500
21-Jan-21	16-May-31	Power Finance Corp Ltd	India	Finance Company	Euro Public	NR	3.350% Sr Med Term Nts due '31	US	\$ 500

Data as of Jan. 31, 2021 (last 90 days); excludes sovereign. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Table is for foreign currency only without perpetual.
Source: S&P Global Ratings Research.

Issuance| EM (excluding China) Financial And Non-Financial Top 20 Deals For The Past 90 Days (continued)

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Mil)
17-Nov-20	24-Nov-23	Saudi Arabian Oil Co	Saudi Arabia	Integrated Oil & Gas	U.S. Private	NR	1.250% Global MTNs due '23	US	\$ 499
6-Jan-21	11-Jan-26	Banco BTG Pactual SA	Brazil	Broker	U.S. Public	BB-	2.750% Senior Notes due '26	US	\$ 497
7-Jan-21	14-Jan-26	Mercadolibre Inc	Argentina	High Technology	U.S. Public	BB+	2.375% Global Notes due '26	US	\$ 400
26-Jan-21	10-Feb-26	BUMA	Indonesia	Metals, Mining & Steel	U.S. Private	NR	7.750% Senior Notes due '26	US	\$ 396
14-Dec-20	16-Feb-31	Adani Intl Container Terminal	India	Transportation	U.S. Private	BBB-	3.000% Sr Secured Nts due '31	US	\$ 300
26-Jan-21	2-Feb-26	GMR Hyderabad Intl Airport Ltd	India	Transportation	U.S. Private	NR	4.750% Sr Secured Nts due '26	US	\$ 300
13-Jan-21	20-Jan-26	PT Tower Bersama Infrstr Tbk	Indonesia	Telecommunications	Euro Public	NR	2.750% Sr Unsecurd Nts due '26	US	\$ 300
23-Dec-20	30-Jun-26	Gol Finance	Brazil	Transportation	Euro Public	NR	8.000% Gtd Mdm-Trm Nts due '26	US	\$ 197
13-Jan-21	14-Jul-45	Shuaibah Water & Electricity	Saudi Arabia	Utility	Euro Private	NR	3.700% Senior Notes due '45	US	\$ 170

Data as of Jan. 31, 2021 (last 90 days); excludes sovereign. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Table is for foreign currency only without perpetual.
Source: S&P Global Ratings Research.

Maturing Debt | EM Financial And Non-Financial

Top Deals Coming Due In February 2021

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Million)
25-Jan-11	1-Feb-21	EPM	Colombia	Utility	EURO/144A	NR	8.375% Senior Notes due '21	CP	\$ 668
26-Jan-11	2-Feb-21	Vip Finance Ireland Limited	Russian Federation	Broker	EURO/144A	BB+	7.748% Fxd/Straight Bd due '21	US	\$ 1,000
26-Oct-15	2-Feb-21	RCBC	Philippines	Banks	Euro Public	NR	3.450% Fxd/Straight Bd due '21	US	\$ 320
27-Jan-11	3-Feb-21	Novatek PAO	Russian Federation	Chemicals, Packaging & Environmental Services	EURO/144A	BBB-	6.604% Loan Part Certs due '21	US	\$ 650
27-Jan-12	3-Feb-21	Urbi Desarollos Urbanos SAB	Mexico	Homebuilders/Real Estate Co.	EURO/144A	NR	9.750% Gtd Sr Notes due '21	US	\$ 492
1-Feb-11	4-Feb-21	Empresas ICA SAB de CV	Mexico	Capital Goods	EURO/144A	B+	8.900% Gtd Sr Unsec Nt due '21	US	\$ 394
9-Feb-11	4-Feb-21	Empresas ICA SAB de CV	Mexico	Capital Goods	EURO/144A	B+	8.900% Gtd Sr Unsec Nt due '21	US	\$ 99
28-Jan-16	4-Feb-21	PEMEX	Mexico	Integrated Oil & Gas	EURO/144A	BBB+	6.375% Gtd Mdm-Trm Nts due '21	US	\$ 1,250
31-Jan-18	6-Feb-21	Indiabulls Housing Finance Ltd	India	Broker	Euro Public	NR	7.800% Medium-Term Nts due '21	RE	\$ 50
1-Feb-16	8-Feb-21	Export Credit Bank of Turkey	Turkey	Banks	EURO/144A	BB+	5.375% Medium-Term Nts due '21	US	\$ 498
5-Feb-16	8-Feb-21	Calgro M3 Developments Pty Ltd	South Africa	Homebuilders/Real Estate Co.	Euro Private	NR	Flt Rt Sr Bonds due '21	SAR	\$ 1

Data as of Jan. 31, 2021; excludes sovereign. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Table does not include China deals and for foreign currency only without perpetuals. Source: S&P Global Ratings Research.

Maturing Debt | EM Financial And Non-Financial

Top Deals Coming Due In February And March 2021

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Million)
4-Feb-15	11-Feb-21	Turkiye Halk Bankasi AS	Turkey	Banks	EURO/144A	NR	4.750% Senior Notes due '21	US	\$ 498
20-Nov-14	15-Feb-21	OT Logistics SA	Poland	Transportation	Euro Public	NR	Flt Rate Bonds due '21	PZ	\$ 30
23-Feb-16	1-Mar-21	Danga Capital Bhd	Malaysia	Finance Company	Euro Public	NR	3.035% Islamic Finance due '21	US	\$ 750
3-Mar-11	10-Mar-21	Bancomer	Mexico	Banks	EURO/144A	NR	6.500% Sub Notes due '21	US	\$ 1,233
4-Mar-11	11-Mar-21	Export-Import Bank of India	India	Banks	Foreign Private	NR	1.880% Guaranteed Bds due '21	Y	\$ 243
5-Mar-20	11-Mar-21	MayBank	Malaysia	Banks	Euro Private	NR	Zero Cpn Zero Coupon Bnd due '21	AU	\$ 165
2-Mar-18	13-Mar-21	APICORP	Saudi Arabia	Finance Company	Foreign Public	NR	4.700% Sr Unsecurd Nts due '21	CY	\$ 99
4-Oct-19	15-Mar-21	Fullerton India Credit Co Ltd	India	Broker	Euro Public	NR	3.700% Sr Secured Nts due '21	SG	\$ 109
15-Mar-18	19-Mar-21	PT Astra Sedaya Finance	Indonesia	Financial Institution	Euro Private	NR	0.550% Senior Notes due '21	Y	\$ 50
18-Mar-16	23-Mar-21	YPF SA	Argentina	Integrated Oil & Gas	EURO/144A	CCC+	8.500% Senior Notes due '21	US	\$ 1,000
18-Mar-11	25-Mar-21	Dvlp Bk of the Philippines	Philippines	Banks	Euro Public	BB	5.500% Fxd/Straight Bd due '21	US	\$ 300
26-Mar-18	26-Mar-21	Inversiones SMU Matriz Ltda	Chile	Broker	Euro Private	NR	6.000% Sr Secured Nts due '21	US	\$ 40
25-Mar-11	27-Mar-21	Bank Aljazira JSC	Saudi Arabia	Banks	Euro Private	NR	Fxd/Straight Bd due '21	SR	\$ 267

Data as of Jan. 31, 2021; excludes sovereign. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Table does not include China deals and for foreign currency only without perpetuals. Source: S&P Global Ratings Research.

Ratings Summary

Ratings Summary | Sovereigns In January

Country	Rating	Outlook	5 Year CDS Spread	Median Rating Financials (OLCW)	Median Rating Non - Financials(OLCW)
Argentina	CCC+	Stable	1219		CCC+
Brazil	BB-	Stable	173		BB-
Chile	A+	Negative	54		BBB
China	A+	Stable	32	A	BBB
Colombia	BBB-	Negative	113		BBB-
India	BBB-	Stable	75		BB+
Indonesia	BBB	Negative	76		B+
Malaysia	A-	Negative	43		BBB+
Mexico	BBB	Negative	96	BB+	BB+
Philippines	BBB+	Stable	42		BBB
Poland	A-	Stable	48	A-	BB+
Russia	BBB-	Stable	96	BB	BB+
Saudi Arabia	A-	Stable	67	BBB	BBB+
South Africa	BB-	Stable	225		BB-
Thailand	BBB+	Stable	39	A-	BBB+
Turkey	B+	Stable	308		BB-

Note: Foreign currency ratings. NM indicates not meaningful. Red means speculative-grade rating, and blue means investment-grade rating. Data as of Jan. 31, 2021. CDS Spread is as of Jan. 31, 2021. China median rating includes China, Hong Kong, Macau, Taiwan, and Red Chip companies. Source: S&P Global Ratings Research and S&P Capital IQ.

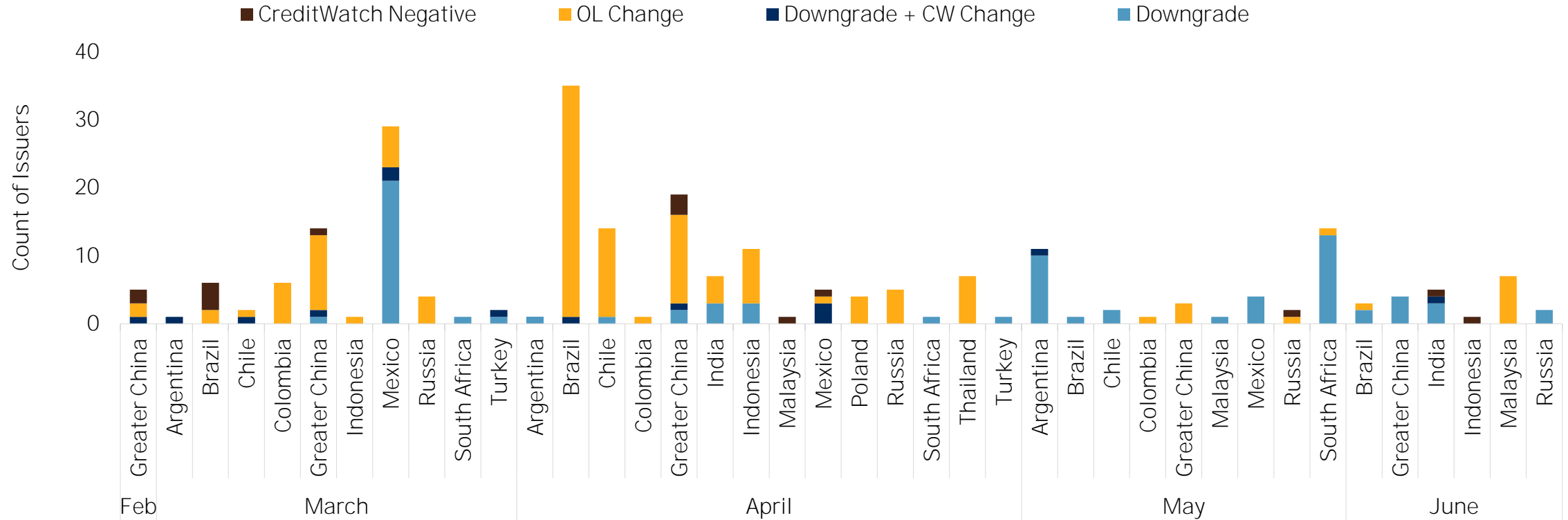
Rating Actions | Top 15 By Debt Amount In The Past 90 Days

Rating Date	Issuer	Country	Sector	Rating To	Rating From	Action Type	Debt Amount (US \$ Mil)
11-Jan-21	YPF S.A	Argentina	Oil & Gas Exploration & Production	CC	CCC-	Downgrade	\$ 2,954
18-Dec-20	Polyus PJSC	Russia	Metals, Mining & Steel	BB+	BB	Upgrade	\$ 1,800
11-Dec-20	Rede D'Or Sao Luiz S.A.	Brazil	Health Care	BB	BB-	Upgrade	\$ 1,350
25-Nov-20	Delhi International Airport Ltd.	India	Utility	B-	B+	Downgrade	\$ 1,311
2-Nov-20	Sibanye Stillwater Ltd.	South Africa	Metals, Mining & Steel	BB-	B+	Upgrade	\$ 1,050
28-Jan-21	Companhia Energetica de Minas Gerais - CEMIG	Brazil	Utility	BB-	B	Upgrade	\$ 1,000
4-Dec-20	Braskem Idesa, S.A.P.I. and subsidiary	Mexico	Chemicals, Packaging & Environmental Services	B	B+	Downgrade	\$ 900
15-Jan-21	PT Saka Energi Indonesia (Republic of Indonesia)	Indonesia	Oil & Gas Exploration & Production	B	B+	Downgrade	\$ 625
23-Nov-20	Telefonica Moviles Chile S.A. (Telefonica S.A.)	Chile	Telecommunications	BBB-	BBB	Downgrade	\$ 500
17-Nov-20	IRSA Propiedades Comerciales S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	CCC+	CCC-	Upgrade	\$ 360
12-Nov-20	IRSA Inversiones y Representaciones S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	SD	CC	Downgrade	\$ 360

Data as of Jan. 31, 2021, excludes sovereigns, Greater China and the Red Chip companies and includes only latest rating changes. D – Default; SD – Selective Default. Source: S&P Global Ratings Research.

EM | Virus- And Oil-Related Rating Actions By Country

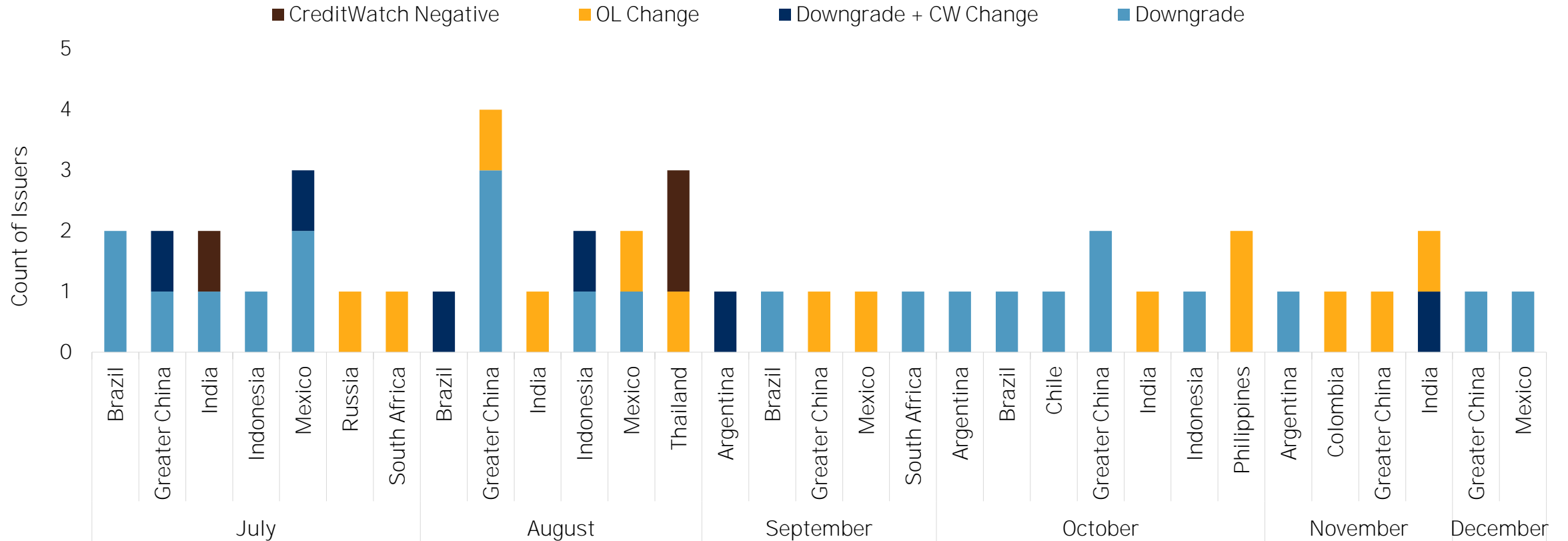
Virus- And Oil-Related Rating Actions By Country- First Half of 2020



Note: Data includes Sovereign. Data from Feb. 3, 2020 to June 30, 2020. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

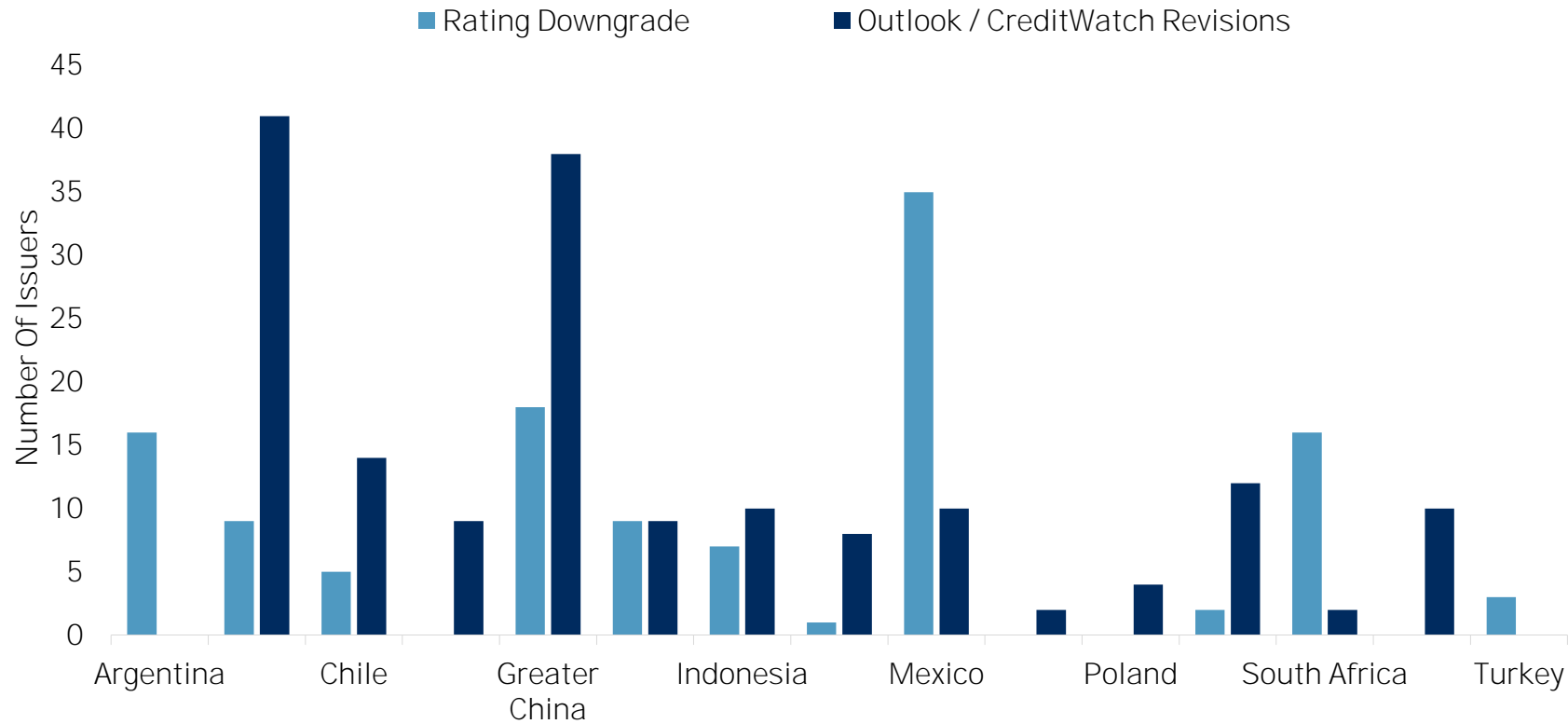
EM | Virus- And Oil-Related Rating Actions By Country

Virus- And Oil-Related Rating Actions By Country – Second Half of 2020 & Start Of 2021



Note: Data includes Sovereign. Data from July 1, 2020 to Jan. 25, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

EM | COVID-19 / Oil-Related Rating Actions

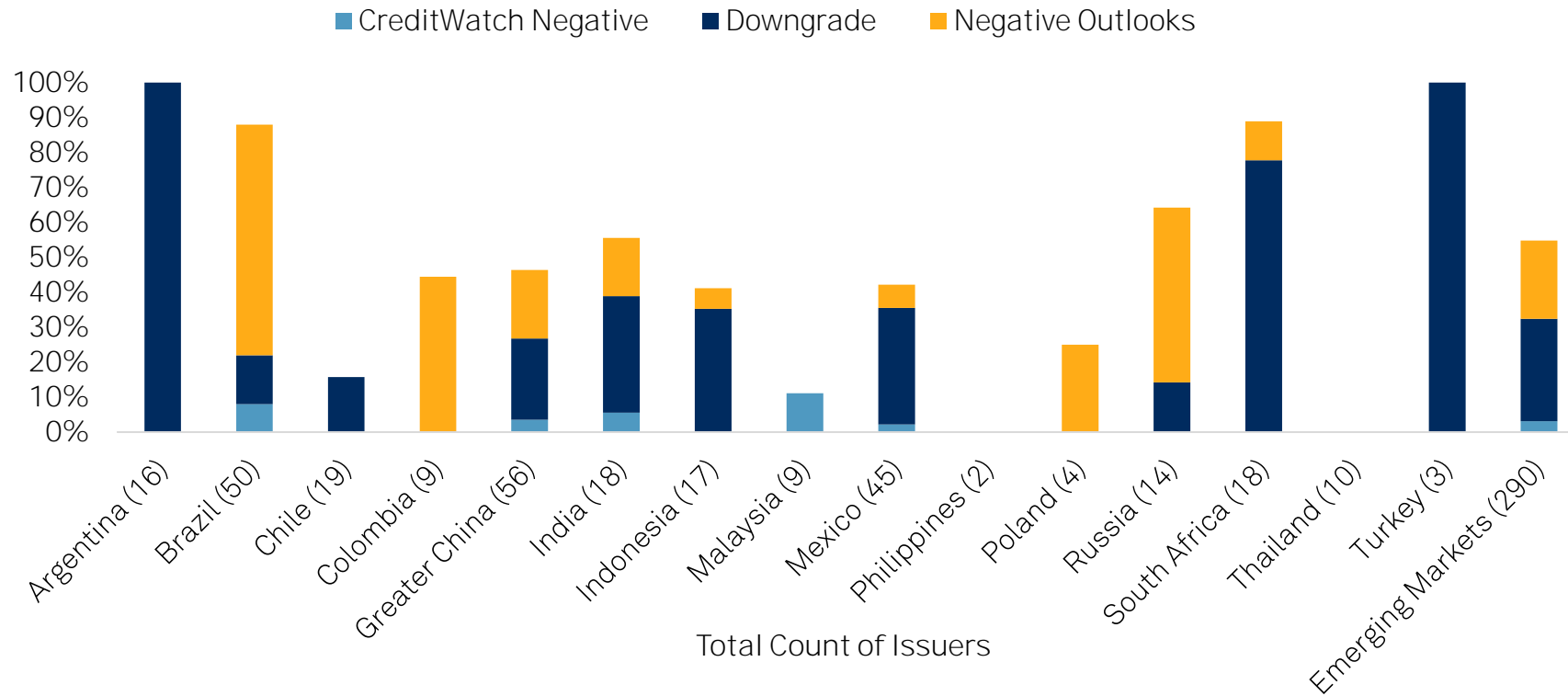


- Downgrades in Mexico (35), Argentina (16), and South Africa (16) were the highest since Feb. 3, 2020. Greater China had a total of 18 downgrades from Feb. 3 to Jan. 25 in 2021.
- Brazil (41), Greater China (38), and Chile (14) saw the most CreditWatch listings/outlook revisions.
- COVID-related rating actions more generally have slowed in recent months and shifted in composition as downgrades resolve negative CreditWatch listings earlier in the pandemic.

Data includes Sovereign. Data from Feb. 3 to Jan. 25, 2021. Source: S&P Global Ratings Research and Thomson Reuters.

EM | Virus- And Oil-Related Rating Actions

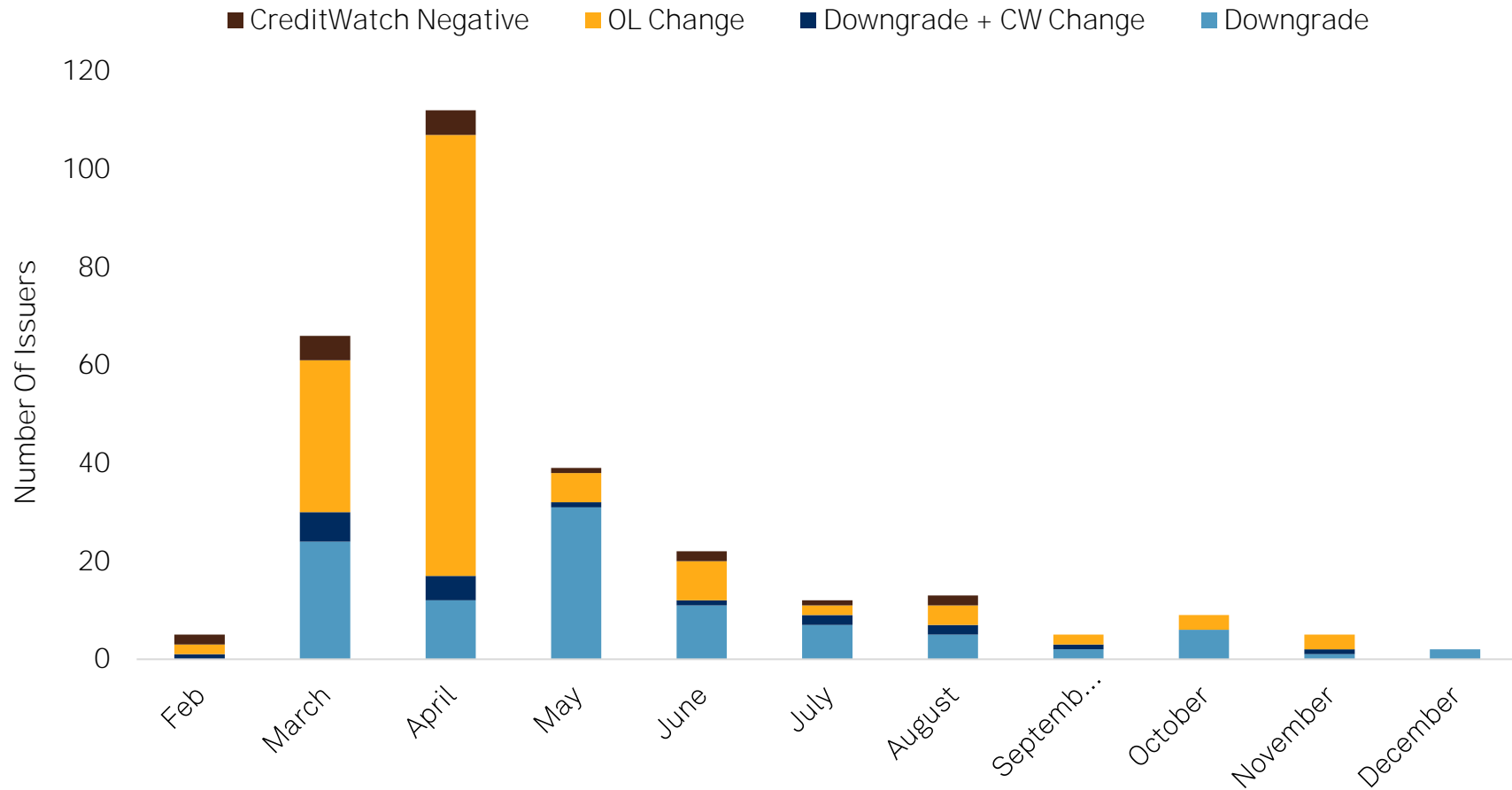
Speculative-Grade Issuers' Contribution To Rating Actions



- EM rating actions were concentrated among speculative-grade issuers.
- Brazil, Russia, and Colombia saw the largest percentage for negative outlooks among speculative-grade issuers.
- Economies such as Argentina, South Africa, Turkey, Brazil, Russia, and India had the highest speculative-grade contributions to these rating actions.

Note: Data includes sovereigns. Data from Feb. 3, 2020 to Jan. 25, 2021. Source: S&P Global Ratings.

EM | Virus- And Oil-Related Rating Actions By Month

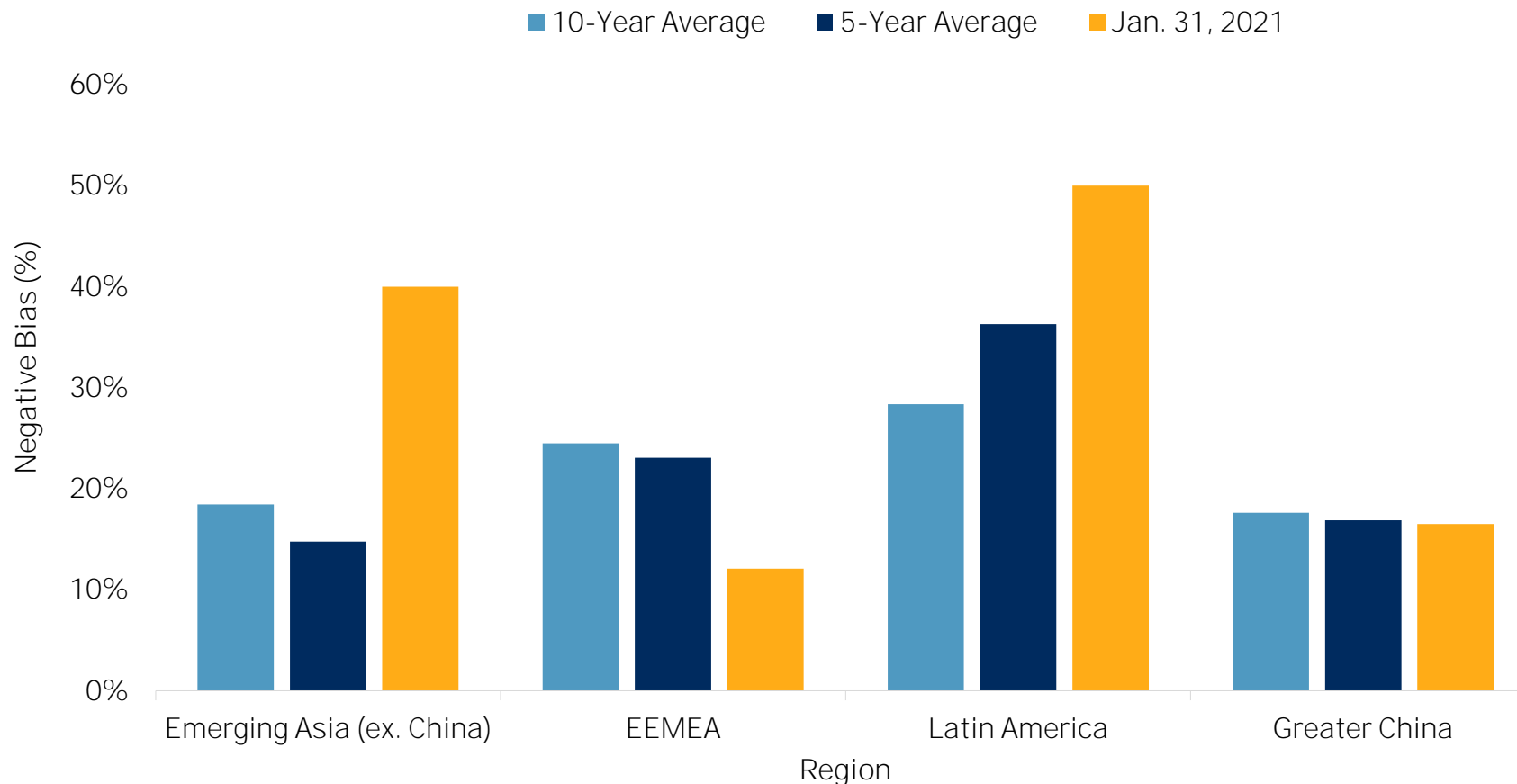


- No EM sovereign downgrades through Jan. 25, 2021.
- No rating actions with changes for outlook/CreditWatch replacement through Jan. 25, 2021.

Note: Data includes sovereigns. Data from Feb. 3, 2020 to Jan. 25, 2021. EMs consist of Argentina, Brazil, Chile, China, Colombia, Mexico, India, Indonesia, Malaysia, Thailand, the Philippines, Poland, Russia, Saudi Arabia, South Africa, and Turkey. Source: S&P Global Ratings.

Downgrade Potential | Regional Negative Bias

EM Downgrade Potential Differentiated Across Regions

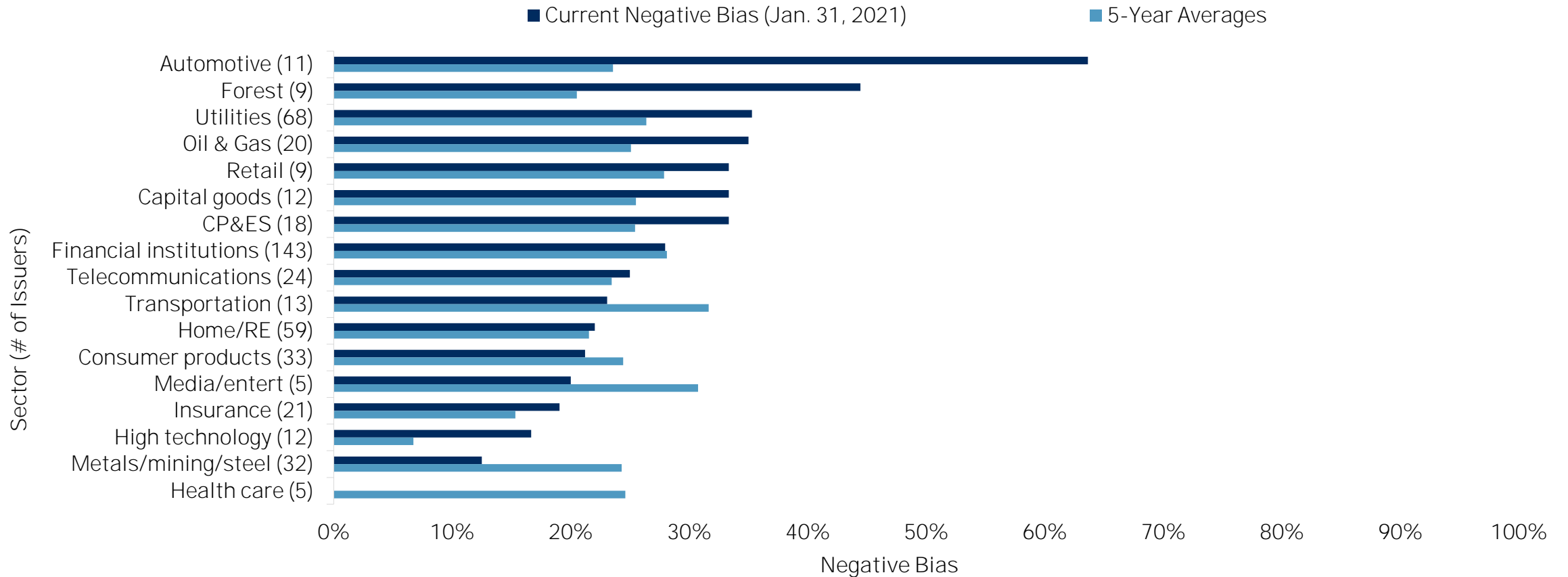


- Emerging Asia (ex. China). January 2021 downgrade potential (40%) increased compared with December 2020 (39%), remains much higher than the 5- and 10-year historical averages.
- Latin America. Downgrade potential in January (50%) stayed above both historical averages.
- EEMEA. January downgrade potential (12%) was much lower than both historical averages.
- Greater China. January downgrade potential (17%) matched its 5-year average and was slightly below its 10-year average (18%).

Data as of Jan. 31, 2021 and exclude sovereigns. Latin America: Argentina, Brazil, Chile, Colombia, Mexico. Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines. EEMEA: Poland, Russia, Saudi Arabia, South Africa, Turkey. Greater China: China, Hong Kong, Macau, Taiwan, and Red Chip companies. Source: S&P Global Ratings Research.

EM Downgrade Potential | By Sector

Automotive, Forest Products And Building Materials Sectors Lead January Sector Downgrade Potentials



Data as of Jan. 31, 2021 and include sectors with more than five issuers only; excludes sovereigns. EMs consist of Argentina, Brazil, Chile, China, Colombia, Mexico, India, Indonesia, Malaysia, Thailand, Philippines, Poland, Russia, Saudi Arabia, South Africa, and Turkey. Greater China --- China, Hong Kong, Macau, Taiwan and Red Chip companies. Retail -- Retail / restaurants, CP&ES -- Chemicals, packaging and environmental services, Home/RE -- Homebuilders/real estate companies, Forest -- Forest products and building materials. Source: S&P Global Ratings Research.

Rating Actions | Rating Changes From 'B-' To 'CCC'

Rating Date	Issuer	Country	Sector	Rating Rating To/From	Debt Amount (US \$ Mil)
8-May-20	YPF S.A	Argentina	Oil & Gas Exploration & Production	CCC+ B-	\$ 1,969
18-Jun-20	Oi S.A.	Brazil	Telecommunications	CC B-	\$ 1,654
8-May-20	Pampa Energia S.A.	Argentina	Utilities	CCC+ B-	\$ 1,550
27-Apr-20	CAR Inc.	Cayman Islands	Transportation	CCC B-	\$ 557
30-Apr-20	PT Alam Sutera Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	CCC+ B-	\$ 545
8-May-20	Transportadora de Gas del Sur S.A. (TGS) (Compania De Inversiones de Energia S.A.)	Argentina	Utilities	CCC+ B-	\$ 500
8-Apr-20	GCL New Energy Holdings Ltd. (GCL-Poly Energy Holdings Ltd.)	Bermuda	Utilities	CCC B-	\$ 500
17-Mar-20	IRSA Inversiones y Representaciones S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	CCC+ B-	\$ 431
8-May-20	Telecom Argentina S.A.	Argentina	Telecommunications	CCC+ B-	\$ 400
29-Apr-20	Aeropuertos Argentina 2000 S.A.	Argentina	Utilities	CC B-	\$ 400
19-Jun-20	PT Modernland Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	CCC B-	\$ 390
16-Mar-20	Banco Hipotecario S.A.	Argentina	Bank	CCC B-	\$ 350
6-Apr-20	Grupo Kaltex, S.A. de C.V.	Mexico	Consumer Products	CCC B-	\$ 320
13-Jan-20	Empresa Distribuidora Y Comercializadora Norte S.A.	Argentina	Utilities	CCC+ B-	\$ 300
8-May-20	Compania General de Combustibles S.A.	Argentina	Oil & Gas Exploration & Production	CCC+ B-	\$ 300
8-May-20	CAPEX S.A.	Argentina	Utilities	CCC+ B-	\$ 300
8-May-20	AES Argentina Generacion S.A (AES Corp. (The))	Argentina	Utilities	CCC+ B-	\$ 300
9-Apr-20	PT Gajah Tunggal Tbk.	Indonesia	Automotive	CCC+ B-	\$ 250
8-May-20	Banco De Galicia Y Buenos Aires S.A.U.	Argentina	Bank	CCC+ B-	\$ 250
19-Mar-20	PT MNC Investama Tbk.	Indonesia	Media & Entertainment	CCC B-	\$ 231
8-Apr-20	Pearl Holding III Ltd.	China	Automotive	CCC+ B-	\$ 175
13-Apr-20	Compania de Transporte de Energia Electrica en Alta Tension TRANSENER S.A.	Argentina	Utilities	CCC+ B-	\$ 99

- No rating changes from 'B' To 'CCC' among Key 16 EMs for January 2021.

Rating Actions | Fallen Angels

Rating date	Issuer	Country	Sector	To	From	Debt amount (US \$ Mil)
15-Jun-20	Embraer S.A.	Brazil	Aerospace & Defense	BB+	BBB-	\$ 500
26-Jun-20	Axis Bank Ltd.	India	Bank	BB+	BBB-	\$ 1,095
8-Jul-20	Braskem S.A. (Odebrecht S.A.)	Brazil	Chemicals, Packaging & Environmental Services	BB+	BBB-	\$ 4,150
14-Jul-20	Zijin Mining Group Co. Ltd.	China	Metals, Mining & Steel	BB+	BBB-	\$ 350

- No fallen angels in the region for 2021 through January.

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of Dec. 31, 2020; includes sovereigns and Greater China and Red Chips companies. Source: S&P Global Ratings Research.

Rating Actions | List Of Defaulters In 2020

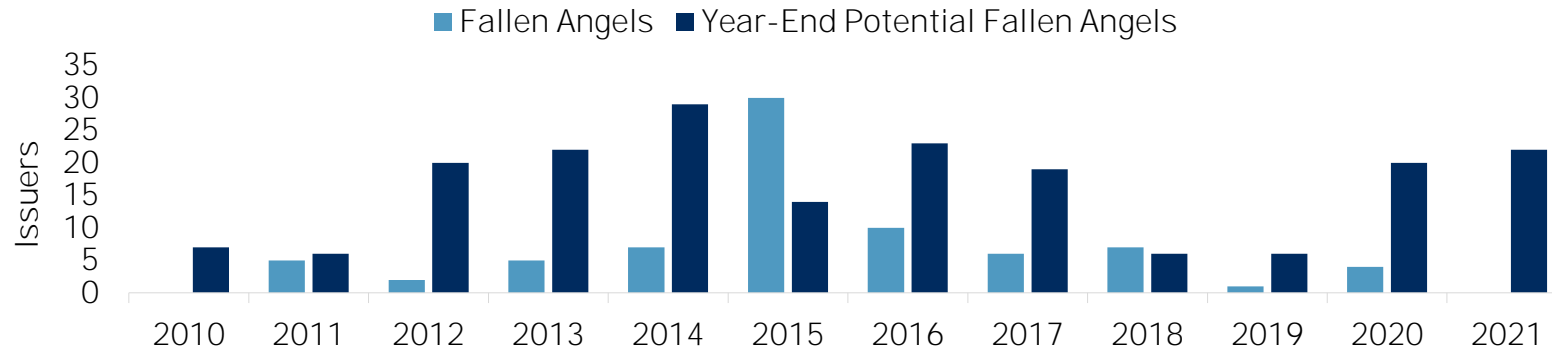
Rating Date	Issuer	Country	Sector	Rating To	Rating From	Action	Debt Amount (US \$ Mil)
14-Jan-20	Qinghai Provincial Investment Group Co. Ltd.	China	Metals, Mining & Steel	D	CCC-	Downgrade	\$ 850
21-Jan-20	Panda Green Energy Group Ltd.	Bermuda	Utilities	SD	CC	Downgrade	\$ 350
21-Jan-20	Republic of Argentina	Argentina	Sovereign	SD	CCC-	Downgrade	\$ 137,602
21-Feb-20	Tunghsu Group Co. Ltd.,	China	High Technology	SD	CCC-	Downgrade	\$ 390
27-Mar-20	Yida China Holdings Ltd.	Cayman Islands	Homebuilders/Real Estate Co.	SD	CC	Downgrade	\$ 300
7-Apr-20	Republic of Argentina	Argentina	Sovereign	SD	CCC-	Downgrade	\$ 139,092
10-Apr-20	Vestel Elektronik Sanayi Ve Ticaret A.S.	Turkey	High Technology	SD	CCC+	Downgrade	\$ -
24-Apr-20	Enjoy S.A.	Chile	Media & Entertainment	D	B-	Downgrade	\$ 300
11-May-20	Yihua Enterprise (Group) Co. Ltd.	China	Consumer Products	SD	CCC	Downgrade	\$ -
19-May-20	Aeropuertos Argentina 2000 S.A.	Argentina	Utilities	SD	CC	Downgrade	\$ 750
27-May-20	Latam Airlines Group S.A.	Chile	Transportation	D	CCC-	Downgrade	\$ 1,800
2-Jun-20	Grupo Famsa, S.A.B. de C.V.	Mexico	Retail/Restaurants	SD	CCC-	Downgrade	\$ 81
1-Jul-20	Grupo Aeromexico, S.A.B. de C.V.	Mexico	Transportation	D	B-	Downgrade	\$ 400
1-Jul-20	Grupo Posadas, S. A. B. de C. V.	Mexico	Media & Entertainment	D	CC	Downgrade	\$ 400
8-Jul-20	PT Modernland Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	SD	CCC-	Downgrade	\$ 390
9-Oct-20	Oi S.A.	Brazil	Telecommunications	SD	CC	Downgrade	\$ 1,654
14-Oct-20	Banco Hipotecario S.A.	Argentina	Bank	SD	CC	Downgrade	\$ 350
16-Oct-20	Corp Group Banking S.A. (Inversiones CorpGroup Interhold, Ltda.)	Chile	Financial Institutions	D	CC	Downgrade	\$ 500
28-Oct-20	PT Alam Sutera Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	D	CC	Downgrade	\$ 545
12-Nov-20	IRSA Inversiones y Representaciones S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	SD	CC	Downgrade	\$ 360

- No defaults in the region for 2021 through January.

S&P Global Ratings Data as of Dec. 31, 2020. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

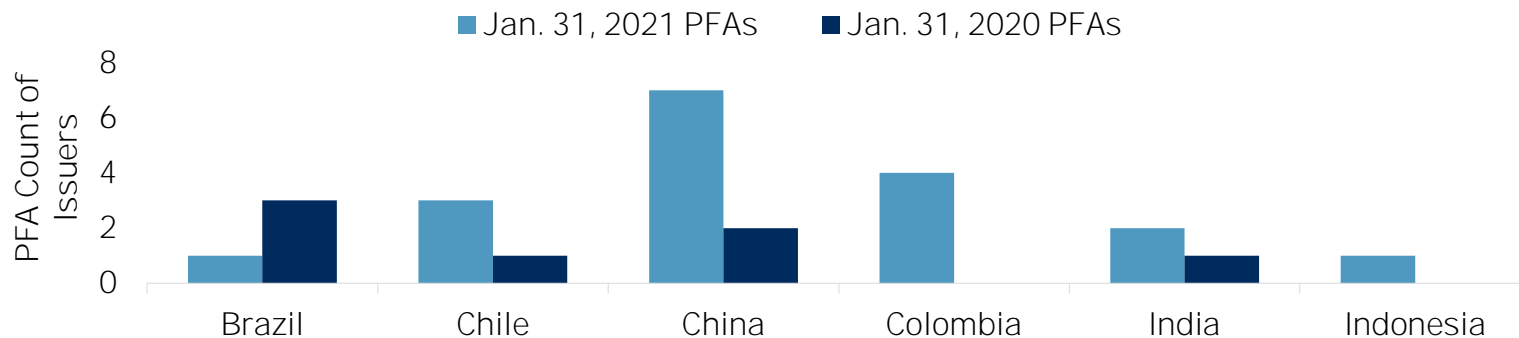
Rating Actions | Fallen Angels And Potential Fallen Angels

No EM Fallen Angels in 2021 YTD, And Potential Fallen Angels Remain At High Levels



Data as of Jan. 31, 2021. Parent only. Source: S&P Global Ratings Research.

EM Potential Fallen Angels By Country

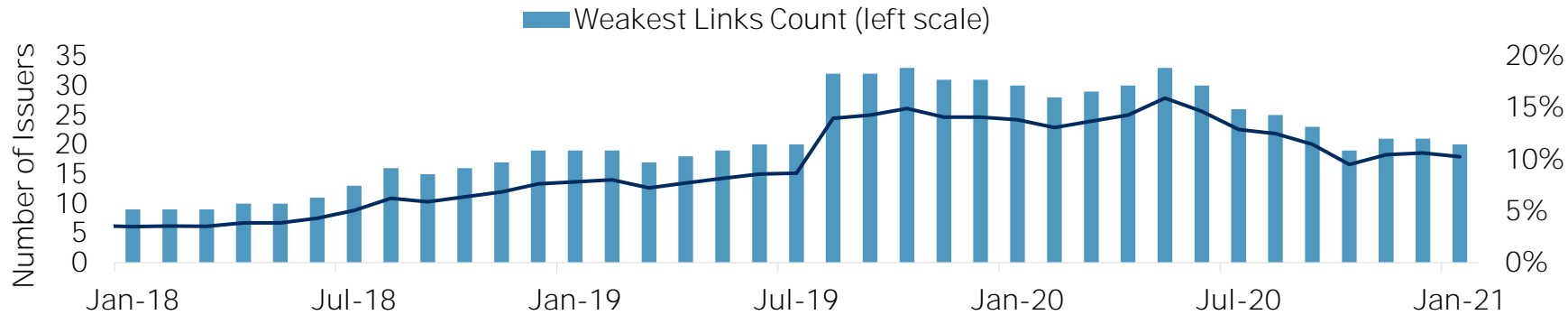


Data as of Jan. 31, 2021. Source: S&P Global Ratings Research.

- Through 2021 January, there were no fallen angels in EM.
- While the number of global potential fallen angels stayed roughly the same, those for EM by the end of January was at the higher level in counts.
- Among the current EM potential fallen angels, there were none on CreditWatch, indicating less immediate downgrade risk. This is because potential fallen angels with negative outlooks typically have a one-in-three chance of a downgrade within two years of receiving the negative outlook.
- See ['BBB' Pulse: Potential Fallen Angels Continue To Decrease Even As Risks Remain](#), Jan. 26, 2021.

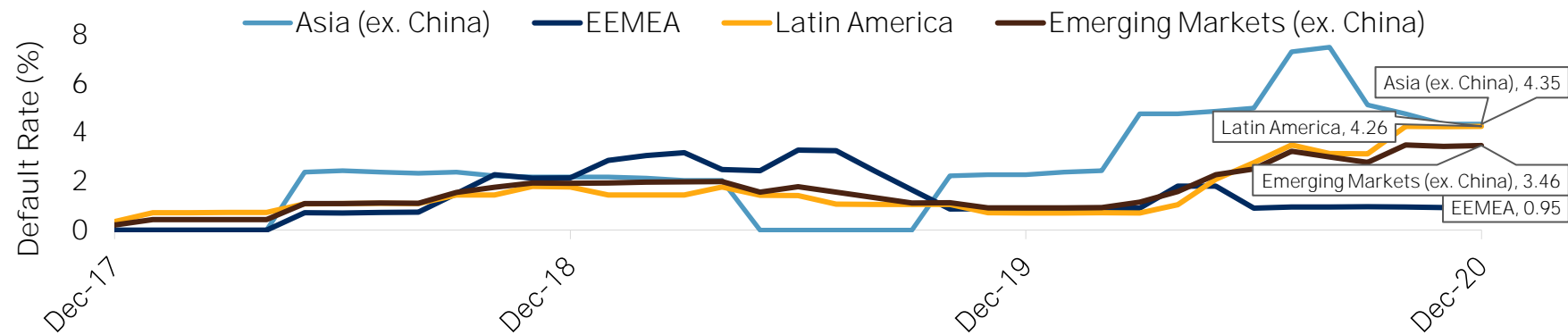
Rating Actions | Weakest Links And Defaults

EM Weakest Links Reached Record Highs In 2020, Pointing To Higher Likely Default Rates In The First Half Of 2021



Data as of Jan. 31, 2021 (OLCW). Parent only. Source: S&P Global Ratings Research.

Default Rates At High Levels In December After Reaching Record Level In 2020

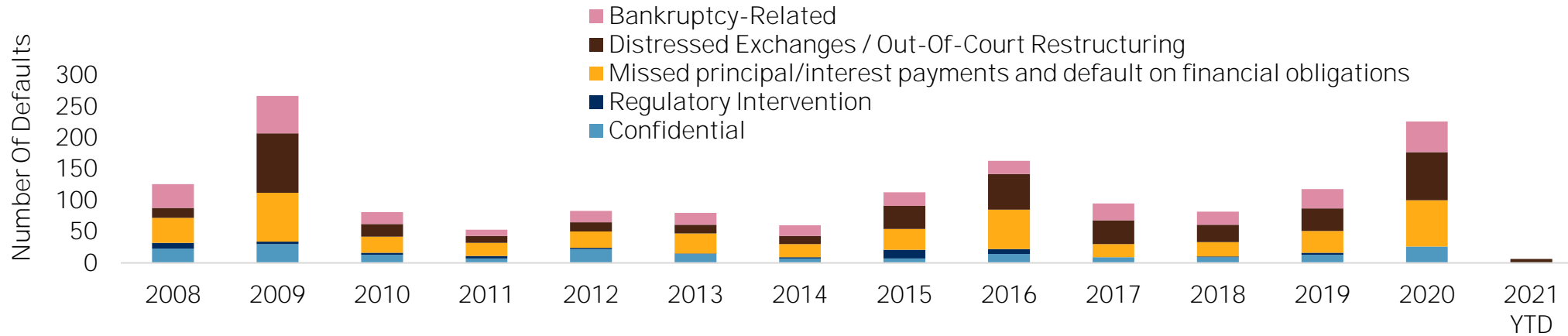


CreditPro data as of Dec. 31, 2020. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

- Weakest links. EM saw 20 issuers on the weakest links list (nearly 10% of the speculative-grade population), reflecting elevated default prospects for the weakest issuers.
- No EM defaults for January 2021.
- Default rates. December default rates slightly rose across EMs. Asia (excluding China) remains at 4.35%, other regions had slightly higher default rates.
- For more information, see [The Elevated Weakest Links Tally May Signal Sustained Default Pressure In 2021](#) published Jan. 19, 2021.

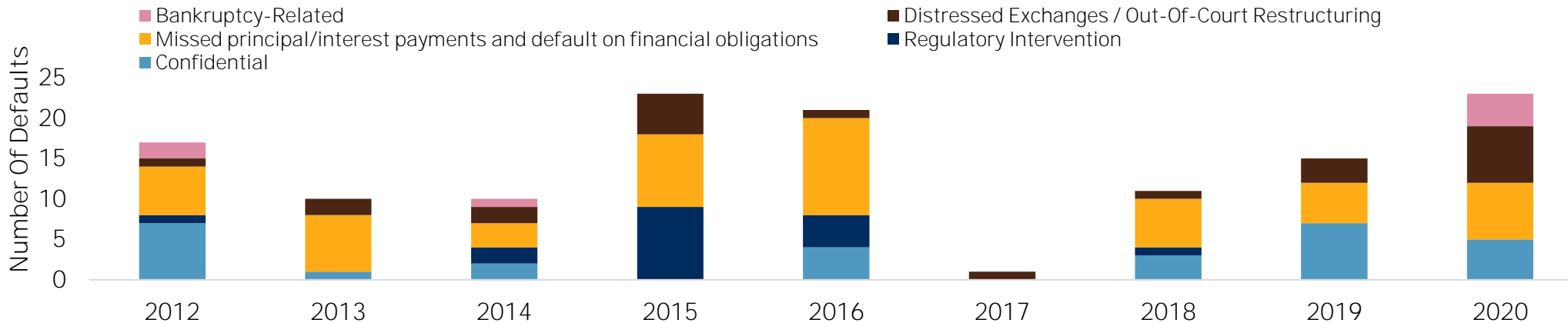
Rating Actions | Defaults

Year-End Global Corporate Defaults By Reason



*Data as of Jan. 31, 2021. Data has been updated to reflect confidential issuers. Excludes sovereigns, includes Greater China, and Red Chip companies. Sources: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

Year-End EM 16 Corporate Defaults By Reason



*Data as of Jan. 31, 2021. Data has been updated to reflect confidential issuers. Excludes sovereigns, includes Greater China, and Red Chip companies. Sources: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

Related Research

EMs | Related Research

- Ratings Weekly Digest: February 10, 2021
- Economic Research: Asia, We Have A Demand Problem, Feb. 3, 2021
- COVID-19- And Oil Price-Related Public Rating Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date, Feb. 9, 2021
- Global Refinancing--Rated Corporate Debt Due Through 2025 Totals \$11.3 Trillion, Feb. 8, 2021
- This Year's Corporate Default Tally Reaches Eight, Feb. 5, 2021
- Sizing Sovereign Debt And The Great Fiscal Unwind, Feb. 2, 2021
- Downgrade Risk Among Nonfinancial Corporates Remains Elevated In 2021, Feb. 2, 2021
- 'BBB' Pulse: Potential Fallen Angels Continue To Decrease Even As Risks Remain, Jan. 26, 2021
- The Elevated Weakest Links Tally May Signal Sustained Default Pressure In 2021, Jan. 19, 2021
- Global Credit Outlook: Back on Track?, Dec. 3, 2020
- Global Economic Outlook: Limping Into A Brighter 2021, Dec. 3, 2020
- Credit Conditions Emerging Markets: A Vaccine Won't Erase All Risks, Dec. 3, 2020
- Economic Research: Emerging Markets: Risks To Outlook Balanced As Recovery Momentum Set To Pick Up In 2021, Dec. 2, 2020
- Economic Research: Latin America's Economic Recovery From The Pandemic Will Be Highly Vulnerable To Setbacks, Dec. 1, 2020

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