

Emerging Markets Monthly Highlights

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Long Road Ahead, Despite The Year's Promising Start

June 10, 2021



S&P Global
Ratings

This report does not constitute a rating action.

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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.

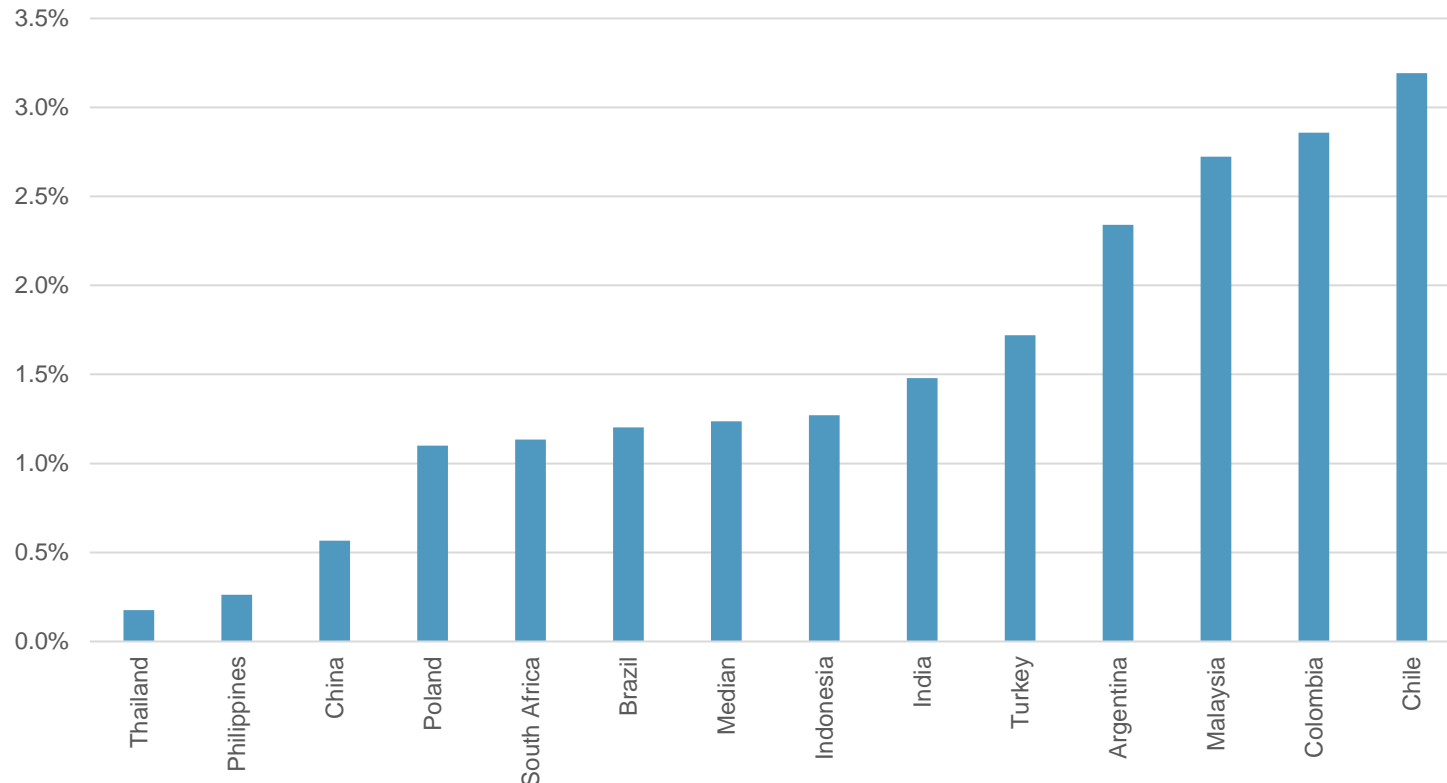
Key Takeaways

- Q1 GDP reports surprised to the upside in most emerging markets (EMs), but renewed lockdowns in several countries will likely dampen Q2 activity and afterwards. Surprisingly upbeat growth pace mostly stemmed from a stronger-than-expected domestic demand, and in many cases, from better-than-expected performance of services. Economic activity continues to benefit from stimulus measures in most EMs, but also from households and businesses that are adapting to pandemic-related trends. However, several EM economies implemented new lockdowns in late Q1 - early Q2, which are likely to restrict domestic activity.
- **Progress in vaccination is key in maintaining the economic recovery's momentum.** In order to prevent “on-and-off” lockdown measures and return to operating at full capacity, a wider vaccination rollout is necessary across most EMs. Fully vaccinating roughly 70% of the populations will likely take at least until 2022 in most EMs amid the current vaccination pace. This leaves most EMs' economic recovery highly vulnerable to setbacks if the pandemic worsens and leads to renewed lockdowns.
- Financing conditions remain supportive, but rising inflation is contributing to higher yields. Inflation is picking up across most EMs, primarily due to higher energy prices and supply-chain disruptions. Core prices are also rising, especially in EM EMEA and LatAm. This, combined with the potential for the Federal Reserve's earlier-than-expected removal of monetary stimulus as the U.S. economy continues to recover, is prompting yields in many EMs to increase. Moreover, issuers in the lower rating spectrum (the 'B' category and below) are facing intermittent funding availability.



Q1 GDP Reports | Mostly Upside Surprises, Vaccination Is Essential To Maintain Momentum

Real GDP Growth*

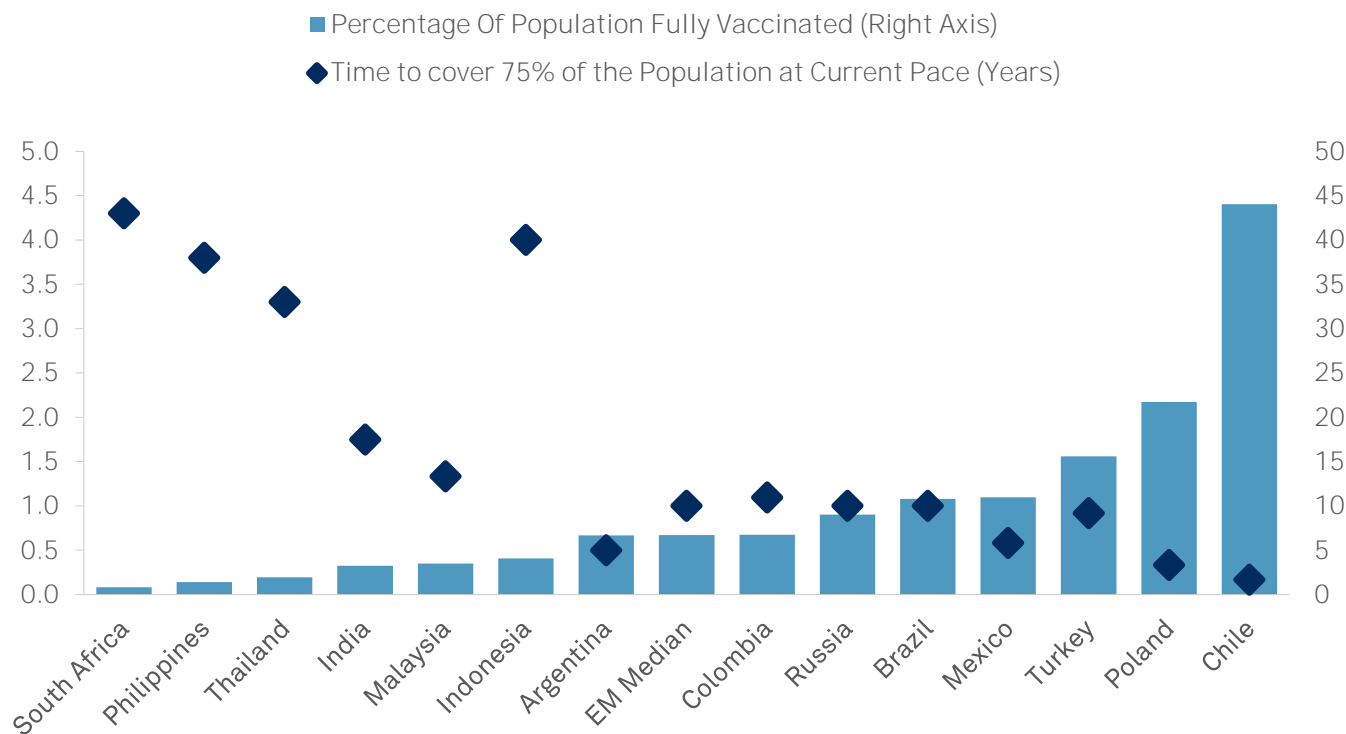


*Seasonally adjusted quarter-over-quarter. Source: Haver Analytics.

- Resilient services in Q1. Median quarterly GDP growth among major EMs was 1.2% in the first quarter, despite another surge in COVID-19 cases in most countries, and new lockdowns in some. The upside surprise to growth mostly came from a stronger than expected domestic demand, and in many cases from better-than-expected performance of services. Contribution from foreign trade varied and was negative in some EMs (Poland, South Africa, and Thailand).
- A faster vaccination pace is necessary to keep economic activity on track. Stimulus measures and the initial normalization of operations from the more stringent lockdowns of last year have helped services continue to grow. However, to keep the momentum going and support the gradual increase in capacity in those sectors, more progress in vaccination will be key.

Vaccination Is Advancing, But Not Fast Enough In Most EMs

Share Of Population Fully Vaccinated And Time To Vaccinate 75% Of Population



Note: EM Median is median of EMs in chart. Current pace is based on daily doses as of June 7, 2021. Source: OWID and S&P Global Ratings.

- The vaccination rate has accelerated in most key EMs, but it will take a median of a year to reach widespread immunity. New COVID-19 cases are still near record highs in some countries, especially in LatAm, and failure to vaccinate more quickly keeps those economies at risk of new lockdowns.
- Slow vaccination rollout could also expose EMs to new virus variants. The latter could be more contagious and deadlier, as is the case for the Delta variant, which has overwhelmed India's health infrastructure and caused significant human losses.
- Pandemic prevalence could be especially harmful for those EMs in which tourism and related services contribute meaningfully to their economy, such as The Philippines, Thailand or Turkey.

EM Sovereigns | Most Can Weather An Interest Rate Hike

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- **An interest rate rise would have a limited impact on most EM sovereigns' debt service.** According to our 300-bps rate shock scenario, four out of 20 of the EM sovereigns included in our survey would see at least a 1 percentage point GDP increase in interest costs by 2023. In the case of Egypt, Ghana, and South Africa, it would be twice that.
- What ultimately matters for sovereigns and their credit quality is the reason for the rate rise: If they do so to reflect the growth recovery and return of monetary policy to normal levels amid an accelerating productivity, they will represent little threat to public finances. On the other hand, if rate hikes are aimed at choking off runaway inflation against a backdrop of stagnating productivity, the fiscal and ratings fallout could be substantial.

Central Government Rollover Ratios And Debt Structure

% of total debt, including bi-/multilateral

Country LT Rating/Outlook	--2021--			--Baseline--					--100 bps shock to marginal cost--			--300 bps shock to marginal cost--		
	CG debt/GDP	Of which ST debt (% of GDP)	Rollover ratio incl. ST debt (% of GDP)	Interest expense/GDP 2021	Interest expense/GDP 2022	Interest expense/GDP 2023	Effective rate on CG debt 2021	Marginal rate YTD avg. for 2021	Interest expense/GDP 2021	Interest expense/GDP 2022	Interest expense/GDP 2023	Interest expense/GDP 2021	Interest expense/GDP 2022	Interest expense/GDP 2023
South Africa BB-/Stable	84.0	10.1	20.6	5.0	5.3	5.5	6.4	9.5	5.9	6.3	6.7	6.3	6.9	7.5
Turkey B+/Stable	37.0	1.2	8.1	3.0	2.9	2.9	8.5	8.8	3.1	3.2	3.3	3.2	3.5	3.7
Brazil BB-/Stable	86.0	6.2	13.4	4.5	4.6	4.4	5.3	4.7	4.6	4.6	4.6	4.8	5.0	5.2
Colombia BB+/Stable	69.0	1.1	6.4	3.9	3.8	3.7	6.5	4.6	3.9	3.8	3.7	4.0	4.1	4.1
China A+/Stable	23.0	3.7	5.3	0.7	0.7	0.7	1	0.9	0.7	0.8	0.8	0.8	0.9	0.9
Mexico BBB/Negative	46.0	4.9	6.5	2.4	2.3	2.3	5.0	3.9	2.4	2.3	2.3	2.5	2.5	2.6
Chile A/Stable	34.0	1.5	3.8	0.8	0.8	0.8	2.3	2.6	0.8	0.9	0.9	0.9	1.0	1.1
Poland A-/Stable	61.0	0.9	5.7	1.6	1.7	1.7	2.8	0.6	1.6	1.7	1.7	1.6	1.7	1.7
Russia BBB-/Stable	18.0	0.0	0.9	1.0	1.0	1.0	4.7	4.7	1.0	1.0	1.0	1.0	1.1	1.1
Indonesia BBB/Negative	42.0	0.4	2.8	1.5	1.6	1.6	4.4	2.9	1.5	1.6	1.6	1.5	1.6	1.6
Philippines BBB+/Stable	52.0	7.3	10.5	1.9	1.9	1.9	4.7	1.9	1.9	1.9	1.9	1.9	1.9	1.9
India BBB-/Stable	60.0	2.4	3.3	5.8	6.0	6.0	7.3	3.7	5.8	6.0	6.0	5.8	6.0	6.0

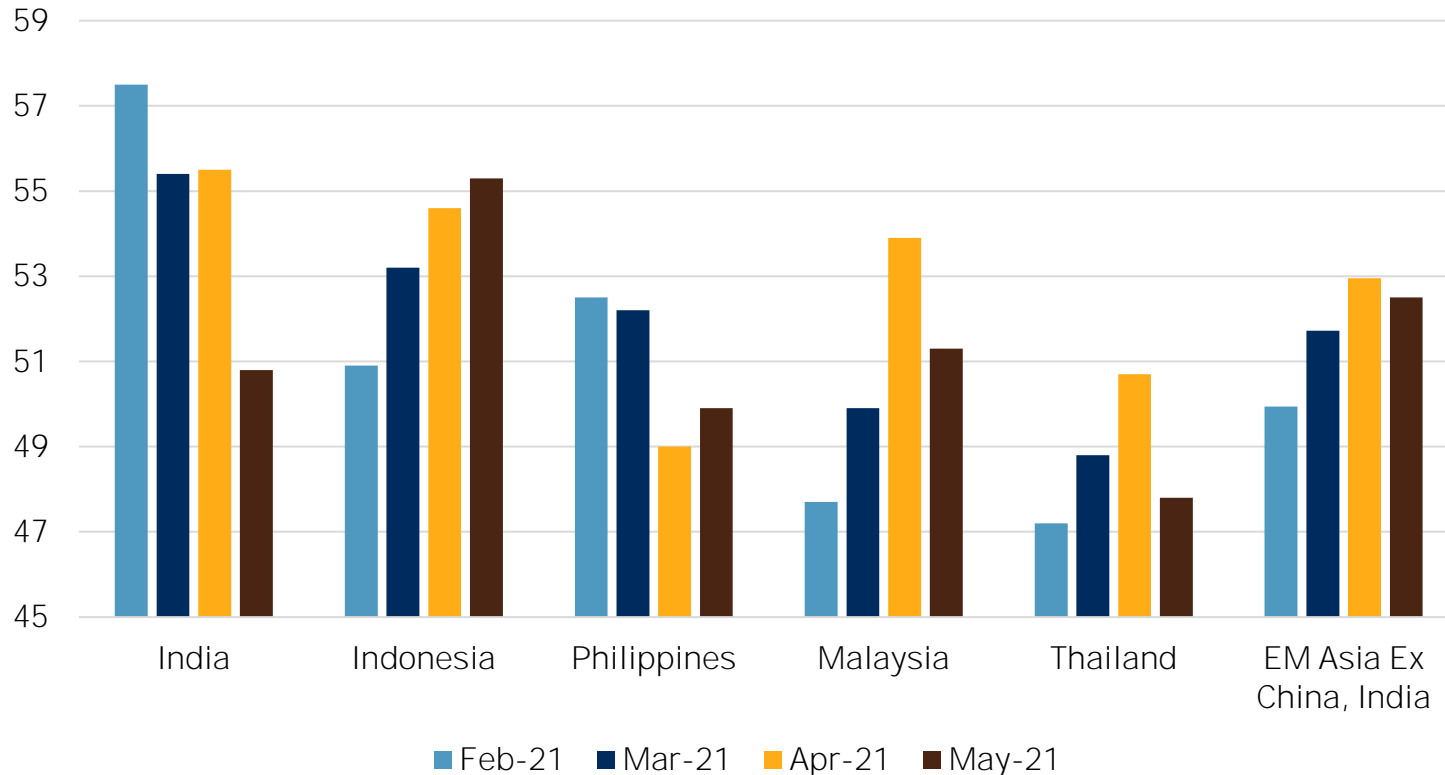
CG--Central government. LT--Long term. ST--Short term. Source: S&P Global Ratings. Sovereign ratings as of June 8, 2021.

Regional Economic Highlights

EM ASIA Economics | Lockdowns Slowed Manufacturing Growth

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EM Asia manufacturing PMIs



- Thailand, India, and Malaysia reimposed lockdowns in April and May, which weighed on economic activity. In these economies, manufacturing PMIs indicated strong manufacturing growth prior to May. In India and Thailand, mobility is set to improve in June, which will be favorable for high frequency economic activity. However, Malaysia's stricter measures since late May will slow activity further.
- The services sectors are affected to a greater degree, although the magnitude will only become clearer over the next few months. In India, the services PMI dropped from 54 in April to 46, while the consumption index in Thailand showed sharp deceleration in May.

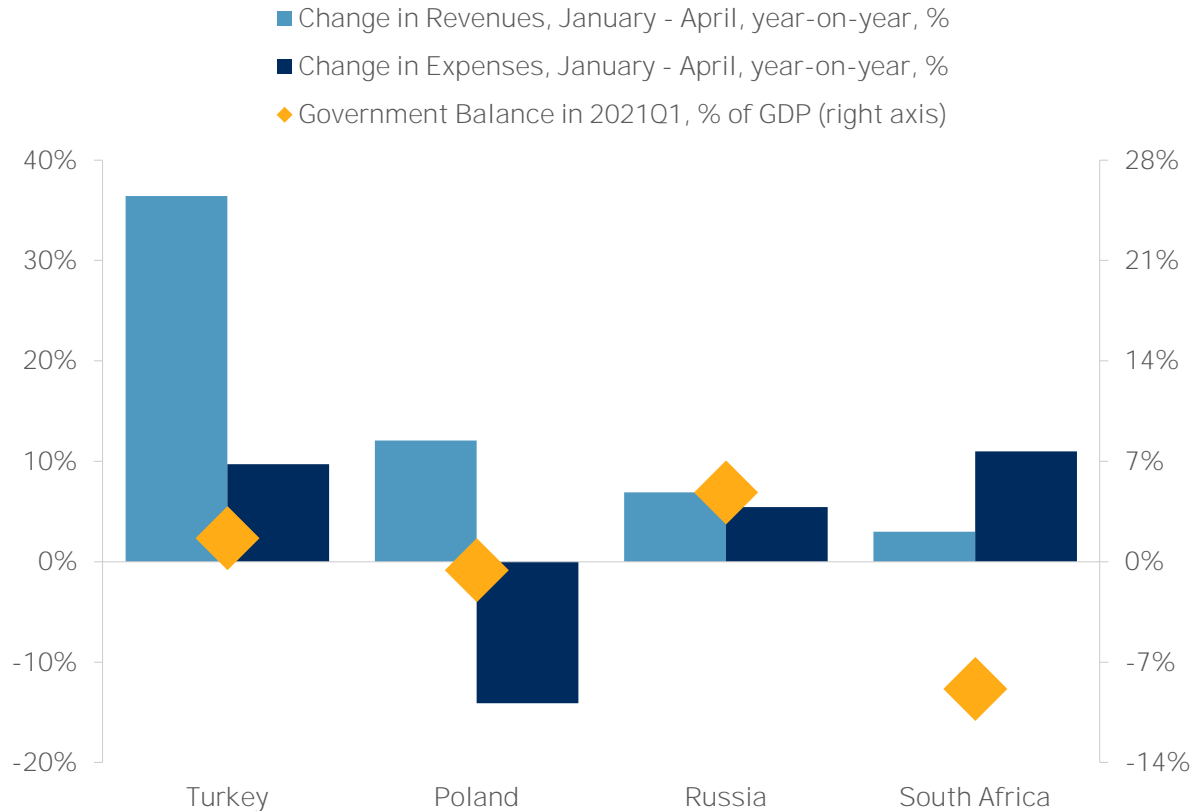
Note: PMI—purchasing managers' index. EM Asia excluding China and India aggregated using purchasing power parity (PPP) GDP weights.

EM EMEA Economics | Budget Revenues Are Rising

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Central Government Budget Indicators



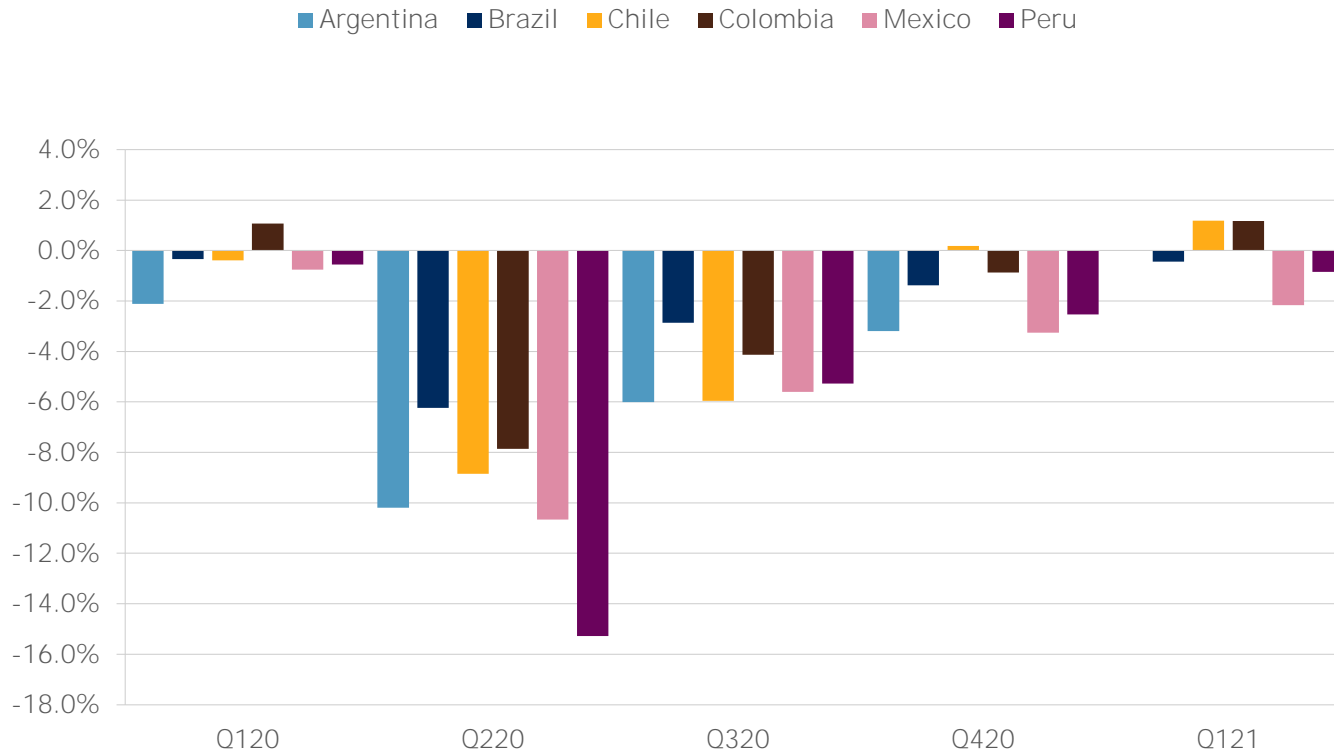
Source: National Treasuries, National Statistics Agencies, and S&P Global Ratings.

- Tax revenues are rising across EM EMEA, thanks to a rebound in growth and higher inflation, and the collection of previously deferred taxes. Rebound in economic activity supported tax revenues. Nominal figures also reflect an effect from rising prices. Turkey's revenues were up 36% year-on-year in January-April 2021, a considerable rise even accounting for high inflation, driven in part by interest revenue on the government's cash holdings. Excluding the effect of one-off receipts in April 2020, Russia's government revenues increased more than 20% largely due to a rise in non-oil revenues. South Africa's government revenues picked up starting in Q4 but grew only 3% in January-April 2021 compared with the same period a year ago.
- Risks of excessive fiscal tightening have receded. There's still a sizeable economic slack in most EMEA economies, suggesting that fiscal support is set to continue, although on a smaller scale compared with last year. Overall, given the favorable fiscal dynamics, the risks of excessive fiscal tightening this year have diminished. Budget deficit in South Africa has narrowed but remains large at close to 9% of GDP. Outcome of wage negotiations with labor unions later this year will be an important factor for the budget dynamics.

LatAm Economics | Short-Term Growth Looks Better

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Services Sector Contribution To Year-Over-Year Real GDP Growth



Source: S&P Global Ratings, Oxford Economics, and Haver Analytics.

- The upside surprise to Q1 GDP was driven by resilience in the services sector. GDP in the six major LatAm economies grew 6% in quarterly annualized terms in Q1 2021, above most consensus expectations, thanks to services, while median growth in the region was 9%. However, vaccination progress will be key to sustain momentum in the services sector by allowing more sectors to open up and return to full capacity.
- 2022 and beyond will be tough for the region. While the stronger carryover from the expansion in Q1 prompts us revise our 2021 GDP growth forecast for LatAm upwards, it doesn't change our long-term growth expectations of 2%-3%, which is about half the growth pace of other EMs. LatAm is struggling with low productivity due to weak levels of fixed investment, and that dynamic remains in place. Arguably, post-pandemic investment prospects look dimmer due to rising political and social instability in the region, and lower levels of policy predictability.

Macro-Credit Dashboards

GDP Summary | Q1 GDP Data Has Mostly Surprised To The Upside

Country	Latest reading (y/y)	Period	5-year Avg	2019	2020	2021f	2022f	2023f
Argentina	-4.3	Q4	-0.2	-2.1	-9.9	6.1	2.5	2.0
Brazil	1.0	Q1	-0.5	1.4	-4.4	4.0	2.1	2.2
Chile	0.3	Q1	2.1	1.0	-6.0	5.9	3.6	3.3
Colombia	1.1	Q1	2.4	3.3	-6.8	6.0	3.5	3.3
Mexico	-3.6	Q1	2.0	0.0	-8.5	4.9	2.7	2.2
China	18.3	Q1	6.7	6.0	2.3	8.0	5.1	5.0
India	1.6	Q1	6.7	4.1	-8.0	11.0	6.1	6.3
Indonesia	-0.7	Q1	5.0	5.0	-2.1	4.5	5.4	5.1
Malaysia	-0.5	Q1	4.9	4.3	-5.6	6.2	5.6	5.0
Philippines	-4.2	Q1	6.6	6.0	-9.5	7.9	7.2	7.2
Thailand	-2.6	Q1	3.4	2.3	-6.1	4.2	4.5	3.6
Poland	-1.3	Q1	4.4	4.6	-2.7	3.4	4.4	3.0
Russia	-1.0	Q1	0.8	2.0	-3.0	3.3	2.5	2.0
Saudi Arabia	-3.3	Q1	1.6	0.3	-4.1	2.0	2.7	2.2
South Africa	-4.1	Q4	0.8	0.2	-7.1	3.6	2.5	1.3
Turkey	7.0	Q1	4.2	0.9	1.8	6.1	3.0	3.0

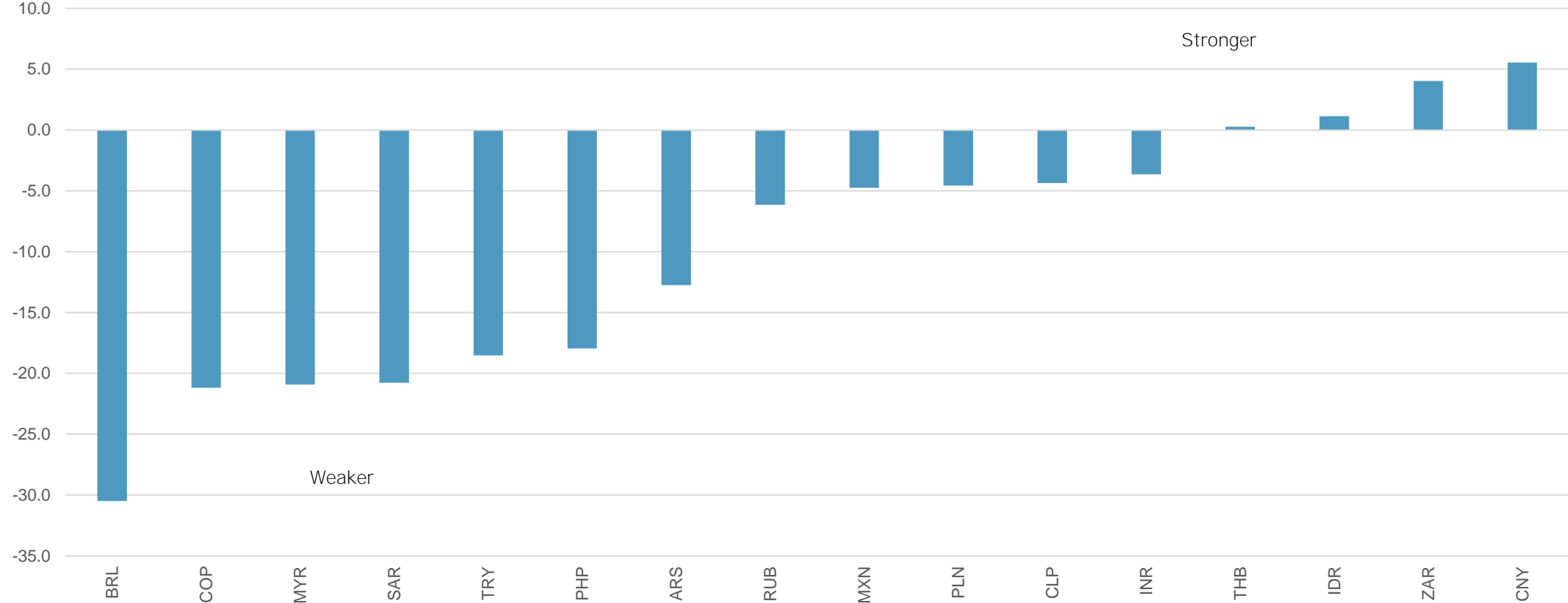
Monetary Policy/FX | Brazil And Russia Raised Rates Again Last Month

Country	Policy rate	Inflation target	Latest inflation reading	Latest rate decision	Next meeting	May exchange rate chg.	YTD exchange rate chg.
Argentina	38.00%	No target	46.3%	N/A	N/A	-1.2%	-11.1%
Brazil	3.50%	3.75% +/-1.5%	6.8%	75 bps hike	June 16	4.2%	-0.4%
Chile	0.50%	3% +/-1%	3.6%	Hold	July 14	-1.6%	-1.4%
Colombia	1.75%	3% +/-1%	3.3%	Hold	June 28	0.5%	-7.6%
Mexico	4.00%	3% +/-1%	5.9%	Hold	June 24	1.5%	-0.2%
China	2.20%	3%	0.9%	N/A	N/A	1.7%	2.5%
India	4.00%	4% +/-2%	4.3%	Hold	Aug. 6	2.0%	0.6%
Indonesia	3.50%	3.5% +/-1%	1.7%	Hold	June 17	1.2%	-1.6%
Malaysia	1.75%	No target	4.7%	Hold	July 8	-0.9%	-2.5%
Philippines	2.00%	3% +/-1%	4.5%	Hold	June 23	0.9%	0.7%
Thailand	0.50%	2.5% +/-1.5%	3.4%	Hold	June 23	-0.3%	-4.1%
Poland	0.10%	2.5% +/-1%	4.2%	Hold	July 7	3.5%	1.9%
Russia	5.00%	4.00%	6.0%	50 bps hike	June 11	2.4%	1.3%
Saudi Arabia	1.00%	3% +/-1%	5.3%	Hold	N/A	0.0%	0.0%
South Africa	3.50%	3%-6%	4.5%	Hold	July 22	5.5%	7.0%
Turkey	19.00%	5% +/-2%	16.6%	Hold	June 17	-2.3%	-12.4%

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's 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 | BRL And COP Still Underperform

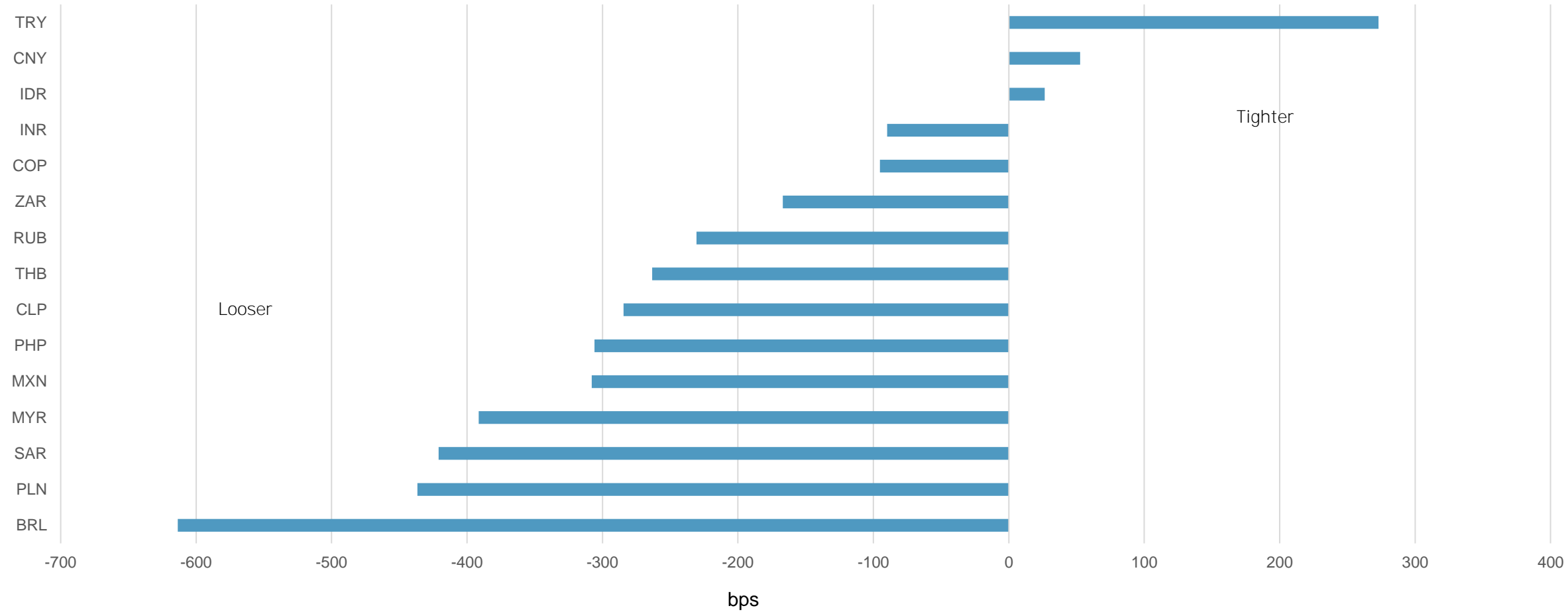
Broad Real Effective Exchange Rates, % Change From 10-Year Average



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 May 31, 2021. Source: S&P Global Ratings, Haver Analytics, and J.P. Morgan.

Real Interest Rates | Rates Will Start Rising In Several EMs

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



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 May 31, 2021. Source: Haver Analytics and S&P Global Ratings.

EM Heat Map

Emerging Markets Risk Profile

Sovereign Ratings (June 08, '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	BB+	BBB	A+	BBB-	BBB	A-	BBB+	BBB+	A-	BBB-	A-	BB-	B+
Sovereign Outlook	Stable	Stable	Stable	Stable	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	3	4	3	4	6	3	3	3	3	4	4	5	6	4
Fiscal (DBT)	5	5	1	5	4	2	6	4	5	4	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 (June 09, '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	Stable	Stable
Eco. Imbalances	H	Int	Lw	H	Int	H	Int	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

Median Rating (May 31, 2021)	CCC+	BB-	BBB	BB+	BBB-	BBB	BB+	B-	BBB+	BBB+	BBB+	BB	BB+	BBB+	BB-	BB-
Net Debt / EBITDA	2.0	2.2	3.9	2.9	3.3	3.0	2.7	3.4	2.4	3.6	3.0	1.8	2.9	3.0	2.6	2.7
ROC Adj.°	-25.7	1.1	-0.4	2.3	0.7	0.1	-3.3	0.3	2.9	-0.6	3.6	0.4	1.0	-0.9	0.9	-5.9
EBITDA INT. COV.	2.8	3.3	6.0	4.5	4.2	5.9	4.4	3.9	8.9	5.9	10.2	13.9	5.1	8.8	4.7	3.7
FFO / Debt	40.2	48.6	23.5	33.4	32.2	17.8	31.2	25.9	24.0	24.2	26.5	43.3	31.3	26.2	33.1	33.8
NFC FC Debt % GDP*	9.3	23.3	43.5	15.4	25.6	6.4	8.0	9.0	14.4	6.2t	8.7	14.8	23.1	11.4	20.8	34.4
NFC Debt % of GDP*	14.9	48.9	119.0	35.2	30.1	164.7	49.2	23.0	75.7	32.6	54.6	46.2	92.1	57.5	42.0	75.8

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.

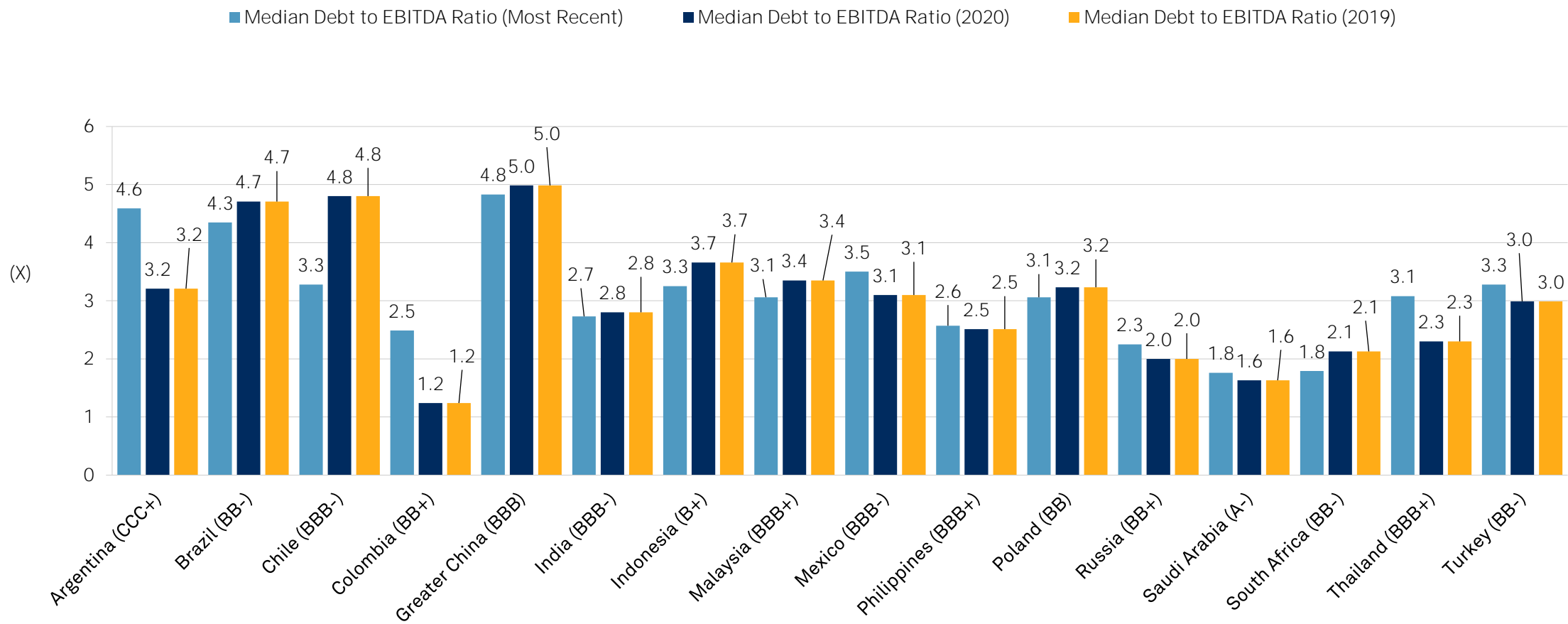
Nonfinancial Corporates--Ratios are derived from the median of rated corporates in their respective countries. We then rank them according to our "Corporate Methodology," Nov. 19, 2013, by using table 17, with levels that go from minimal to highly leveraged. *We assess return on capital by using the 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 1Q 2020. t - Source: Bangko Sentral NG Pilipinas: Corporate Variables Capital IQ 1Q 2020. S&P Global Ratings.

Financing Conditions

Highlights

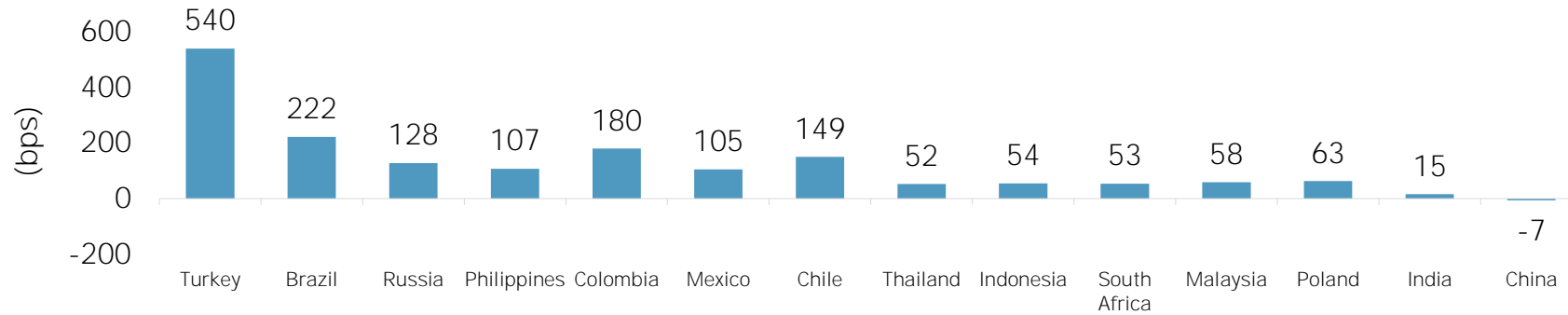
Corporates | EM Leverage Rises Modestly



Note: Greater China --- China, Hong Kong, Macau, Taiwan, and Red Chip companies. Data as of June 1, 2021. Source: S&P Global Ratings and S&P Global Market Intelligence.

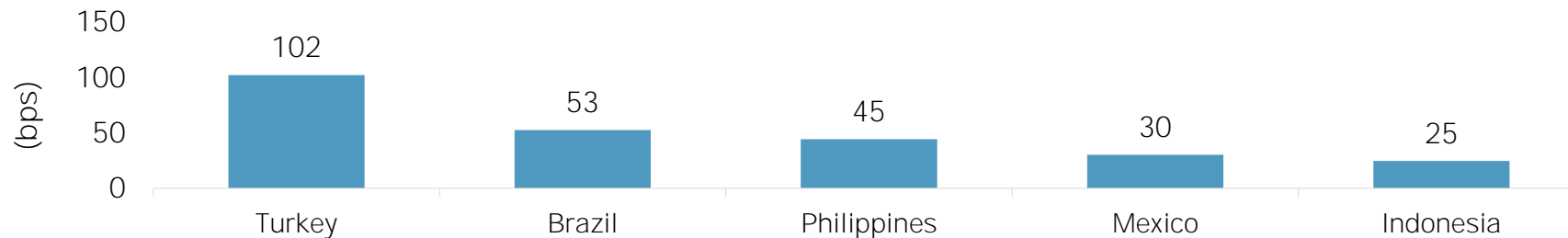
EM Yields | Benchmark Yields Starting To Return To Normal Levels

Change In Local Currency 10-Year Bond Yields Since The End Of 2020



Note: Data as of May 31, 2021. Source: S&P Global Ratings Research and Bloomberg.

Change In Dollar-Denominated 10-Year Bond Yields Since The End Of 2020

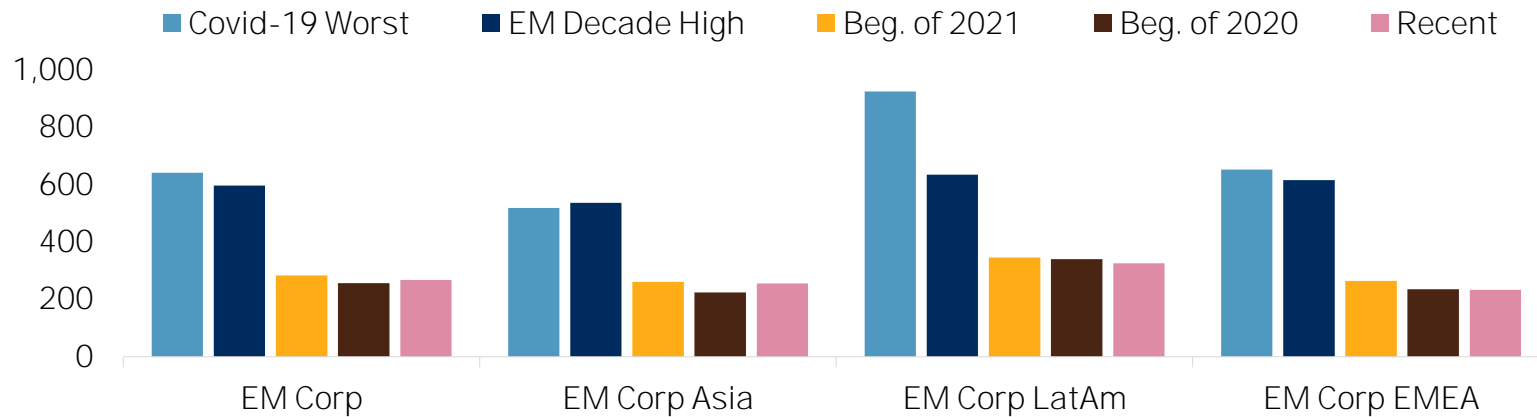


Note: Data as of May 31, 2021. Source: S&P Global Ratings Research and Bloomberg.

- EM benchmark yields either continued to rise or remained steady at levels well above those at the end of 2020, despite some stabilization in U.S. yields.
- Turkey and Brazil continue to lead the increases in yields, given that central banks in both countries raised policy rates recently. Colombia follows, after the recent unrest.
- Where foreign currency-denominated benchmark data is available, 10-year yields for dollar-denominated bonds increased less than the corresponding local currency-denominated EM government bond yields. This highlights that the rising yields in EMs are due to concerns about U.S. inflation and interest-rate trajectory, along with market expectations of higher local inflation and policy rates.

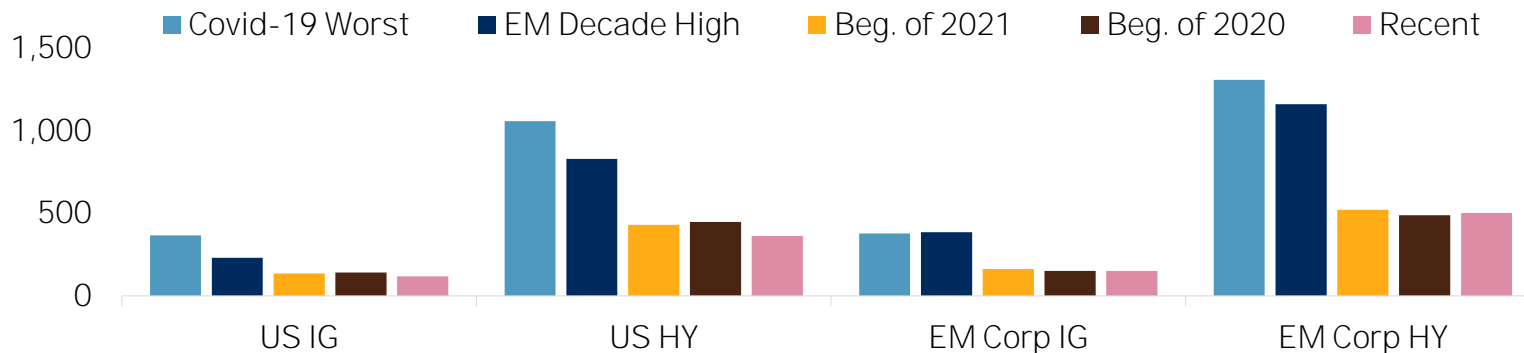
EM Credit Spreads | Stable Risk Premium, But Funding Costs Are Rising Overall

EM Spreads By Region



Note: bps levels. Data as of May 31, 2021. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis.

U.S. And EM Spreads

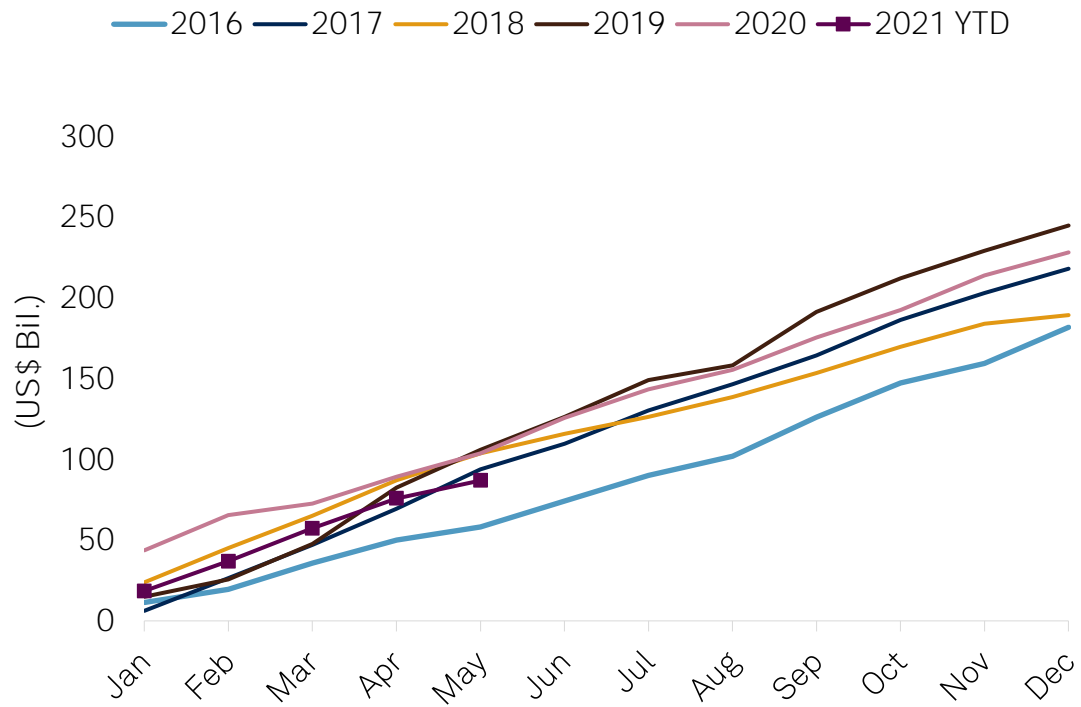


Note: bps levels. Data as of May 31, 2021. HY – High Yield; IG – Investment Grade. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis.

- U.S. spreads remain lower than the pre-pandemic levels and continue to contract, helping to mitigate the higher U.S. benchmark yields.
- EM spreads remained close to the pre-pandemic levels. Nonetheless, with higher benchmark yields and broadly stable spreads, both foreign and local funding costs are higher than at the end of 2020.
- Trends in risk premia remain similar across EM sub-regions. As such, the key to watch will be movements in benchmarks – both local government and U.S. Treasury yields.

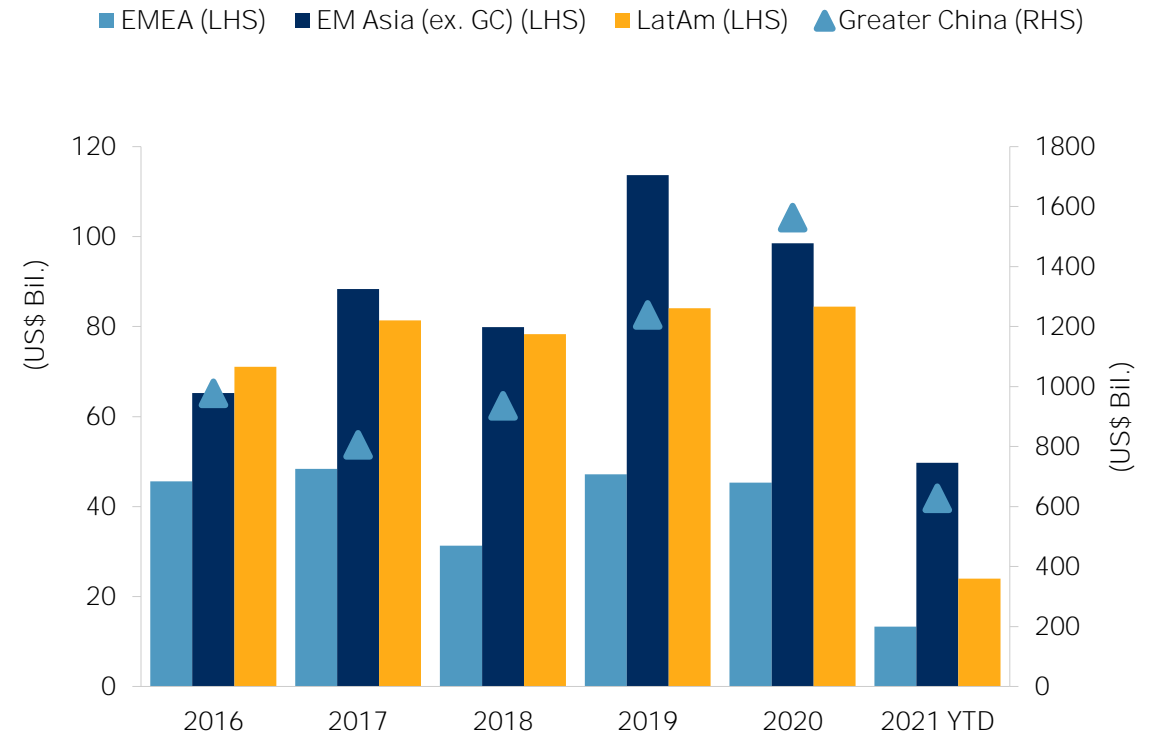
EM | Financial And Non-Financial Corporate Issuance

EM Cumulative Corporate Bond Issuances



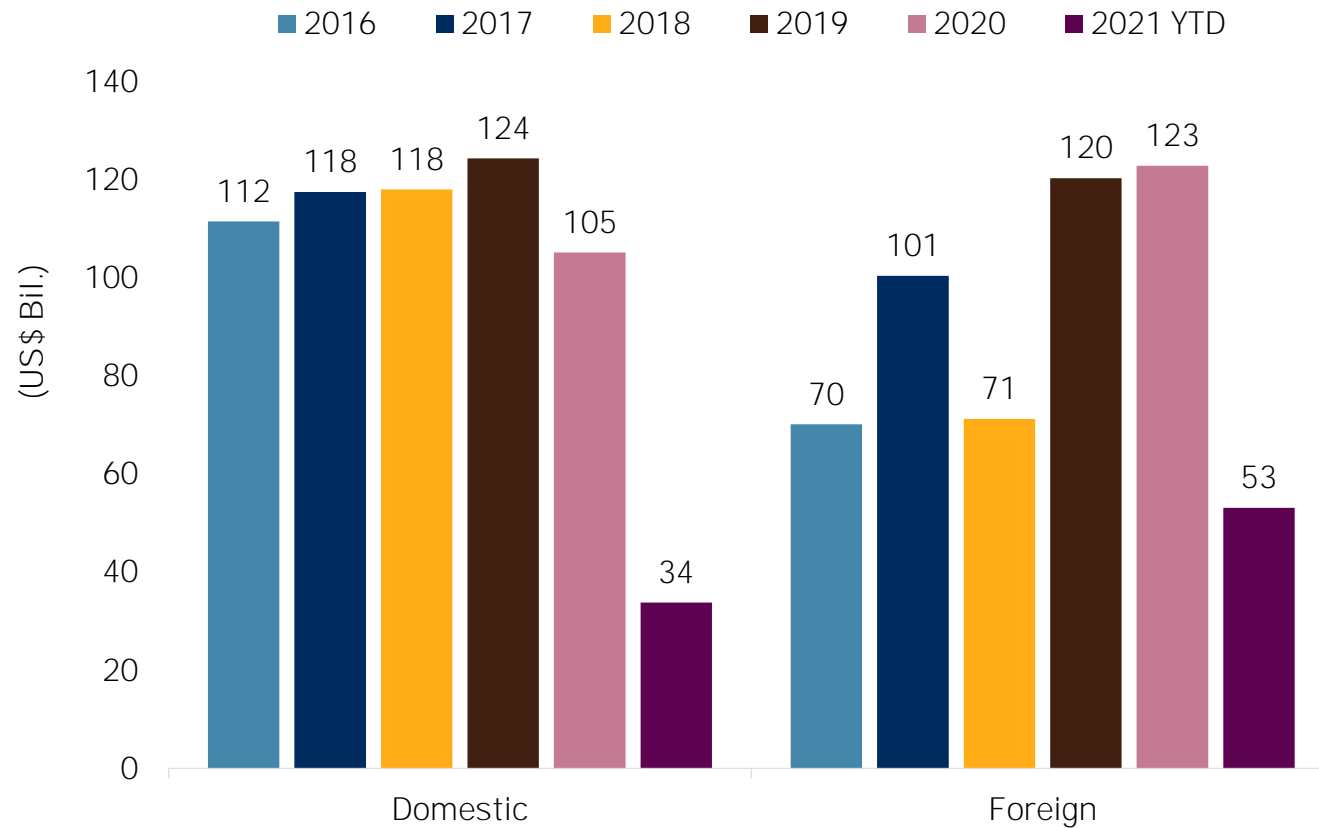
Excluding Greater China. Data as of May 31, 2021. Data including not rated and both financial and non-financial entities. Source: S&P Global Ratings Research and Thomson Reuters.

EM Regional Bond Issuances



Data as of May 31, 2021, and full year data for 2006-2020, for both financial and non-financial entities. Left Hand Side (LHS), Right Hand Side (RHS). Source: S&P Global Ratings Research and Thomson Reuters.

EM Corporate Issuance | By Market



- The pace of EM issuances this year continues to lag that of 2020. Most of this disparity has been on the local issuance side, with foreign issuances on pace to end the year slightly ahead of last year. This could be at least in part due to local benchmarks rising faster than U.S. Treasury yields but also due to lower issuances in China.
- Issuance trends highlight ebbs and flows in market sentiment, with sub-regions seeing fluctuations in the volume and composition of primary market activity. Earlier in the year, Asian issuances were strong across the board, but then alternated between mostly either investment- or speculative-grade. LatAm issuances picked up significantly in April, including high-yield credits, but were largely stagnant in May.

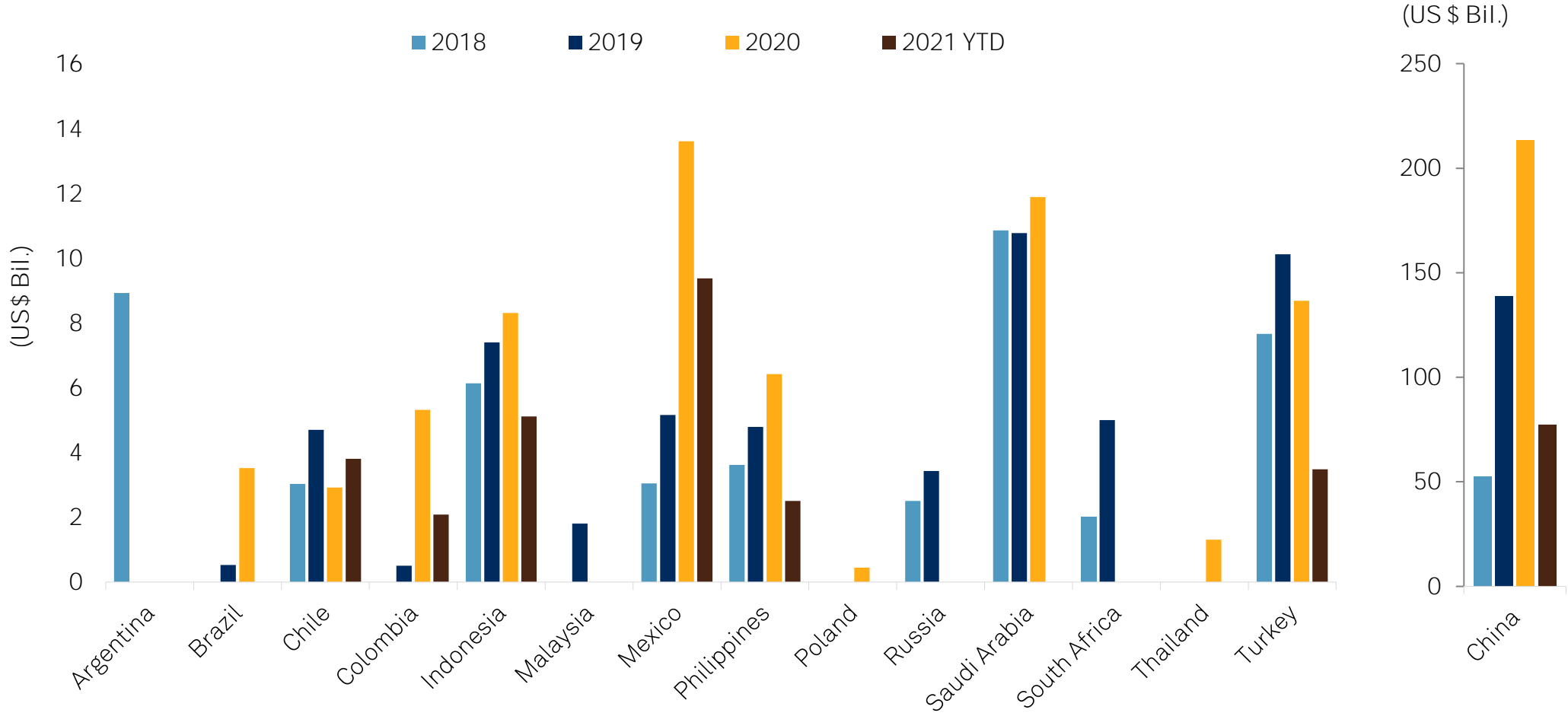
Excluding Greater China. Data as of May 31, 2021, full year data for 2016-2020. Source: S&P Global Ratings Research and Thomson Reuters.

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 May 31, 2021)	Security description	Currency	Issuance (mil. \$)
6-Apr-21	Mexico	Mexico	U.S. public	BBB	BBB	4.280% global notes due '41	USD	3,255
30-Mar-21	Chile	Chile	Foreign public	A	A	3.500% sr unsecurd nts due '53	USD	1,500
22-Apr-21	Philippines	Philippines	Euro public	BBB+	BBB+	1.750% sr unsecurd nts due '41	EUR	952
22-Apr-21	Philippines	Philippines	Euro public	BBB+	BBB+	0.250% sr unsecurd nts due '25	EUR	777
22-Apr-21	Philippines	Philippines	Euro public	BBB+	BBB+	1.200% sr unsecurd nts due '33	EUR	777
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	0.570% fxd/straight bd due '26	JPY	430
4-May-21	Chile	Chile	Chile public	NR	A	2.450% sr unsecurd nts due '31	USD	303
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	0.330% fxd/straight bd due '24	JPY	266
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	0.890% fxd/straight bd due '31	JPY	167
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	1.170% fxd/straight bd due '36	JPY	23
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	1.440% fxd/straight bd due '41	JPY	21
21-May-21	Indonesia Republic	Indonesia	Foreign public	BBB	BBB	0.700% fxd/straight bd due '28	JPY	11

Data as of May 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 not rated. Source: S&P Global Ratings Research.

Issuance | EM Sovereign Debt



Data as of May 31, 2021; includes local/foreign currencies. China includes mainland China and Hong Kong. Source: Refinitiv and Dealogic.

Issuance | EM 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 (mil. \$)
22-Apr-21	28-Apr-61	Petronas Capital Ltd	Malaysia	Financial institution	U.S. private	A-	3.404% gtd mdm-trm Nts due '61	US	1,750
22-Apr-21	28-Jan-32	Petronas Capital Ltd	Malaysia	Financial institution	U.S. private	A-	2.480% gtd mdm-trm nts due '32	US	1,250
12-Apr-21	19-Apr-31	GENM Capital Labuan Ltd	Malaysia	Insurance	U.S. private	BBB	3.882% gtd sr unsec nts due '31	US	1,000
22-Apr-21	28-May-28	Fomento Econo Mexicano	Mexico	Consumer products	U.S. public	A-	Sr unsecurd nts due '28	EUR	838
21-Apr-21	28-Apr-31	Malaysia Wakala Sukuk Bhd	Malaysia	Finance company	U.S. private	A-	2.070% Islamic Finance due '31	US	800
10-May-21	18-May-31	JSW Hydro Energy Ltd	India	Utility	U.S. private	NR	4.125% sr secured nts due '31	US	707
11-Mar-21	18-Mar-31	Gc Treasury Center Co Ltd	Thailand	Finance company	U.S. private	BBB	2.980% gtd mdm-trm nts due '31	US	691
20-May-21	27-May-28	PKN ORLEN SA	Poland	Integrated oil & gas	Euro public	NR	1.125% sr mdm-term nts due '28	EUR	608
4-May-21	11-May-31	Dua Capital Ltd	Malaysia	Insurance	Euro public	NR	2.780% Islamic Finance due '31	US	600
22-Apr-21	28-May-33	Fomento Econo Mexicano	Mexico	Consumer Products	U.S. public	A-	Sr unsecurd nts due '33	EUR	596

Data as of May 31, 2021 (last 90 days); excludes sovereign issuances and China. 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 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 (mil. \$)
31-Mar-21	14-Jul-28	Renew Power Pvt Ltd	India	Utility	U.S. private	NR	4.500% sr secured nts due '28	US	585
11-Mar-21	18-Mar-51	Gc Treasury Center Co Ltd	Thailand	Finance company	U.S. private	BBB	4.300% gtd mdm-trm nts due '51	US	541
23-Mar-21	30-Mar-26	PT Bk Negara Indonesia (P) Tbk	Indonesia	Banks	Euro public	NR	3.750% mdm-trm sub nts due '26	US	500
21-Apr-21	28-Apr-51	Malaysia Wakala Sukuk Bhd	Malaysia	Finance company	U.S. private	A-	3.075% Islamic Finance due '51	US	500
18-Mar-21	25-Oct-25	Cliffton Ltd	India	Finance company	U.S. private	NR	6.250% sr secured nts due '25	US	450
20-May-21	27-May-26	Arcelik AS	Turkey	Consumer products	Euro public	BB+	3.000% sr unsecurd nts due '26	EUR	428
4-May-21	11-May-26	Dua Capital Ltd	Malaysia	Insurance	Euro public	NR	1.658% Islamic Finance due '26	US	400
18-Mar-21	25-Mar-27	Clean Renewable Power	India	Finance company	U.S. private	NR	4.250% sr nts due '27	US	363
16-Mar-21	23-Mar-26	Japfa Comfeed Indonesia Tbk PT	Indonesia	Consumer products	Euro public	BB-	5.375% sr unsecurd nts due '26	US	348
22-Apr-21	29-Apr-28	Pakuwon Jati Tbk PT	Indonesia	Homebuilders/real estate company	Euro public	BB	4.875% sr unsecurd nts due '28	US	300

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

Maturing Debt | EM Financial And Non-Financial Deals Coming Due In June And July 2021

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue rating	Security description	Currency	Issuance (Mil. \$)
24-May-11	3-Jun-21	Bancolombia SA	Colombia	Banks	EURO/144A	NR	5.950% sr Unsecurd Nts due '21	US	995
26-May-11	3-Jun-21	Roselkhozbank	Russian Federation	Banks	EURO/144A	NR	6.000% mdm-trm sub nts due '21	US	800
28-Oct-14	4-Jun-21	Firststrand Bank Ltd	South Africa	Banks	Euro Public	NR	Flt rt sr bonds due '21	SAR	18
1-Jun-16	8-Jun-21	Hazine Mustesarligi Varlik AS	Turkey	Finance company	EURO/144A	NR	4.251% Islamic Finance due '21	US	1,000
1-Jun-16	8-Jun-21	MayBank	Malaysia	Banks	Euro private	NR	Float rate nts due '21	US	20
2-Jun-16	9-Jun-21	Banco Santander Chile SA	Chile	Banks	Euro private	NR	Md-term nts due '21	US	10
4-Jun-17	14-Jun-21	Santander Consumer Bank Sa	Poland	Banks	Euro public	NR	Mdm-trm flt rate nts due '21	SKR	58
6-May-11	15-Jun-21	Kansas City Southern De Mexico	Mexico	Transportation	EURO/144A	BB-	6.125% sr nts due '21	US	200
8-Jun-16	15-Jun-21	Cablevision SA	Argentina	Media & entertainment	EURO/144A	B+	6.500% sr nts due '21	US	500
16-Jun-16	16-Jun-21	Sipchem	Saudi Arabia	Chemicals, packaging & environmental services	Euro private	NR	Float rate nts due '21	SR	267
15-Jun-09	17-Jun-21	PT Bank Permata Tbk	Indonesia	Banks	Euro private	NR	9.750% sub bnds due '21	US	100
13-Jun-14	18-Jun-21	DBSA	South Africa	Banks	Euro public	NR	9.03% sr mdm-trm nts due '21	SAR	24
11-Jun-15	22-Jun-21	Oi Brasil Holdings Cooperatief	Brazil	Broker	EURO/144A	BB+	5.625% gtd sr nts due '21	EUR	671

Maturing Debt | EM Financial And Non-Financial Deals Coming Due In June And July 2021 (Cont'd)

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue rating	Security description	Currency	Issuance (mil. \$)
18-Jun-14	25-Jun-21	Turkiye Is Bankasi AS	Turkey	Banks	EURO/144A	BB+	5.000% mdm-trm nts due '21	US	748
24-Jun-14	25-Jun-21	Nedbank Ltd	South Africa	Banks	Euro public	NR	Mdm-trm fl rt nts due '21	SAR	61
24-Jun-14	25-Jun-21	Nedbank Ltd	South Africa	Banks	Euro public	NR	9.29% mdm-trm nts due '21	SAR	47
23-Jun-14	27-Jun-21	Portonave SA	Brazil	Transportation	Euro public	NR	8.400% zero cpn debts due '21	BR	58
10-Nov-10	30-Jun-21	Odebrecht Drilling Services	Brazil	Capital goods	EURO/144A	NR	6.350% sen nts due '21	US	1,497
8-Jul-14	30-Jun-21	PPC Ltd	South Africa	Forest products & building materials	Euro public	NR	9.86% mdm-trm nts due '21	SAR	23
25-Jun-14	2-Jul-21	OAS Investimentos SA	Brazil	Capital goods	EURO/144A	BB-	8.000% grtd bds due '21	US	400
26-Jun-14	3-Jul-21	Mastellone Hermanos SA	Argentina	Consumer products	EURO/144A	CCC-	12.625% grtd bds due '21	US	200
27-Jun-17	5-Jul-21	Eurochem Finance DAC	Russian Federation	Broker	EURO/144A	BB-	3.950% gtd sr unsec nts due '21	US	500
28-Jun-11	6-Jul-21	Wakala Global Sukuk Bhd	Malaysia	Finance company	EURO/144A	A-	4.646% Islamic Finance due '21	US	800
2-Jul-12	12-Jul-21	America Movil SAB de CV	Mexico	Telecommunications	U.S. Public	A-	3.000% global bds due '21	EUR	1,258
30-Jun-16	13-Jul-21	Turkiye Halk Bankasi AS	Turkey	Banks	EURO/144A	NR	5.000% fxd/straight bds due '21	US	499

Maturing Debt | EM Financial And Non-Financial Deals Coming Due In June And July 2021 (Cont'd)

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue rating	Security description	Currency	Issuance (mil. \$)
8-Jul-11	14-Jul-21	NTPC Ltd	India	Utility	Euro public	BBB-	5.625% sr unsec nts due '21	US	497
7-Jul-14	15-Jul-21	Ongc Videsh Ltd	India	Integrated oil & gas	Euro public	BBB-	2.750% gtd bds due '21	EUR	712
13-Jan-16	20-Jul-21	Export-Import Bank of India	India	Banks	Euro public	BBB-	3.125% mdm-trm nts due '21	US	498
13-Jul-17	20-Jul-21	Alfa Bond Issuance Plc	Russian Federation	Finance company	Euro public	NR	8.900% sr unsec nts due '21	RR	167
5-Jul-18	21-Jul-21	Cagamas Global Plc	Malaysia	Finance company	Euro private	NR	3.170% gtd mdm-trm nts due '21	HK	40
18-Jul-17	25-Jul-21	PKO Bank Polski SA	Poland	Banks	Euro public	NR	0.750% mdm-trm nts due '21	EUR	865
19-Jul-18	26-Jul-21	Cagamas Global Plc	Malaysia	Finance company	Euro private	NR	Mdm-trm fl nts due '21	US	28
31-May-16	28-Jul-21	Glenmark Pharmaceutic als Ltd	India	Healthcare	Euro public	NR	2.000% conv bds due '22	US	170
15-Jul-14	30-Jul-21	PSB Finance SA	Russian Federation	Finance company	Euro public	NR	10.500% mdm-trm sub nts due '21	US	300

Data as of May 31, 2021; excludes sovereign. Red means speculative-grade rating, blue means investment-grade rating, and grey means 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 May

Country	Rating	Outlook	5 Year CDS spread	Median rating financials	Median rating non-financials
Argentina	CCC+	Stable	1748		CCC+
Brazil	BB-	Stable	170		BB-
Chile	A	Stable	68		BBB
China	A+	Stable	37	A	BBB
Colombia	BB+	Stable	141		BB+
India	BBB-	Stable	86		BB+
Indonesia	BBB	Negative	76		B-
Malaysia	A-	Negative	46		BBB+
Mexico	BBB	Negative	94	BB+	BBB-
Philippines	BBB+	Stable	46		BBB+
Poland	A-	Stable	47	A-	BB
Russia	BBB-	Stable	97	BB	BB+
Saudi Arabia	A-	Stable	60	BBB	BBB+
South Africa	BB-	Stable	190		BB-
Thailand	BBB+	Stable	40	A-	BBB+
Turkey	B+	Stable	406		BB-

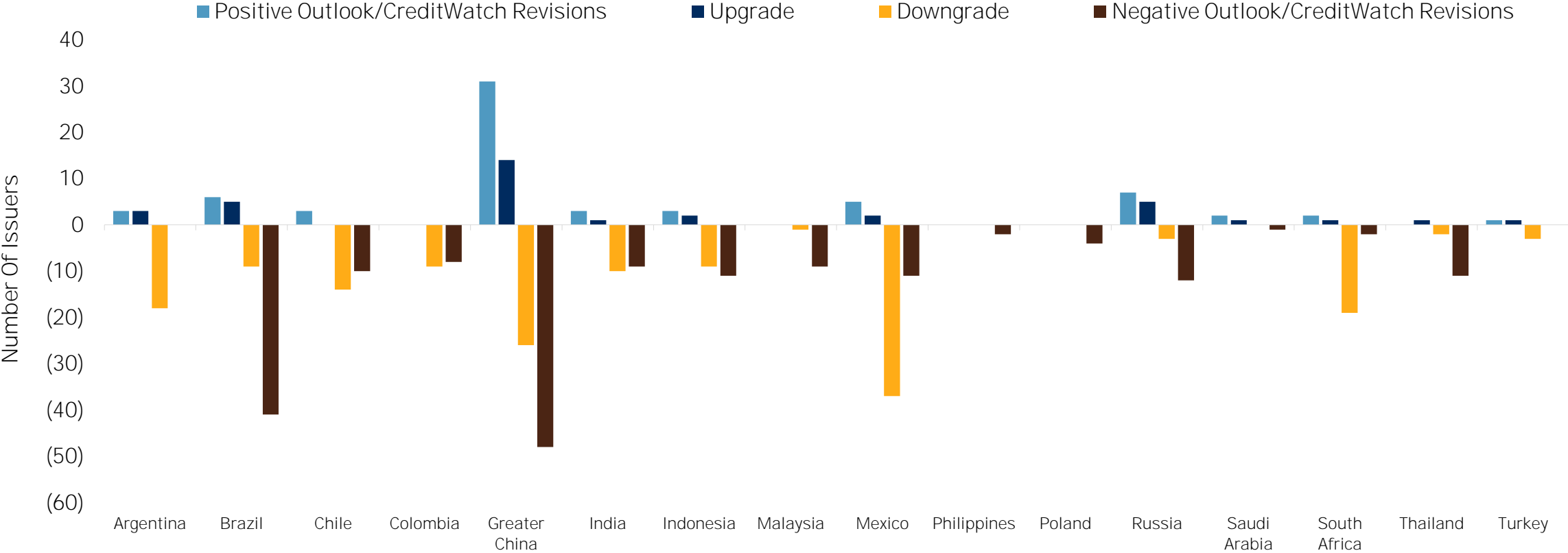
Note: Foreign currency ratings. Red means speculative-grade rating, and blue means investment-grade rating. Data and CDS spread are as of May 31, 2021. China median rating includes China, Hong Kong, Macau, Taiwan, and Red Chip companies. Source: S&P Global Ratings Research and S&P Capital IQ.

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

Rating date	Issuer	Country	Sector	To	From	Action type	Debt amount (mil. \$)
20-May-21	Ecopetrol S.A.	Colombia	Integrated oil & gas	BB+	BBB-	Downgrade	9,850
25-Mar-21	Banco Santander-Chile S.A. (Banco Santander S.A.)	Chile	Bank	A-	A	Downgrade	3,039
25-Mar-21	Banco del Estado de Chile	Chile	Bank	A	A+	Downgrade	2,605
25-Mar-21	Empresa de Transporte de Pasajeros Metro S.A.	Chile	Utilities	A	A+	Downgrade	2,500
25-Mar-21	Empresa Nacional del Petroleo	Chile	Utilities	BB+	BBB-	Downgrade	2,480
5-Apr-21	Tata Steel Ltd.	India	Metals, mining & steel	BB-	B+	Upgrade	2,300
13-May-21	Credito Real, S.A.B. de C.V., SOFOM, E.N.R. (Futulem, S.A.P.I. de C.V.)	Mexico	Financial institution	BB-	BB	Downgrade	1,969
25-Mar-21	Banco de Credito e Inversiones	Chile	Bank	A-	A	Downgrade	1,657
23-Apr-21	TMK PAO	Russia	Metals, mining & steel	B+	BB-	Downgrade	1,000
22-Mar-21	Arcelik A.S.	Turkey	Consumer products	BB+	BB	Upgrade	917
12-Apr-21	Sovcomflot PAO	Russia	Transportation	BBB-	BB+	Upgrade	750
20-May-21	Enel Americas S.A. (Enel SpA)	Chile	Utilities	BBB-	BBB	Downgrade	600
20-May-21	Grupo de Inversiones Suramericana S.A.	Colombia	Diversified	BB+	BBB-	Downgrade	550
24-Mar-21	Colombia Telecomunicaciones, S.A. E.S.P (Telefonica S.A.)	Colombia	Telecommunications	BB	BB+	Downgrade	500
31-May-21	Serba Dinamik Holdings Berhad	Malaysia	Oil & gas exploration & production	B-	B+	Downgrade	500
28-Apr-21	Future Retail Limited	India	Retail/restaurants	SD	CCC-	Downgrade	500
20-May-21	Financiera de Desarrollo Territorial S.A. FINDETER	Colombia	Bank	BB+	BBB-	Downgrade	500
13-Apr-21	YPF Energia Electrica S.A. (YPF S.A)	Argentina	Utilities	SD	CCC-	Downgrade	400
5-Apr-21	Sixsigma Networks Mexico, S.A. De C.V.(KIO Networks)	Mexico	High Technology	B	B+	Downgrade	300
22-Apr-21	Alpha Holding S.A. de C.V.	Mexico	Financial Institutions	CCC	B-	Downgrade	300

EM | Total Rating Actions

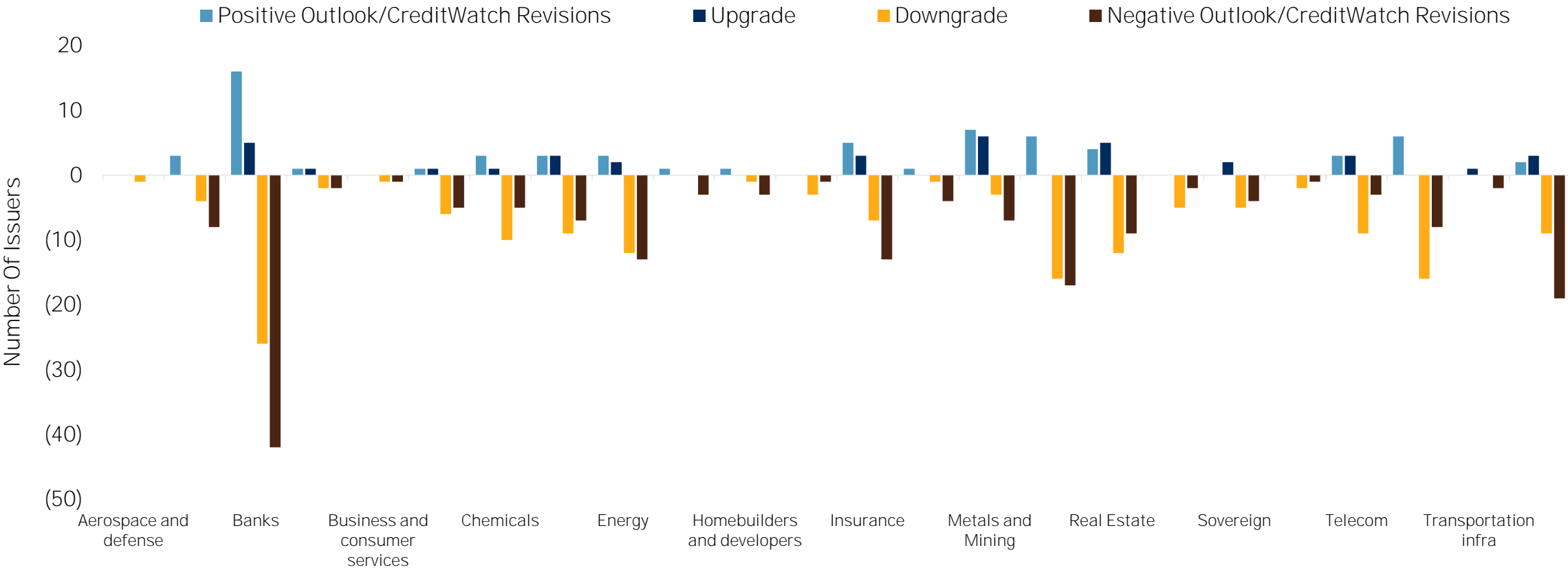
By Economy



Note: Data includes sovereigns. Data from Feb. 3, 2020, to May 21, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

EM | Total Rating Actions

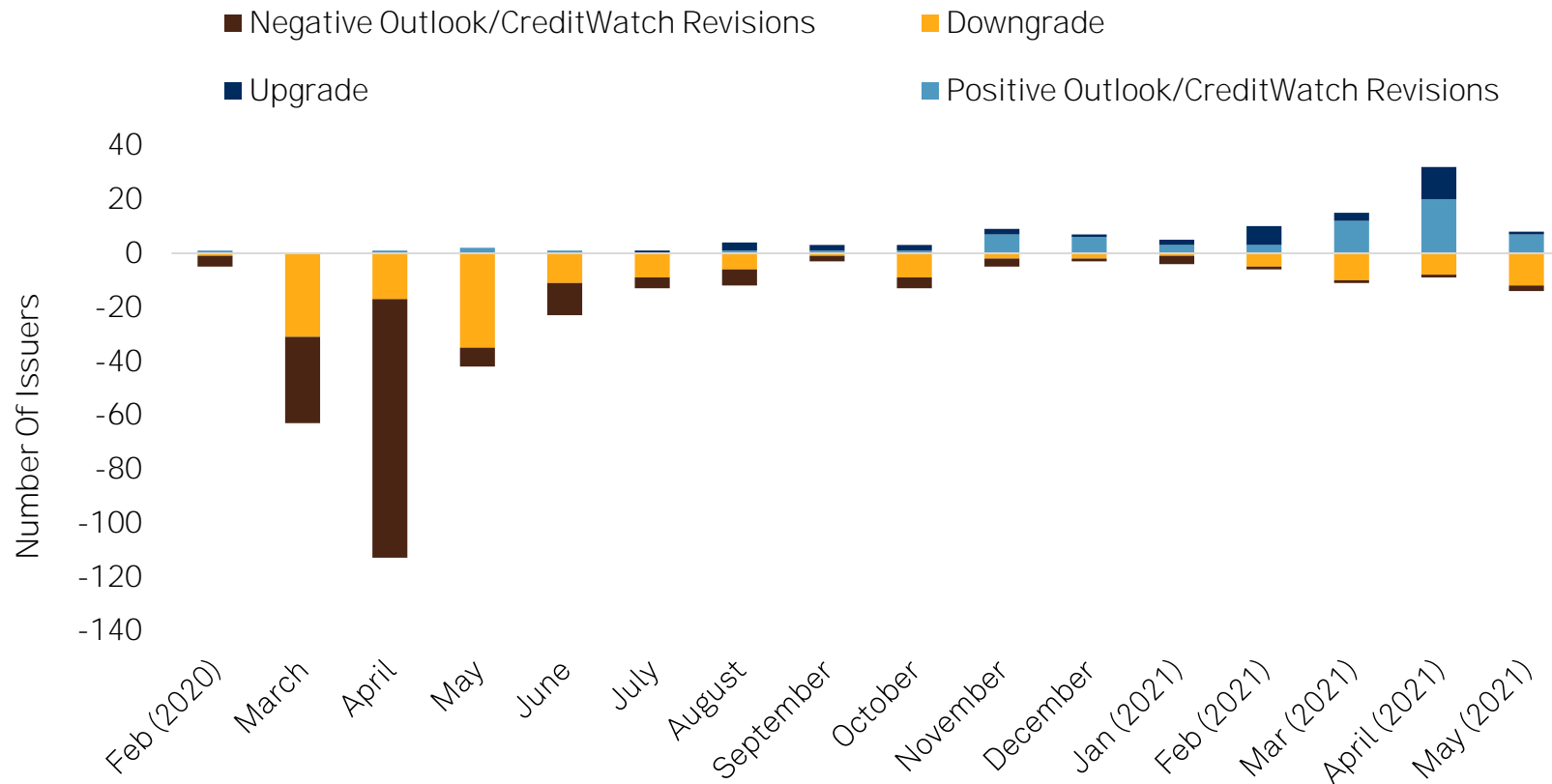
By Sector



Note: Data includes sovereigns. Data from Feb. 3, 2020, to May 21, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

EM | Total Rating Actions

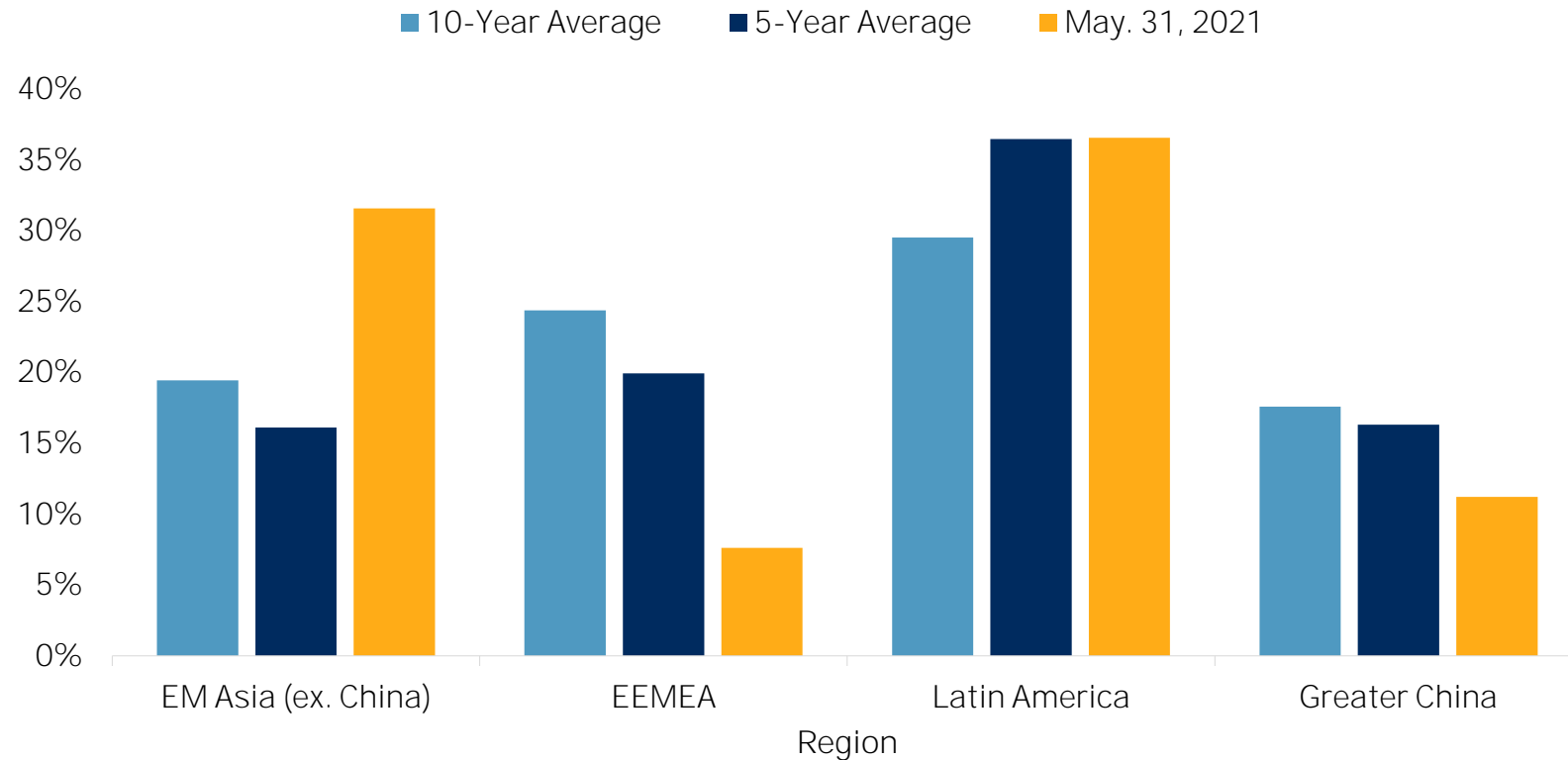
By Month



- The largest number of rating downgrades were in May 2020 (35).
- The most CreditWatch listings/outlook revisions to negative occurred in April 2020 (96).
- The rating actions slowed markedly compared with the same period last year. For May 2021 in EM, we saw 12 downgrades, two CreditWatch listings/outlook revisions to negative, one upgrade, and seven CreditWatch listings/outlook revisions to positive.

Data includes sovereigns. Data from Feb. 3, 2020, to May 21, 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

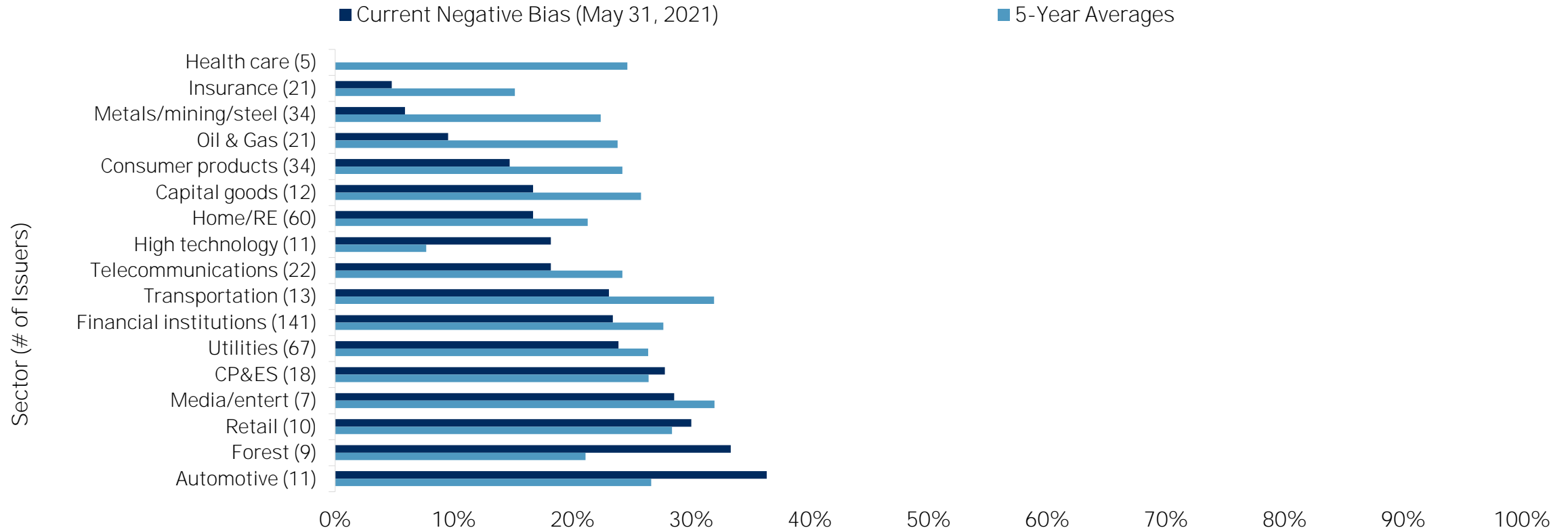


- EM Asia (excluding China). The May 2021 downgrade potential was 32%, slightly lower than for April 2021 (36%), but much higher than both 5- and 10-year historical averages.
- EEMEA. May downgrade (8%) potential was much lower, especially compared with the other EMs.
- LatAm. Downgrade potential in May (37%) stayed above both historical averages.
- Greater China. The May downgrade potential (11%) was slightly below its 5-year average (16%) and 10-year average (18%).

Data as of May 31, 2021 and exclude sovereigns. Latin America: Argentina, Brazil, Chile, Colombia, Mexico. EM 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

The Automotive, And Forest Products And Building Materials Sectors Continued To Lead The Sector Downgrade Potentials In May



Data as of May 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. Media/entert -- Media and entertainment, 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' In 2021**

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil.)
22-Apr-21	Alpha Holding S.A. de C.V.	Mexico	Financial Institutions	CCC	B-	\$ 300

One rating change in EM from 'B-' to 'CCC' so far for 2021.

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of May 31, 2021; includes sovereigns and Greater China and Red Chips companies. Source: S&P Global Ratings Research.

Rating Actions | Rating Changes From 'B-' To 'CCC' In 2020

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil.)
8-May-20	YPF S.A	Argentina	Oil and gas exploration and 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	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	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	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 and gas exploration and 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 and 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

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 | EM Fallen Angels In 2020 And 2021 YTD

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil.)
15-Jun-20	Embraer S.A.	Brazil	Aerospace and 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 and environmental services	BB+	BBB-	4,150
14-Jul-20	Zijin Mining Group Co. Ltd.	China	Metals, mining and steel	BB+	BBB-	350

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.

Five EM fallen angels so far in 2021 including one sovereign.

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil. \$)
25-Mar-21	Empresa Nacional del Petroleo	Chile	Utilities	BB+	BBB-	2,480
19-May-21	Republic of Colombia	Colombia	Sovereign	BB+	BBB-	30,184
20-May-21	Grupo de Inversiones Suramericana S.A.	Colombia	Diversified	BB+	BBB-	550
20-May-21	Financiera de Desarrollo Territorial S.A. FINDETER	Colombia	Bank	BB+	BBB-	500
20-May-21	Ecopetrol S.A.	Colombia	Integrated Oil & Gas	BB+	BBB-	9,850

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of May 31, 2021; includes sovereigns and Greater China and Red Chips companies. Source: S&P Global Ratings Research.

Rating Actions | EM Rising Stars In 2020 And 2021 YTD

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil. \$)
17-Sep-20	Mobile TeleSystems PJSC (Sistema (PJSFC))	Russia	Telecommunications	BBB-	BB+	1,000

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.

Three EM rising stars so far in 2021.

Rating date	Issuer	Country	Sector	To	From	Debt amount (mil. \$)
12-Apr-21	Sovcomflot PAO	Russia	Transportation	BBB-	BB+	750
8-Apr-21	Shimao Group Holdings Ltd.	Cayman Islands	Homebuilders/real estate company	BBB-	BB+	2,100
18-Mar-21	Grupo Cementos de Chihuahua S.A.B. de C.V.	Mexico	Forest products & building materials	BBB-	BB+	260

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of May 31, 2021; includes sovereigns and Greater China and Red Chips companies. Source: S&P Global Ratings Research.

Rating Actions | List Of Defaulters In 2020 And 2021 YTD

Rating Date	Issuer	Country	Sector	Rating To	Rating From	Action Type	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

Data is by end of year for 2020, and as of May 31 for 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers in 2020 and two in 2021 YTD. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

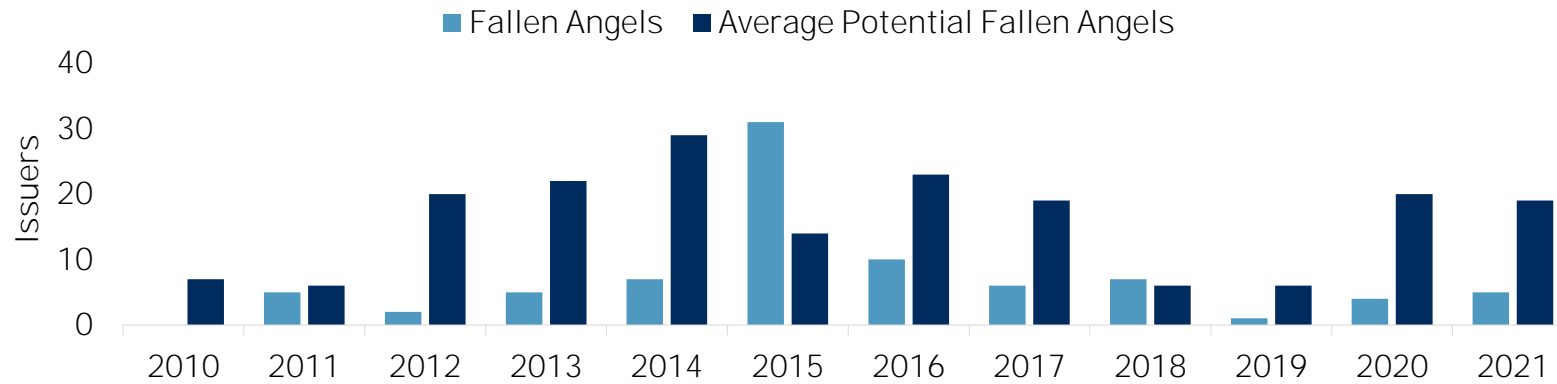
Rating Actions | List Of Defaulters For 2020 And 2021 YTD (Cont'd)

Rating Date	Issuer	Country	Sector	Rating To	Rating From	Action Type	Debt Amount (US \$ Mil)
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
26-Feb-21	YPF S.A	Argentina	Oil & Gas Exploration & Production	SD	CC	Downgrade	\$ 2,900
2-Mar-21	Sunshine 100 China Holdings Ltd.	Cayman Islands	Homebuilders/real estate companies	SD	CCC-	Downgrade	\$ -
13-Apr-21	YPF Energia Electrica S.A. (YPF S.A)	Argentina	Utilities	SD	CCC-	Downgrade	\$ 400
27-Apr-21	Maxcom Telecomunicaciones, S.A.B. de C.V.	Mexico	Telecommunications	D	CCC-	Downgrade	\$ -
28-Apr-21	Future Retail Ltd.	India	Retail/restaurants	SD	CCC-	Downgrade	\$ 500

Data is by end of year for 2020, and as of May 31 for 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers in 2020 and two in 2021 YTD. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

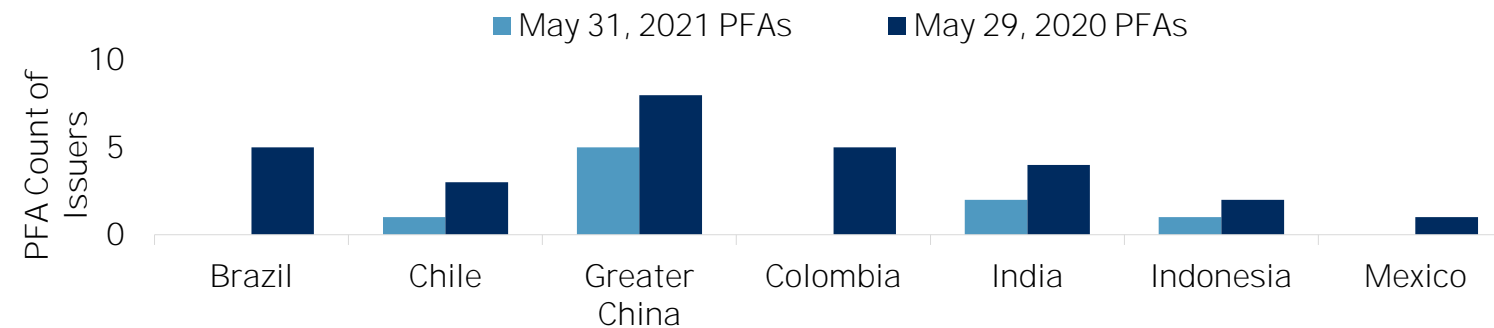
Rating Actions | Fallen Angels And Potential Fallen Angels

Five EM Fallen Angels In 2021 YTD, Potential Fallen Angels Level Decreasing Slowly



Data as of May 31, 2021. Parent only. Include Red Chip companies. Source: S&P Global Ratings Research.

EM Potential Fallen Angels By Economy

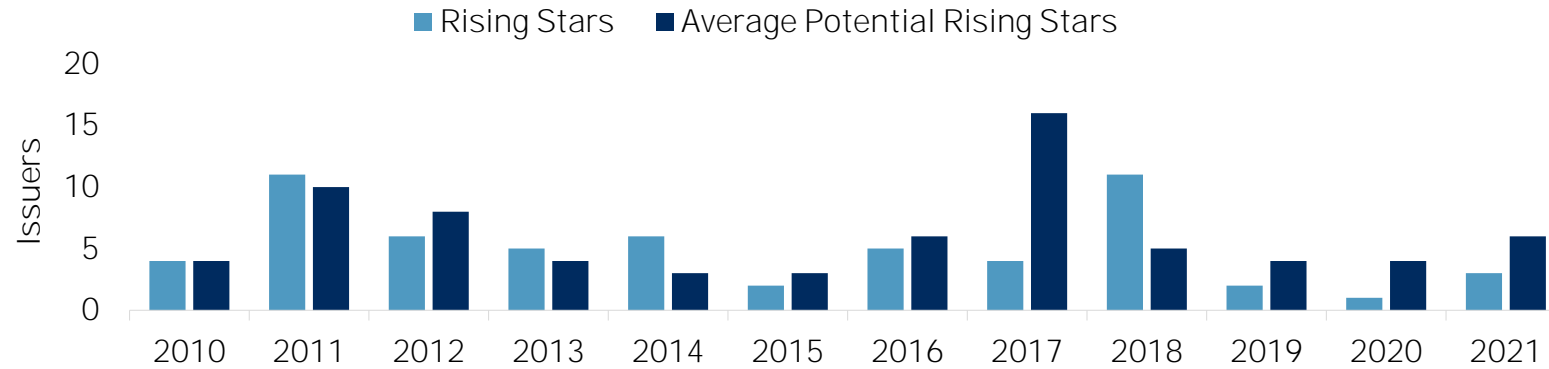


Data as of May 31, 2021. Include Red Chip companies. Source: S&P Global Ratings Research.

- Five fallen angels. Through May 2021, Chile-based Empresa Nacional del Petroleo and four Colombia-based entities including the sovereign were the fallen angels in EM16.
- Among the current EM potential fallen angels, there were none on CreditWatch, indicating lower immediate downgrade risk, as potential fallen angels with negative outlooks typically have a one-in-three chance of a downgrade within two years of receiving the negative outlook.
- Global potential fallen angel counts decreased when compared with last month. The number of potential fallen angels declined for a ninth consecutive month, suggesting diminishing risk for fallen angels.
- For more information, see [“'BBB' Pulse: Rising Stars Hit Highest Monthly Total Since Before The Pandemic”](#) published May 26, 2021.

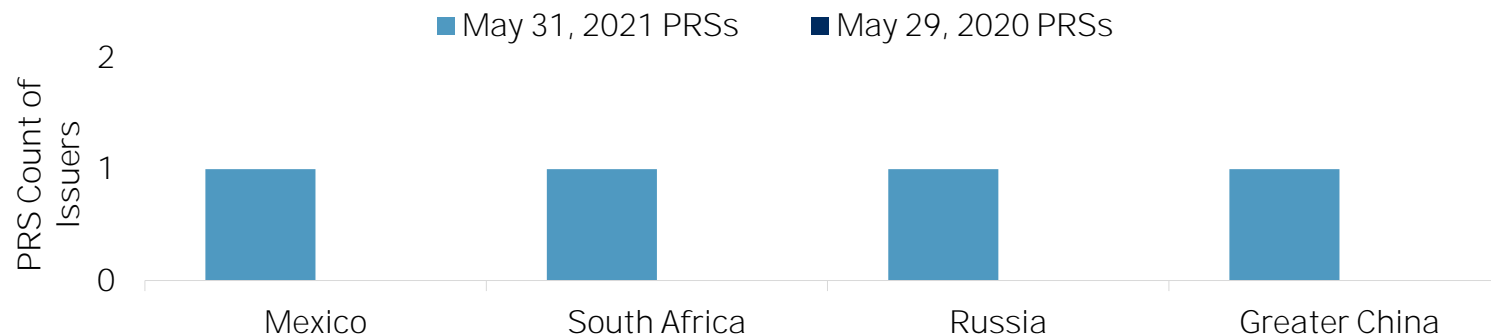
Rating Actions | Rising Stars And Potential Rising Stars

Three EM Rising Stars So Far In 2021, Potential Rising Stars Level Increasing Slowly



Data as of May 31, 2021. Parent only. Include Red Chip companies. Source: S&P Global Ratings Research.

EM Potential Rising Stars By Economy

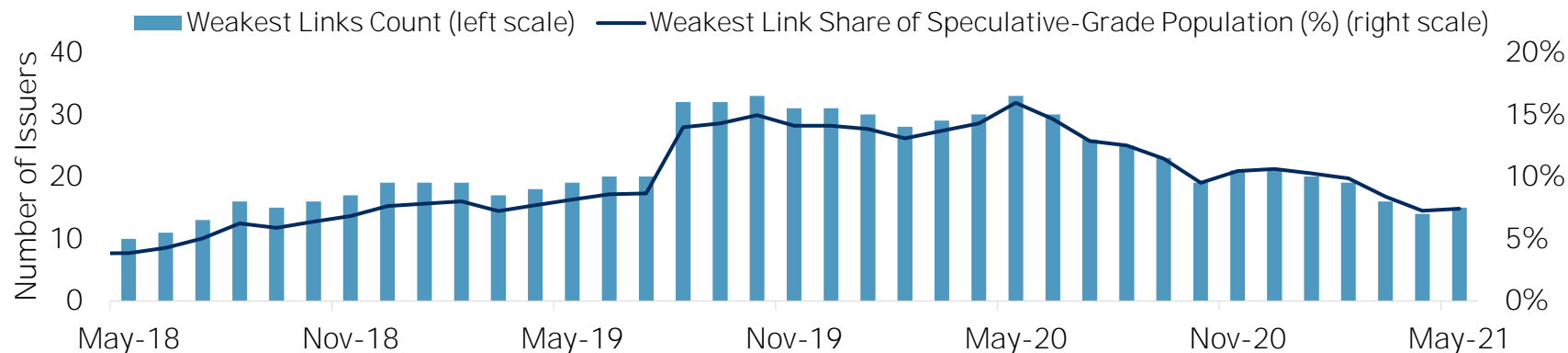


Data as of May 31, 2021. Include Red Chip companies. Source: S&P Global Ratings Research. There were no potential rising stars as of May 29, 2020.

- Three rising stars. Through May 2021, there were one each rising star from Russia, Cayman Islands, and Mexico.
- Among the current EM potential rising stars (PRS), there were none on CreditWatch positive.
- Global potential rising stars counts increased. The number of potential rising stars continued to increase. Potential rising stars (issuers rated 'BB+' with positive outlooks or ratings on CreditWatch with positive implications).
- For more information, see [“'BBB' Pulse: Rising Stars Hit Highest Monthly Total Since Before The Pandemic”](#) published May 26, 2021.

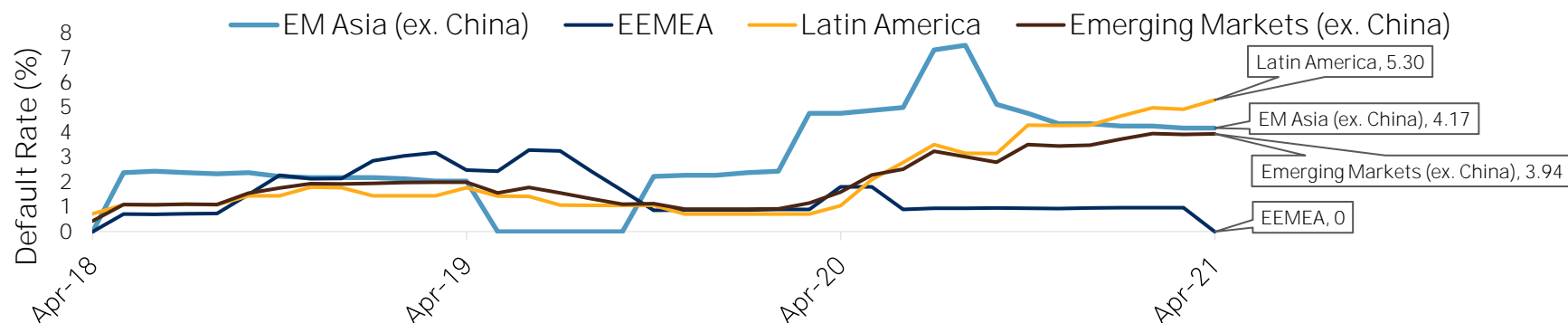
Rating Actions | Weakest Links And Defaults

EM Weakest Links Reached Record Highs In 2020, Pointing To Likely Higher Default Rates In 1H 2021



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

Default Rates At High Levels After Reaching Record Level In 2020

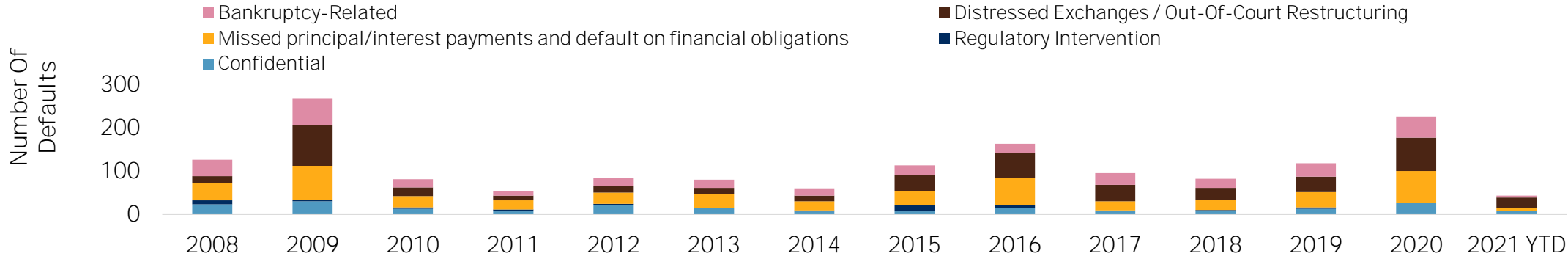


CreditPro data as of April 30, 2021. Default rates are trailing 12-month speculative-grade default rates. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

- Weakest links. EM saw 15 issuers on the weakest links list (nearly 7% of total speculative-grade issuers), reflecting default prospects for the weakest issuers.
- Default rates. April default rate slightly increased for LatAm as well as for EM (excluding China), decreased in EEMEA, and kept stable for EM Asia (excluding China) compared with the prior month.
- For more information, see [“The Weakest Links Tally Nears Pre-Pandemic Levels”](#) published June 2, 2021.

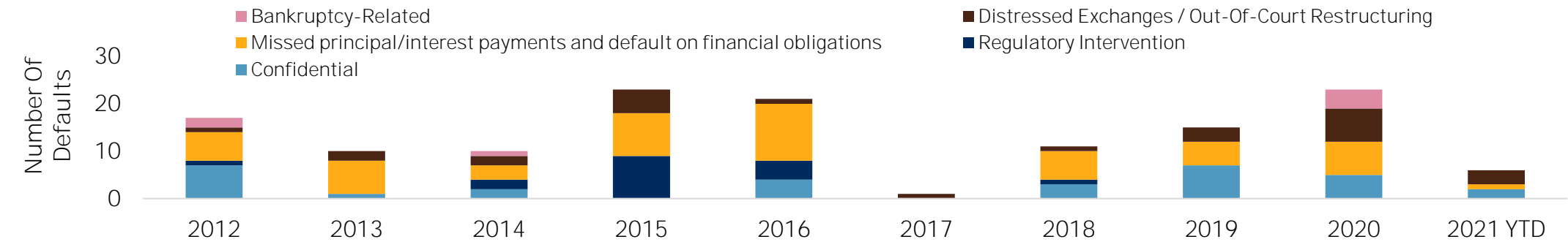
Rating Actions | Defaults

Year-End Global Corporate Defaults By Reason



*Data as of May 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 May 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

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- The 2021 Corporate Default Tally Remains At 43 For The Second Consecutive Week, June 4, 2021
- The Weakest Links Tally Nears Pre-Pandemic Levels, June 2, 2021
- 'BBB' Pulse: Rising Stars Hit Highest Monthly Total Since Before The Pandemic, May 26, 2021
- Global Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date In 2021, May 25, 2021
- Take A Hike: Which Sovereigns Are Best And Worst Placed To Handle A Rise In Interest Rates, May 24, 2021
- Emerging Markets Monthly Highlights: Slow Vaccination Keeps Recovery At Risk, May 12, 2021
- Emerging Markets: Returning To Pre-Pandemic GDP Is Only Part Of The Recovery Story, May 6, 2021
- Second COVID Wave May Derail India's Budding Recovery, May 5, 2021
- Credit Conditions Emerging Markets Q2 2021: Brighter Prospects Prone To Setbacks, March 30, 2021
- Economic Outlook Emerging Markets Q2 2021: Tailwinds From Stronger Global Growth, But Several Challenges On The Radar, March 30, 2021
- Economic Outlook Latin America Q2 2021: Despite Growth Picking Up, Pre-Pandemic Weaknesses Remain, March 25, 2021
- Economic Outlook Asia-Pacific Q2 2021: Three-Speed Recovery Will Benefit From Faster Global Growth, March 25, 2021
- Economic Research: Rising Commodity Prices Are Generally Good News For Emerging Markets--But Watch Out For Inflation, March 19, 2021

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