

# Emerging Markets Monthly Highlights

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## Rising Yields Could Expose Pockets Of Funding Constraints

Nov. 10, 2021



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**S&P Global**  
Ratings

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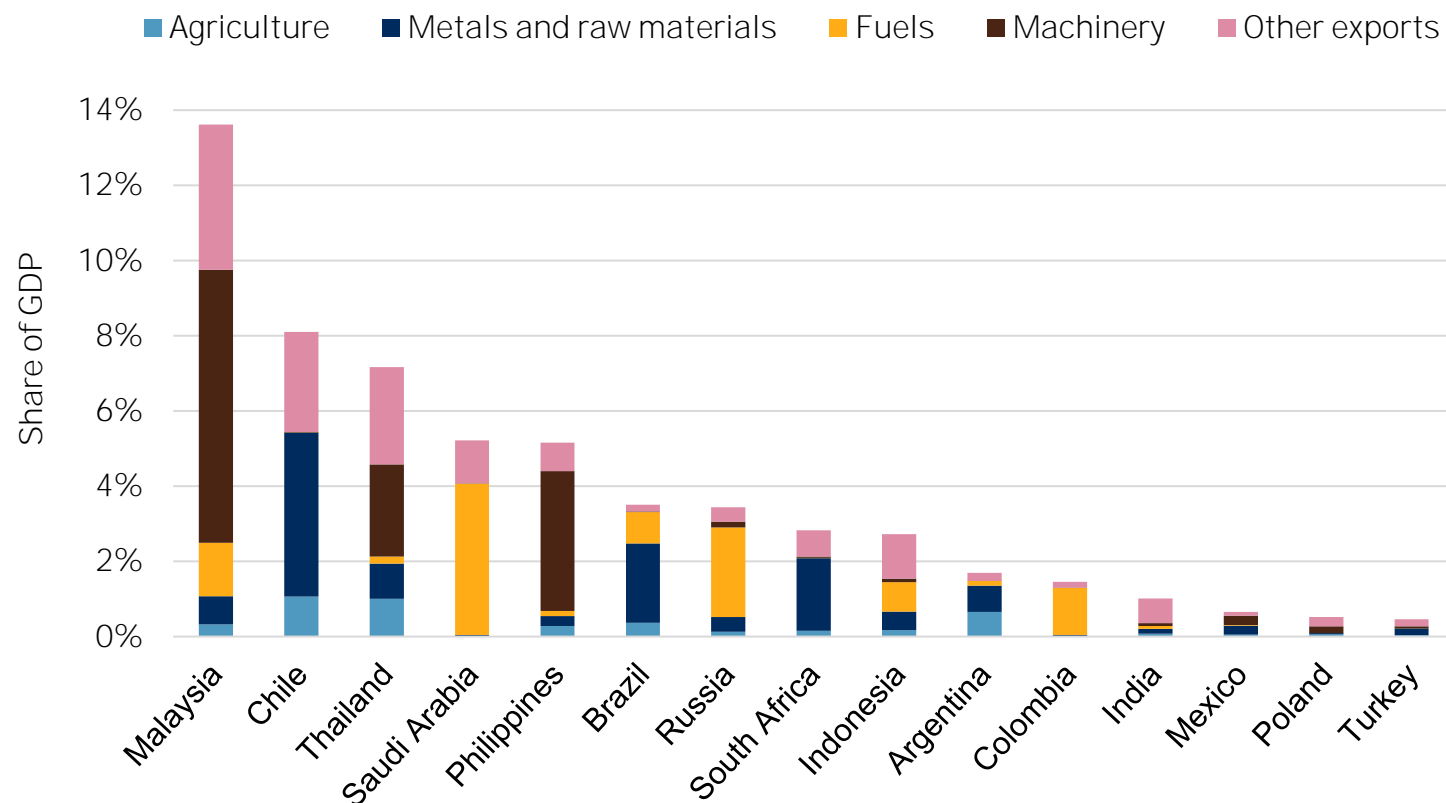
# Key Takeaways

- **We see risks from China’s slower growth path and policy shifts, as China’s economy transitions toward “common prosperity” and greater financial discipline.** A broader and deeper slowdown in China could have knock-on effects on the rest of the emerging market economies, especially those who are big exporters to China. Some economies are exposed to China’s demand for metals and raw materials, such as Chile and South Africa, while others depend more on energy demand.
- Signs of credit weakness concentrated among Chinese real estate developers, but emerging market credit remains relatively stable outside of that sector. In fact, so far in 2021, Chinese property developers accounted for more than half of the downgrades in the most vulnerable area of the credit market (rated ‘B-’ to ‘CCC’). Additionally, the Chinese property segment accounts for five of the 11 publicly-rated emerging market defaults so far this year. The rest of the defaults have been spread out across regions and sectors.
- Rising inflation will continue to keep central banks on a tightening bias. Input costs for producers across major emerging markets have been rising more rapidly than consumer prices, suggesting that producers may be currently absorbing a higher burden of the rise in input costs, in a context of a still fragile recovery. There tends to be a lag between an increase in producer prices and consumer prices, which could be a sign of a continuing upward pressure on consumer prices in the coming months.
- Financing conditions tightened in emerging markets in recent months, mostly due to the rising benchmark yields. Overall, funding costs have risen toward pre-pandemic levels. In EMEA and Latin America, central banks have been working on rate normalization, pushing up the benchmark yields. In Asia, we see the opposite. While the benchmark yields have been stable because central banks are not yet tightening, emerging market Asia spreads have widened, particularly in the high-yield space, pushing overall funding costs up.



# Trade Linkages | China Slowdown Could Affect Emerging Markets

## Emerging Markets Export Exposure To China

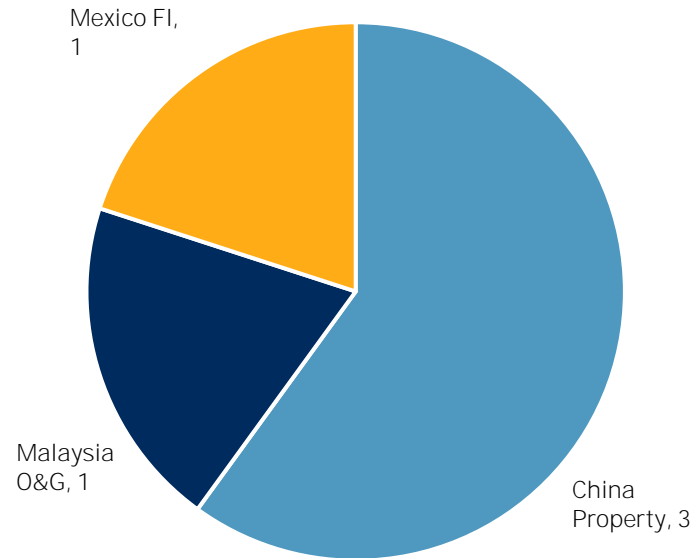


Data for 2019. For Argentina and Mexico, data is from 2018. Source: World Integrated Trade Solution, CEIC data, IMF and S&P Global Economics.

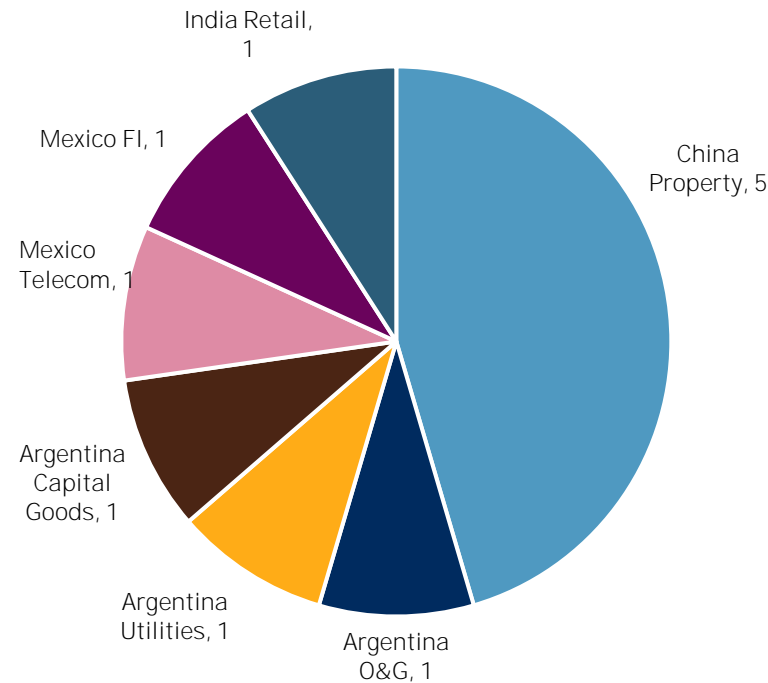
- China's policy is transitioning toward "common prosperity" and greater financial discipline. In the near term, this could mean growth disruption that is more broad-based than the ongoing real estate sector slowdown. **China's shift** toward slower medium-run growth will mean slower demand growth for emerging markets.
- A growth slowdown in China **could affect** emerging markets substantially. Several economies have large trade exposure. Trade linkages vary across countries. Some economies rely on China's demand for metals and raw materials, such as Chile and South Africa, while others are more dependent on energy or machinery (including electronics) demand.

# EM Credit | Recent Stress Concentrated In Chinese Property Sector

## Emerging Markets Rating Changes To 'CCC' From 'B-' in 2021, YTD



## Emerging Markets Defaults In 2021, YTD

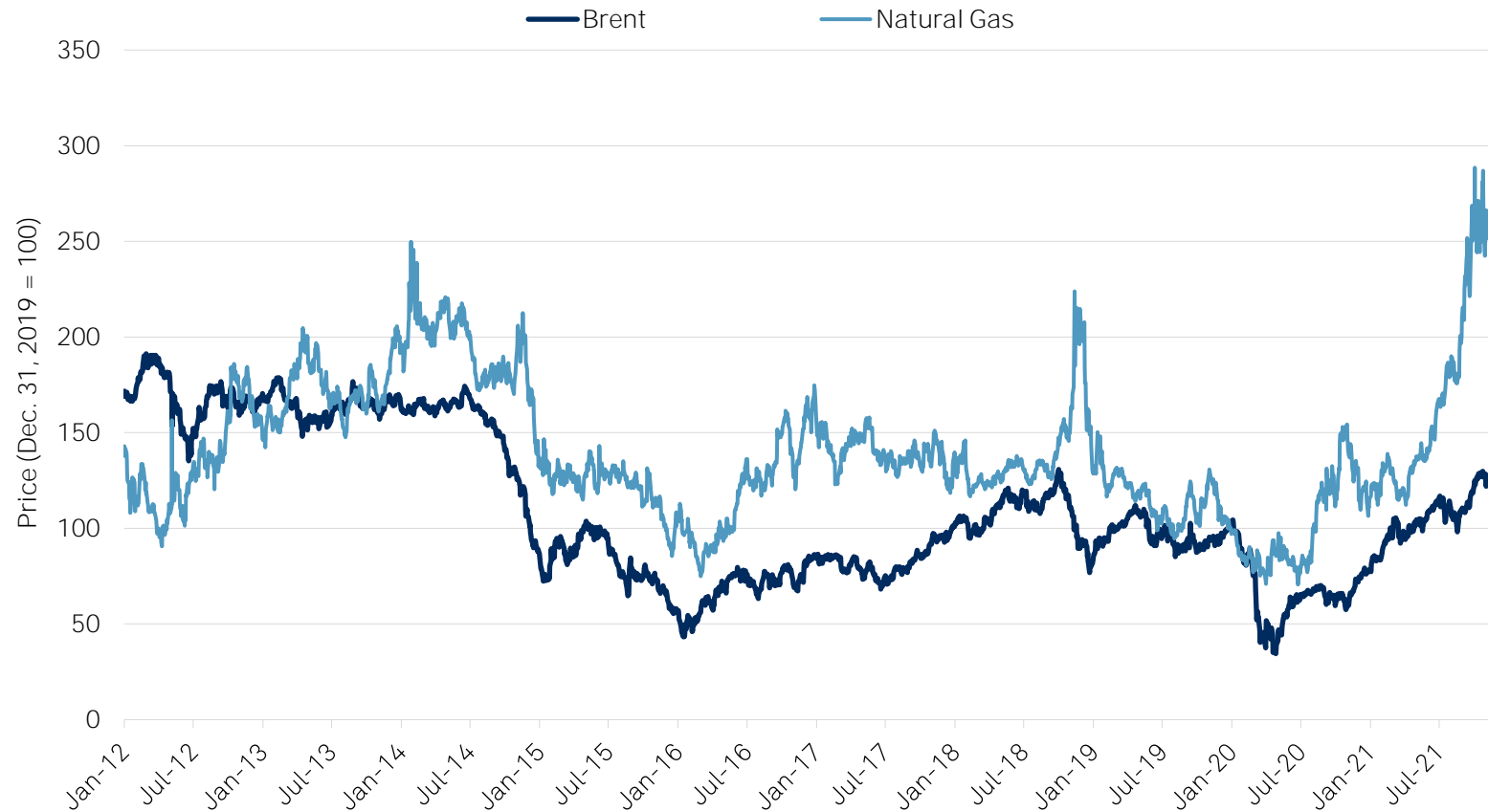


- We see little sign of broad-based credit stress among the lowest-rated EM issuers, especially those we downgraded to 'CCC' from 'B-'. In 2021, the majority of these downgrades have been concentrated among the Chinese homebuilder and real estate issuers, with other sectors and regions remaining relatively stable. Among the homebuilders and real estate developers, China Evergrande Group has the highest debt exposure.
- A similar trend holds in the EM year-to-date defaults tally, which is dominated by issuers from the China property sector. The sector has been rattled by uncertainty over concentrated maturities and worsening liquidity, amplified by investor concerns around contagion risks related to Evergrande.

Data as of Oct. 31, 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

# Energy | Prices Will Normalize, But Not Yet

## Oil And Natural Gas Prices

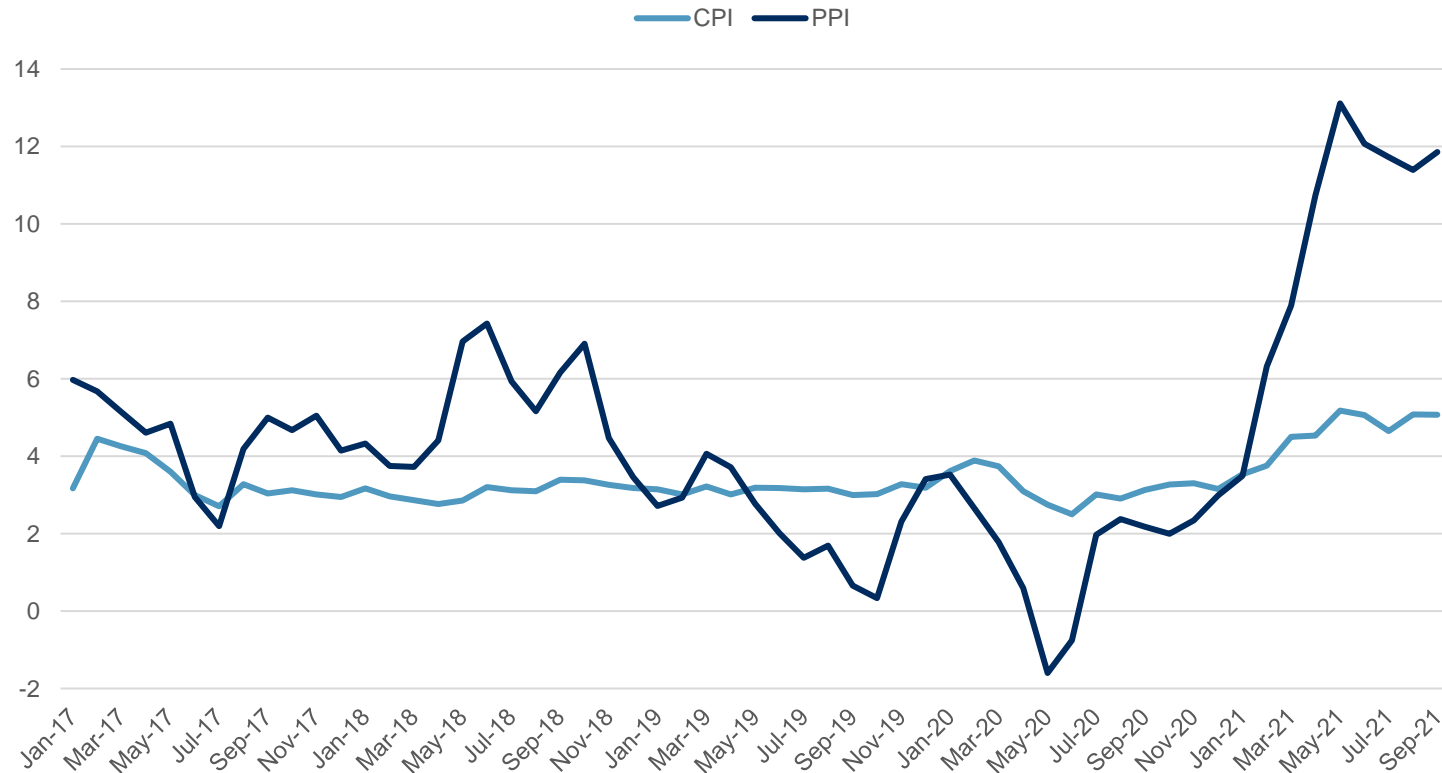


Data as of Nov. 8, 2021. Source: S&P Capital IQ.

- Oil prices may continue to rise after a temporary dip with the global recovery continuing and winter around the corner for the Northern Hemisphere. Oil prices fell in early November to near a one-month low following the increases in the crude inventories because the high prices have encouraged more supply. Meanwhile, the market saw gas prices fluctuate following the surge in prices in the third quarter.
- With the firming demand throughout the global energy market, and supply chain disruptions, the mismatch between demand and supply may continue to deepen.

# Inflation | Will Producers Eventually Pass Higher Input Costs More Aggressively To Consumers?

Consumer and producer price indices, EM median, % change year-over-year

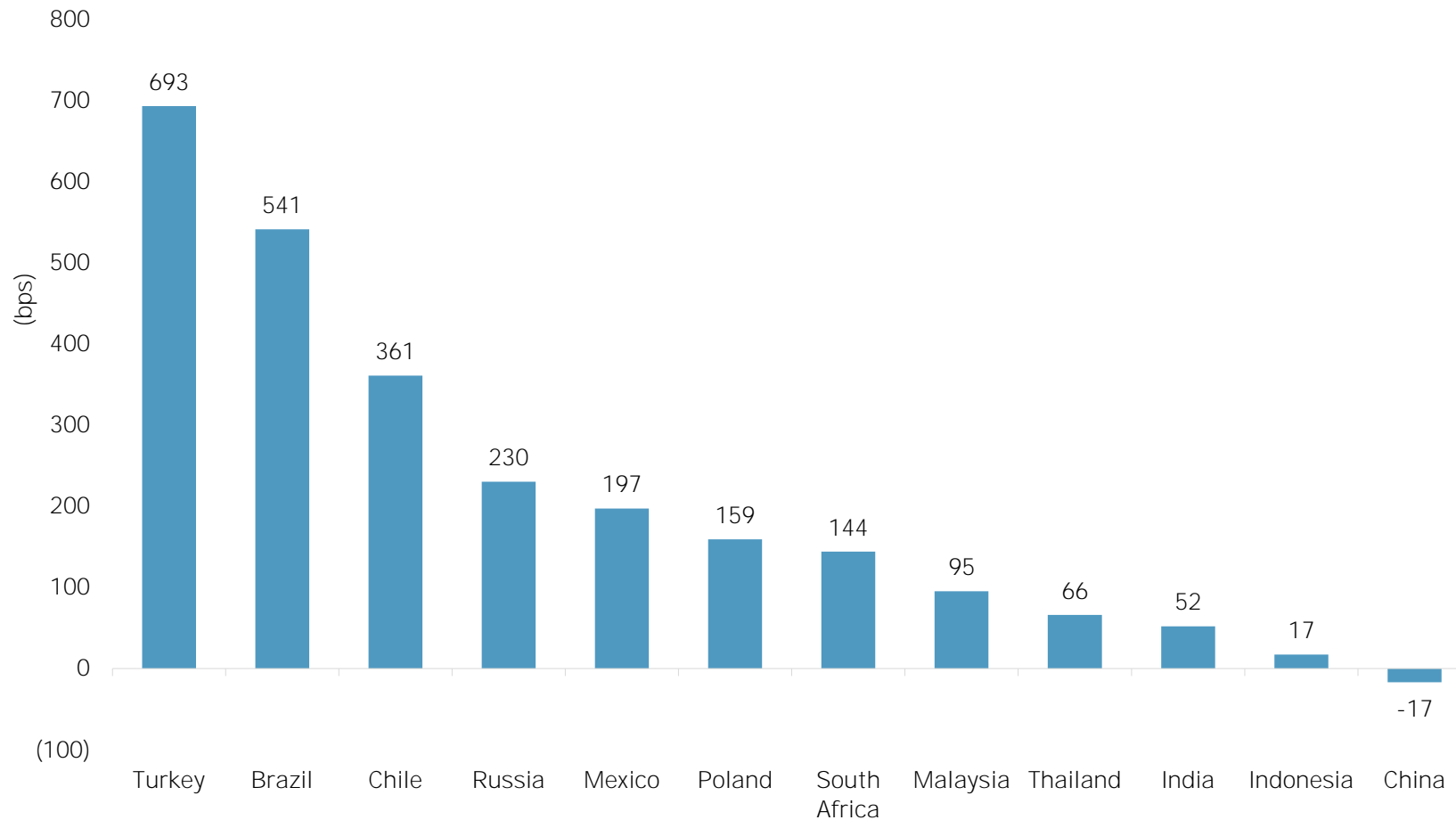


Note: EM median includes data for Argentina, Brazil, Chile, China, Colombia, India, Malaysia, Mexico, Philippines, Poland, Russia, Saudi Arabia, South Africa, Thailand, and Turkey. Source: Haver, S&P Global Ratings.

- Passthrough has been limited so far. Input costs for producers across major EMs have been rising much more rapidly than consumer prices (see chart). This suggests producers may be currently absorbing a higher burden of the rise in input costs, in the context of a still fragile recovery in consumer demand in some EMs. However, there tends to be a lag between increase in producer prices and consumer prices, which could be a sign that upward pressure on consumer prices will remain in the coming months.
- Rising inflation will continue to keep central banks on a tightening bias. Over the last month, six major EM central banks hiked rates (Brazil, Chile, Colombia, Mexico, Poland, and Russia), in several cases delivering above-consensus interest rate hikes. The recent rapid rise in energy prices has increased market-implied expectations for more rate hikes in the coming months in most EMs outside of Asia.

# EM Yields | Rising Yields Amid Sticky Inflation

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



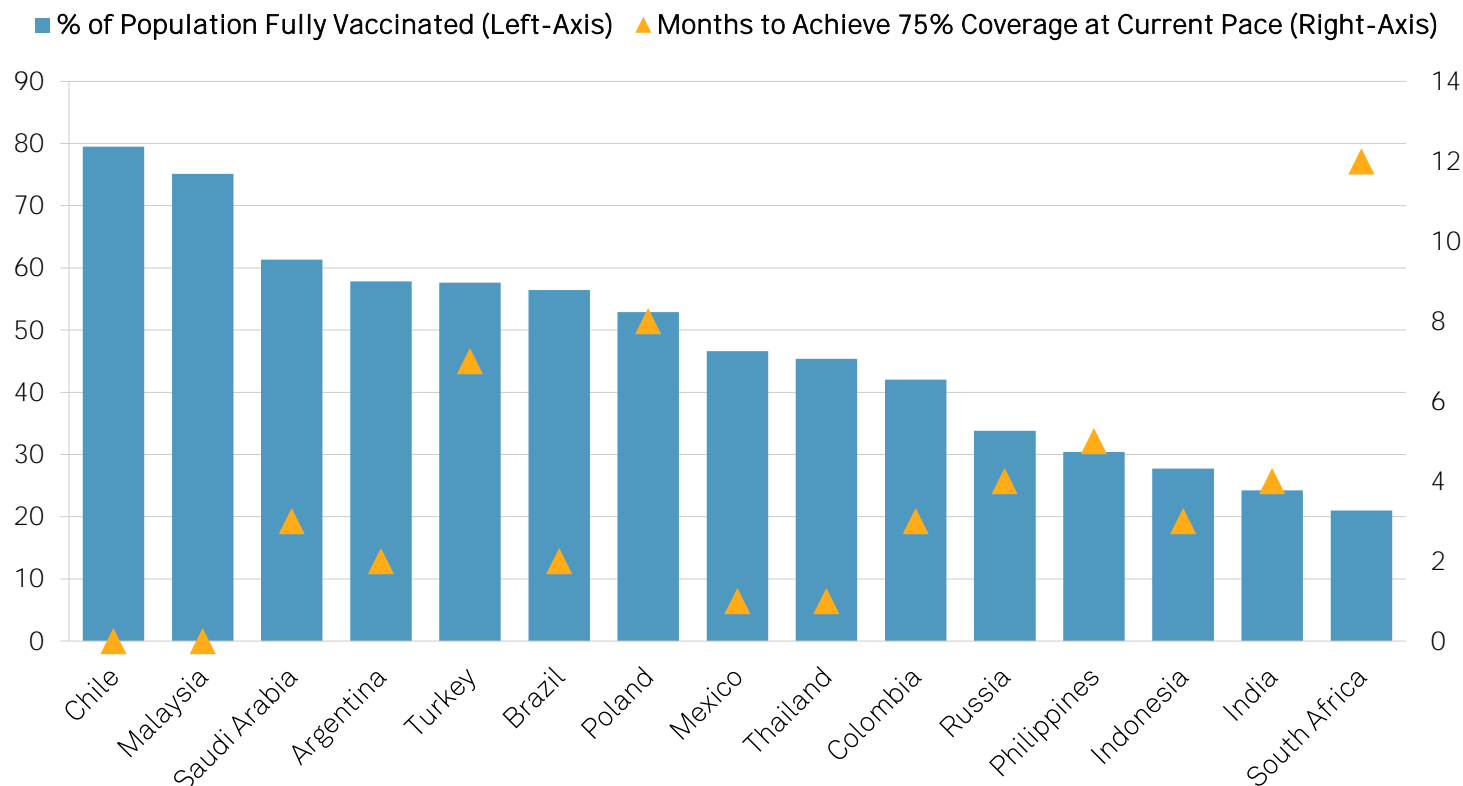
Note: Data pulled at the end of October 2021. Chile data is as of Oct. 29, 2021. Source: S&P Global Ratings Research and Bloomberg.

- Following the rising inflation expectations and rate increases, we see yield normalization among EM economies. However, the yield increases have been least pronounced in Emerging Asia, with China even bucking the 2021 trend completely.
- So far, the most affected emerging market economies include Turkey, Brazil, and Chile. In the case of Turkey, two policy rate cuts over September-October have been associated with an increase in benchmark yields in the context of high and rising inflation.



# COVID-19 | Cases Rising In Countries With Low Vaccination Rates

Vaccination Has Accelerated in Most EMs, But Exceptions Remain



Data as of Sept. 22, 2021. Sources: OWID, S&P Global Ratings

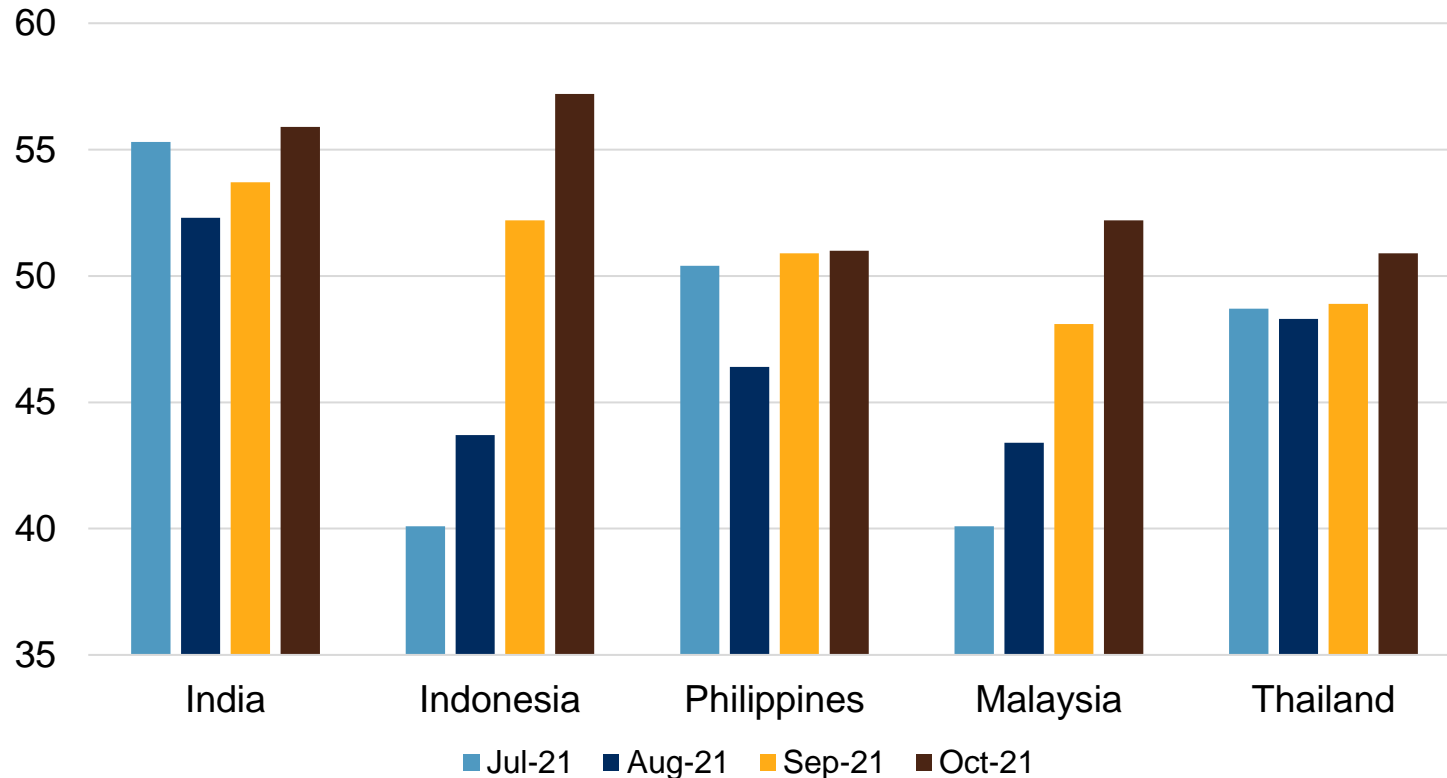
- Vaccination has gained momentum in most key EMs and the gap to widespread immunity is closing. Vaccination has accelerated in EM Asia where Malaysia has exceeded the 70% threshold and the pace in Philippines, Indonesia, and Thailand has accelerated notably. Vaccination rollout is advancing in South Africa, but the share of fully vaccinated people remains the lowest among key EMs.
- In some countries in EMEA, vaccination rollout has stalled or is progressing very slowly. This is the case in Poland and Russia, although the share of the fully vaccinated population is significantly higher in Poland at 53% compared to 34% in Russia.
- Hesitance to get the vaccine could be a key obstacle in those countries where vaccination is low or stalling, but logistical issues also play a role in some cases.

# Regional Economic Highlights

# EM Asia Economics | Activity Improving As Lockdowns Ease

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## EM Asia Manufacturing Purchasing Managers' Indices



Source: IHS Markit

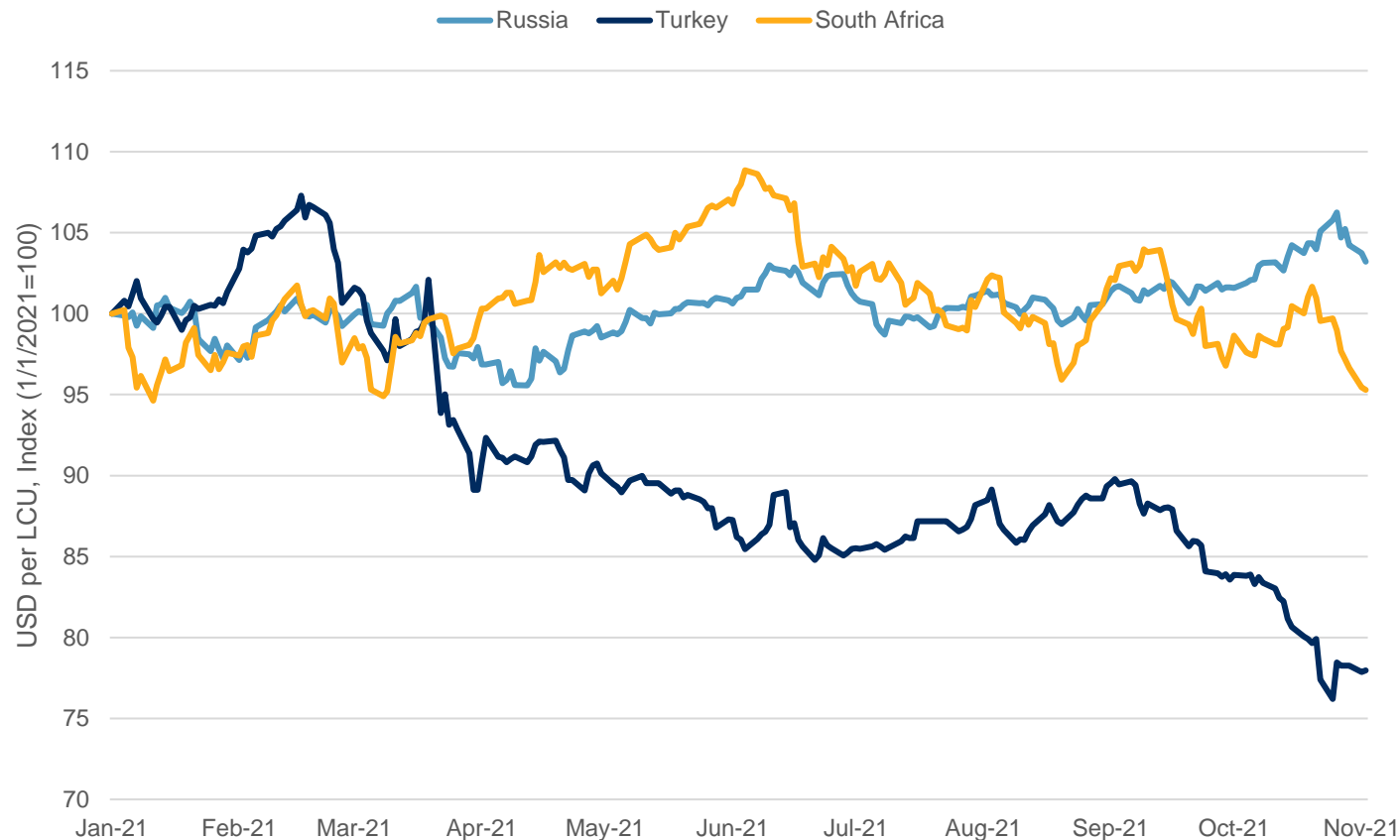
- Manufacturing activity improved substantially in October in emerging Southeast Asia as several countries emerged from COVID-19 lockdowns.
- Indonesia and Malaysia stand out with a strong manufacturing recovery following a sharp contraction as the pandemic hit manufacturing.
- The region is a key part of Asia's trade network and are also integrated **into** electronics supply chains. Disruption in manufacturing in EM Asia has been a part of global supply constraints.

# EM EMEA Economics | Divergent Exchange Rate Dynamics

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## Exchange Rates, U.S. Dollar Per Local Currency

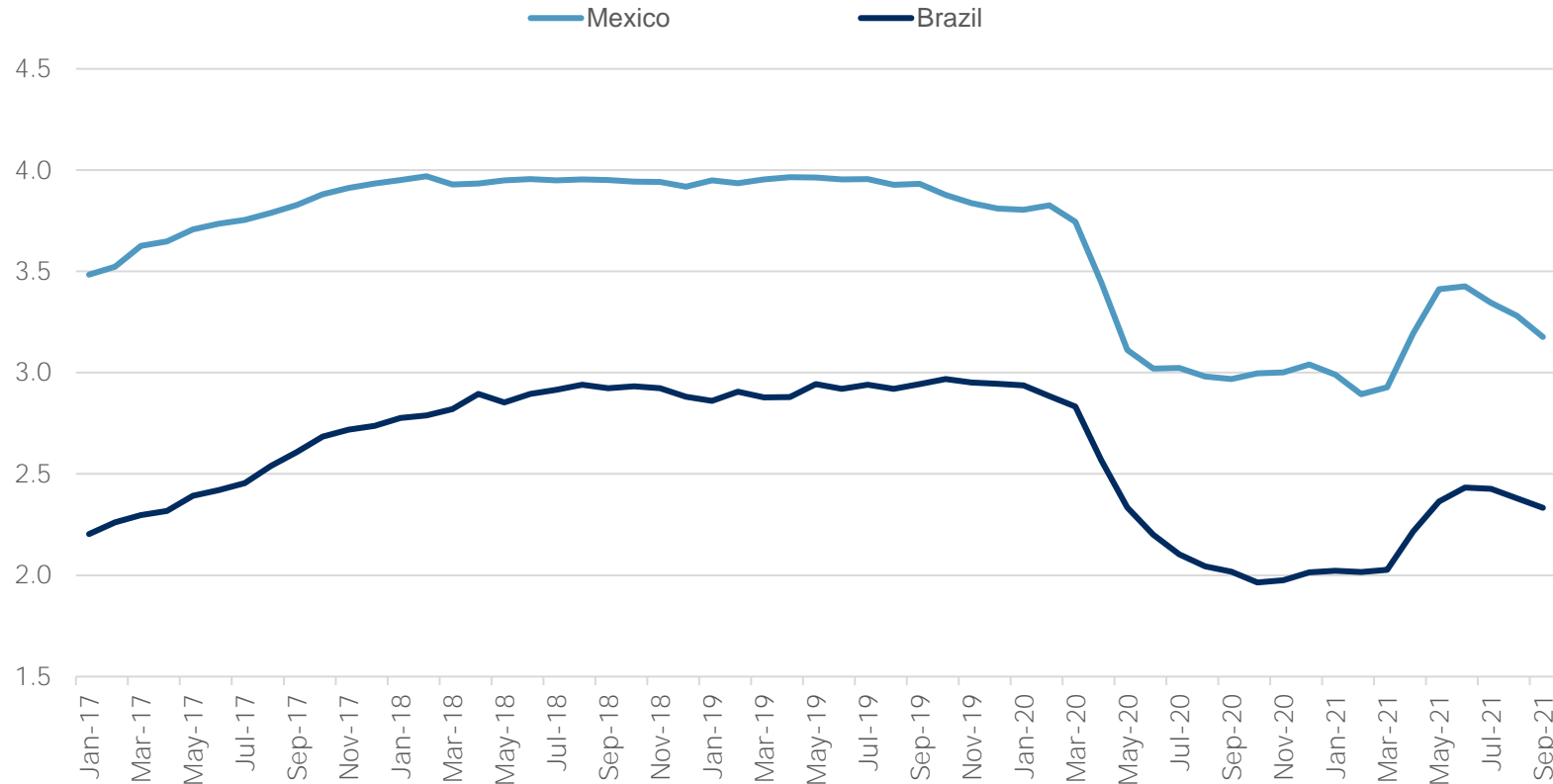


- Another bout of Turkish lira depreciation. The lira **dropped following a dismissal of top central bank's officials and a 200 basis point (bps) policy rate cut**, which brought the key rate to 16%, well below headline inflation. The lira has been the worst-performing currency among the EM-16 this year, depreciating by more than 20% since the end of 2020. In October, annual headline inflation in Turkey climbed to 19.9%, and further weakening of the lira will add to already strong price pressures.
- The Russian ruble has been the strongest performing currency across key EMs. The ruble is up 5% this year, while most EM currencies have depreciated. In order to contain high and rising inflation (8.1% year-on-year in October), Russia's central bank continued to tighten monetary policy, hiking the key rate by 75 bps to 7.5%, and indicated a possibility of another hike in December. Tight monetary stance and high energy prices underpinning a large current account surplus should continue supporting the ruble.

# LatAm Economics | Supply Chain Disruptions Hampering Growth

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Auto Production – Mil. Units, 12-Month Rolling Sum



Source: Haver.

- **Mexico's unexpected Q3 GDP contraction** was driven by the impact of supply-side bottlenecks on auto production. The economy contracted 0.2% in the third quarter from the previous quarter because auto production fell 14% during that period.
- Supply-side disruptions are also hitting **Brazil's manufacturing sector**. Industrial production fell 1.7% in Q3 after falling 3.0% in Q2, also driven by a large decline in auto production. GDP data for the third quarter will not be published until early December, but high frequency data points to a small quarterly contraction following a 0.1% decline in Q2.

# Macro-Credit Dashboards

# GDP Summary | Q3 GDP Data So Far Is Mixed

Country	Latest Reading (y/y)	Period	5Y Avg	2019	2020	2021f	2022f	2023f
Argentina	17.9	Q2	(0.2)	(2.0)	(9.9)	7.2	2.1	2.2
Brazil	12.4	Q2	(0.5)	1.4	(4.4)	5.1	1.8	2.2
Chile	18.1	Q2	2.0	0.9	(6.0)	9.0	2.5	3.0
Colombia	17.6	Q2	2.4	3.3	(6.8)	7.3	3.0	3.3
Mexico	4.6	Q3	2.0	(0.2)	(8.5)	6.2	2.9	2.2
China	4.9	Q3	6.7	6.0	2.3	8.0	5.1	5.0
India	20.1	Q2	6.9	4.0	(7.3)	9.5	7.8	5.7
Indonesia	7.1	Q2	5.0	5.0	(2.1)	3.4	5.6	4.8
Malaysia	16.1	Q2	4.9	4.4	(5.6)	3.2	6.0	5.2
Philippines	11.8	Q2	6.6	6.1	(9.6)	4.3	7.7	7.4
Thailand	7.5	Q2	3.4	2.3	(6.1)	1.1	3.6	4.2
Poland	10.8	Q2	4.4	4.7	(2.7)	5.1	5.3	3.3
Russia	10.5	Q2	1.0	2.0	(3.0)	4.0	2.6	2.0
Saudi Arabia	1.8	Q2	1.6	0.3	(4.1)	1.9	3.0	2.5
South Africa	19.3	Q2	0.9	0.1	(6.4)	4.6	2.6	1.5
Turkey	21.7	Q2	4.2	0.9	1.8	8.6	3.3	3.1

# Monetary Policy/FX | Tightening Continued Last Month

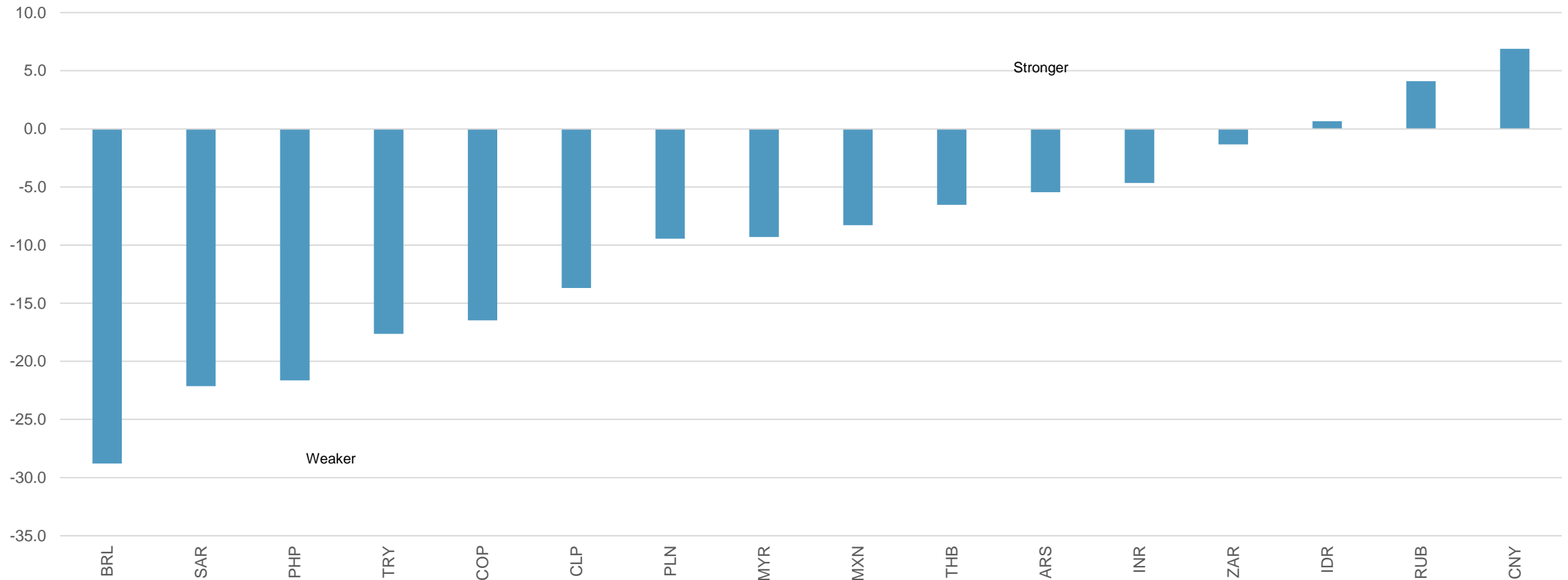
Country	Policy Rate	Inflation Target	Latest Inflation Reading	Latest Rate Decision	Next Meeting	October Exchange Rate Chg.	YTD Exchange Rate Chg.
Argentina	38.00%	No Target	52.5%	N/A	N/A	(1.0%)	(15.6%)
Brazil	7.75%	3.75% +/-1.5%	10.7%	150 bps hike	Dec. 9	(3.4%)	(7.8%)
Chile	2.75%	3% +/-1%	6.0%	125 bps hike	Dec. 15	(0.6%)	(12.6%)
Colombia	2.50%	3% +/-1%	4.6%	50 bps hike	Dec. 17	1.1%	(9.0%)
Mexico	4.75%	3% +/-1%	6.2%	25 bps hike	Nov. 12	0.4%	(3.2%)
China	2.20%	3%	0.4%	N/A	N/A	0.6%	1.9%
India	4.00%	4% +/-2%	4.3%	Hold	Dec. 8	(0.9%)	(2.4%)
Indonesia	3.50%	3.5% +/-1%	1.7%	Hold	Nov. 18	1.0%	(0.8%)
Malaysia	1.75%	No Target	2.2%	Hold	Jan.20	1.1%	(2.9%)
Philippines	2.00%	3% +/-1%	4.8%	Hold	Nov. 18	1.1%	(4.8%)
Thailand	0.50%	1%-3%	2.4%	Hold	Dec. 22	2.0%	(9.7%)
Poland	1.25%	2.5% +/-1%	5.9%	75 bps hike	Dec. 08	(0.2%)	(6.4%)
Russia	7.50%	4.00%	8.1%	75 bps hike	Dec. 17	2.6%	4.9%
Saudi Arabia	1.00%	3% +/-1%	0.7%	Hold	N/A	0.0%	0.0%
South Africa	3.50%	3%-6%	5.0%	Hold	Nov. 18	(1.1%)	(3.6%)
Turkey	16.00%	5% +/-2%	19.9%	200 bps cut	Nov. 18	(7.4%)	(22.6%)

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. As of November 10, 2021.



# Real Effective Exchange Rates | Most Still Weaker Than Long-Term Average

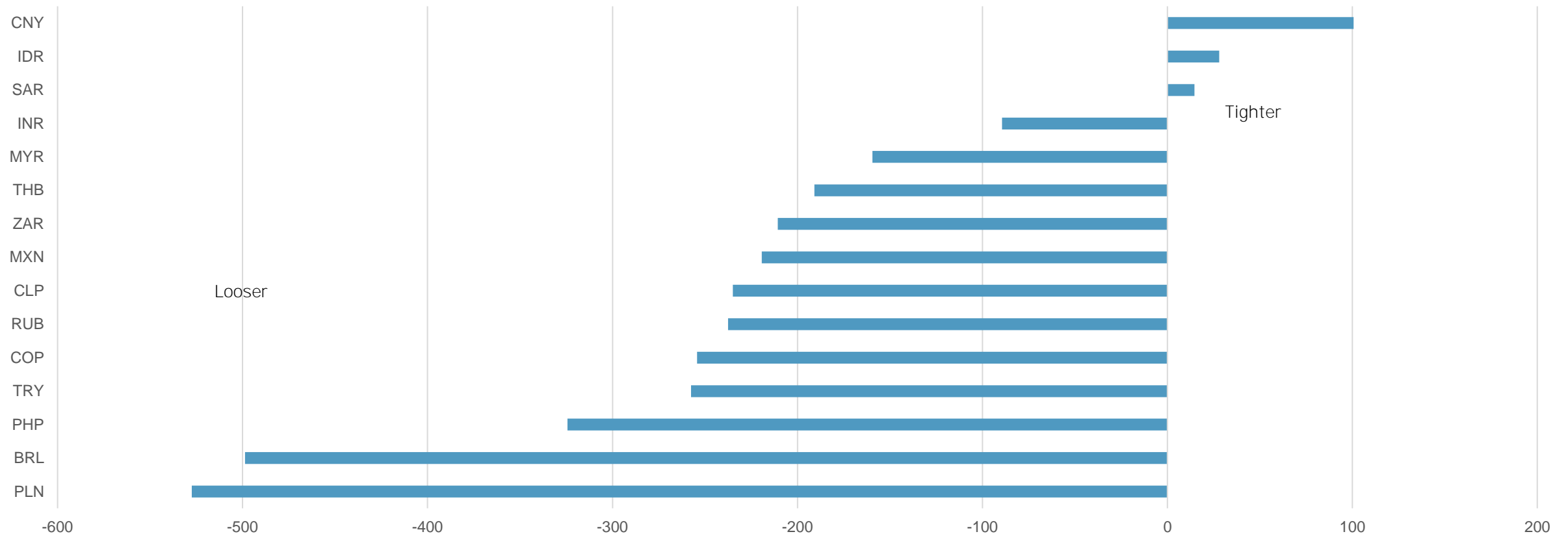
Broad Real Effective Exchange Rates, % Change From 10-Year Average



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

# Real Interest Rates | Monetary Policy Normalization Still Has A Ways To Go

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

# EM Heat Map

## Emerging Markets Risk Profile

### Sovereign Ratings (November 5, '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 (November 5, '21)

Economic Risk	10	7	4	7	6	7	7	6	5	6	7	4	7	5	7	8
Industry Risk	7	5	3	5	3	5	5	6	4	5	5	5	7	3	5	9
Institutional Framework	High	Int.	Low	High	Int.	High	High	High	Int.	High	High	Int.	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	Positive	Stable	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable
Eco. Imbalances	H	Int	Lw	H	Int	H	Int	Lw	Lw	Lw	H	Lw	Int	Int	H	VH
Credit Risk	EH	H	Int	H	Int	VH	VH	VH	H	H	VH	Int	VH	Int	H	VH
Competitive Dynamics	H	H	Int	Int	Int	H	H	H	H	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 (Oct. 31, 2021)	CCC+	BB-	BBB	BB+	BBB-	BBB+	BBB-	B	BBB+	BBB+	BBB+	BB	BB+	BBB+	BB-	B+
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.

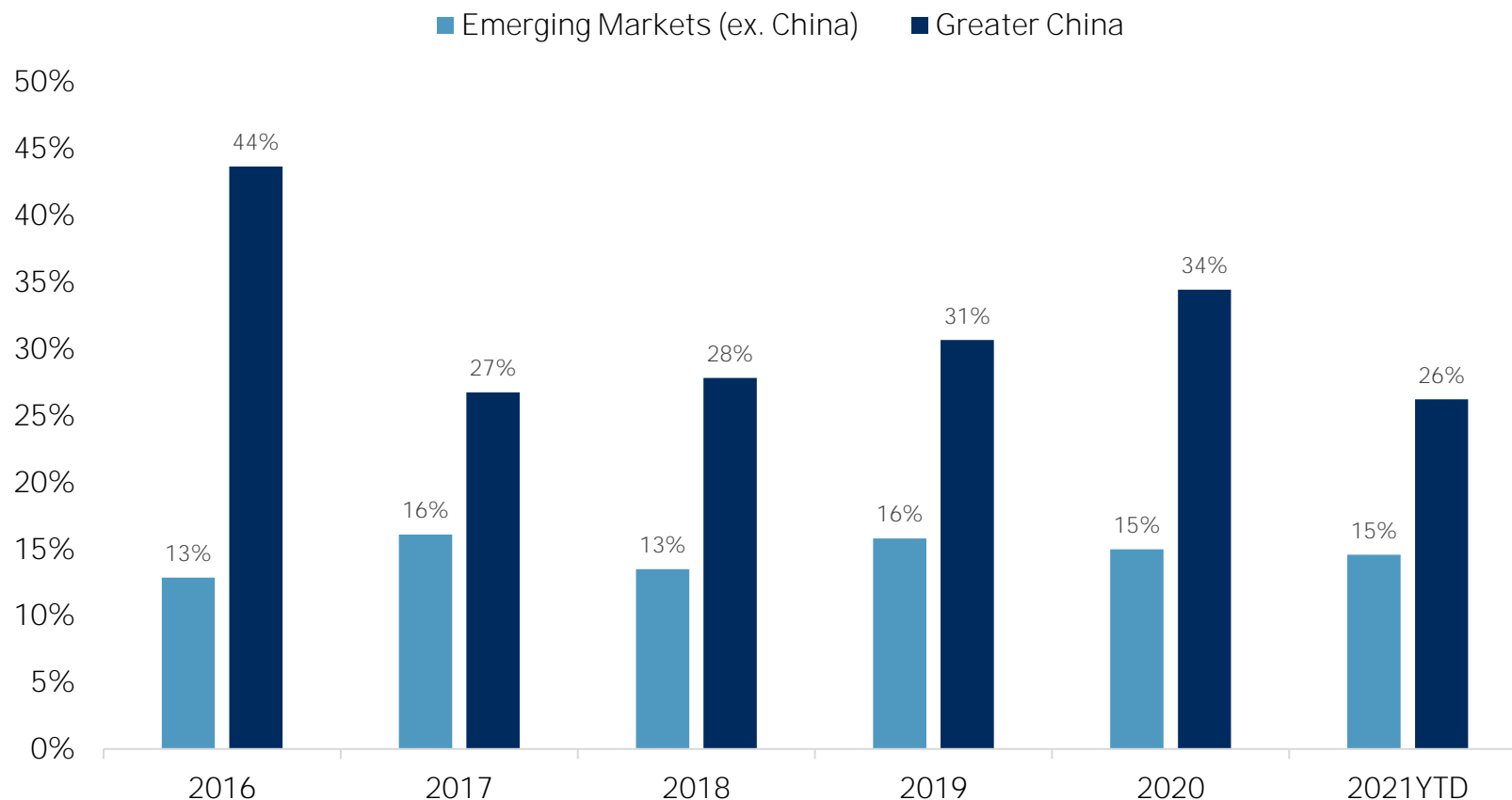
Source: \*-IIF Q2 2021. t - Source: Bangko Sentral NG Pilipinas: Corporate Variables Capital IQ 4Q 2020. S&P Global Ratings.

# Financing Conditions

## Highlights

# Financing Conditions | Corporate Debt Growth Remains Relatively Steady Outside China

## Steady Growth In EM (Ex. China) Corporate Debt

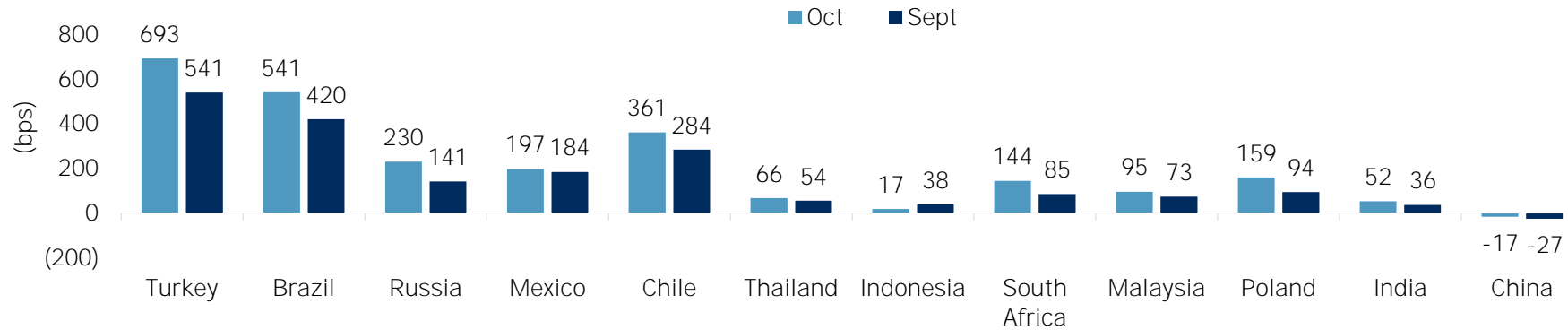


- **EMs' (ex. China) debt growth** is on track with the growth rate of outstanding bond debt of the past few years.
- **Greater China's debt growth** increased in 2020 marginally over the 2019 pace. The 2021 YTD growth rate eased relative to recent years, at least partially reflecting the authorities' efforts to reduce corporate dependence on leverage.

*Corporate debt growth computed as total cumulative corporate (financial and nonfinancial bond issuance divided by bond debt outstanding from beginning of the year). Data as of Nov. 2, 2021. Source: Refinitiv and S&P Global Ratings.*

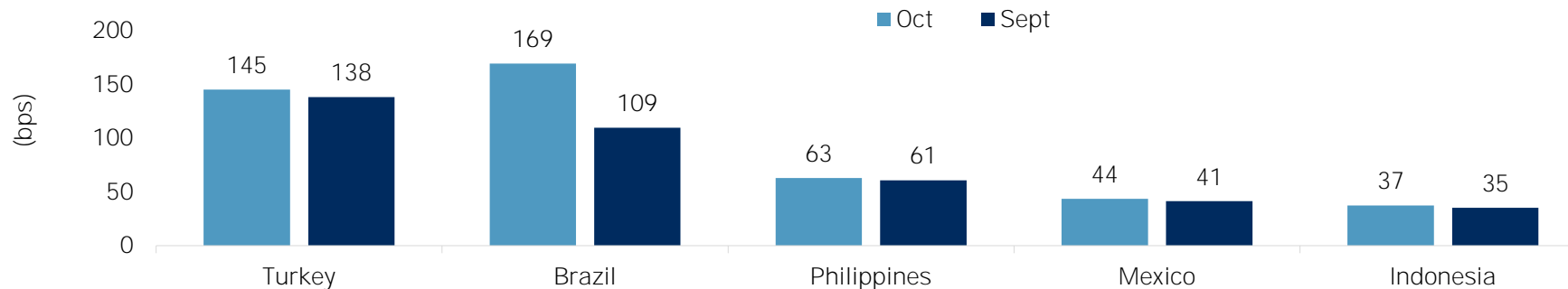
# EM Yields | Benchmark Yields Continue To Rise Outside Asia

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



Note: Data pulled at the end of October 2021. Chile data is as of Oct. 29, 2021. Source: S&P Global Ratings Research and Bloomberg.

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

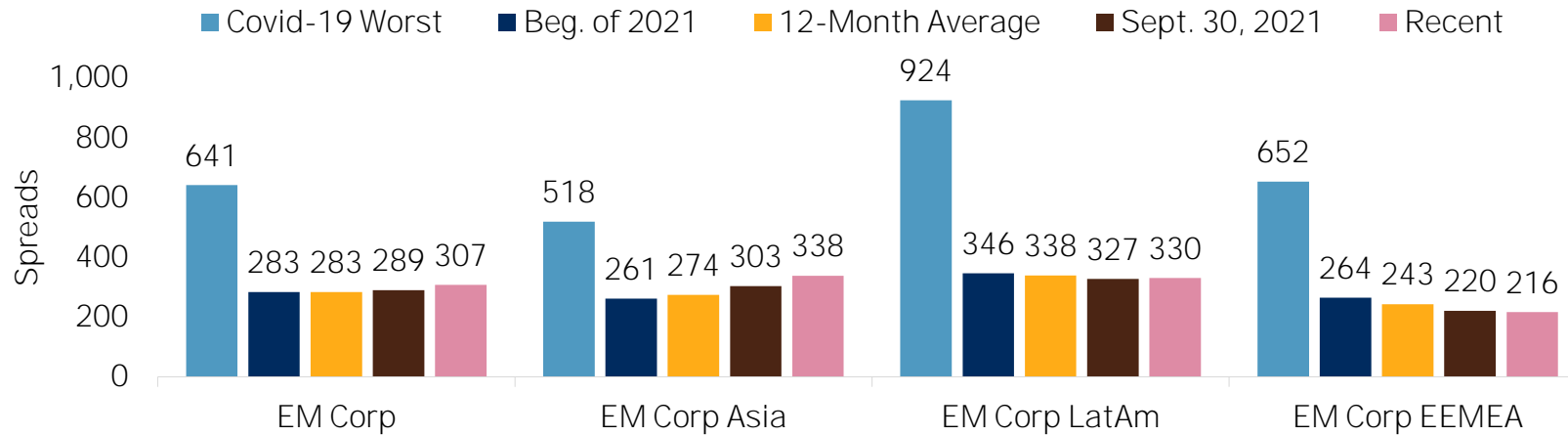


Note: Data pulled at the end of October 2021. The selection of country/economy is subject to data availability. Source: S&P Global Ratings Research and Bloomberg.

- Local currency benchmark yields continued to rise in most EMs as rising inflation has led to many central banks in the advanced and developing markets preferring rate normalization.
- When compared to the prior month, the largest increases were in Turkey (+152 bps), Brazil (+121 bps), and Russia (+89 bps).
- Where available, 10-year yields for dollar-denominated bonds were more stable than the local currency bonds, except in Brazil.

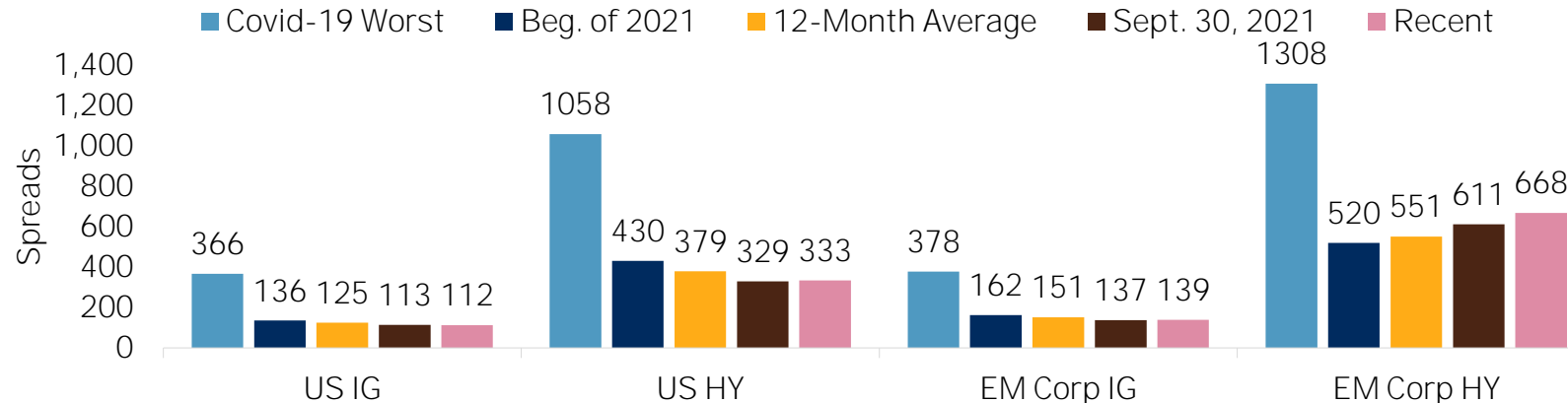
# EM Credit Spreads | Spreads Remain Steady Except In Asia

EM Spreads By Region



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

U.S. And EM Spreads

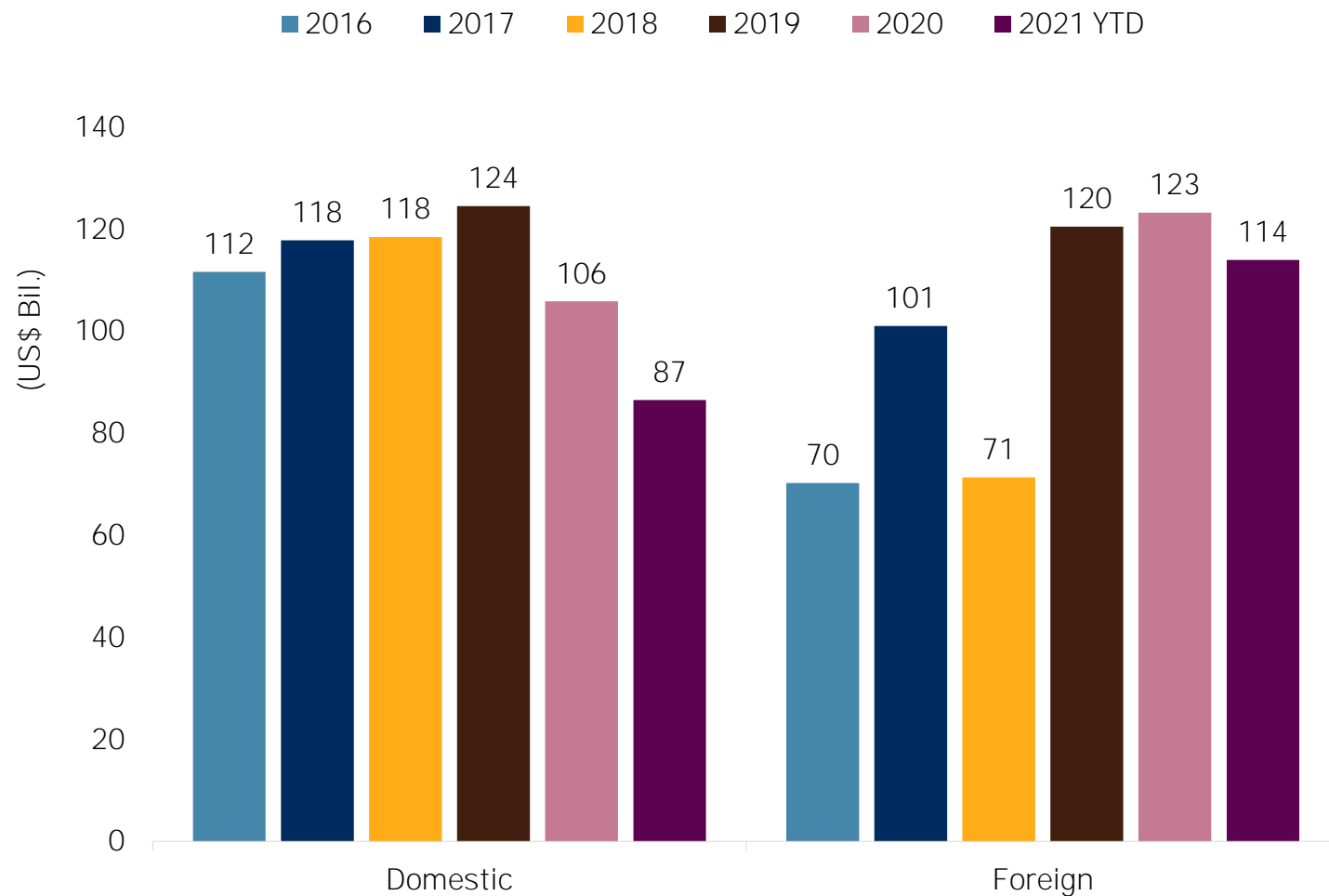


Note: bps levels. Data as of Oct. 31, 2021. HY – High Yield; IG – Investment grade. Source: S&P Global Ratings Research, Refinitiv, ICE Data Indices, and Federal Reserve Bank of St. Louis.

- EM risk premia for dollar-denominated bonds continued to diverge. LatAm and EM EMEA continued to see stable spreads in October.
- Meanwhile, EM Asia saw wider spreads, concentrated solely in the high-yield space, raising financing costs for relatively lower quality borrowers despite having relatively steady benchmarks. Uncertainty around Chinese property developer Evergrande and the broader property sector drove much of the widening of risk premia for the region, given the large weight of the sector in the region's dollar bond market.



# EM Corporate Issuance | By Market

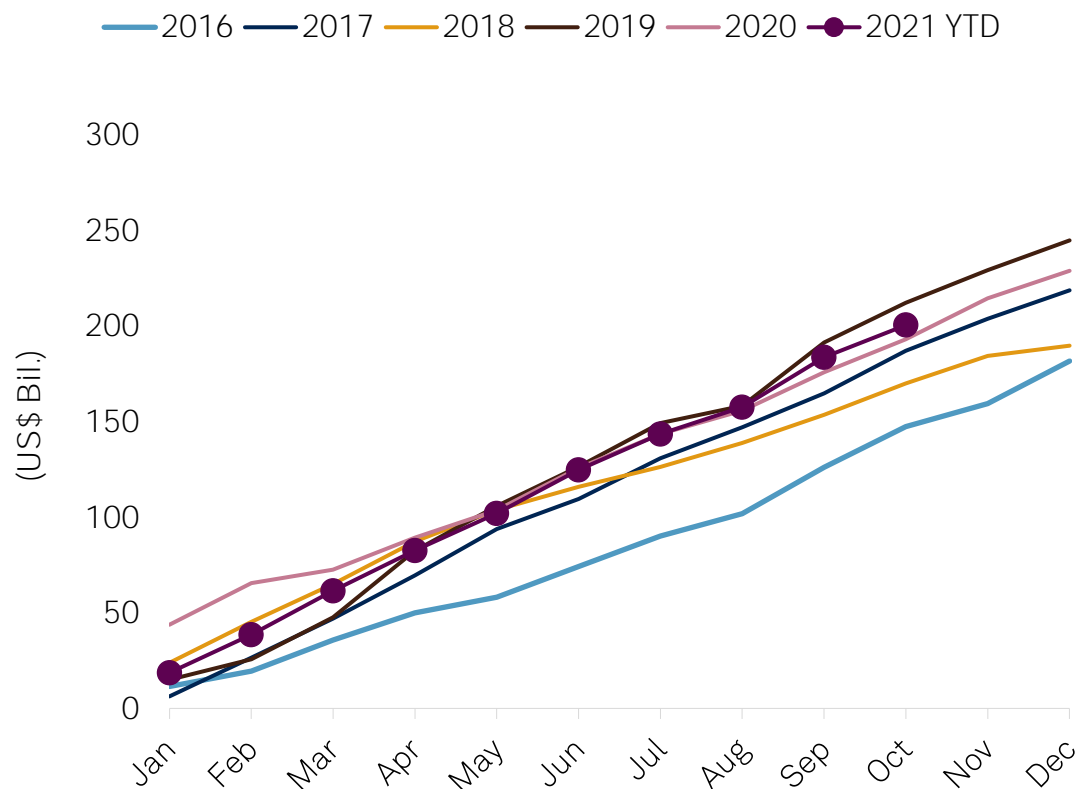


Excluding Greater China. Data as of Oct. 31, 2021, and full year data for 2016-2020. Source: S&P Global Ratings Research and Refinitiv.

- EM (ex. Greater China) issuance is still roughly on pace to match the 2020 total. Moreover, the divergence among subregions seen last month is now gone, despite the sustained rise in funding costs across regions.
- After a weak couple of months, LatAm and EMEA both nearly doubled the pace of issuance in October compared to their respective monthly averages for 2021. China remains on pace to overtake 2020 volumes, while the rest of EM Asia has already almost matched last year's volume as of the end of October.
- Though EMs have so far taken recent global monetary policy developments in stride, we will nonetheless continue to watch the potential impacts of the upcoming normalization of global rates on both domestic and external financing costs.

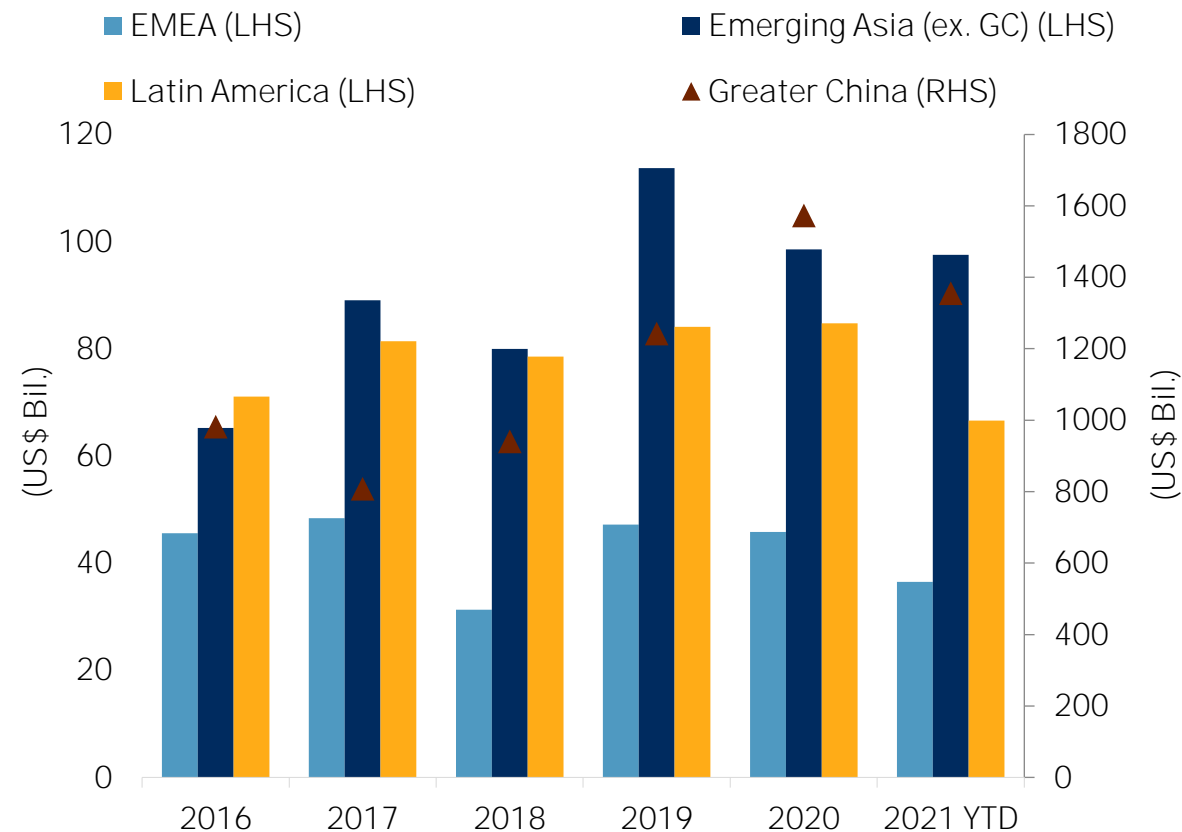
# EM | Financial And Nonfinancial Corporate Issuance

## EM Cumulative Corporate Bond Issuances



Excluding Greater China. Data as of Oct. 31, 2021. Data includes not rated and both financial and non-financial entities. Source: S&P Global Ratings Research and Refinitiv.

## EM Regional Bond Issuances



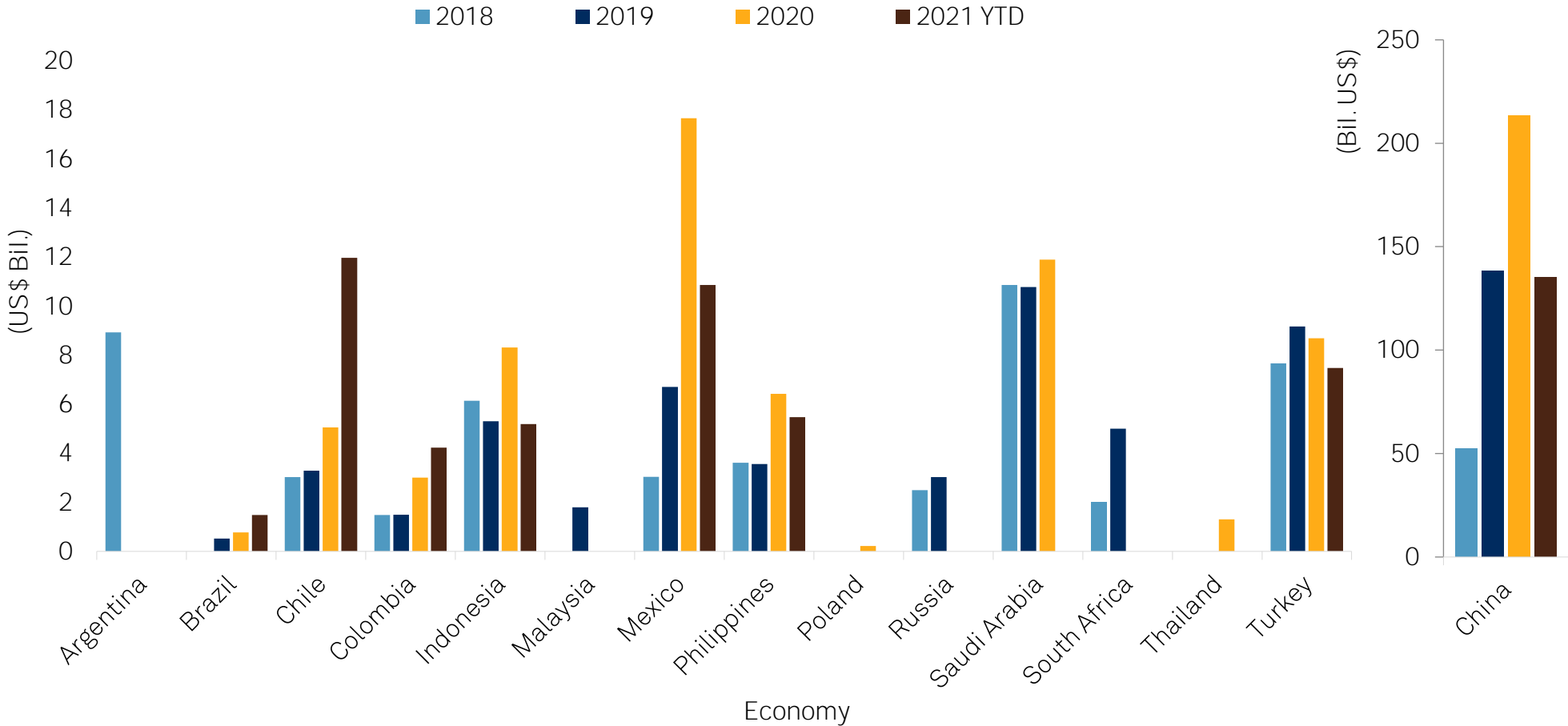
Data as of Oct. 31, 2021, and full year data for 2006-2020, for both financial and non-financial entities. Lefthand side (LHS), Righthand side (RHS). Source: S&P Global Ratings Research and Refinitiv.

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

Issue Date	Issuer	Economy	Market Place	S&P Issue-Rating	S&P Sovereign Rating (as of Oct. 31, 2021)	Security Description	Currency	Issuance (Mil. \$)
13-Sep-21	Republic of Turkey	Turkey	U.S. Public	BB	B+	6.500% Global Notes due '33	US\$	1,500
14-Sep-21	Chile	Chile	U.S. Public	A	A	0.555% Global Notes due '29	EUR	1,083
14-Sep-21	Chile	Chile	U.S. Public	A	A	3.250% Global Notes due '71	US\$	959
13-Sep-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	3.200% Global Notes due '61	US\$	639
13-Sep-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	1.300% Global Notes due '34	EUR	587
13-Oct-21	Poland	Poland	Foreign Public	A-	A-	3.200% Sr Med Term Nts due '24	CNY	467

Data as of Oct. 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 Oct. 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	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
27-Oct-21	2-Nov-31	Ecopetrol S.A.	Colombia	Integrated Oil & Gas	U.S. Public	BB+	4.625% Global Notes due '31	US	1,250
15-Sep-21	23-Sep-36	Bangkok Bank PCL	Thailand	Banks	U.S. Private	NR	Mdm-Trm Sub Nts due '36	US	1,000
1-Sep-21	8-Sep-24	Adani Green Energy Ltd.	India	Utility	U.S. Private	NR	4.375% Sr Secured Nts due '24	US	750
29-Sep-21	6-Oct-26	APICORP	Saudi Arabia	Finance Company	U.S. Private	NR	1.483% Mdm-Trm Sr Nts due '26	US	750
27-Oct-21	2-Nov-51	Ecopetrol S.A.	Colombia	Integrated Oil & Gas	U.S. Public	BB+	5.875% Global Notes due '51	US	750
20-Oct-21	27-Apr-32	PT Indofood CBP Sukses Makmur	Indonesia	Consumer Products	Euro Public	NR	3.541% Sr Unsecurd Nts due '32	US	600
15-Sep-21	21-Sep-27	mBank S.A.	Poland	Banks	Euro Public	BBB-	Fix/Flt MTNs due '27	EUR	591
6-Oct-21	13-Oct-28	Bank Gospodarstwa Krajowego	Poland	Banks	Euro Public	NR	0.375% Gtd Mdm-Trm Nts due '28	EUR	576
15-Sep-21	5-Apr-27	JSW Steel Ltd.	India	Metals, Mining & Steel	U.S. Private	NR	3.950% Sr Unsecurd Nts due '27	US	500
15-Sep-21	5-Apr-32	JSW Steel Ltd.	India	Metals, Mining & Steel	U.S. Private	NR	5.050% Sr Unsecurd Nts due '32	US	500

Data as of Oct. 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 (Cont'd)

Issue Date	Maturity Date	Issuer	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
9-Sep-21	1-Oct-26	Turkiye Vakiflar Bankasi TAO	Turkey	Banks	U.S. Private	NR	5.500% Global MTNs due '26	US	497
4-Aug-21	12-Aug-31	Summit Digital Infrastructure	India	Capital Goods	U.S. Private	BBB-	2.875% Sr Secured Nts due '31	US	492
11-Aug-21	19-Aug-26	Azure Power Energy Ltd.	India	Utility	U.S. Private	NR	3.575% Senior Notes due '26	US	414
20-Oct-21	27-Apr-52	PT Indofood CBP Sukses Makmur	Indonesia	Consumer Products	Euro Public	NR	4.805% Sr Unsecurd Nts due '52	US	400
26-Oct-21	2-May-27	PT Tower Bersama Infrstr Tbk	Indonesia	Telecommunications	Euro Public	NR	2.800% Sr Unsecurd Nts due '27	US	400
20-Oct-21	27-Jan-37	Muang Thai Life Assurance PCL	Thailand	Broker	Euro Public	NR	Sub Cap Notes due '37	US	400
13-Sep-21	21-Sep-28	Power Finance Corp Ltd.	India	Finance Company	U.S. Public	NR	1.841% Global MTNs due '28	EUR	354
9-Sep-21	16-Dec-31	Kt21 T2 Co Ltd.	Turkey	Finance Company	Euro Public	NR	Islamic Finance due '31	US	350
26-Oct-21	2-Nov-31	IOI Investment (L)Bhd	Malaysia	Broker	Euro Public	NR	3.375% Gtd Mdm-Trm Nts due '31	US	297
7-Oct-21	7-Oct-61	Malayan Banking Bhd	Malaysia	Banks	Foreign Public	NR	Zero Cpn Zero Cpn MTNs due '61	US	255

Data as of Oct. 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 Nonfinancial

## Deals Coming Due In November And December 2021

Issue Date	Maturity Date	Issuer	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
25-Oct-16	2-Nov-21	KT Kira Sertifikalar Varlik	Turkey	Finance Company	Euro Public	NR	5.136% Islamic Finance due '21	US	500
19-Oct-17	2-Nov-21	PKO Bank Polski SA	Poland	Banks	Foreign Public	NR	0.300% Medium-Term Nts due '21	SFR	410
27-Oct-11	3-Nov-21	Codelco	Chile	Metals, Mining & Steel	EURO/144A	A	3.875% Senior Notes due '21	US	1,134
4-Nov-14	7-Nov-21	Sixsigma Networks Mexico Sa	Mexico	High Technology	EURO/144A	NR	8.250% Fxd/Straight Bd due '21	US	500
27-Oct-16	7-Nov-21	Cbom Finance PLC	Russian Federation	Broker	EURO/144A	BB-	5.875% Loan Part Certs due '21	US	500
2-Nov-16	7-Nov-21	Cia General De Combustibles Sa	Argentina	Integrated Oil & Gas	Euro Public	B-	9.500% Global Notes due '21	US	300
3-Nov-11	10-Nov-21	Empresa De Energia De Bogota	Colombia	Utility	EURO/144A	BB+	6.125% Senior Notes due '21	US	610
13-Nov-13	10-Nov-21	Empresa De Energia De Bogota	Colombia	Utility	EURO/144A	BB+	6.125% Sr Unsecurd Nts due '21	US	112
3-Nov-16	11-Nov-21	Mezhdunarodnyi Aeroport	Russian Federation	Transportation	Euro Public	BB+	5.875% Guaranteed Bds due '21	US	350
27-Oct-16	12-Nov-21	Turkiye Garanti Bankasi AS	Turkey	Banks	Euro Private	BB	11.500% Medium-Term Nts due '21	TL	64

Data as of Oct. 31, 2021; excludes sovereign issuances. 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.

# Maturing Debt | EM Financial And Nonfinancial

## Deals Coming Due In November And December 2021 (Cont'd)

Issue Date	Maturity Date	Issuer	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
7-Nov-14	14-Nov-21	Global Ports Holding PLC	Turkey	Transportation	EURO/144A	BB-	8.125% Fxd/Straight Bd due '21	US	250
7-Nov-18	15-Nov-21	Pt Indonesia Asahan Aluminium	Indonesia	Metals, Mining & Steel	U.S. Private	NR	5.710% Sr Unsecurd Nts due '21	US	993
6-Dec-06	16-Nov-21	Standard Bank of South Africa	South Africa	Broker	Euro Public	NR	8.600% Medium-Term Nts due '21	SAR	71
9-Nov-16	17-Nov-21	Banco de Credito e Inversiones	Chile	Banks	Foreign Public	NR	Zero Cpn Zero Cpn MTNs due '21	SFR	92
15-Nov-16	18-Nov-21	KNM Group Bhd	Malaysia	Integrated Oil & Gas	Euro Public	NR	3.000% Guaranteed Bds due '21	BA	78
7-Dec-09	19-Nov-21	Tricahue Leasing LLC	Chile	Finance Company	U.S. Public	NR	3.503% Gtd Sr Notes due '21	US	73
21-Nov-11	22-Nov-21	Perusahaan Listrik Negara PT	Indonesia	Utility	EURO/144A	BB	5.500% Sr Unsecurd Nts due '21	US	991
21-Jan-19	23-Nov-21	PKO Bank Hipoteczny SA	Poland	Broker	Euro Public	NR	0.250% Bonds due '21	EUR	568
7-Nov-11	24-Nov-21	Petroleos Mexicanos SA	Mexico	Integrated Oil & Gas	EURO/144A	A-	7.650% Guaranteed Bds due '21	MP	224

Data as of Oct. 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.



# Maturing Debt | EM Financial And Nonfinancial

## Deals Coming Due In November And December 2021 (Cont'd)

Issue Date	Maturity Date	Issuer	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
7-Nov-11	24-Nov-21	Petroleos Mexicanos S.A.	Mexico	Integrated Oil & Gas	EURO/144A	A-	7.650% Guaranteed Bds due '21	MP	522
19-May-20	26-Nov-21	Icbc (Thai) Leasing Co Ltd.	Thailand	Finance Company	Malaysia Private	NR	1.770% Sr Unsecurd Nts due '21	BA	28
10-Nov-16	28-Nov-21	Santander Chile Holding S.A.	Chile	Broker	EURO/144A	A	Float Rate Nts due '21	US	185
29-Nov-19	29-Nov-21	Ayudhya Capital Auto Lease PCL	Thailand	Financial Institution	Malaysia Private	NR	1.730% Sr Unsecurd Nts due '21	BA	33
5-Mar-19	3-Dec-21	Tanner Servicios Financieros	Chile	Broker	Foreign Public	BBB-	1.000% Senior Notes due '21	SFR	125
1-Dec-11	6-Dec-21	ENAP	Chile	Integrated Oil & Gas	EURO/144A	BBB-	4.750% Sr Unsecurd Nts due '21	US	492
5-Dec-11	12-Dec-21	Pacific Rubiales Energy Corp.	Colombia	Integrated Oil & Gas	EURO/144A	BB	7.250% Sr Unsecurd Nts due '21	US	300
9-Dec-14	12-Dec-21	Liberty Group Ltd.	South Africa	Broker	Euro Public	NR	Mdm-Trm Sub Nts due '21	SAR	44
18-May-16	14-Dec-21	Petroleos Mexicanos S.A.	Mexico	Integrated Oil & Gas	Foreign Public	BBB+	2.375% Gtd Mdm-Trm Nts due '21	SFR	153

Data as of Oct. 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.

# Maturing Debt | EM Financial And Nonfinancial

## Deals Coming Due In November And December 2021 (Cont'd)

Issue Date	Maturity Date	Issuer	Economy	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (Mil. \$)
9-Jun-16	14-Dec-21	Edesa S.A.	Argentina	Utility	Euro Public	NR	11.500% Senior Amort Nt due '21	US	64
13-Dec-16	16-Dec-21	ICICI Bank Ltd.	India	Banks	Foreign Private	BBB-	0.678% Fxd/Straight Bd due '21	Y	87
14-Jun-11	21-Dec-21	Itau Unibanco Holding S.A.	Brazil	Banks	EURO/144A	NR	6.200% Mdm-Trm Sub Nts due '21	US	249
14-Jun-11	21-Dec-21	Itau Unibanco Holding S.A.	Brazil	Banks	EURO/144A	NR	6.200% Mdm-Trm Sub Nts due '21	US	249
17-Jan-12	21-Dec-21	Itau Unibanco Holding S.A.	Brazil	Banks	U.S. Private	NR	6.200% Sub Global Note due '21	US	558
28-Dec-16	28-Dec-21	Ghelamco Invest	Poland	Broker	Euro Public	NR	Float Rate Nts due '21	PZ	27

Data as of Oct. 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 October

Economy	Rating	Outlook	5-Year CDS Spread	Median Rating Financials	Median Rating Non-Financials
Argentina	CCC+	Stable	2327		CCC+
Brazil	BB-	Stable	245		BB-
Chile	A	Stable	89		BBB
China	A+	Stable	47	A	BBB+
Colombia	BB+	Stable	162		BB+
India	BBB-	Stable	87		BBB-
Indonesia	BBB	Negative	83		B
Malaysia	A-	Negative	55		BBB+
Mexico	BBB	Negative	103	BB+	BBB-
Philippines	BBB+	Stable	58		BBB+
Poland	A-	Stable	51	A-	BB
Russia	BBB-	Stable	83	BB	BB+
Saudi Arabia	A-	Stable	52	BBB	BBB+
South Africa	BB-	Stable	210		BB-
Thailand	BBB+	Stable	38	A-	BBB+
Turkey	B+	Stable	444		B+

Note: Foreign currency ratings. Red means speculative-grade rating, and blue means investment-grade rating. Data and CDS spread are as of Oct. 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.

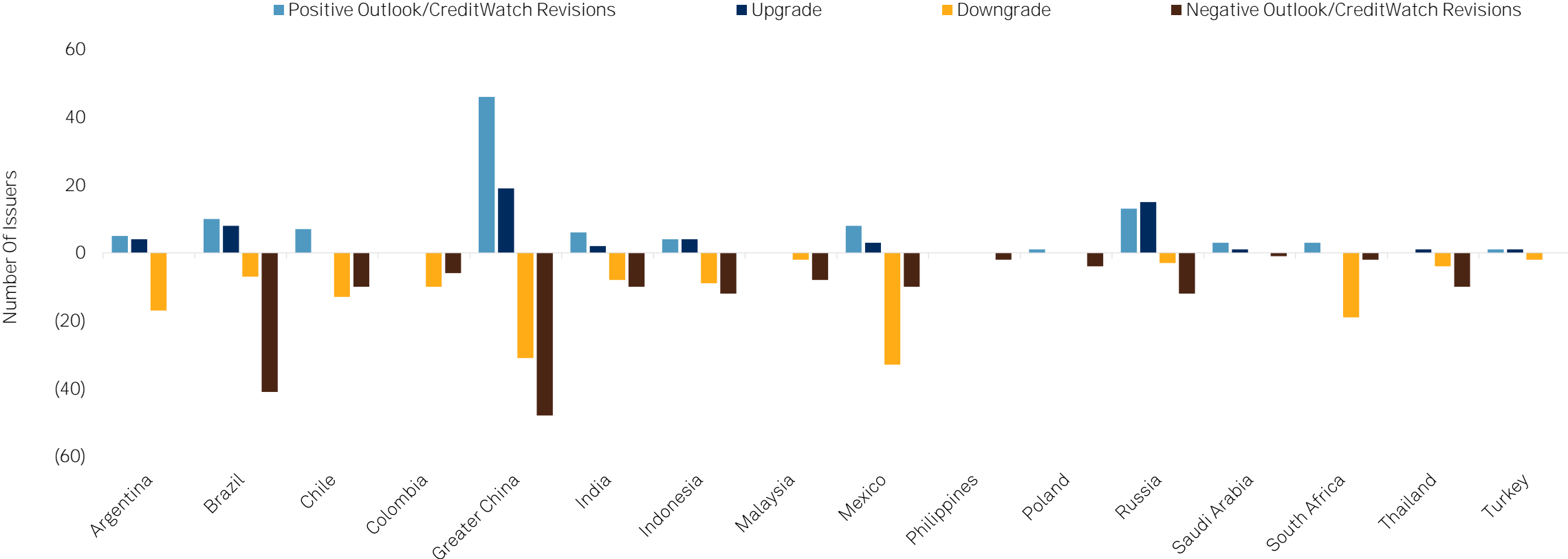
# Rating Actions | Top 15 By Debt Amount In The Past 90 Days

Rating Date	Issuer	Economy	Sector	Rating To	Rating From	Action Type	Debt Amount (Mil. \$)
20-Oct-21	Tata Motors Ltd. (Tata Sons Pte. Ltd.)	India	Automotive	BB-	B	Upgrade	7,647
13-Oct-21	Concern Rossium LLC	Russia	Bank	B+	B	Upgrade	4,873
20-Aug-21	Genting Bhd.	Malaysia	Media & Entertainment	BBB-	BBB	Downgrade	3,275
2-Sep-21	Braskem S.A. (Odebrecht S.A.)	Brazil	Chemicals, Packaging & Environmental Services	BBB-	BB+	Upgrade	3,250
20-Oct-21	Tata Steel Ltd. (Tata Sons Pte. Ltd.)	India	Metals, Mining & Steel	BBB-	BB	Upgrade	2,300
13-Aug-21	CLISA-Compania Latinoamericana de Infraestructura & Servicios S.A.	Argentina	Capital Goods	SD	CC	Downgrade	1,175
30-Sep-21	Braskem Idesa, S.A.P.I. and subsidiary	Mexico	Chemicals, Packaging & Environmental Services	B+	B	Upgrade	900
21-Sep-21	Holding Co. Metalloinvest JSC	Russia	Metals, Mining & Steel	BBB-	BB+	Upgrade	800
7-Oct-21	Compania General de Combustibles S.A.	Argentina	Oil & Gas Exploration & Production	CCC+	CCC	Upgrade	585
18-Aug-21	Serba Dinamik Holdings Berhad	Malaysia	Oil & Gas Exploration & Production	CCC	B-	Downgrade	500
23-Sep-21	Ratch Group Public Co. Ltd.	Thailand	Utility	BBB	BBB+	Downgrade	437
12-Aug-21	PT Gajah Tunggal Tbk.	Indonesia	Automotive	B-	CCC+	Upgrade	425
29-Oct-21	Controladora Mabe, S.A. de C.V.	Mexico	Consumer Products	BBB	BBB-	Upgrade	370
25-Oct-21	Manappuram Finance Ltd.	India	Finance Co.	BB-	B+	Upgrade	300

Data as of Oct. 31, 2021, excludes sovereigns, Greater China and the Red Chip companies and includes only latest rating changes. Source: S&P Global Ratings Research.

# EM | Total Rating Actions

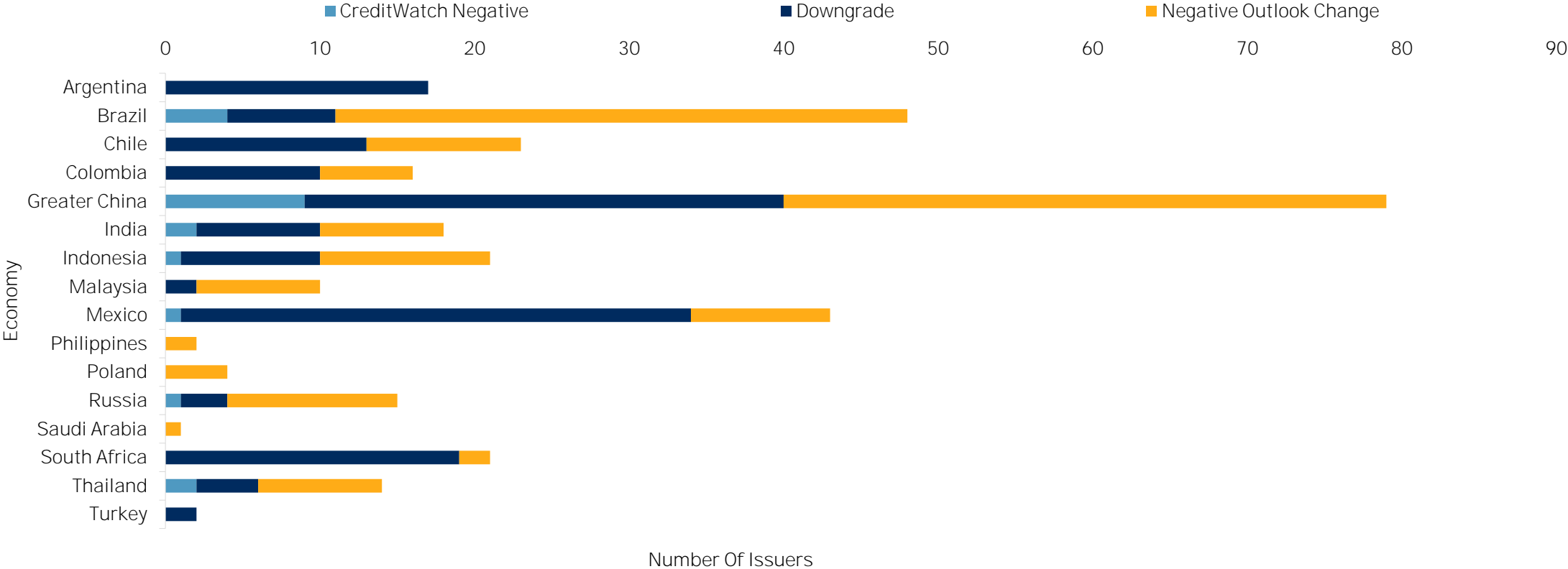
By Economy



Note: Data includes sovereigns. Data from Feb. 3, 2020, to Oct. 15, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

# EM | Rating Actions

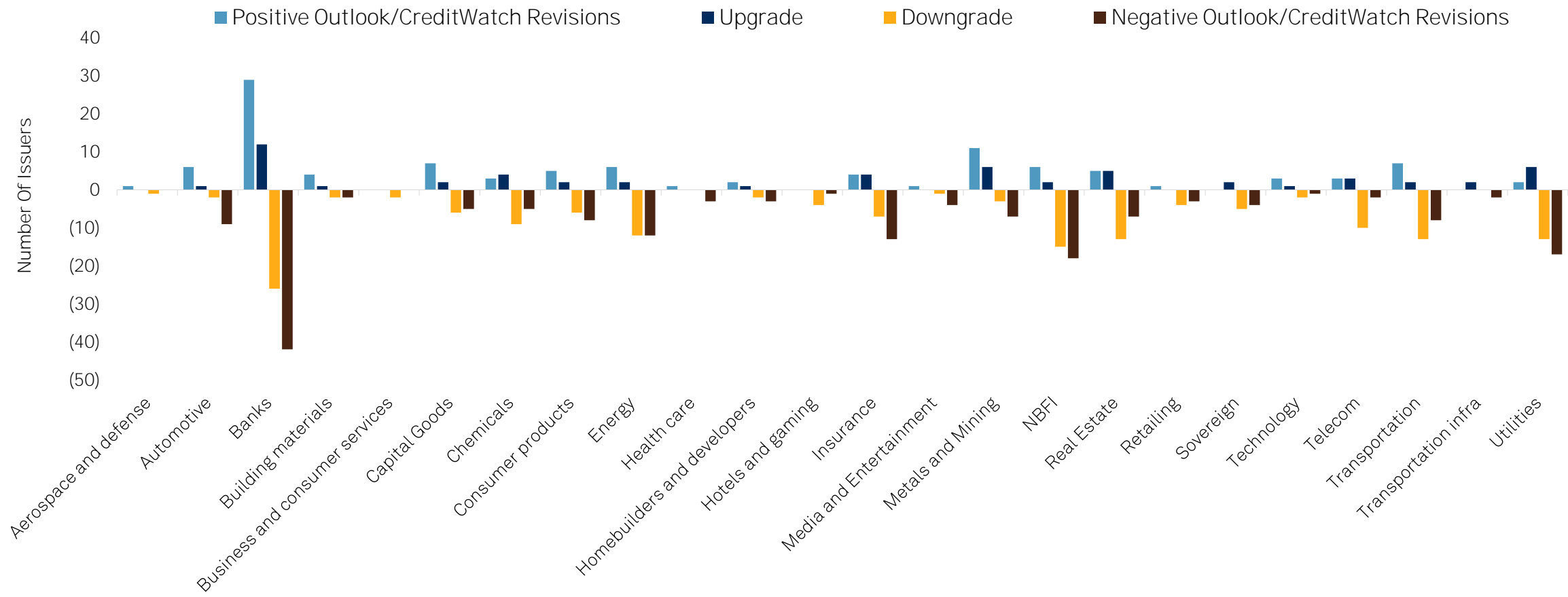
By Economy



Note: Data includes sovereigns. Data from Feb. 3, 2020, to Oct. 15, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

# EM | Total Rating Actions

By Sector

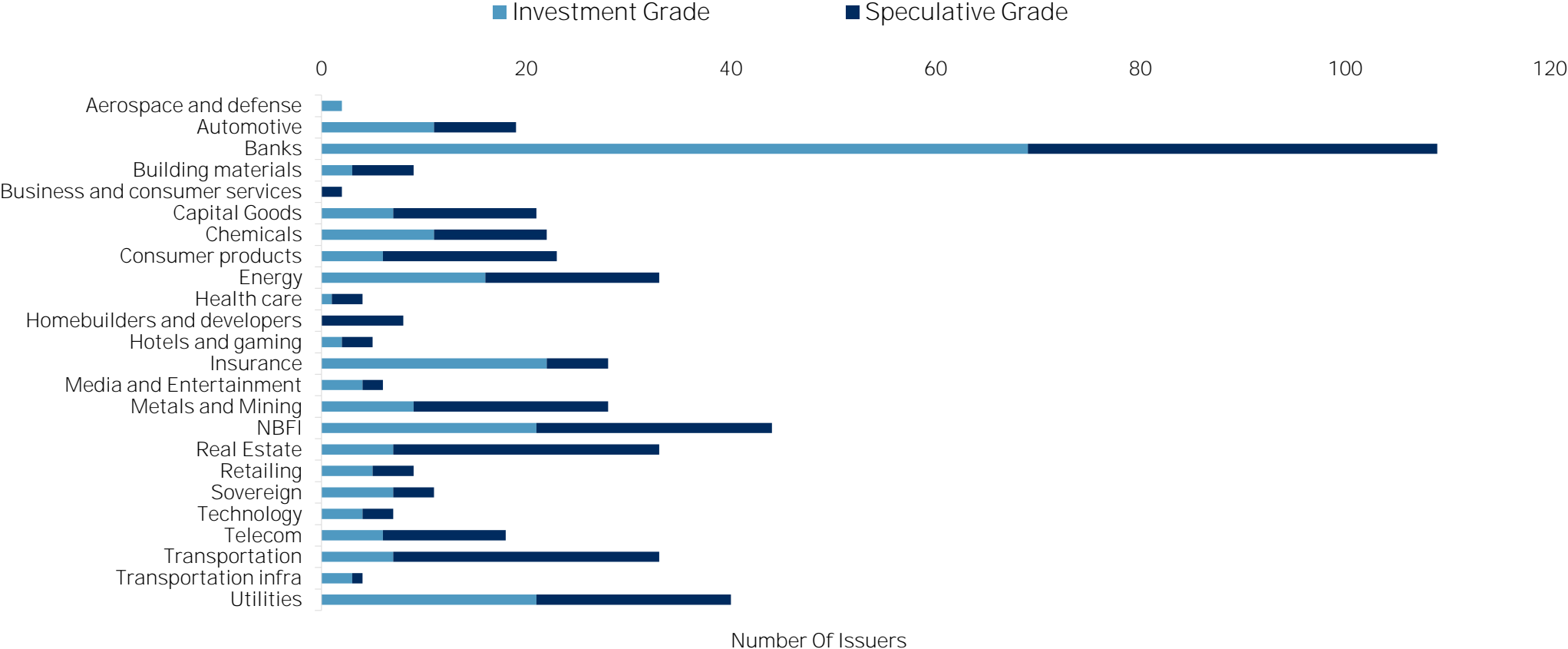


Note: Data includes sovereigns. Data from Feb. 3, 2020, to Oct. 15, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.



# EM | Total Rating Actions By Grade

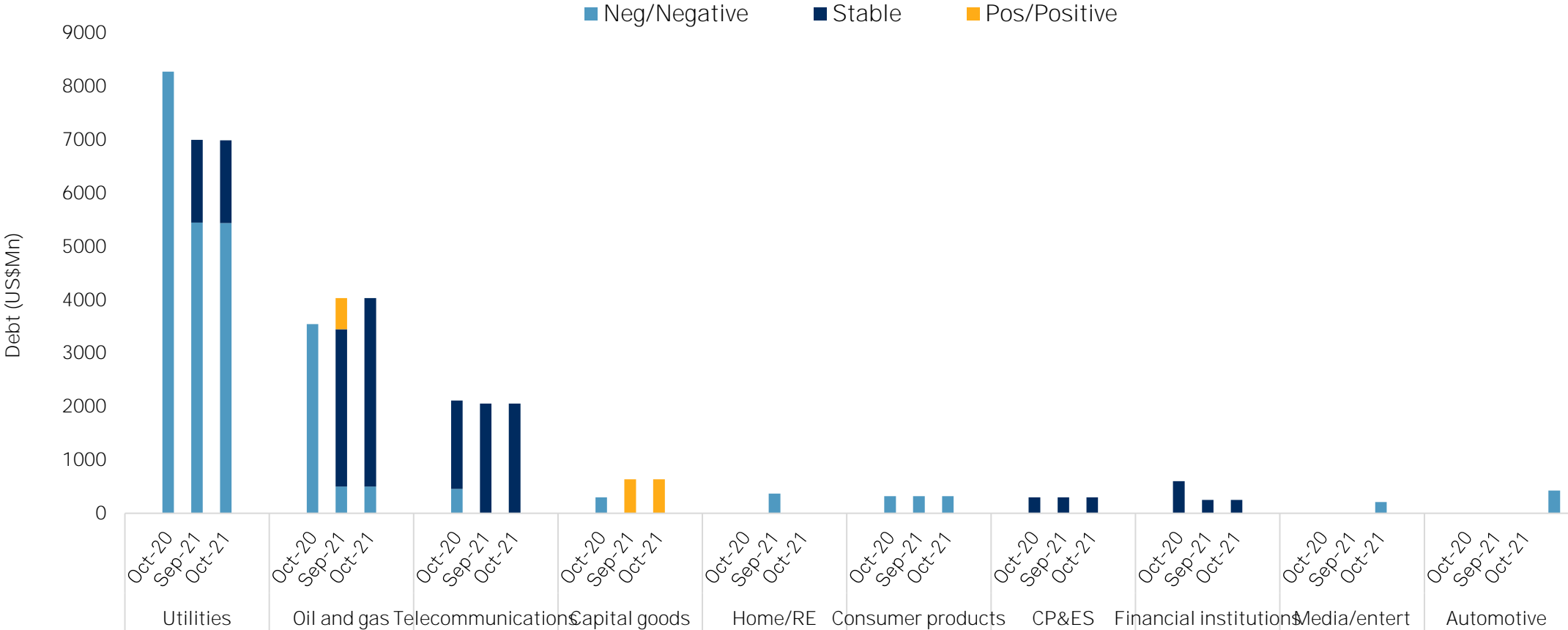
By Sector



Note: Data includes sovereigns. Data from Feb. 3, 2020, to Oct. 15, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

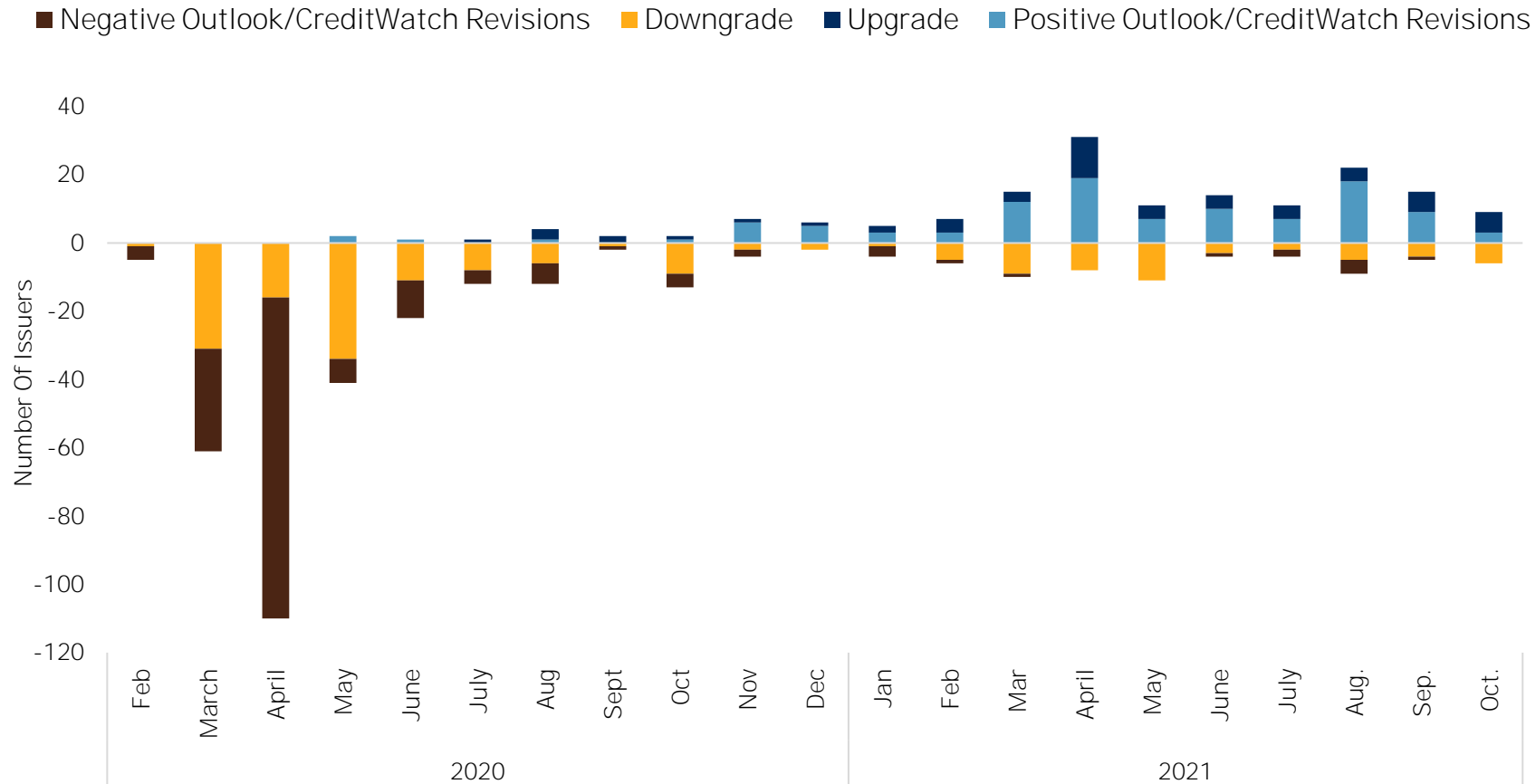
# EM 'CCC' Debt Exposure | By Sector

EM-16 'CCC' Rating Category Industry Exposure By Debt Amount



Based on local currency ratings. CP&ES -- Chemicals, packaging, and environmental services, Metals/mining/steel -- Metals, mining and steel, Retail -- Retail/restaurants, Media/entert -- Media and entertainment, Home/RE -- Homebuilders/real estate co., and Forest -- Forest products and building materials. Data as of Oct. 31, 2021. Source: S&P Global Ratings Research..

# EM | Total Rating Actions

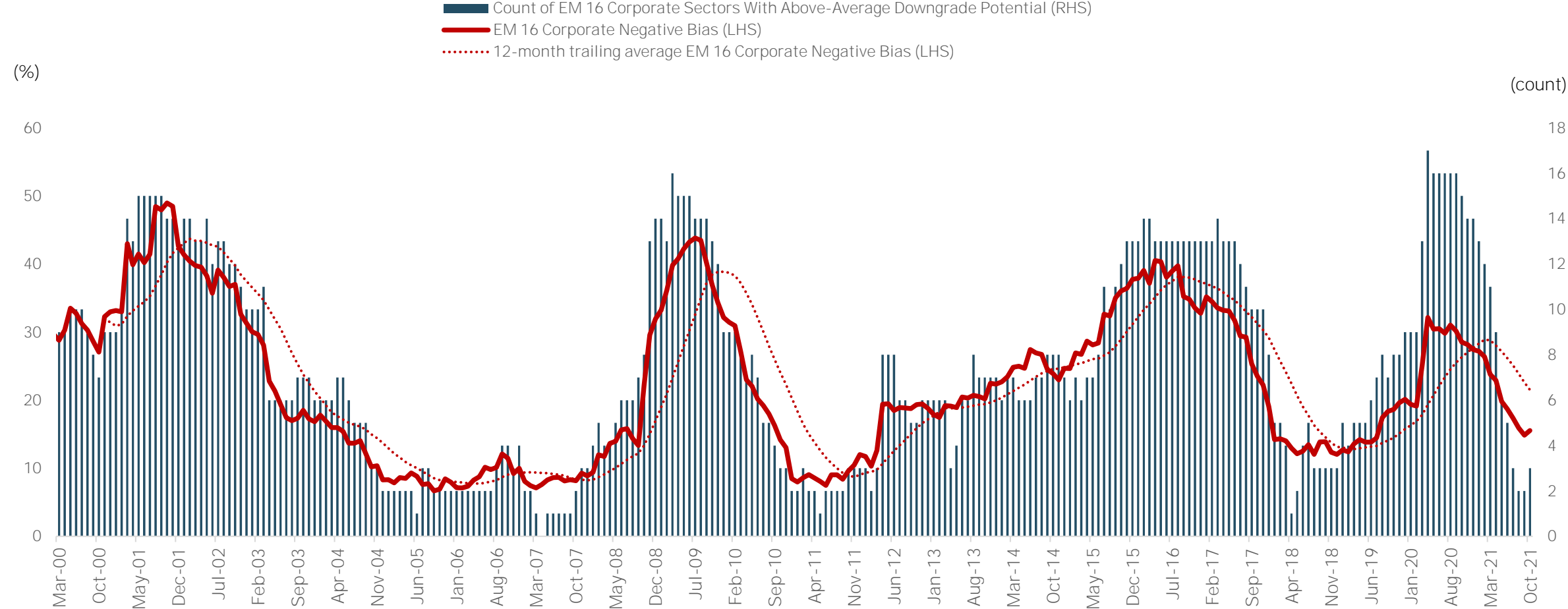


- Rating actions slightly increased compared with the previous month. For October 2021, we saw six downgrades, no CreditWatch listings/outlook revisions to negative, six upgrades, and three CreditWatch listings/outlook revisions to positive in EMs.
- The largest number of downgrades was in May 2020 (34).
- The most CreditWatch listings/outlook revisions to negative occurred in April 2020 (94).

Data includes sovereigns. Data from Feb. 3, 2020, to Oct. 15, 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.

# EM Downgrade Potential | By Bias

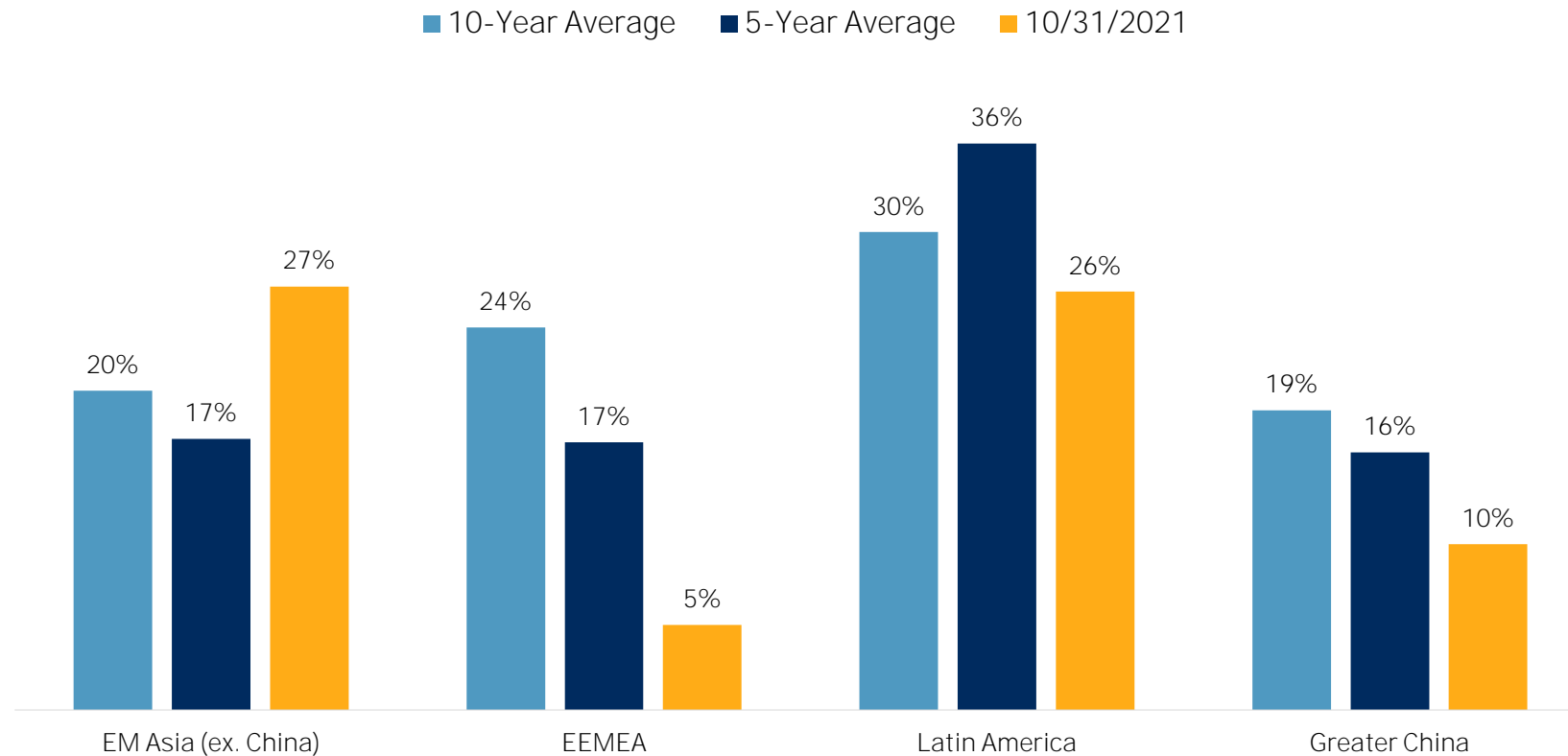
The Number Of Sectors With Above-Average Downgrade Potential Ticked Up In October



Data as of Oct. 31, 2021. Negative bias is the percentage of ratings with negative outlooks or that are on CreditWatch with negative implications. Count of Corporate Sectors With Above-Average Downgrade Potential shows the number of sectors with a negative bias that is above the long-term negative bias for that sector. Source: S&P Global Ratings Research.

# Downgrade Potential | Regional Negative Bias

## EM Downgrade Potential Differentiated By Region

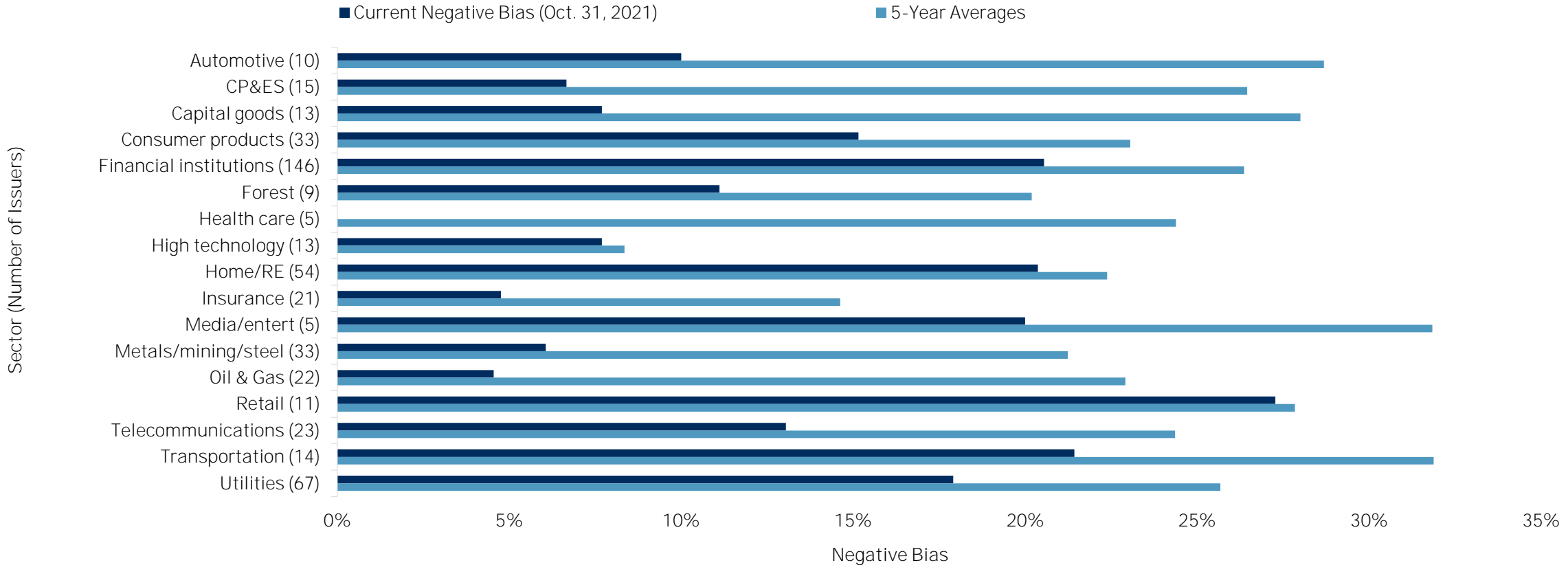


Data as of Oct. 31, 2021, and excludes sovereigns. Latin America: Argentina, Brazil, Chile, Colombia, and Mexico. EM Asia: India, Indonesia, Malaysia, Thailand, and the Philippines. EEMEA: Poland, Russia, Saudi Arabia, South Africa, and Turkey. Greater China: China, Hong Kong, Macau, Taiwan, and Red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

- EM Asia (excluding China). October 2021 downgrade potential was 27%, up from September 2021 (25%), but much higher than the five- and 10-year historical averages.
- EEMEA. October downgrade potential (5%) was the same as the prior month and remains the lowest among the EM regions.
- LatAm. Downgrade potential in October (26%) was slightly below its five-year average (36%) and its 10-year average (30%).
- Greater China. Downgrade potential (10%) remains roughly the same as the prior month and was below both of its historical averages.

# EM Downgrade Potential | By Sector

The Retail And Restaurants Sector Leads The Downgrade Potential In October



Data as of Oct. 31, 2021, and includes sectors with more than five issuers only; excludes sovereigns. EMs consist of Argentina, Brazil, Chile, China, Colombia, Mexico, India, Indonesia, Malaysia, Thailand, the 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 | Downgrades To 'CCC' From 'B-' In 2020

Rating date	Issuer	Economy	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 (The AES Corp.)	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 | Downgrades To 'CCC' From 'B-' In 2021 YTD

Five downgrades in EMs to 'CCC' from 'B-' so far for 2021.

Rating Date	Issuer	Economy	Sector	Rating To	Rating From	Debt Amount (Mil. \$)
22-Apr-21	Alpha Holding S.A. de C.V.	Mexico	Financial Institutions	CCC	B-	300
18-Jun-21	Sichuan Languang Development Co. Ltd.	China	Homebuilders/Real Estate Co.	CCC-	B-	750
5-Aug-21	China Evergrande Group	Cayman Islands	Homebuilders/Real Estate Co.	CCC	B-	16,260
18-Aug-21	Serba Dinamik Holdings Berhad	Malaysia	Oil & Gas Exploration & Production	CCC	B-	500
22-Sep-21	Xinyuan Real Estate Co. Ltd.	Cayman Islands	Homebuilders/Real Estate Co.	CCC	B-	300

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of Oct. 31, 2021; 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	Economy	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	Economy	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 Oct. 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	Economy	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.

Seven EM rising stars so far in 2021.

Rating Date	Issuer	Economy	Sector	Rating To	Rating 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 Co.	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
2-Sep-21	Braskem S.A. (Odebrecht S.A.)	Brazil	Chemicals, Packaging & Environmental Services	BBB-	BB+	3,250
21-Sep-21	Holding Co. Metalloinvest JSC	Russia	Metals, Mining & Steel	BBB-	BB+	800
13-Oct-21	Gazprombank JSC	Russia	Banks	BBB-	BB+	139
20-Oct-21	Tata Steel Ltd. (Tata Sons Pte. Ltd.)	India	Metals, Mining & Steel	BBB-	BB	2,300

Debt volume includes subsidiaries and excludes zero debt. Note: Red means speculative-grade rating. Data as of Oct. 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	Economy	Sector	To	From	Action type	Debt amount (Mil. \$)
14-Jan-20	Qinghai Provincial Investment Group Co. Ltd.	China	Metals, mining and 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	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 and 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 and entertainment	D	CC	Downgrade	400
8-Jul-20	PT Modernland Realty Tbk.	Indonesia	Homebuilders/real estate	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 Sept. 30 for 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers in 2020 and five 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	Economy	Sector	To	From	Action type	Debt amount (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.(A)	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	57
28-Apr-21	Future Retail Ltd.	India	Retail/restaurants	SD	CCC-	Downgrade	500
13-Jul-21	Sichuan Languang Development Co. Ltd.	China	Homebuilders/real estate companies	D	CCC-	Downgrade	-
20-Jul-21	Alpha Holding S.A. de C.V.	Mexico	Financial Institutions	D	CC	Downgrade	300

Data is by end of year for 2020, and as of Sept. 30 for 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers in 2020 and five in 2021 YTD. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

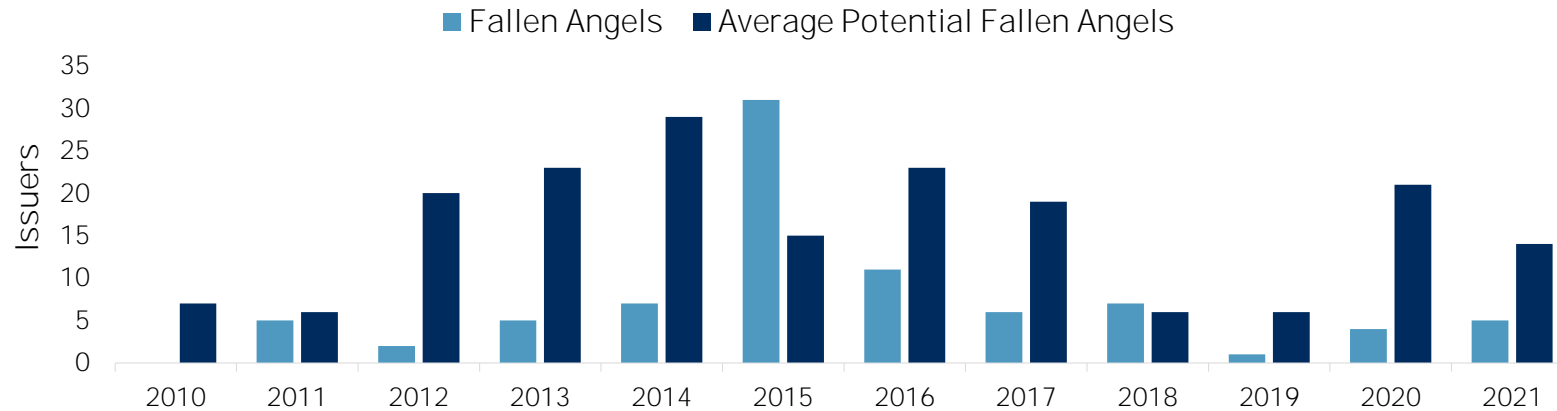
# Rating Actions | **List Of Defaulters For 2020 And 2021 YTD (Cont'd)**

Rating Date	Issuer	Economy	Sector	Rating To	Rating From	Action Type	Debt Amount (Mil. \$)
11-Aug-21	Sunshine 100 China Holdings Ltd. (B)	Cayman Islands	Homebuilders/real estate companies	SD	CCC-	Downgrade	-
13-Aug-21	CLISA-Compania Latinoamericana de Infraestructura & Servicios S.A.	Argentina	Capital Goods	SD	CC	Downgrade	905
5-Oct-21	Fantasia Holdings Group Co. Ltd.	Cayman Islands	Homebuilders/Real Estate Co.	SD	CCC	Downgrade	1,950
19-Oct-21	Sinic Holdings (Group) Co. Ltd.	Cayman Islands	Homebuilders/Real Estate Co.	SD	CC	Downgrade	-

Data is by end of year for 2020, and as of Oct. 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 five in 2021 YTD. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

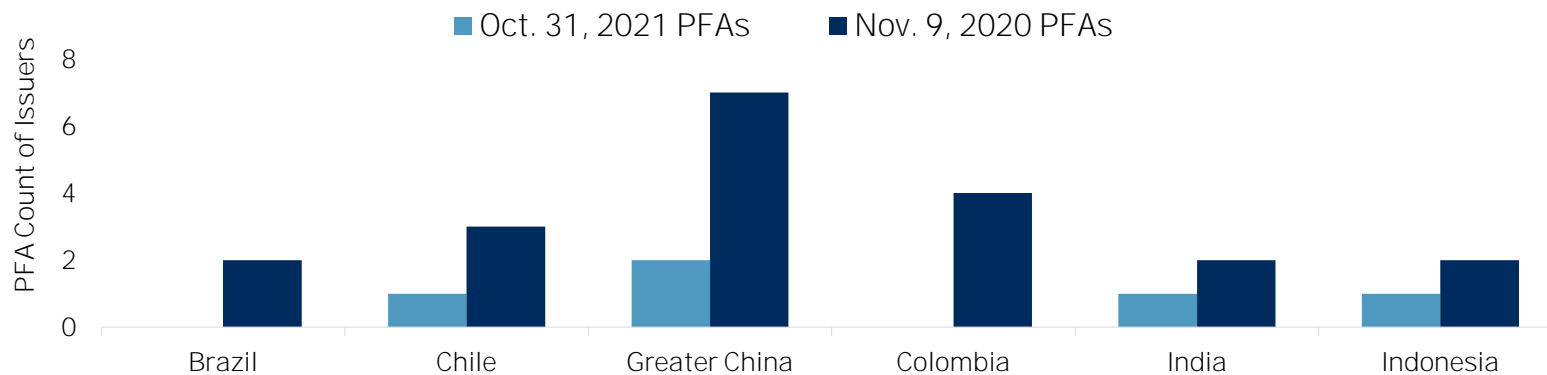
# Rating Actions | Fallen Angels And Potential Fallen Angels

Five EM Fallen Angels In 2021 YTD, The Potential Fallen Angels (PFA) Level Inches Down



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

EM PFAs By Economy

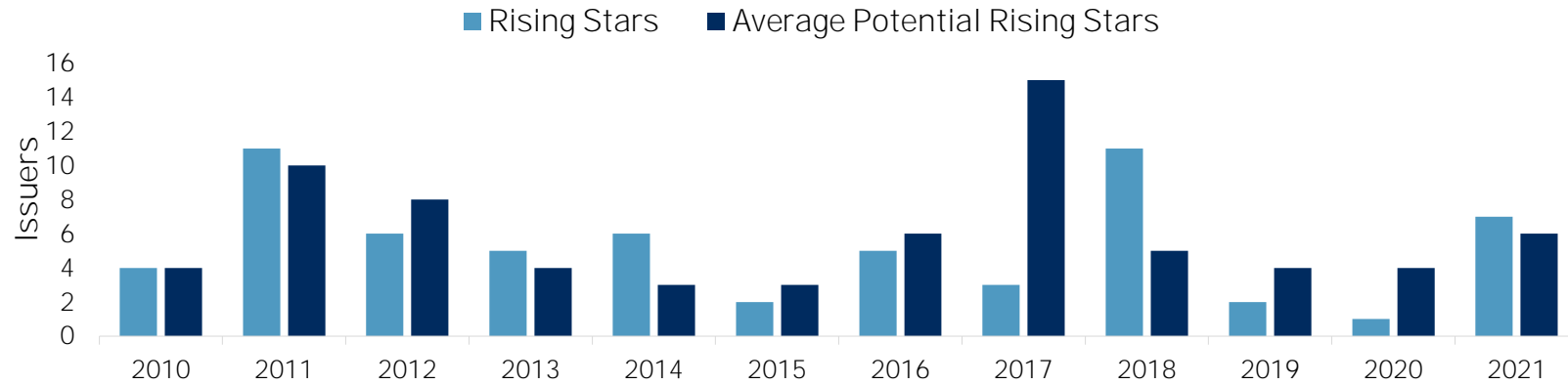


Data as of Oct. 31, 2021. Include Red Chip companies. Source: S&P Global Ratings Research.

- Five EM fallen angels. In October 2021, Chile-based Empresa Nacional del Petroleo and four Colombia-based entities, including the sovereign, were the fallen angels in EMs.
- Among the current EM PFAs, 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.
- The number of global PFAs continued to decline. Media and entertainment leads by count with the most potential fallen angels, but aerospace and defense sector had the largest amounts of associated debt. For more information, see [“'BBB' Pulse: M&A Rebound Could Put The Corporate Credit Recovery On The Back Burner,”](#) published Oct. 11, 2021.

# Rating Actions | Rising Stars And Potential Rising Stars

## EM Rising Stars Increased To Seven



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

## EM PRS By Economy

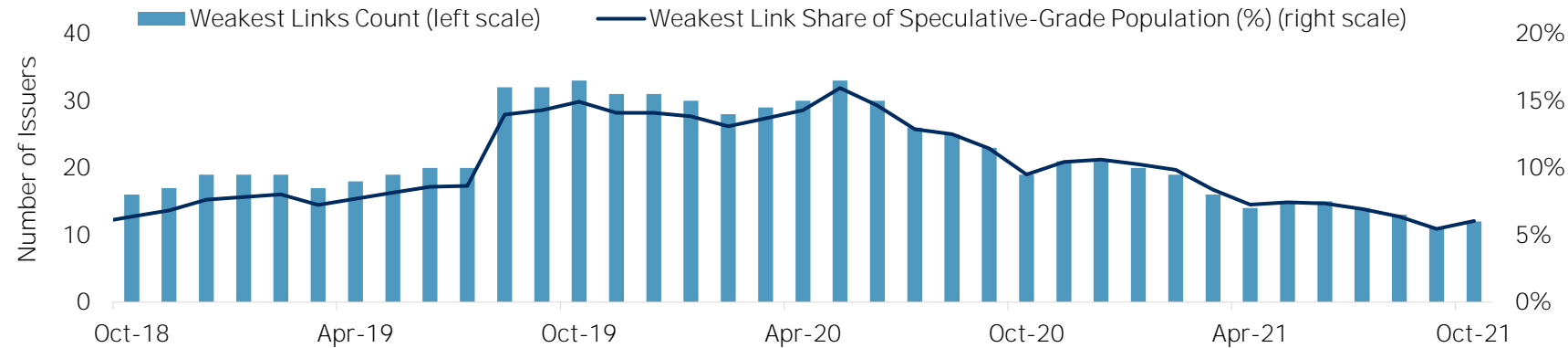


Data as of Oct. 31, 2021. Include Red Chip companies. Source: S&P Global Ratings Research.

- Seven EM rising stars in 2021 YTD. In October 2021, there were three rising stars from Russia, and one each from Brazil, the Cayman Islands, Mexico, and India.
- Among the current EM potential rising stars (PRS), there were none on CreditWatch positive.
- Globally, of the PRS (issuers rated 'BB+' with positive outlooks or ratings on CreditWatch with positive implications), FI leads among sectors by count, but the largest amounts of associated debt were in health care sector. For more information, see [“'BBB' Pulse: M&A Rebound Could Put The Corporate Credit Recovery On The Back Burner”](#) published Oct. 11, 2021.

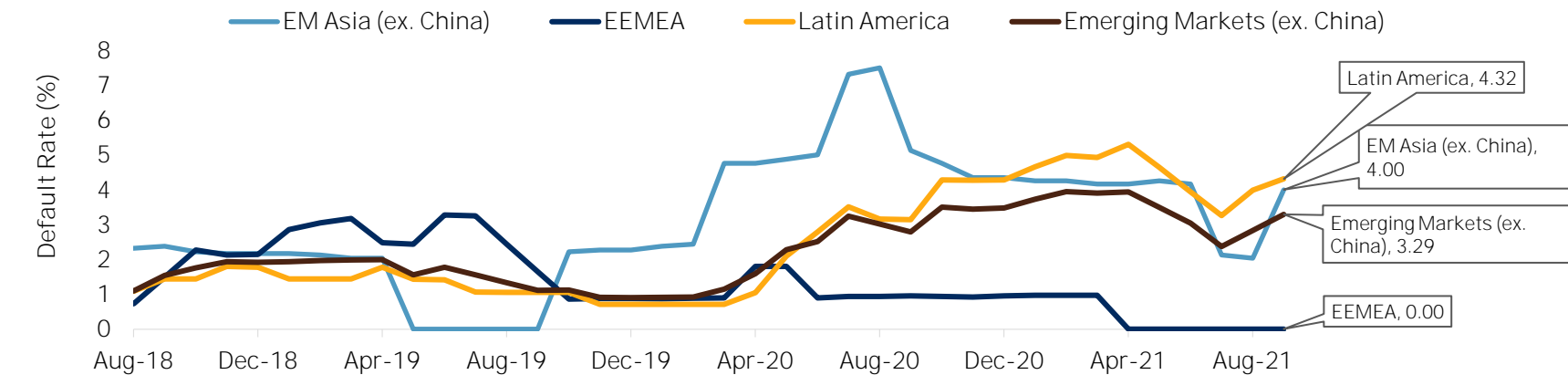
# Rating Actions | Weakest Links And Defaults

## EM October Weakest Links Tally Increased Compared To The Prior Month



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

## Default Rates Increased Across Regions



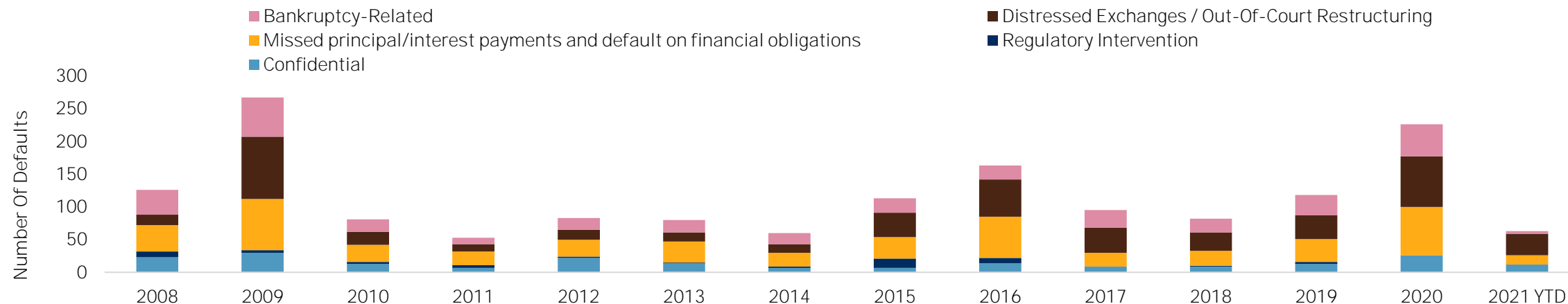
CreditPro data as of Sept. 30, 2021. Default rates are trailing 12-month speculative-grade default rates. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

- Weakest links. EMs saw 12 issuers on the weakest links list (nearly 6% of total speculative-grade issuers), reflecting default prospects for the weakest issuers.
- Default rates. The September default rates (see chart) increased for all regions, except EEMEA, where the default rates remained at 0%.
- For more information, see "[Signs Of Weakness Among Lowest-Rated Homebuilder And Real Estate Issuers](#)" published Oct. 29, 2021.



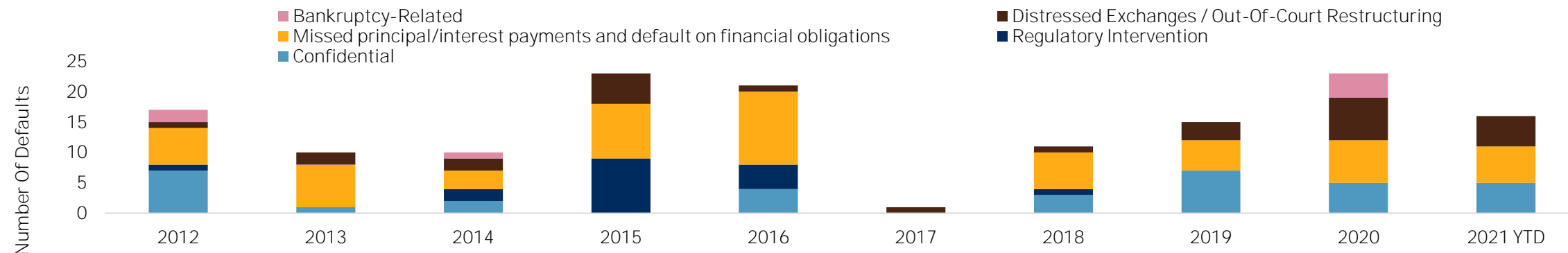
# Rating Actions | Defaults

## Year-End Global Corporate Defaults By Reason



\*Data as of Oct. 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 Oct. 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

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- COVID-19 Impact: Key Takeaways From Our Articles, Nov. 3, 2021
- Global Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date In 2021, Nov. 2, 2021
- Signs Of Weakness Among Lowest-Rated Homebuilder And Real Estate Issuers, Oct. 29, 2021
- Emerging Markets: Latin America Looks Past COVID-19 And Sees Political Uncertainty And Old Challenges, Oct. 21, 2021
- 'BBB' Pulse: M&A Rebound Could Put The Corporate Credit Recovery On The Back Burner, Oct. 11, 2021
- Economic Research: Credit Markets Update Asia-Pacific Q4 2021, Sept. 29, 2021
- Economic Outlook Q4 2021: Global Growth Is Steady As Delta Spurs Wide Regional Swings, Sept. 29, 2021
- Credit Conditions Emerging Markets Q4 2021: Pandemic Scars Will Linger As New Risks Emerge, Sept. 28, 2021
- Credit Conditions Asia-Pacific Q4 2021: COVID Besets, China Resets, Sept. 28, 2021
- Economic Research: Economic Outlook EMEA Emerging Markets Q4 2021: Higher Inflation Persists Amid A Stronger Rebound, Sept. 27, 2021
- Economic Outlook Latin America Q4 2021: Settling Into The New Post-Pandemic Normal Of Slow Growth, Sept. 27, 2021
- Economic Outlook Asia-Pacific Q4 2021: Growth Slows On COVID-19 And Rising China Uncertainty, Sept. 27, 2021
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- EMEA Emerging Markets Sovereign Rating Trends Midyear 2021, June 29, 2021

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