



Emerging Markets Monthly Highlights

Rising Protectionism Will Challenge Resilience

S&P Global
Ratings

Credit Research

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This report does not constitute a rating action

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Emerging markets consist of:

Latin America: Argentina, Brazil, Chile, Colombia, Mexico, Peru.

Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines, Vietnam.

EMEA: Hungary, Poland, Saudi Arabia, South Africa, Türkiye.

Greater China: China, Hong Kong, Macau, Taiwan, and Red Chip companies (issuers headquartered in Greater China but incorporated elsewhere).

Key Takeaways



We expect rising trade protectionism among major economies to hurt GDP growth in most emerging markets (EMs), though its impact will depend on policy specifics. Trade diversion and potentially tighter rules of origin are two factors that could influence macroeconomic conditions in EMs in 2025.



U.S. protectionism will weigh on EMs' credit conditions. However, we expect falling interest rates and steady, albeit slower, economic growth to provide resilience. Yet, higher-than-expected tariffs on China or broader levies are important downside risk for growth and financing conditions in EMs.



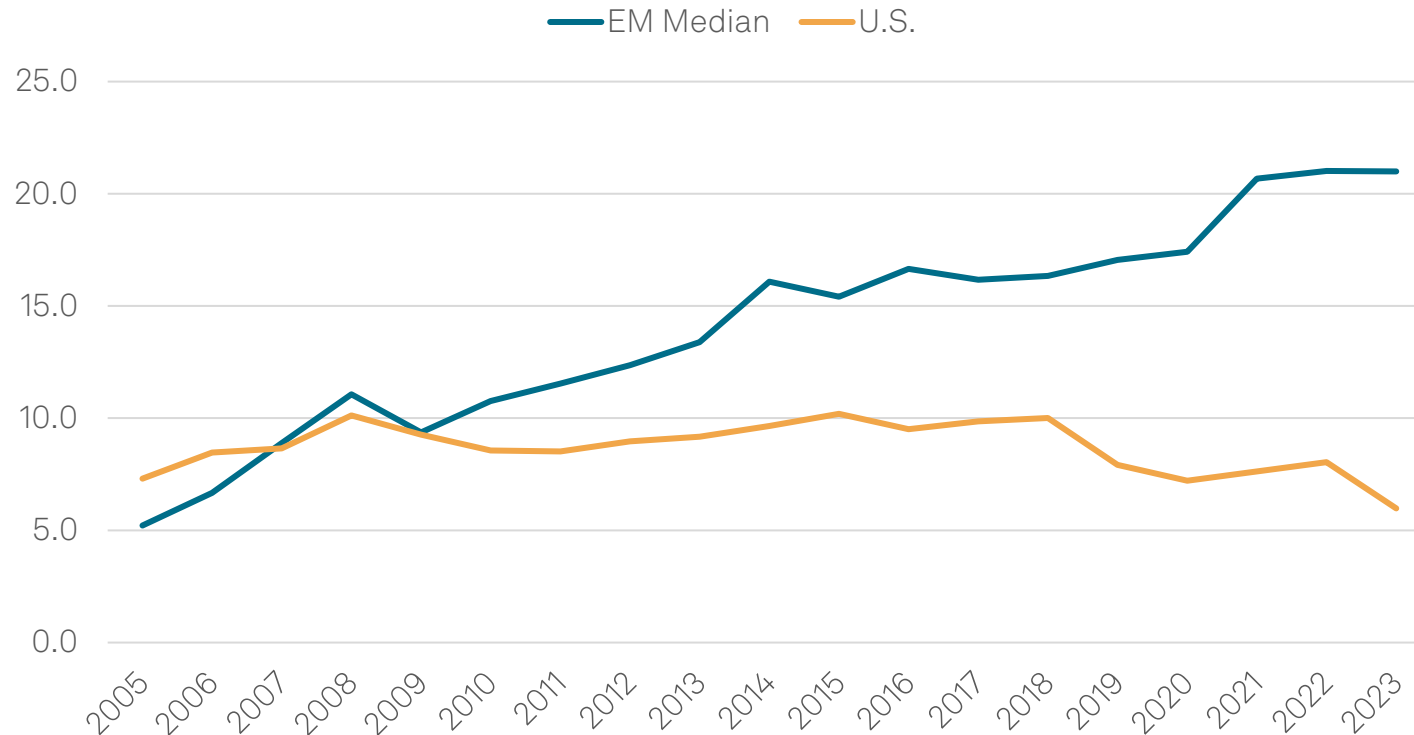
We expect EM central banks to adopt a more cautious stance, but monetary easing will continue. We forecast 100 basis points (bps) of policy rate cuts on average for EMs in 2025, which should support financing conditions. Brazil is the exception, where more interest rate hikes are likely in the coming months due to rising inflation.



EM benchmark yields displayed a downward trend in the month, with tight corporate spreads at low historical levels. However, U.S. political elections bring downside risks to financing conditions, mostly linked to the risk of higher inflation and interest rates. Issuance volume (excluding from China) was relatively low in November, despite record levels year to date.

EM Growth Outlook | All Eyes On Trade Policy In 2025

Share of intermediate goods imports from China (% of total goods imports from China)



Sources: WITS and S&P Global Ratings.

- **A likely increase in trade protectionist policies among major economies will hurt GDP growth in most EMs.** However, the magnitude and duration of the impact will depend on policies' details, which will become clearer in the coming months.
- **For now, we assume only a modest rise in tit-for-tat tariffs between the U.S. and China in 2025 and no new tariffs for the rest of the world.** This would produce a relatively moderate net impact on GDP in most major EMs (excluding China). Downside risks to our forecast are substantial, and the potential tightening in financial conditions could compound pain.
- **Trade diversion, and potentially tighter rules of origin, are two factors that could influence macroeconomic conditions in EMs in 2025.** For more, see [“Economic Outlook Emerging Markets Q1 2025: Trade Uncertainty Threatens Growth”](#), published Nov. 26, 2024.

EM Credit Conditions | The Tariff Trials

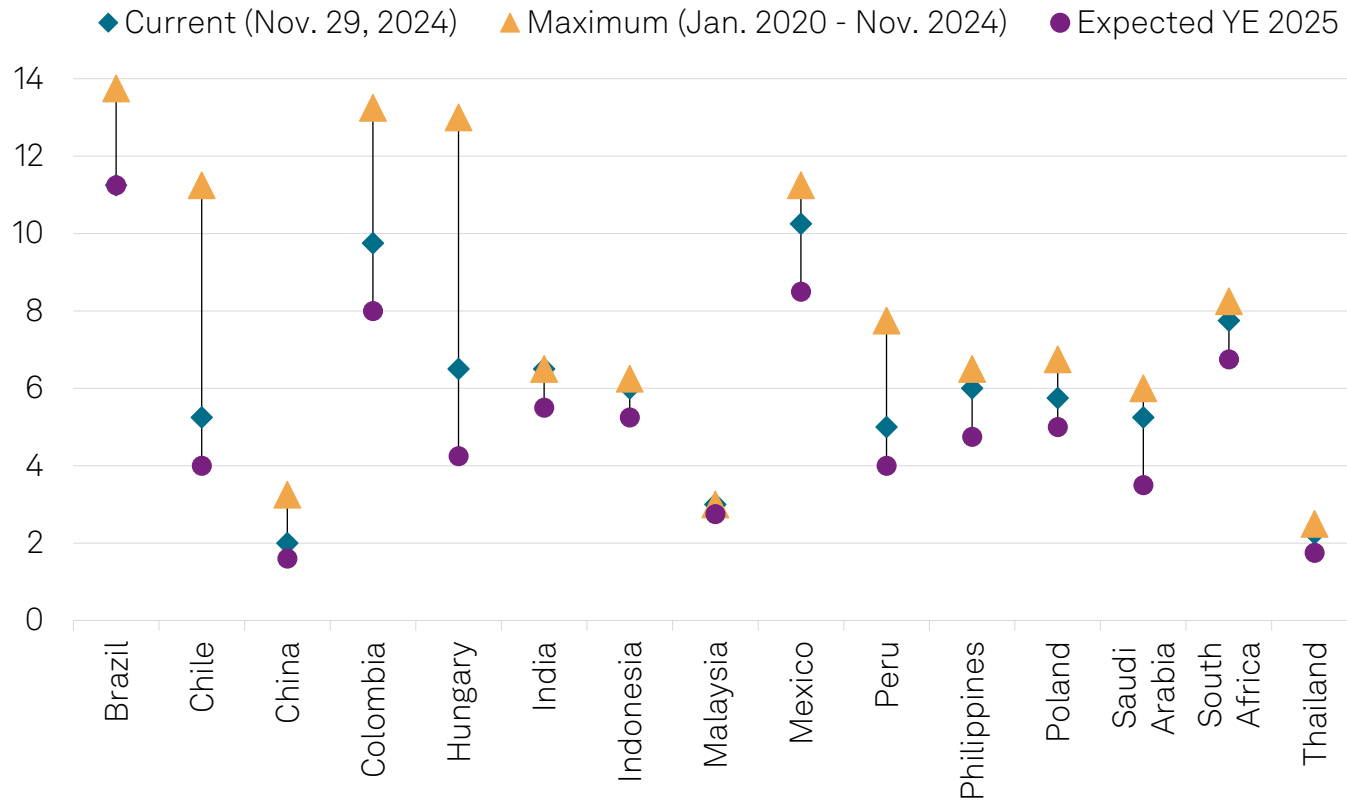
Top EM risks	Risk level*	Risk trend**
 Geopolitical tensions erode credit fundamentals.	High	Worsening
 Increasing protectionism disrupts global trade.	High	Worsening
 A deepening property crisis, weak confidence, high debt levels, and trade tensions slow China's economic growth.	High	Worsening
 Higher interest rates linger upon a sudden stop of monetary easing in the U.S.	Elevated	Worsening
 A sharper-than-expected downturn in advanced economies weighs on global trade.	Elevated	Unchanged
Structural risks		
 Climate change and more frequent natural disasters.	Elevated	Worsening

* **Risk levels** may be classified as moderate, elevated, high, or very high. They are evaluated by considering both the likelihood and systemic impact of such an event occurring over the next one to two years. Typically, these risks are not factored into our base case rating assumptions unless the risk level is very high. ** **Risk trend** reflects our current view about whether the risk level could increase or decrease over the next 12 months. Source: S&P Global Ratings.

- **U.S. protectionism will test credit conditions in EMs.** Considering moderate new tariffs primarily on Chinese imports and their potential impact on its economy, we anticipate that EMs' credit conditions will remain resilient, bolstered by declining interest rates, and sustained--albeit slower--economic growth.
- **The balance of risks has clearly worsened for EMs.** Higher-than-expected tariffs on China and/or a generalized levy on U.S. imports could have ripple effects on global demand, inflation, interest rates, and currencies. These factors will likely slow EMs' economic growth, resuming inflationary pressures and worsening financing conditions.
- Read more at [“Credit Conditions Emerging Markets Q1 2025: The Tariff Trials”](#).

EMs | U.S. Protectionism Will Test Credit Conditions

EM rated issuers should benefit from ongoing monetary easing policy rates (%)



For China, the one-year medium-term lending facility rate is shown. Source: S&P Global Market Intelligence.

- **EMs should be able to weather a scenario of moderate tariffs.** EMs' credit conditions will remain resilient, bolstered by declining interest rates, and sustained--albeit slower--economic growth.
- **We expect the Fed's monetary easing to continue, although with fewer cuts and a higher terminal rate.** We now expect the federal funds rate to end 2025 at 3.50%, compared with our previous expectation of 3.00%.
- **We expect more caution among EM central banks, although monetary easing will continue;** we forecast 100-bps policy rate cuts on average through 2025. This should support financing conditions.
- **There will be some exceptions,** like Brazil where recently announced measures could renew inflationary pressures and prompt monetary tightening.

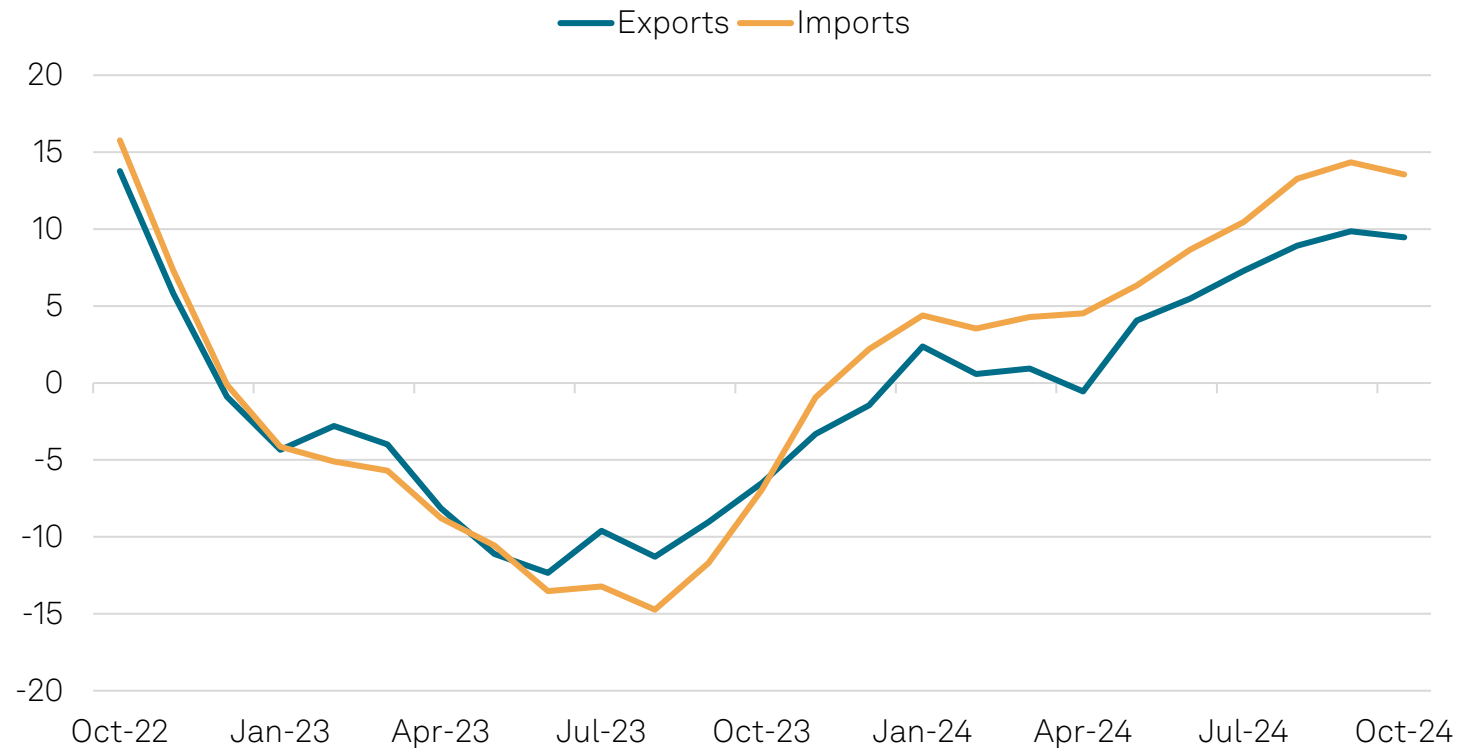
Regional Economic Highlights

EM Asia Economics | Trade Growth Gradually Moderating

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- **Trade growth in EM Asia reflects global economic conditions.** It has been resilient for much of 2024 on the back of steady global goods demand. We now see moderation in trade growth as the upcycle matures.
- Electronics-related trade has had strong growth in this year on the back of **resilient electronics demand and AI-related investment.** The electronics sector is set to be resilient, but the growth rate is slowing.
- U.S. trade policy presents a key risk to the trade outlook. While EM Asia is set to see some benefits from trade diversion from China. **Overall, we see trade restrictions as negative for the region's open economies.**

EM Asia's goods trade growth (year-over-year %)



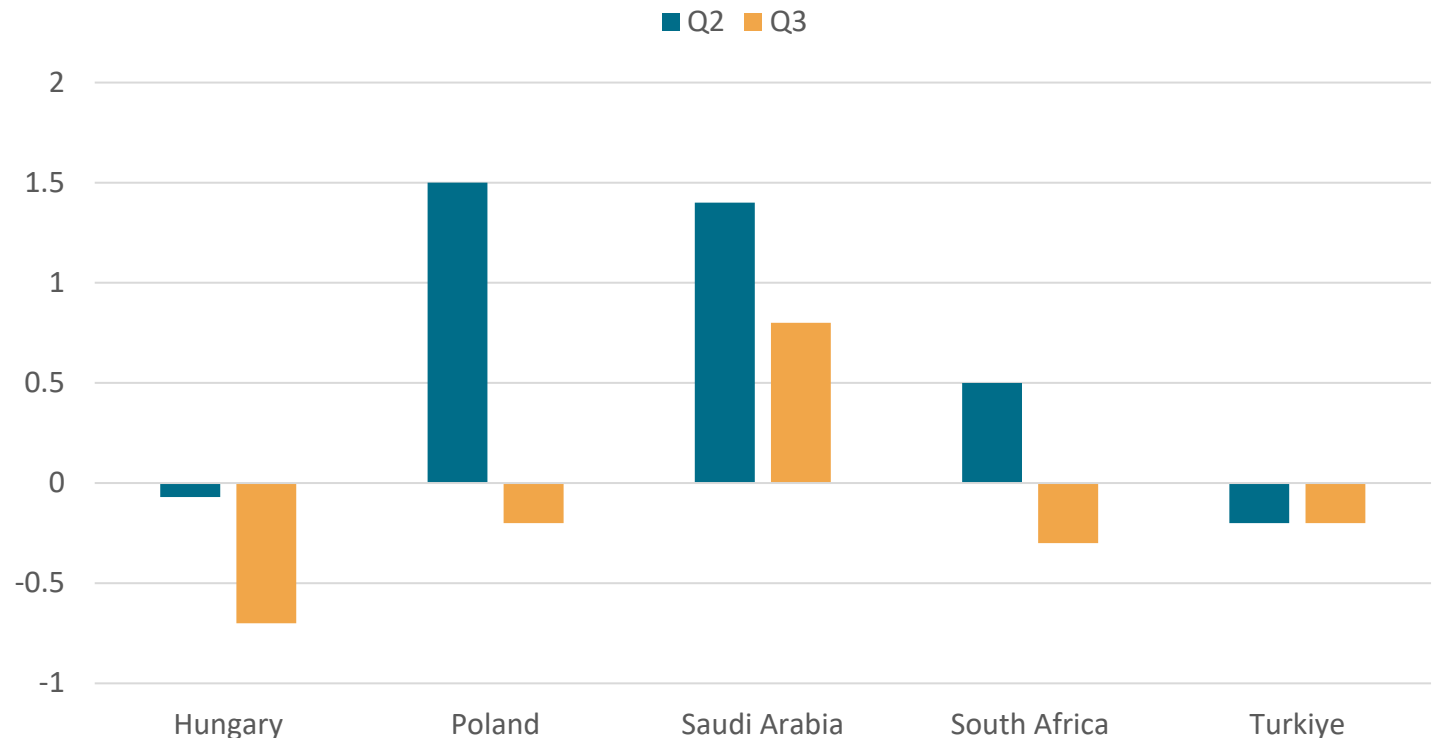
Note: Countries included are Indonesia, Thailand, Malaysia, the Philippines, and Vietnam. Sources: CEIC data and S&P Global.

EM EMEA Economics | Q3 GDP Prints Were On A Weaker Side

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- **Except for Saudi Arabia, key EM EMEA economies have recorded a GDP contraction in Q3.** Household consumption has grown in most economies (with exception of Turkiye), but subdued external environment and, in some cases, the contraction in investment (Poland and Hungary) have been a drag on growth. Even though high-frequency indicators point to some recovery in Q4, negative growth in Q3 will likely depress the 2025 annual growth numbers due to base effects.
- **South Africa's GDP has unexpectedly shrunk by 0.3% in Q3,** mostly due to the drought and the slump in agricultural production, which has dropped 28.8% in quarterly terms.
- **Saudi Arabia's growth remained solid, although Q3 non-oil growth was slightly below expectations.** Due to recently announced extension of oil production cuts, both oil and non-oil growth next year will likely be constrained (as oil and non-oil growth remain highly correlated).

GDP growth (quarter-on-quarter %)



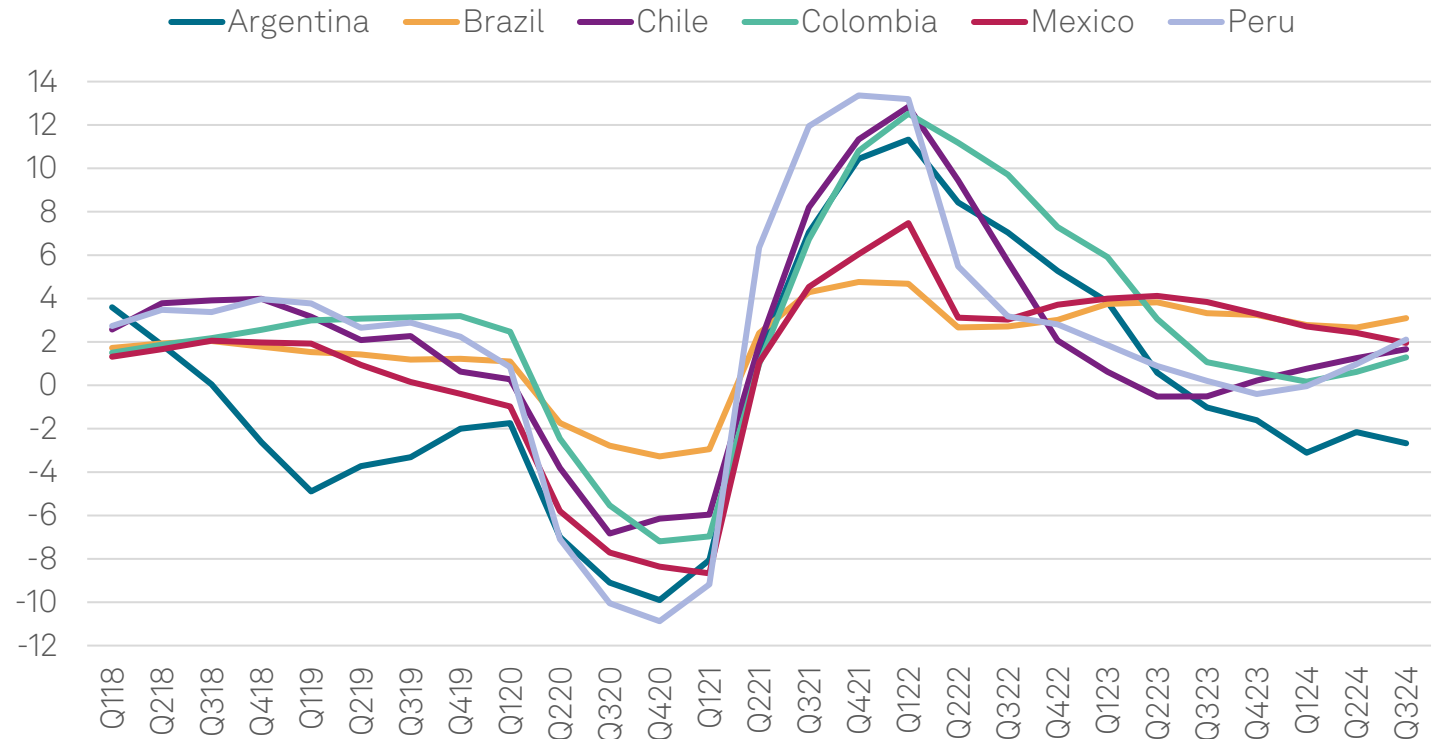
Sources: S&P Global Market Intelligence and S&P Global Ratings.

LatAm Economics | Growth Momentum Improving In Most Cases

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- **Real GDP growth in countries that underperformed in 2023 (Chile, Colombia, and Peru) continues to recover, albeit slowly.** We expect the growth momentum to continue into 2025 in these countries, as domestic demand continues to rebound.
- **In Brazil and Mexico, we expect slower growth in 2025 than in 2024.** The Brazilian economy continues to post strong growth rates, helped by the fiscal stimulus. However, we expect the latter to be lower next year than in 2024, and restrictive monetary policy to slow credit growth. In Mexico, uncertainty over trade policy will likely weaken private fixed investment.
- **The region will face several external challenges in 2025.** The most salient one will be the likely increase in trade protectionist policies, and its impact on global demand and interest rates.

Real GDP growth (Four-Quarter Moving Average, year-over-year %)



Sources: Haver Analytics and S&P Global Ratings.

Macro-Credit Dashboards

GDP Summary | Most EMs Will Grow Below Trend In 2025

■ GDP growth below five-year average (2015-2019) ■ GDP growth above five-year average (2015-2019)

Country	Latest reading (y/y)	Period	Five-year avg	2020	2021	2022	2023	2024f	2025f	2026f	2027f
Argentina	-1.7	Q2	-0.2	-9.9	10.4	5.3	-1.6	-3.5	3.8	2.5	2.5
Brazil	4.0	Q3	-0.5	-3.6	5.1	3.1	2.9	3.1	1.9	2.1	2.2
Chile	2.3	Q3	2.0	-6.4	11.6	2.1	0.3	2.4	2.2	2.4	2.5
Colombia	2.0	Q3	2.4	-7.2	10.8	7.3	0.6	1.7	2.5	2.8	2.9
Mexico	1.6	Q3	1.6	-8.8	6.3	3.7	3.2	1.5	1.2	1.9	2.2
Peru	3.8	Q3	3.2	-11.0	13.6	2.7	-0.5	2.9	2.8	2.7	2.9
China	4.6	Q3	6.7	2.2	8.5	3.0	5.2	4.8	4.1	3.8	4.3
India	5.4	Q3	6.9	-5.8	9.1	7.0	8.2	6.8	6.7	6.8	7.0
Indonesia	4.9	Q3	5.0	-2.1	3.7	5.3	5.0	5.0	4.9	4.9	4.9
Malaysia	5.3	Q3	4.9	-5.5	3.3	8.9	3.5	5.5	4.9	4.5	4.5
Philippines	5.2	Q3	6.6	-9.5	5.7	7.6	5.5	5.5	6.0	6.2	6.5
Thailand	3.0	Q3	3.4	-6.1	1.5	2.6	1.9	2.8	3.1	3.0	3.1
Vietnam	7.4	Q3	7.1	2.9	2.6	8.0	5.0	6.7	6.6	6.7	6.7
Hungary	-0.8	Q3	4.2	-4.7	7.2	4.6	-0.7	1.0	2.6	2.8	2.4
Poland	1.6	Q3	4.4	-2.0	6.8	5.5	0.2	2.8	3.1	2.9	2.8
Saudi Arabia	2.8	Q3	2.3	-4.3	3.9	8.7	-0.9	0.8	4.7	4.0	3.7
South Africa	0.3	Q3	1.0	-6.0	4.7	1.9	0.6	1.0	1.6	1.4	1.3
Turkiye	2.1	Q3	4.2	1.7	11.8	5.3	4.5	3.1	2.3	3.1	3.0

f--Forecast. y/y--Year on year. Sources: Haver Analytics and S&P Global Ratings.

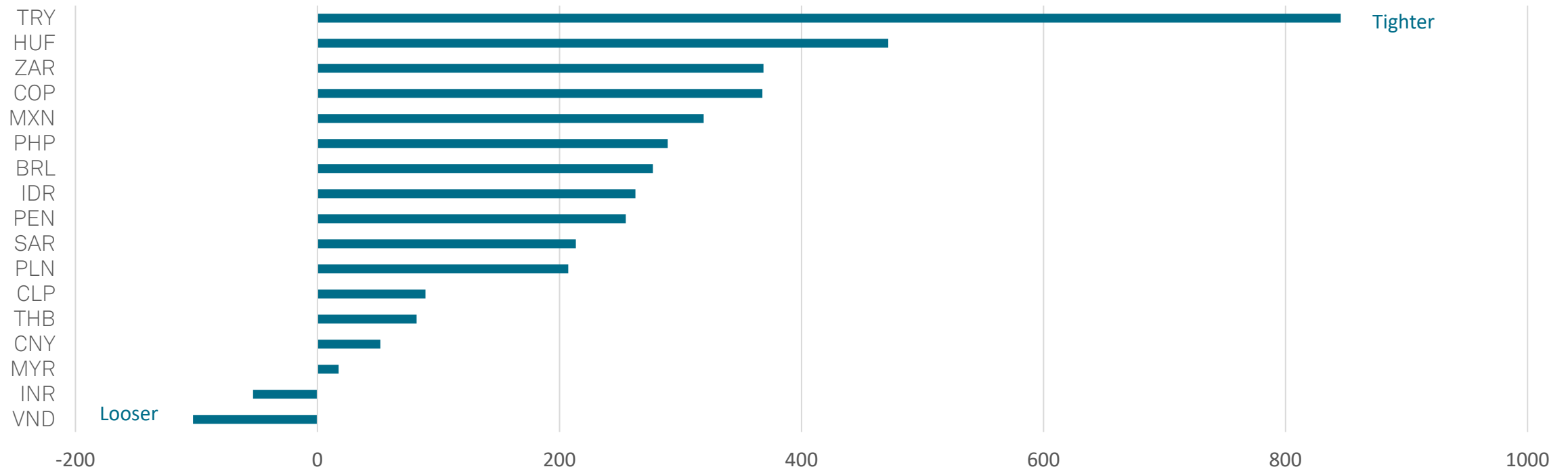
Monetary Policy/FX | Continued Rate Cuts Last Month

Country	Policy rate	Inflation target	Latest inflation reading	Latest rate decision	Next meeting	Nov. exchange rate chg.	YTD exchange rate chg.
Argentina	35.00%	No target	193.0%	500 bps cut	N/A	-2.1%	-20.1%
Brazil	11.25%	3.0% +/- 1.5%	4.8%	50 bps hike	Dec. 11	-4.6%	-20.0%
Chile	5.25%	3.0% +/- 1.0%	4.2%	Hold	Dec. 19	-2.7%	-9.5%
Colombia	9.75%	3.0% +/- 1.0%	5.4%	50 bps cut	Dec. 20	0.2%	-13.3%
Mexico	10.25%	3.0% +/- 1.0%	4.8%	25 bps cut	Dec. 19	-1.4%	-16.7%
Peru	5.00%	1.0% - 3.0%	2.3%	25 bps cut	Dec. 12	0.4%	-1.4%
China	1.50%	3.0%	0.3%	Hold	N/A	-1.7%	-1.9%
India	6.50%	4.0 +/- 2.0%	6.2%	Hold	Dec. 8	-0.5%	-1.6%
Indonesia	6.00%	2.5% +/- 1.0%	1.5%	Hold	Dec. 18	-1.0%	-2.6%
Malaysia	3.00%	No target	1.9%	Hold	Jan. 22	-1.0%	3.4%
Philippines	6.00%	3.0% +/- 1.0%	2.5%	25 bps cut	Dec. 19	-0.7%	-5.3%
Thailand	2.25%	2.0% +/- 1.5%	0.9%	25 bps cut	Dec. 18	-1.6%	-0.2%
Vietnam	4.50%	4.0%	2.9%	Hold	N/A	0.0%	-1.6%
Hungary	6.50%	3.0% +/- 1.0%	3.0%	Hold	Dec. 17	-4.0%	-11.5%
Poland	5.75%	2.5% +/- 1.0%	5.0%	Hold	Jan. 16	-1.7%	-3.5%
Saudi Arabia	5.25%	No target	1.9%	25 bps cut	N/A	0.0%	0.0%
South Africa	7.75%	3.0% - 6.0%	2.8%	25 bps cut	Jan. 30	-1.6%	3.0%
Turkiye	50.00%	5.0% +/- 2.0%	47.1%	Hold	Dec. 26	-1.2%	-14.9%

Note: Red means inflation is above the target range/policy is tightening/exchange rate is weakening. Green means inflation is below the target range/policy is easing/exchange rate is strengthening. 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. bps--Basis points. YTD--year to date. N/A--Not applicable. Sources: Haver Analytics and S&P Global Ratings.

Real Interest Rates | Ability To Cut Interest Rates Further, If Needed

Deviation in current real benchmark interest rates from 10-year average (bps)



Data as of Nov. 30, 2024. 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. Sources: Haver Analytics and S&P Global Ratings.

EM Heat Map

	Saudi Arabia	Poland	Mexico	Peru	Chile	Malaysia	Philippines	Indonesia	China	South Africa	Thailand	India	Colombia	Brazil	Vietnam	Turkiye	Argentina
FC sovereign rating	A	A-	BBB	BBB-	A	A-	BBB+	BBB	A+	BB-	BBB+	BBB-	BB+	BB	BB+	BB-	CCC
Sovereign outlook	Positive	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Positive	Stable	Positive	Negative	Stable	Stable	Stable	Stable
Sovereigns																	
Institutional	4	4	3	4	2	3	3	3	3	4	4	3	3	4	4	4	6
Economic	3	3	5	4	4	3	4	4	3	5	4	4	4	5	4	4	5
External	1	2	2	3	4	2	1	3	1	2	1	1	5	2	3	4	6
Fiscal (BDGT)	2	5	4	2	2	4	3	3	5	6	3	6	4	6	4	5	6
Fiscal (DBT)	1	3	4	3	2	5	4	4	4	6	3	6	4	6	3	4	5
Monetary	4	2	3	3	2	2	3	3	2	2	2	3	3	3	4	5	6
Financial institutions BICRA																	
Economic risk	5	4	6	6	4	5	6	6	7	7	7	6	7	7	9	8	10
Industry risk	4	5	3	3	3	3	5	6	5	4	6	5	5	5	8	9	7
Institutional framework	I	H	I	L	I	I	H	H	H	I	VH	H	I	I	EH	VH	H
Derived anchor	bbb	bbb	bbb-	bbb-	bbb+	bbb	bbb-	bb+	bb+	bb+	bb	bbb-	bb+	bb+	b+	b+	b+
Eco. risk trend	Stable	Stable	Stable	Negative	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Eco. Imbalances	I	L	I	L	L	L	L	L	H	I	H	L	H	I	H	H	VH
Credit risk	I	I	I	VH	I	H	H	VH	VH	H	VH	VH	H	H	EH	VH	EH
Competitive dynamics	I	H	I	I	L	I	I	H	H	I	H	H	I	H	VH	VH	H
Funding	I	L	L	I	L	L	I	I	VL	I	L	L	H	I	I	VH	VH
Nonfinancial corporates																	
Median rating (Nov. 30, 2024)	A-	BB	BBB	BBB-	BBB	A-	BBB	BB	BBB+	BB-	BBB	BBB-	BB+	BB	BB-	BB-	CCC
Net debt / EBITDA	2.86	1.66	2.76	2.25	3.49	2.22	3.31	2.51	3.30	2.04	2.90	2.18	2.05	1.85	3.18	1.82	1.99
ROC adj.§	1	1	1	3	0	1	0	0	2	0	3	0	0	1	-1	-38	-73
EBITDA interest coverage	7.13	8.27	4.21	6.52	5.32	9.24	5.96	5.42	6.47	4.94	8.76	5.94	3.80	3.45	5.13	2.75	2.98
FFO / debt	31.6	42	40.6	38.1	26.6	25.9	25.3	33.1	15.4	44.3	28.4	37.2	51.2	55.4	27.1	38.5	29.1
NFC FC debt % GDP*	8.6	12.7	11.8	20.2	33.6	18.0	6.6t	7.8	4.1	14.7	12.4	7.1	9.9	13.2		21.9	8.5
NFC debt % of GDP*	42.1	36.8	19.8	42.9	94.4	90.5	43.6t	24.2	166.3	32.1	86.3	56.9	31.1	52.2		48.0	22.1

Sovereign--Each of the factors is assessed on a continuum spanning from '1' (strongest) to '6' (weakest). Based on "Sovereign Rating Methodology," Dec. 18, 2017.

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," Dec. 9, 2021, and "Financial Institutions Rating Methodology," Dec. 9, 2021. VL--Very low. L--Low. I--Intermediate. H--High. VH--Very high. EH--Extremely high.

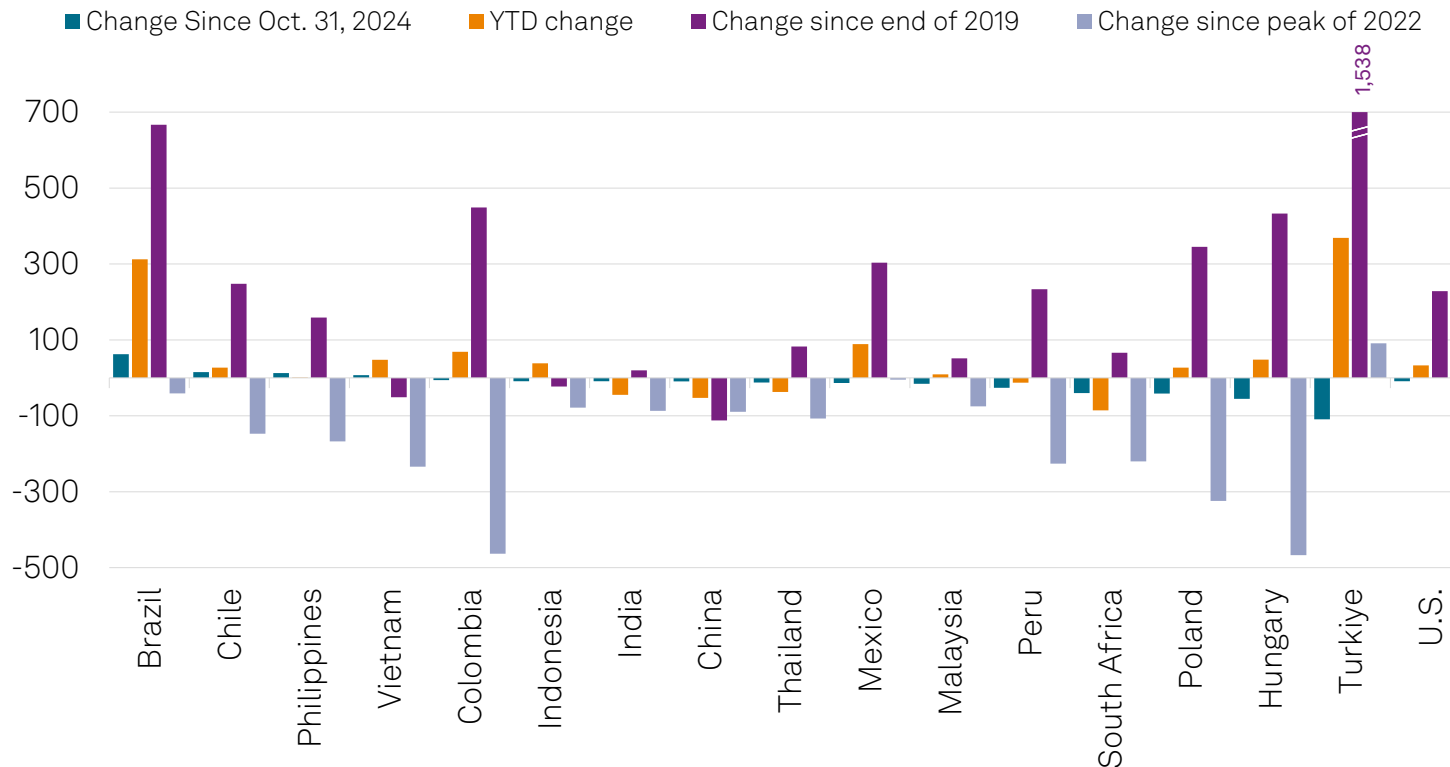
Nonfinancial Corporates--Ratios are derived from the median of rated corporates in their respective countries. We then rank them according to our "Corporate Methodology," Jan. 4, 2024, by using table 17, with levels that go from minimal to highly leveraged. §We assess return on capital by using the median of our rated corporates in their respective countries, then we adjust for inflation, we then rank it based on our "Corporate Methodology," Jan. 4, 2024. *Nonfinancial corporates' debt and foreign currency denominated debt is based on IIF global debt monitor with data as of September 2024.

*IIF 4Q 2023. Sources: t-Bankgo Sentral NG Pilipinas, Banco Central de Reserva del Peru, Superintendencia de Banca y Seguros y AFP (Peru); Corporate Variables Capital IQ 1Q 2024. S&P Global Ratings. Data for sovereigns and financial institutions as of December 09, 2024.

Financing Conditions Highlights

EM Yields | Down After October's Spike In Volatility

Change in local currency 10-year government bond yield versus U.S. 10-year T-note yield (bps)

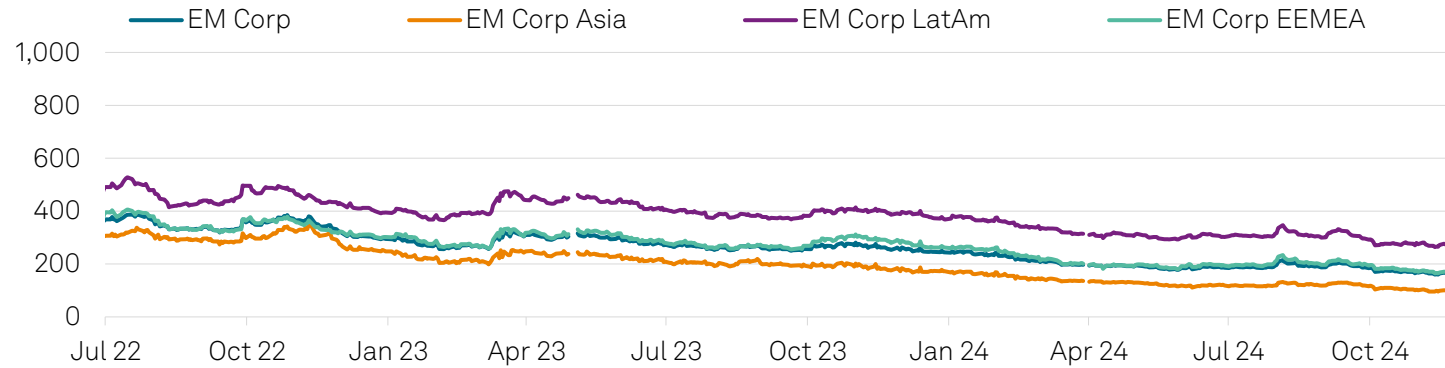


- **EM 10-year benchmark yields generally displayed downward movements**, except for Brazil (up 62 bps). The Brazilian government's recently proposed spending cuts are unlikely to balance fiscal accounts, given high inflation (4.6%, above the 3% target). The most significant drops in 10-year yields were recorded in Turkiye (109 bps) and Hungary (55 bps), mostly as a base effect from their abrupt increases in October. This was despite both countries' significant economic challenges, such as Turkiye's tight monetary policy weakening domestic demand and Hungary's sharp currency depreciation amid the auto trade tariff downside risk.
- **Potential protectionist measures could boost inflation in the U.S.**, which would halt the Fed's monetary easing, worsening financing conditions for EMs, shrinking the space for EM central banks to continue cutting interest rates.

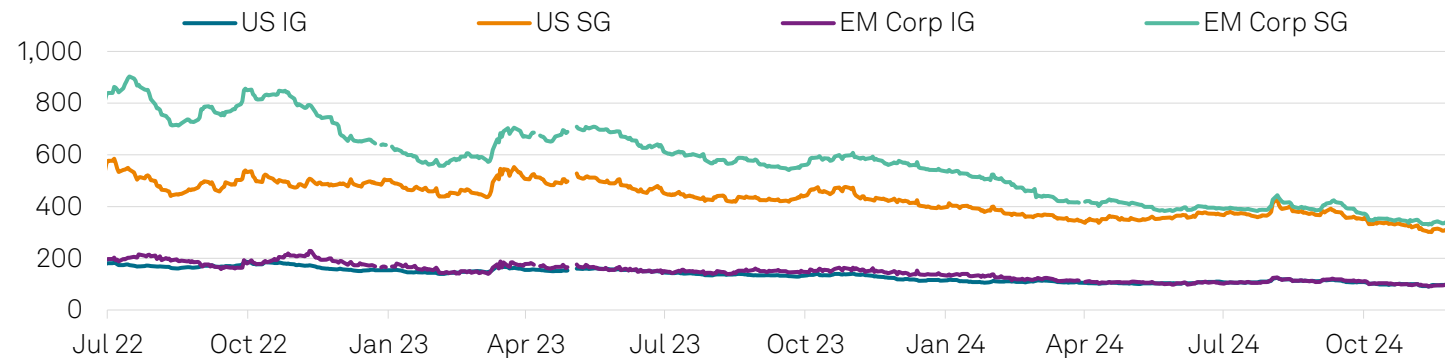
Data as of Nov. 30, 2024. Note: The selection of country is subject to data availability. Y-axis truncated at 700 bps for visualization purposes. Sources: S&P Global Ratings Credit Research & Insights, S&P Capital IQ Pro, and Datastream.

EM Credit Spreads | Still Tight At Record Low Levels

EM spreads by region (bps)



U.S. and EM spreads (bps)



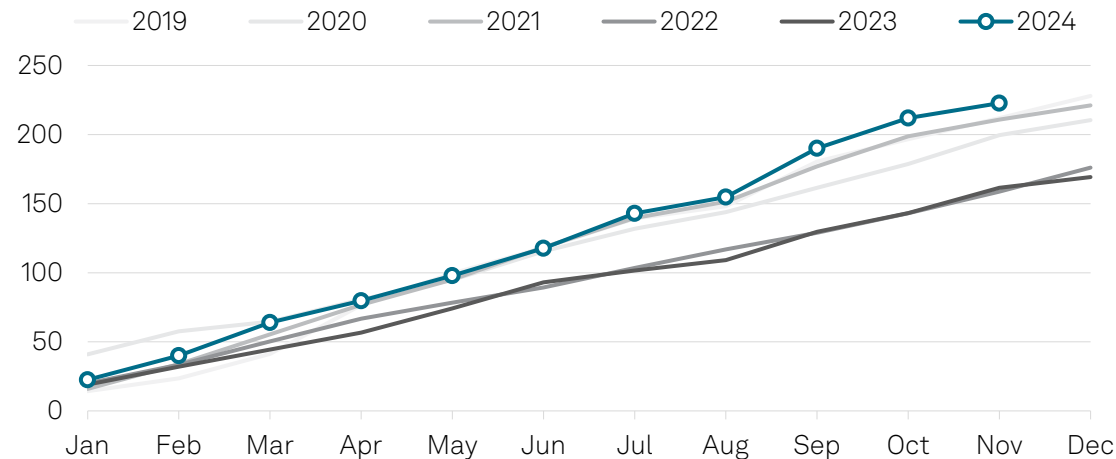
Data as of Nov. 30, 2024. bps--Basis points. IG--Investment-grade. SG--Speculative-grade. Sources: Refinitiv, ICE Data Indices, and Federal Reserve Bank of St. Louis, S&P Global Ratings Credit Research & Insights.

- **EM corporate spreads hit 171 bps** in November, broadly stable with respect to the previous month. Year-to-date spreads declined by 72 bps, with the deepest compression (94 bps) in LatAm as the corporate issuance activity boomed during the year.
- **Tight spreads mask the rise of corporate and benchmark yields over the last couple of months (around 30 bps)**, mirroring the substantial geopolitical and policy uncertainty surrounding EM markets.
- **Corporate spreads remained tight across the rating categories.** The distance between the U.S. and EM spreads remained minimal: EM investment-grade corporate spreads were 3 bps higher than the U.S. ones, and EM speculative-grade corporate spreads were 29 bps higher than their U.S. counterparts (versus the four-year average of 172 bps), illustrating the markets' appetite for EM corporate debt in 2024.

EM | Financial And Nonfinancial Corporate Issuance

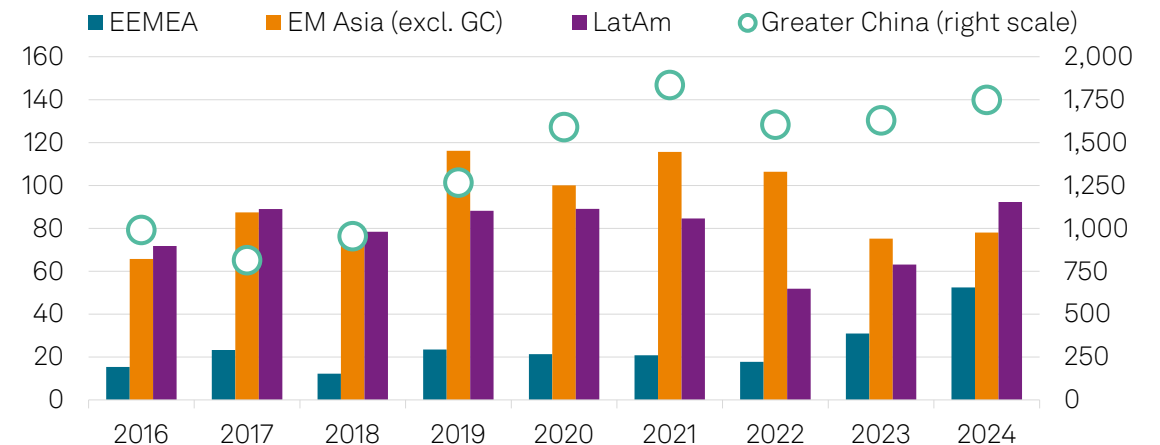
- **EM issuance in November increased 9% from October's \$178 billion** as Greater China issued \$169 billion, 19% higher than last month. Brokerage, high tech, and utilities rocked in the month; real estate, nonbank financial institutions (NBFIs), and metals, mining and steel underperformed with respect to the 2024 monthly volumes.
- **Issuance excluding Greater China slowed to \$11 billion** from \$22 billion in October, marking the lowest monthly record in the year. Market activity was likely hindered by the uncertainty over U.S. elections. The only virtuous case was represented by Turkiye, issuing 6.5-year \$3.4 billion at 6.8% in the month, mostly from financial entities. Sector-wise, banks and oil and gas were down, while NBFIs and utilities were up.
- **Despite disappointing levels in November, cumulative corporate bond issuance (excluding China) still reads higher than in the past five years.** Largely fixed-rate issuance, with a growing reliance on U.S. dollar issuance at 41% in 2024, versus 22% in the past two years. EEMEA's year-to-date issuance was 254% of its 2016-2023 average, followed by Greater China (131%), LatAm (120%), and EM Asia (84%).

EM cumulative corporate bond issuance (bil. \$)*



Includes not rated. *Excluding Greater China. Data as of Nov. 30, 2024. Sources: Refinitiv, S&P Global Ratings Credit Research & Insights.

EM regional bond issuance (bil. \$)



Data as of Nov. 30, 2024. Sources: Refinitiv, S&P Global Ratings Credit Research & Insights.

Top 20 EM Rated Issuance | By Debt Amount In The Past 90 Days

Rating date	Issuer	Economy	Sector	YTM (%)	Issuer credit rating	Debt amount (mil. \$)	Maturity year
16-Oct-24	Ecopetrol S.A.	Colombia	Oil and gas	7.8	BB+	1,746	2032
10-Sep-24	Fiemex	Mexico	Utility	7.3	BBB*	1,490	2041
1-Oct-24	LATAM Airlines Group S.A.	Chile	Transportation	7.9	BB-	1,400	2030
26-Sep-24	Niagara Energy S.A.C.	Peru	Utility	5.7	BBB-	1,200	2034
17-Sep-24	Comision Federal de Electricidad	Mexico	Utility	6.5	BBB	996	2034
5-Sep-24	Sociedad Química y Minera de Chile S.A.	Chile	CP&ES	5.6	BBB+	844	2034
2-Oct-24	Biocon Biologics Global	India	Healthcare	NA	BB*	792	2029
10-Sep-24	Inter-American Investment Corp.	Mexico	NBFI	3.7	AA+	749	2027
5-Sep-24	Centrais Eletricas Brasileiras	Brazil	Utility	6.7	BB	736	2035
28-Oct-24	Grupo Aeromexico S.A.B. de C.V.	Mexico	Transportation	8.6	B+	610	2031
3-Sep-24	BBVA Mexico S.A.	Mexico	Banks	5.3	BBB	599	2029
3-Sep-24	Banco de Credito del Peru	Peru	Banks	5.8	BBB	598	2035
24-Sep-24	mBank S.A.	Poland	Banks	4.0	BBB	559	2030
17-Sep-24	Bank Polska Kasa Opieki S.A.	Poland	Banks	Reset	A-	553	2030
24-Sep-24	Shriram Finance Ltd.	India	NBFI	6.2	BB	500	2028
4-Sep-24	Pegasus Hava Tasimaciligi AS	Turkiye	Transportation	8.0	B+	500	2031
4-Sep-24	YPF S.A.	Argentina	Oil and gas	8.8	CCC	500	2031
5-Sep-24	Banco de Credito e Inversiones	Chile	Banks	Reset	A-	500	Perpetual
9-Oct-24	YPF Energia Electrica S.A.	Argentina	Utility	8.2	CCC	413	2032
5-Sep-24	Pampa Energia S.A.	Argentina	Utility	8.3	CCC	404	2031

As of Nov. 30, 2024. *Refers to issue rating. Excludes sovereigns and Greater China entities. Foreign currency ratings. Green for investment-grade ratings, red for speculative-grade ratings. CP&ES--Chemicals, packaging, and environmental services. NBFI--Nonbank financial institutions. YTM--Yield-to-maturity. Sources: Refinitiv and S&P Global Ratings Credit Research & Insights.

Ratings Summary

Ratings Summary | Sovereign Ratings In EM 18

On Nov. 1, 2024, we upgraded Turkiye to 'BB-' from 'B+' on reserve accumulation and disinflation. On Nov. 15, 2024, we revised our outlook on South Africa to positive from stable reflecting political stability following May's general elections and impetus for reform, which could boost private investment and GDP growth. On Nov. 25, 2024, we revised our outlook on the Philippines to positive from stable on improved institutional assessment.

Economy	Rating	Outlook	Five-year CDS spread	
			(Nov. 30)	(Oct. 31)
China	A+	Stable	65	64
Chile	A	Stable	55	59
Saudi Arabia	A	Positive	60	62
Malaysia	A-	Stable	46	41
Poland	A-	Stable	67	68
Philippines	BBB+	Positive	65	60
Thailand	BBB+	Stable	40	38
Indonesia	BBB	Stable	75	70
Mexico	BBB	Stable	123	127
Peru	BBB-	Stable	78	81
Hungary	BBB-	Stable	122	122
India	BBB-	Positive	49	49
Colombia	BB+	Negative	193	216
Vietnam	BB+	Stable	102	100
Brazil	BB	Stable	163	158
South Africa	BB-	Positive	183	190
Turkiye	BB-	Stable	253	265
Argentina	CCC	Stable	1,243	1,741

■ Investment grade ■ Speculative grade

Data as of Nov. 30, 2024, and sovereign ratings as of Dec. 4, 2024. Foreign currency ratings. Red means speculative-grade rating and blue means investment-grade rating. China median rating includes China, Hong Kong, Macau, Taiwan. Sources: S&P Global Ratings Credit Research & Insights and S&P Capital IQ.

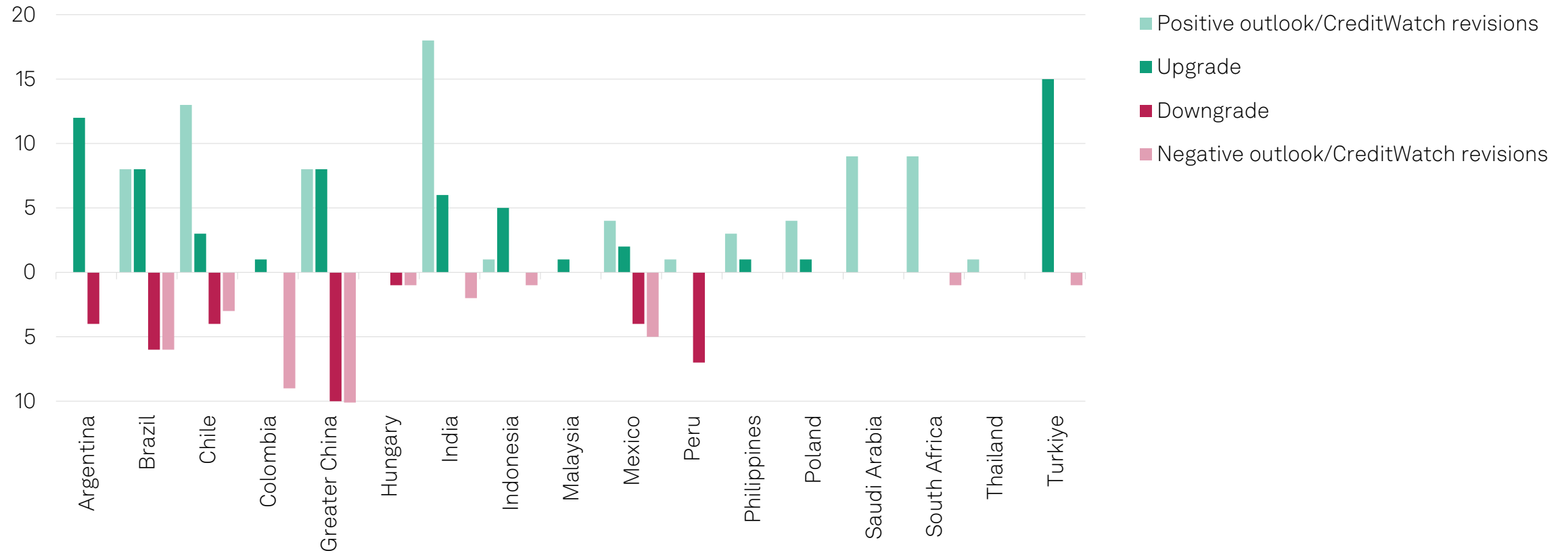
Top 20 EM Rating Actions | By Debt Amount In The Past 90 Days

Investment grade Speculative grade

Rating date	Issuer	Economy	Sector	To	From	Action type	Debt amount (mil. \$)
4-Sep-24	Rede D'Or Sao Luiz S.A.	Brazil	Health care	BB+	BB	Upgrade	1,350
16-Oct-24	Gerdau S.A. (Metalurgica Gerdau S.A.)	Brazil	Metals, mining, and steel	BBB	BBB-	Upgrade	1,150
13-Sep-24	Bank Polska Kasa Opieki S.A.	Poland	Financial institutions	A-	BBB+	Upgrade	1,025
14-Nov-24	Turkcell Iletisim Hizmetleri A.S.	Turkiye	Telecommunications	BB	BB-	Upgrade	1,000
14-Nov-24	Turk Telekom (Ojer Telekomunikasyon A.S.)	Turkiye	Telecommunications	BB	BB-	Upgrade	1,000
22-Oct-24	Grupo Aeromexico S.A.P.I. de C.V.	Mexico	Transportation	B+	B	Upgrade	763
19-Nov-24	Koc Holding A.S.	Turkiye	Financial institutions	BB+	BB	Upgrade	750
7-Nov-24	Mersin Uluslararası Liman İşletmeciliği A.S.	Turkiye	Transportation	BB	BB-	Upgrade	600
4-Oct-24	Telefonica Moviles Chile S.A. (Telefonica S.A.)	Chile	Telecommunications	BB+	BBB-	Downgrade	500

As of Nov. 30, 2024. Excludes sovereigns. Only includes rating actions where S&P Global Ratings rates debt. Includes rating actions on subsidiaries only if there was no rating action on the parent. Excludes Greater China and the red chip companies (issuers headquartered in Greater China but incorporated elsewhere) and includes only latest rating changes. Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

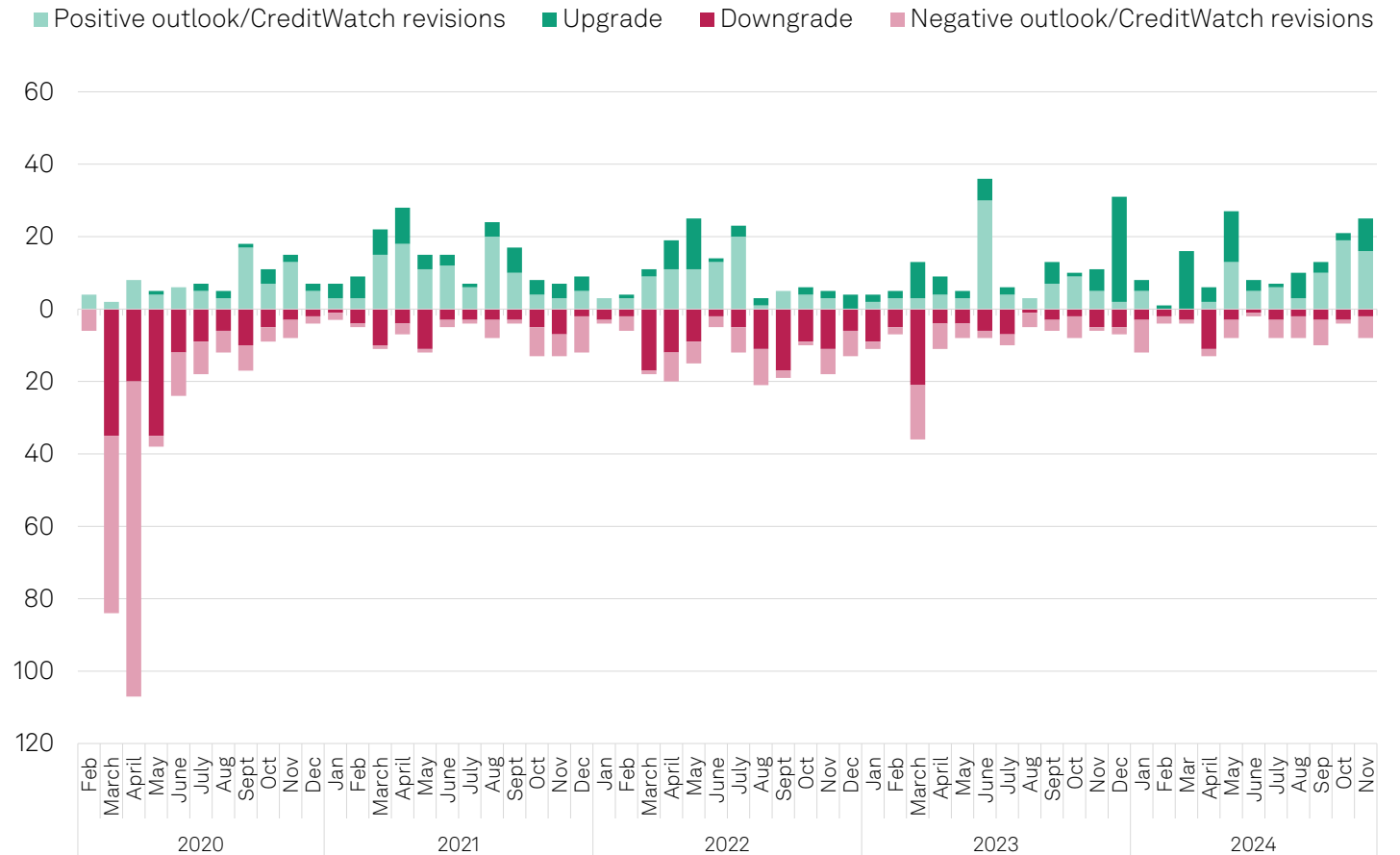
EM | Total Rating Actions By Economy In 2024



Data as of Nov. 30, 2024. Includes sovereigns and rating actions on subsidiaries only if there was no rating action on the parent. Source: S&P Global Ratings Credit Research & Insights.

EM | Total Rating Actions By Month

- Nine upgrades and 16 positive outlook revisions in November.** Six upgrades concerned companies located in Turkiye, following the sovereign's upgrade, which represents the main rationale underlying corporate positive outlooks in South Africa and the Philippines. Notably, Turkish Airlines received a two-notch upgrade to 'BB', as it passed our sovereign default stress test. All upgrades occurred among the speculative-grade entities, except for Greater China Nan Shan Life Insurance Co. Ltd., which we upgraded to 'A-' from 'BBB+' on improved capital and earnings following favorable equity market conditions.
- Two downgrades in November, compared with three last month.** Invepar (Brazil; transportation) was downgraded to 'CCC' from 'CCC+' reflecting risks of debt acceleration amid tight liquidity, if unexpected shocks hit the company. China Vanke (Greater China; real estate) was downgraded to 'B+' from 'BB-' because we believe its balance sheet will shrink due to asset sales at a discount and a significant reduction in land acquisitions.

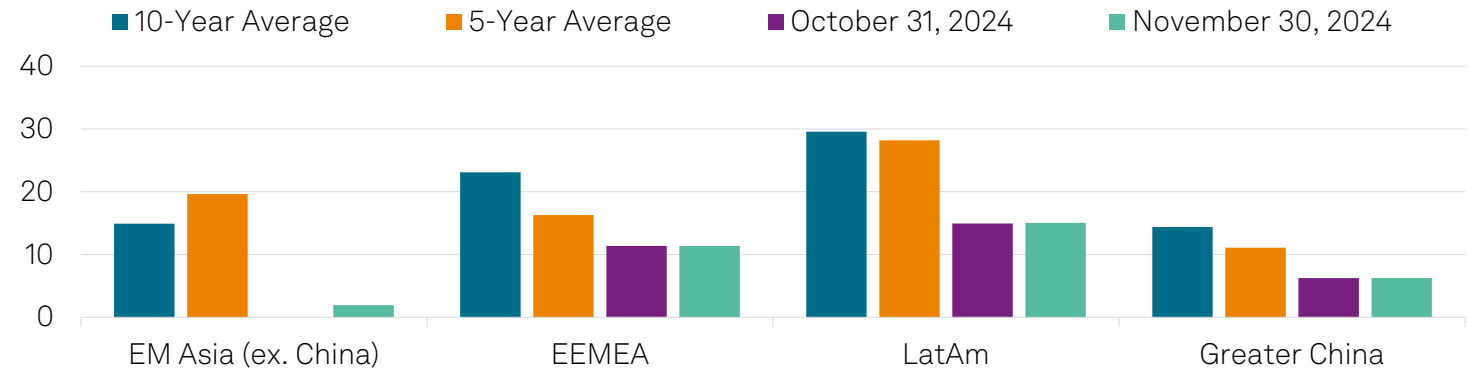


Data from Feb. 3, 2020, to Nov. 30, 2024. Includes sovereigns and rating actions on subsidiaries only if there was no rating action on the parent. Source: S&P Global Ratings Credit Research & Insights.

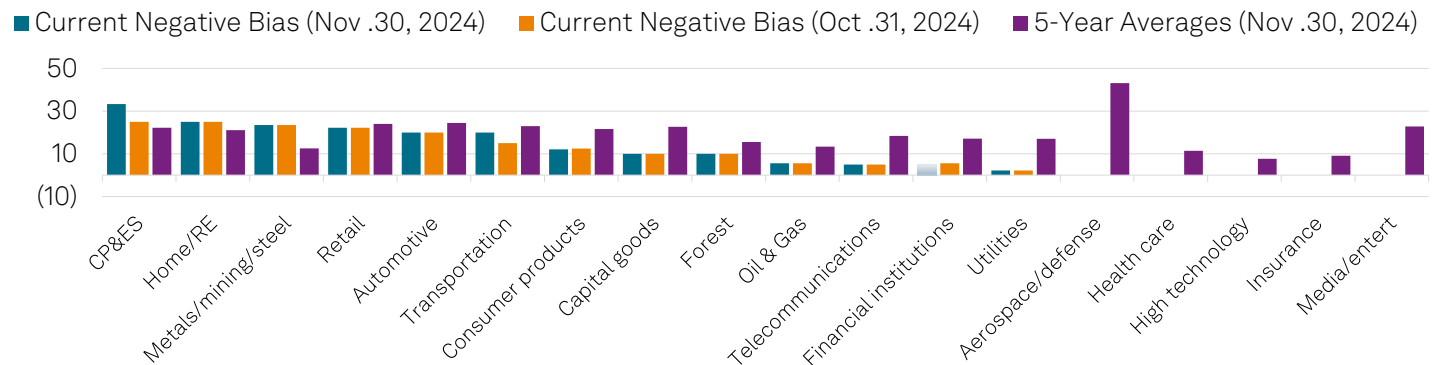
EM Downgrade Potential | Regional Negative Bias

- **No major changes in the regional downgrade potential, with LatAm displaying the highest negative bias at 15%.** All regions' downgrade potentials remained comfortably below their five- and 10-year averages.
- **CP&ES, MM&S, and real estate are the only sectors (out of 18) displaying a negative bias higher than the historical average.** During the month, the CP&ES sector's negative bias increased following the outlook revision on Orbia Advance Corporation S.A.B. de C.V. (Mexico) to negative as its deleveraging could take longer than expected, as the global petrochemical industry will remain in the low-price cycle due to geopolitical pressures, difficult economic conditions, and oversupply in China and the U.S. More negative outlooks/CreditWatch listings in transportation: Invepar, Adani Ports (India) because of the potential impact of the U.S. indictment on funding access, and Transnet (South Africa) because of insufficient cash flow to maintain existing leverage levels.

LatAm has the highest downgrade potential (negative bias [%])



Negative bias by sector (%)



Data as of Nov. 30, 2024. Excludes sovereigns, and subsidiaries. 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. MM&S - Metals, Mining And Steel. Negative bias--Percentage of issuers with a negative outlook or on CreditWatch negative. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | One Downgrade To 'CCC/CC' From 'B' So Far In 2024

■ Speculative grade

2024

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
17-Jul-24	Grupo Idesa S.A. de C.V.	Mexico	CP&ES	CCC+	B-	311

2023

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
13-Mar-23	Auna S.A.A.	Peru	Health care	CCC+	B	300
14-Mar-23	Guacolda Energia S.A.	Chile	Utilities	CC	B-	500
6-Jun-23	Unigel Participacoes S.A.	Brazil	CP&ES	CCC+	B+	420
15-Nov-23	Operadora de Servicios Mega S.A. de C.V. SOFOM E.R.	Mexico	Financial institutions	CCC+	B	500
1-Dec-23	Nitrogenmuvek Zrt.	Hungary	CP&ES	CCC+	B	219

Data as of Nov. 30, 2024. Includes sovereigns and Greater China and Red Chip companies. Debt volume includes subsidiaries and excludes zero debt. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | Five Fallen Angels And Three Rising Stars In 2024 Year To Date

Fallen angels

Investment grade Speculative grade

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
26-Feb-24	Braskem S.A. (Odebrecht S.A.)	Brazil	CP&ES	BB+	BBB-	6,200
10-Apr-24	China Vanke Co. Ltd.	Greater China	Homebuilders/Real estate	BB+	BBB+	2,593
12-Apr-24	Longfor Group Holdings Ltd.	Greater China	Homebuilders/Real estate	BB+	BBB-	1,500
26-Apr-24	InterCorp Financial Services Inc.	Peru	Financial institutions	BB+	BBB-	1,600
4-Oct-24	Telefonica Moviles Chile S.A. (Telefonica S.A.)	Chile	Telecommunications	BB+	BBB-	500

Rising stars

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
13-Mar-24	Cemex S.A.B. de C.V.	Mexico	Forest products and building materials	BBB-	BB+	5,187
27-May-24	Empresa Nacional del Petroleo	Chile	Utilities	BBB-	BB+	2,440
20-Aug-24	Tata Motors Ltd. (Tata Sons Pte. Ltd.)	India	Automotive	BBB	BB+	5,023

Data as of Nov. 30, 2024. Includes sovereigns and Greater China and Red Chip. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | List Of Defaulters In 2024 Year To Date

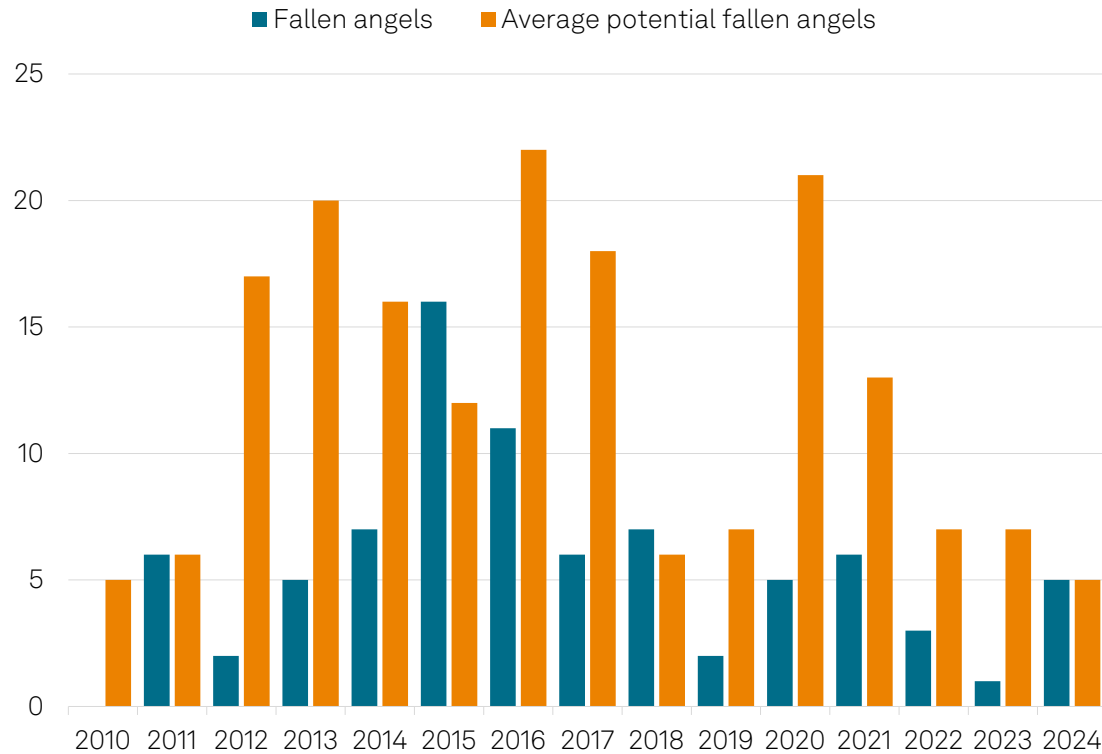
Default, selective default, not rated
 Speculative grade

Rating date	Issuer	Economy	Sector	To	From	Debt amount (mil. \$)
26-Jan-24	Gol Linhas Aereas Inteligentes S.A.	Brazil	Transportation	D	CCC-	--
31-Jan-24	Enjoy S.A.	Chile	Media and entertainment	D	CCC-	--
14-Feb-24	CLISA-Compania Latinoamericana de Infraestructura & Servicios S.A.	Argentina	Capital goods	SD	CC	--
13-Mar-24	Argentina*	Argentina	Sovereign	SD	CCC-	153,334
1-Apr-24	Wom S.A.	Chile	Telecommunications	D	CCC	--
16-May-24	Credivalores - Crediservicios S.A.S.	Colombia	Financial institutions	D	NR	--
6-Aug-24	Grupo Idesa S.A. de C.V.	Mexico	CP&ES	SD	CC	--
27-Aug-24	CLISA-Compania Latinoamericana de Infraestructura & Servicios S.A. (B)	Argentina	Capital goods	SD	CC	--
11-Sep-24	Operadora de Servicios Mega S.A. de C.V. SOFOM E.R.	Mexico	Financial institutions	SD	CC	--

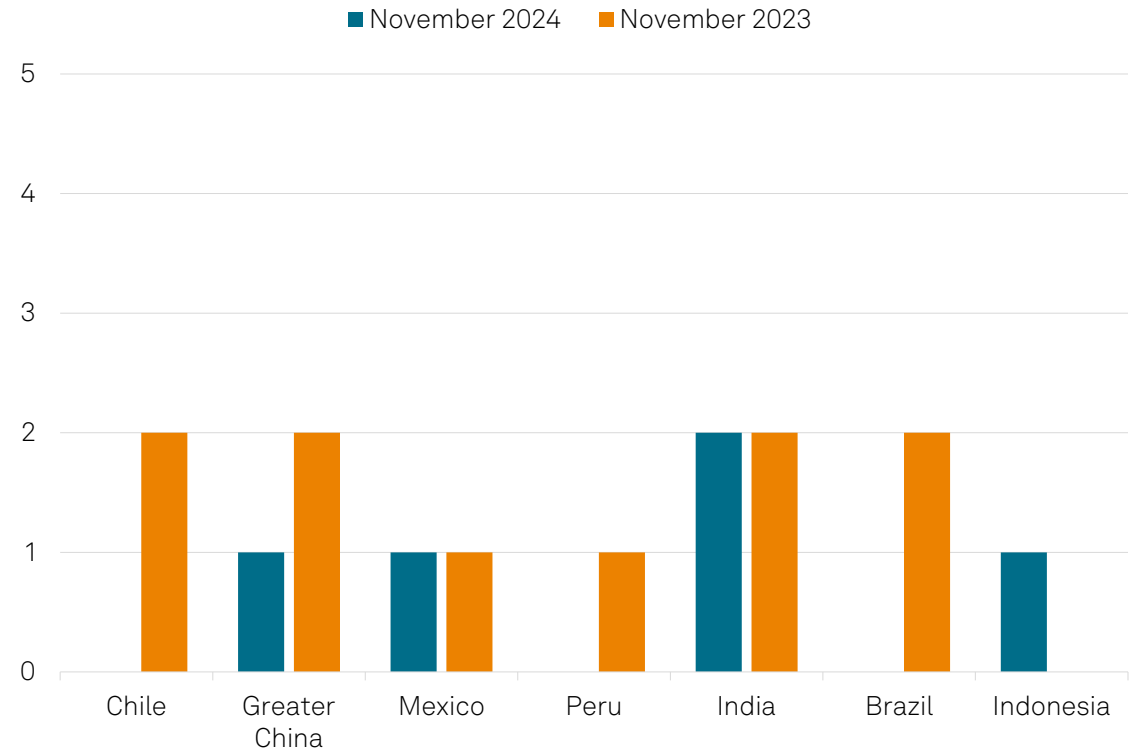
Data as of Nov. 30, 2024. Includes sovereigns, Greater China, and Red Chip companies. *Argentina reflects its local currency long-term default. Includes both rated and zero debt defaults. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

Rating Actions | Fallen Angels And Potential Fallen Angels

Average potential fallen angels are down to five from seven in 2023



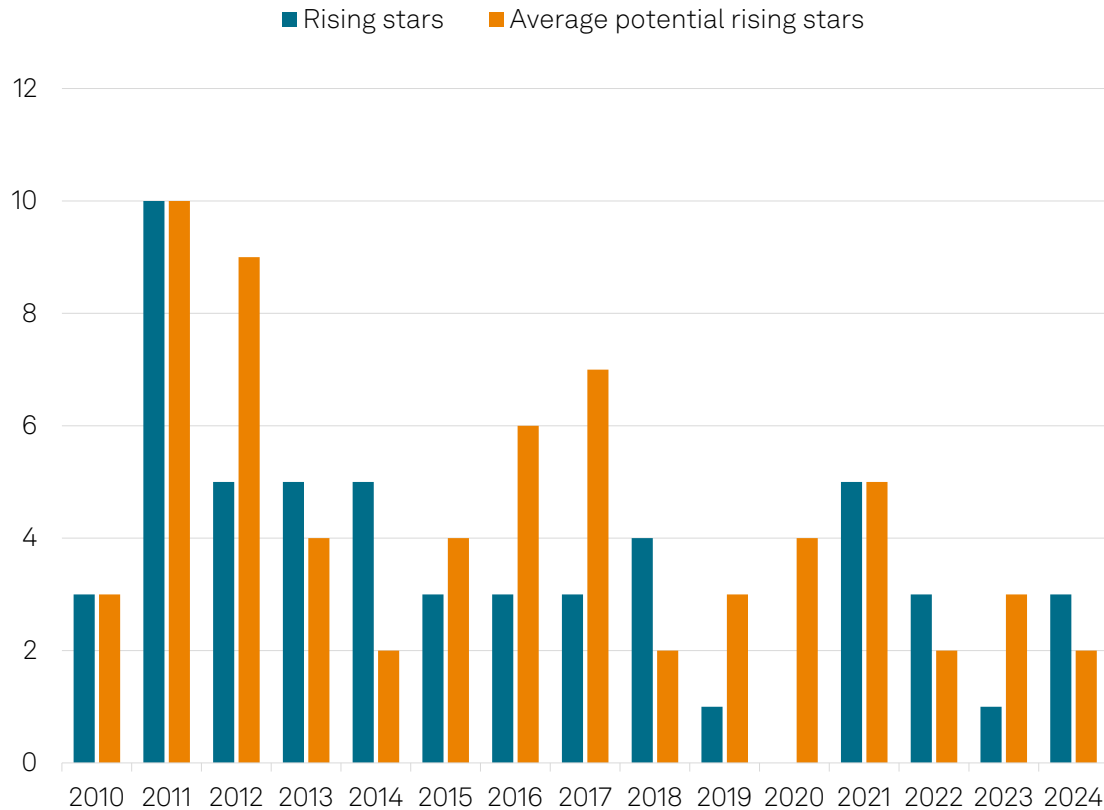
EM potential fallen angels mostly located in EM Asia



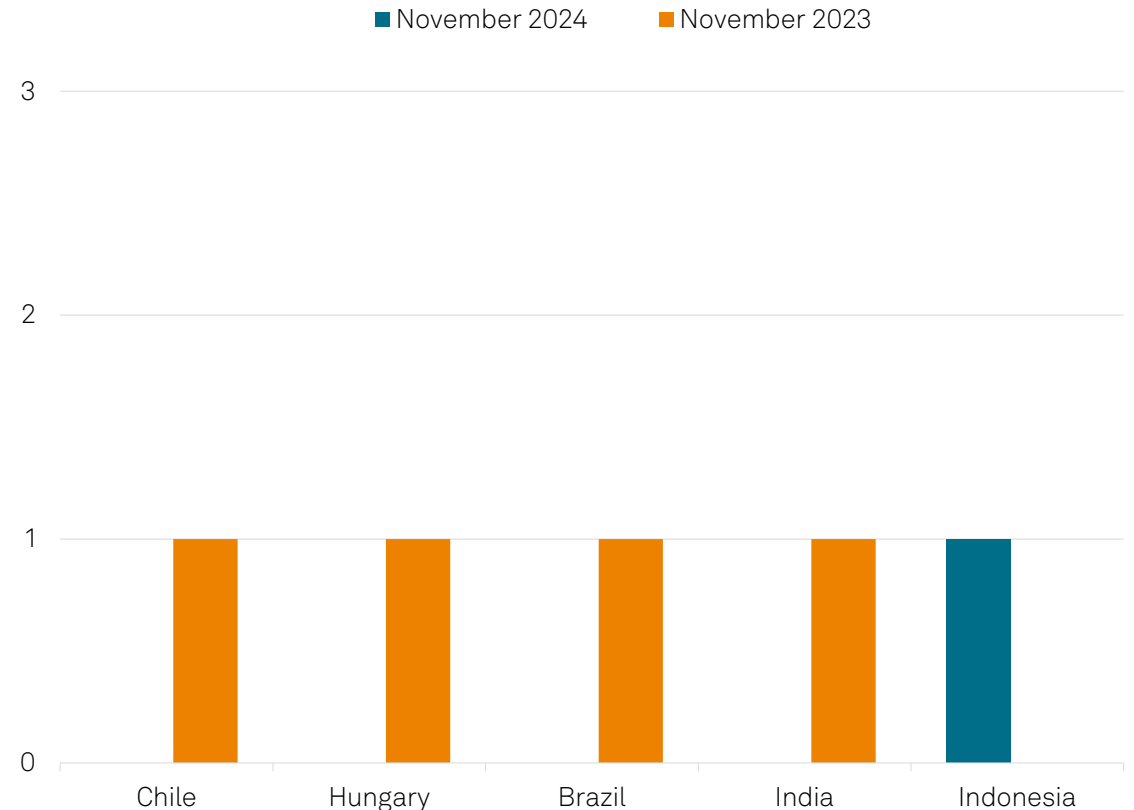
Data as of Nov. 30, 2024. Source: S&P Global Ratings Credit Research & Insights.

Rating Actions | Rising Stars And Potential Rising Stars

Average potential rising stars at two, lower than in 2023



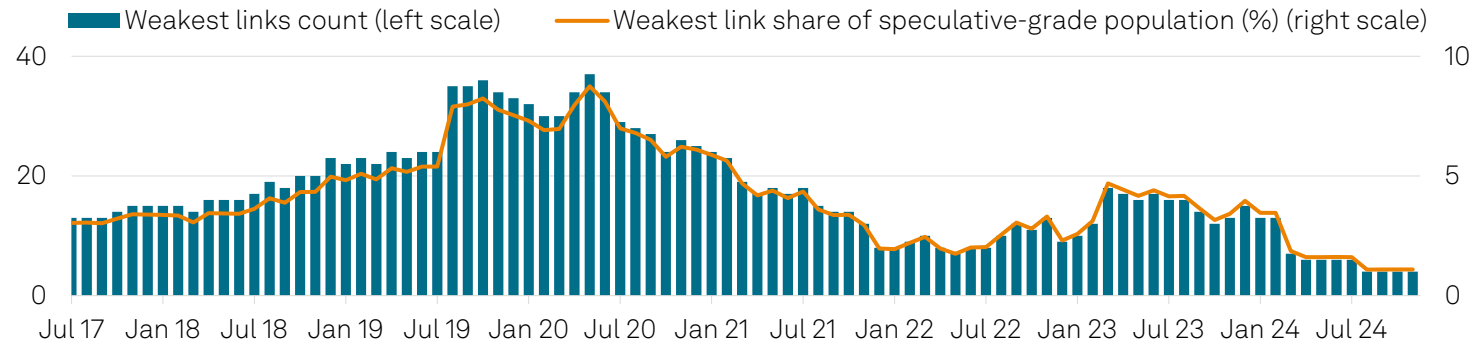
One potential rising star in Indonesia



Data as of Nov. 30, 2024. Source: S&P Global Ratings Credit Research & Insights.

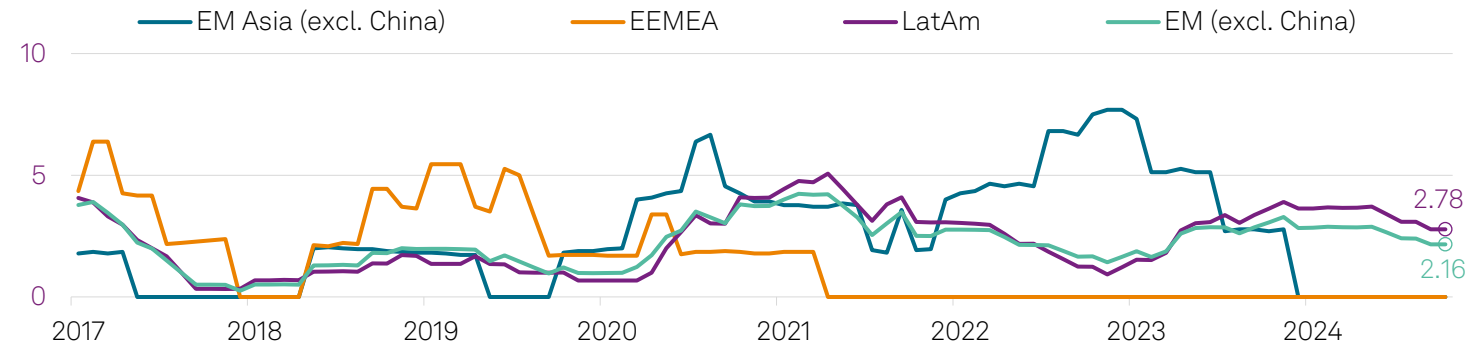
Rating Actions | Weakest Links And Defaults

EM weakest links remained at four in November



Data as of Nov. 30, 2024. Parent only. Weakest links are defined as issuers rated 'B-' or lower with negative outlooks or ratings on CreditWatch with negative implications. Source: S&P Global Ratings Credit Research & Insights.

Default rate this month (as of October 2024)



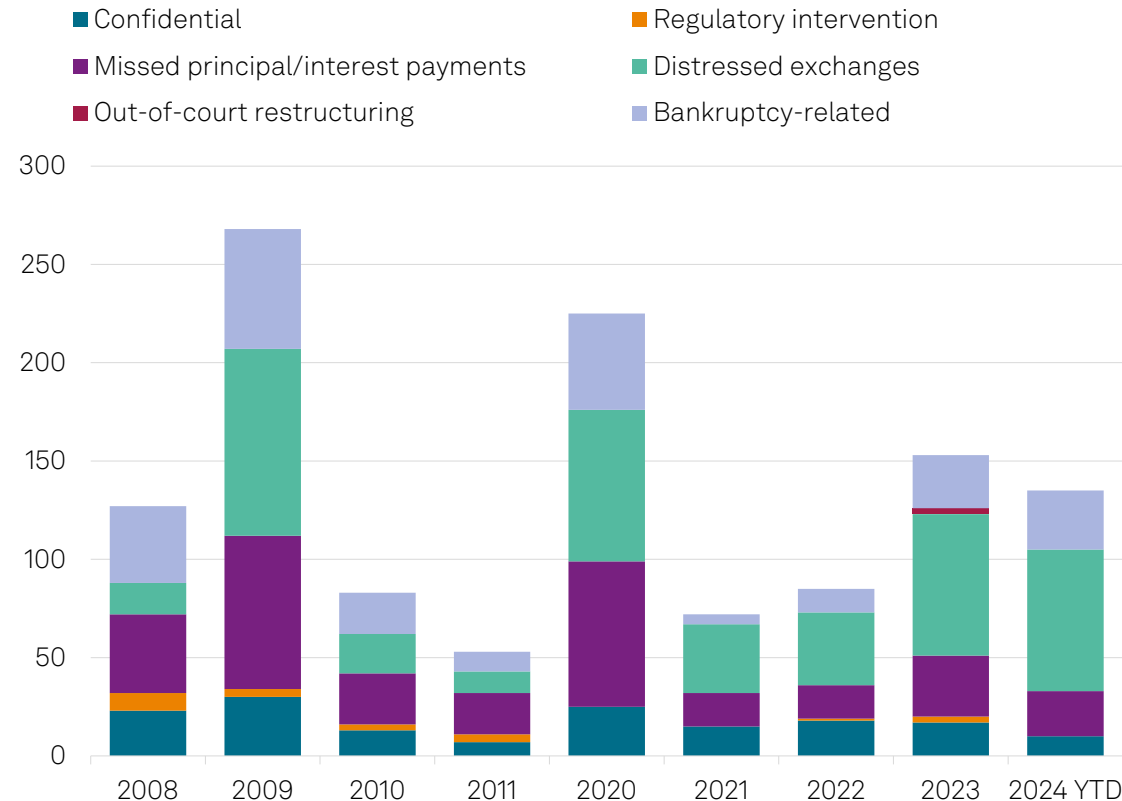
Excluding China. CreditPro data as of Oct. 31, 2024. Default rates are trailing 12-month speculative-grade default count divided by trailing 12-month speculative-grade issuer count. Excludes sovereigns. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

- **Weakest links remained unchanged at four issuers** in November for the fourth consecutive month, representing 1.1% of the speculative-grade rated entities. Three of the weakest links were in Brazil, two of which transportation companies.

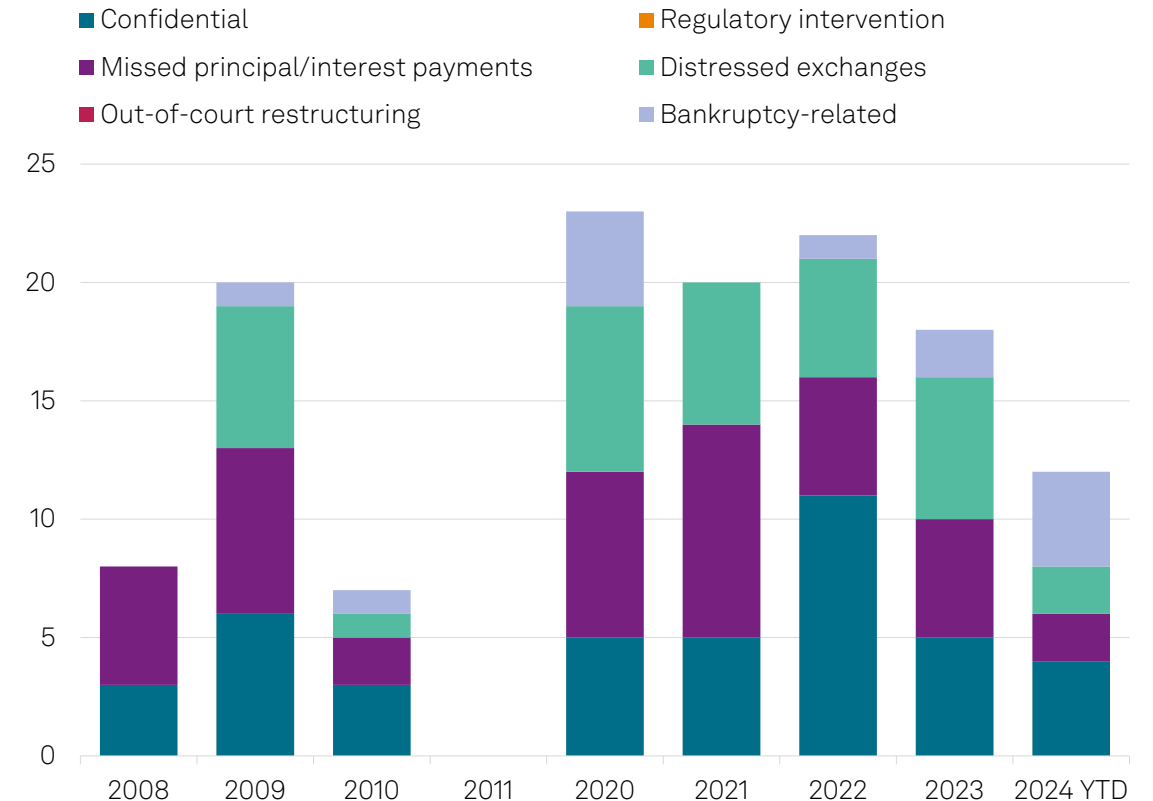
- **Default rates.** The October default rate (excluding China) was 2.2% the same as in September. Recently, the composite index has been mainly driven by LatAm, where all 2024 defaults took place so far. The pace of defaults in this region was 2.8% in October, decreasing from the 2023 peak of 3.9% (attained in November).

Rating Actions | Defaults

Year-end global corporate defaults by reason



Year-end EM 18 corporate defaults by reason



Data as of Nov. 30, 2024. YTD—Year to date. Data has been updated to reflect confidential issuers. Excludes sovereigns. Includes Greater China and Red Chip companies. Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

Related Research And Contacts

Related Research

- [Saudi Insurers Must Maintain Underwriting Discipline In 2025](#), Dec. 10, 2024
- [Will Argentina's Economic Adjustment Be Different This Time?](#), Dec. 6, 2024
- [Global Credit Outlook 2025: Promise And Peril](#), Dec. 4, 2024
- [Credit Conditions Emerging Markets Q1 2025: The Tariff Trials](#), Dec. 3, 2024
- [Auto Industry Buckles Up For Trump's Proposed Tariffs On Car Imports](#), Nov. 29, 2024
- [Mexico's Corporate Sector Faces Low Refinancing Risk Of Near-Term Maturities](#), Nov. 27, 2024
- [Global Economic Outlook Q1 2025: Buckle Up](#), Nov. 27, 2024
- [Economic Outlook Emerging Markets Q1 2025: Trade Uncertainty Threatens Growth](#), Nov. 26, 2024
- [China's Long Dairy Boom Starts To Fade](#), Nov. 25, 2024
- [Rising Curtailment In China: Power Producers Will Push Past The Pain](#), Nov. 19, 2024
- [Navigating Regulatory Changes: Assessing New Regulations On Brazil's Financial Sector](#), Nov. 18, 2024
- [How Would China Fare Under 60% U.S. Tariffs?](#), Nov. 18, 2024
- [Emerging Markets Monthly Highlights: Uncertainty Looms After U.S. Elections](#), Nov. 13, 2024

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