

# Emerging Markets Monthly Highlights

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## No Tantrum Yet As Global Growth Gains Momentum

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**S&P Global**  
Ratings

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

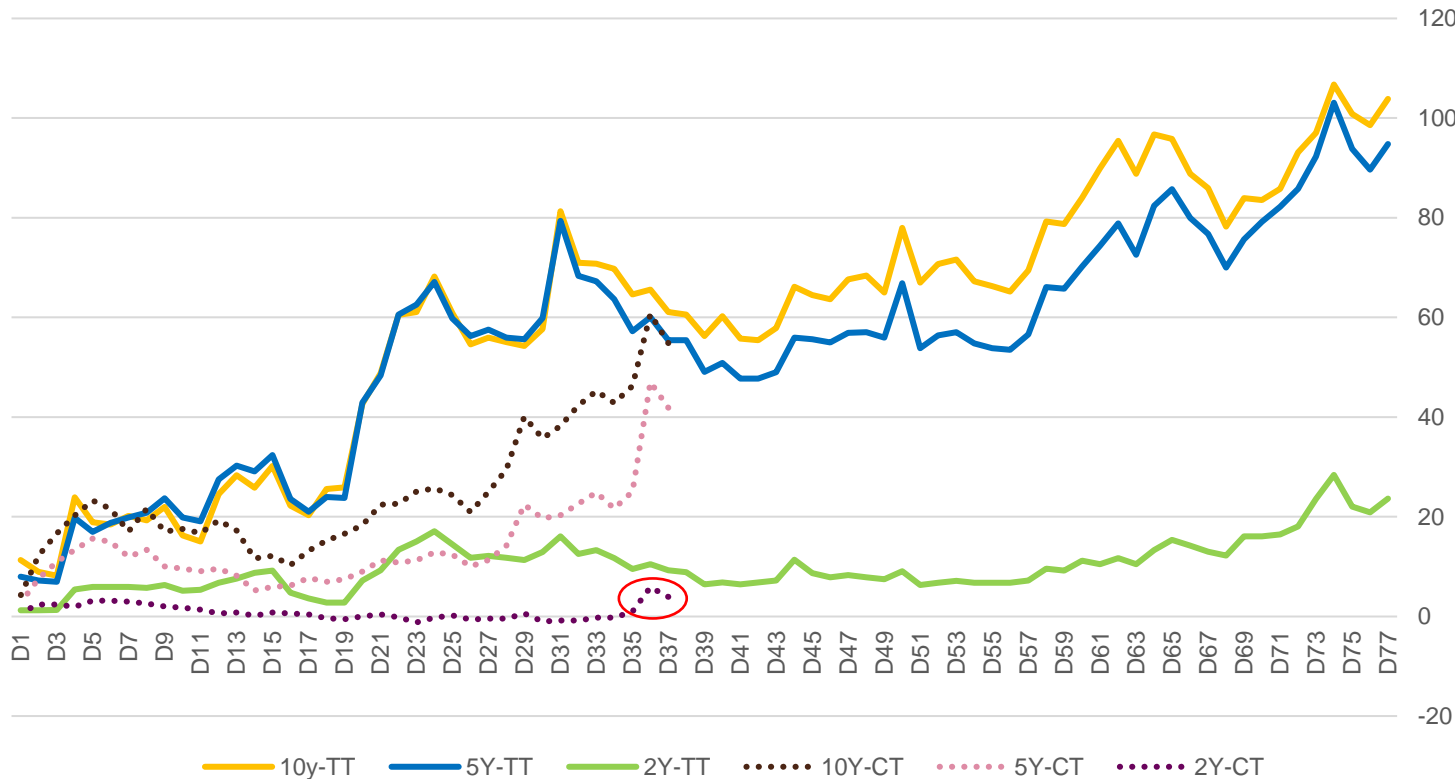
# Key Takeaways

- Fourth-quarter GDP reports across emerging markets (EMs) mostly surprised on the upside, but the start of 2021 is looking mixed. Common drivers of stronger-than-expected growth at the end of last year was continued resilience in manufacturing and commodities. Services performed well in several economies as well, as sectors re-opened and stimulus measures continued to kick in. However, in some EMs, the first quarter looks weaker, because a resurgence in new daily COVID-19 cases and fears over new variants pushed several government to reimpose varying degrees of lockdowns. Despite the potential for softer activity in the first quarter, we expect growth in most EMs to improve more noticeably as the year progresses thanks to continued favorable external financing conditions and brightening global growth prospects as vaccination rollouts gather pace.
- **The recent rise in U.S. yields has so far resulted in relatively orderly adjustments in EMs and haven't raised the alarms just yet.** Volatility has increased only modestly, and hard-currency credit spreads have remained near their recent lows. Several factors can explain this. First, the rise in U.S. yields is accompanied by stronger global growth expectations, which is good for EMs. Second, short-term U.S. yields haven't moved much, thanks to the Federal Reserve's forward guidance of keeping rates unchanged for several years. However, if any of those things change, borrowing costs, especially for lower-rated entities, could increase rapidly and disorderly. In such a scenario, the EMs most at risk are the usual suspects; those with heavy reliance on foreign funding and large external and/or fiscal imbalances.
- Keep your eyes on EM domestic debt markets too. While EM hard-currency credit has held up relatively well so far this year, more rapid adjustments have taken place in some local-currency denominated debt markets. Countries where pre-pandemic fiscal weaknesses have worsened, and other idiosyncratic factors are raising investor concern, such as a high amount of short-term debt due for rollover this year, are seeing a significant increase in domestic borrowing costs. Brazil and South Africa are two domestic debt markets to watch.



# Rising U.S. Yields' Impact On EMs | Nothing To Panic About Yet

Cumulative Change In U.S. Yields Taper Tantrum Versus Covid Tantrum



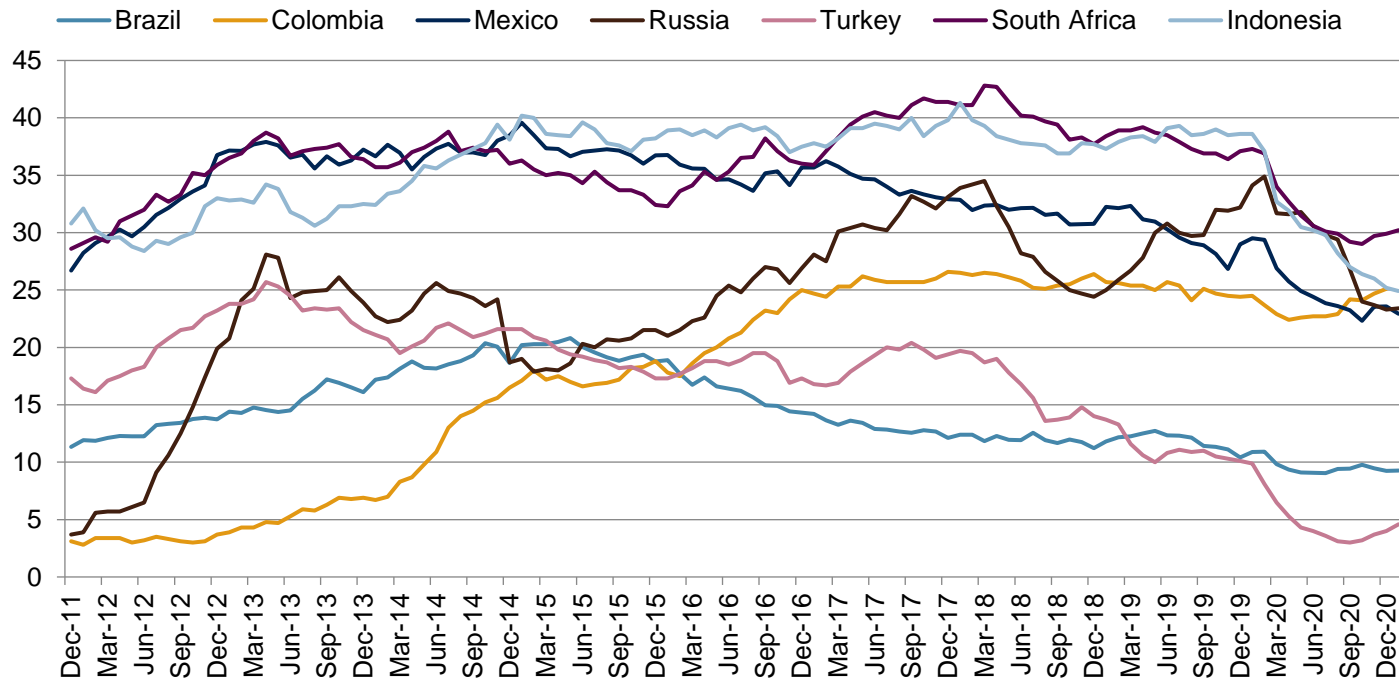
Note: In basis points (bps). Source: Bloomberg. Note: Day 1 for Taper Tantrum (TT) is May 22, 2013. Day 1 for Covid Tantrum is Jan. 5, 2021.

- **The adjustment to this year's rise in U.S. yields hasn't been particularly disruptive yet.** Currency volatility has been relatively low. Hard-currency credit spreads have widened only modestly and are still near their recent lows.
- Improving global growth is usually good for EM credit. It helps that this year's increase in U.S. yields is accompanied by improving global growth prospects, as fourth-quarter GDP reports surprised mostly on the upside, and vaccination is gathering momentum in most major economies.
- Another favorable factor is that U.S. short-term rates haven't moved much. Unlike during Taper Tantrum, this year's movement in U.S short-term rates has been minimal, due to the Fed's forward guidance of keeping rates unchanged for several years. If this changes, more abrupt market adjustments in EM credit could take place.



# But Keep An Eye On Domestic Debt Markets

## Non-Resident Holdings Of Domestic Government Debt

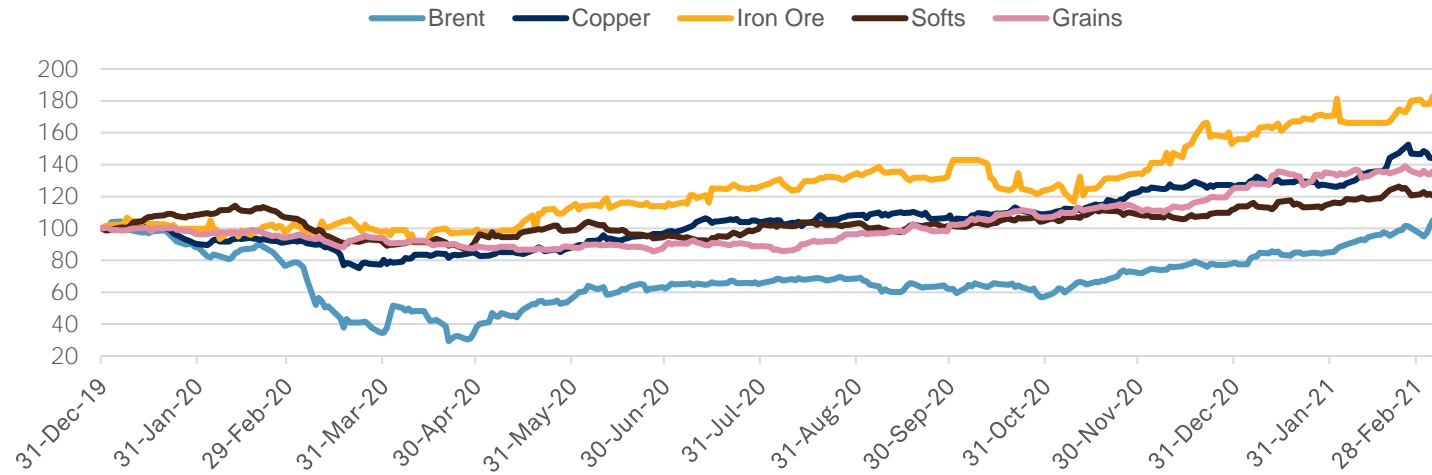


Note: Percentage of total. Source: Haver Analytics and S&P Global Ratings

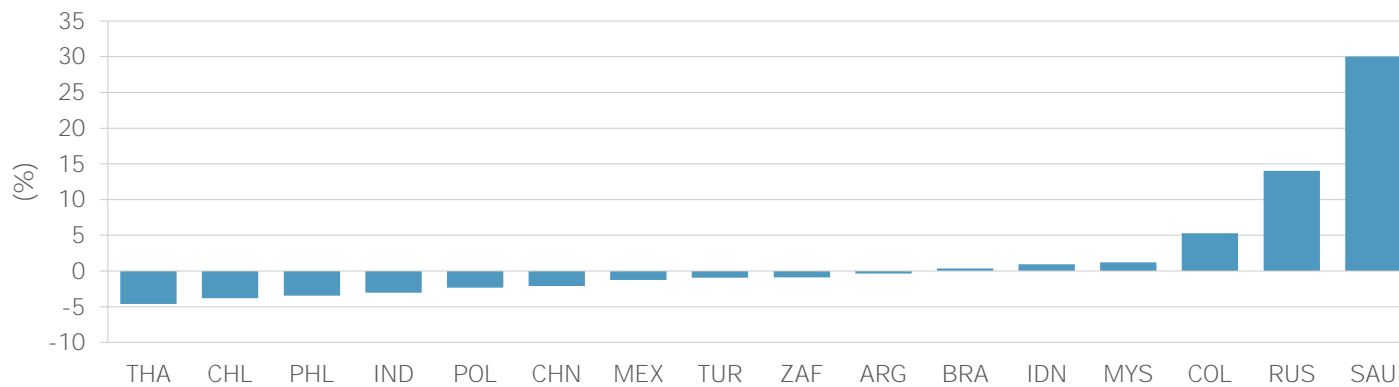
- A more abrupt increase in long-term domestic yields could expose fiscal vulnerabilities. Several EMs entered the pandemic with pre-existing fiscal vulnerabilities. Low domestic interest rates have helped prevent a further deterioration in debt ratios, which in most major EMs consisted of a high share of local-currency debt. However, long-term domestic yields are starting to rise, in some cases rapidly, and this could increase investor concerns over debt trajectories. Two countries that have weak fiscal positions and should be closely watched are Brazil and South Africa. Non-resident holdings of domestic debt haven't moved much so far this year, but this also needs to be monitored if rates move up faster.
- Tightening cycle in Brazil is around the corner. In Brazil, the high share of domestic debt due for roll-over this year (over 25% of total debt outstanding) has also pushed up short-term rates higher. The central bank is likely to start hiking rates as early as this month to compensate for the higher roll-over risk.

# High Commodity Prices Help Many EMs, But Hurt Others

Commodity Prices – December 31, 2019 = 100



Energy Balance as % of GDP



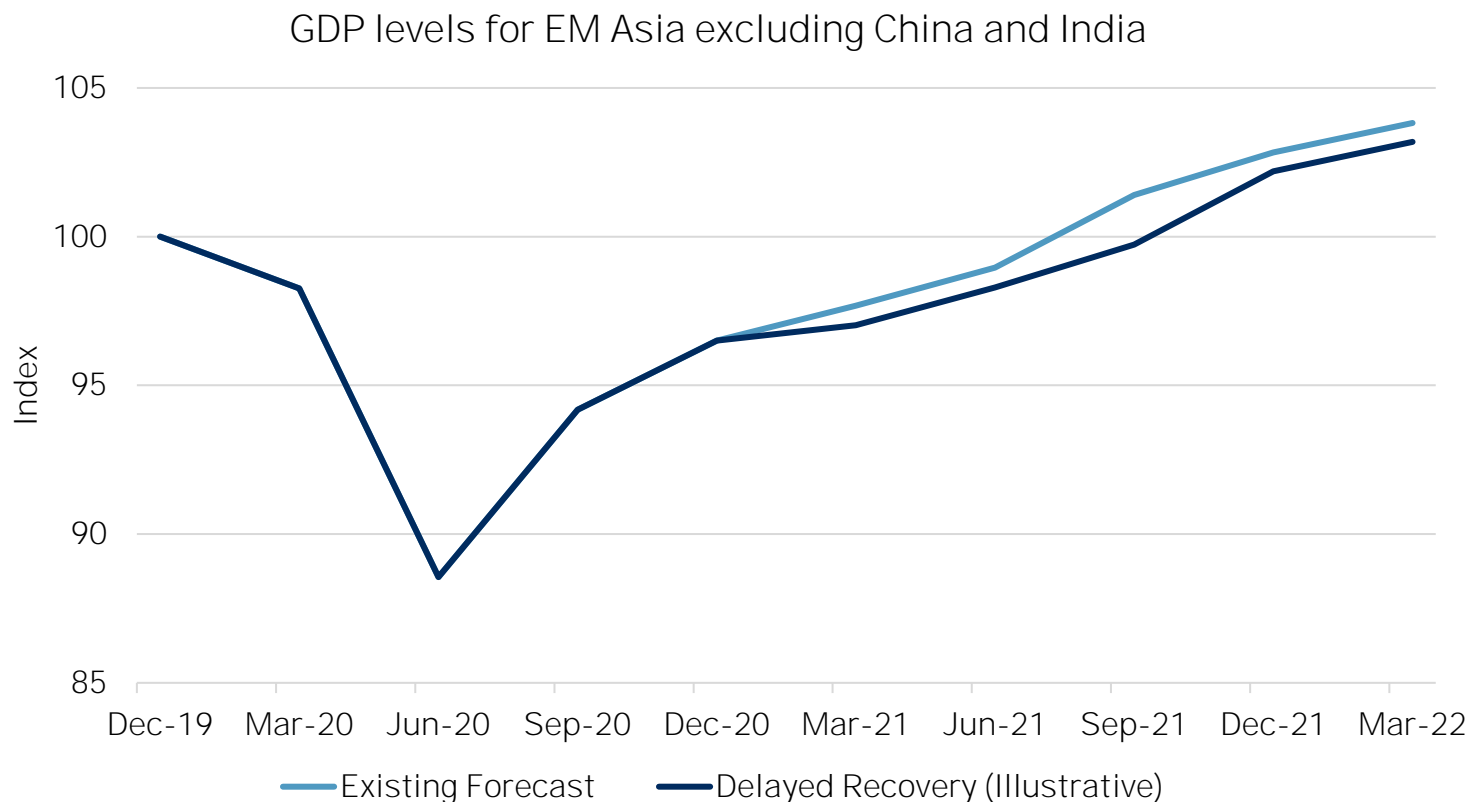
- The increase in metals prices has benefited several EMs. Copper and iron prices are at multi-year highs thanks to strong demand from China. Exports from key EM metals producers, such as Brazil, Chile, and South Africa have performed well in recent months. If the U.S. approves a new infrastructure plan, this will provide an additional boost to metal prices.
- Rising oil prices help some, hurt others. Oil prices have also risen substantially in recent months, improving external and fiscal accounts of key EM oil producers such as Saudi Arabia, Russia, and Colombia. At the same time, many other EMs that are net importers of energy, such as India, South Africa, and Turkey could experience higher headline inflation and worsening current account balances. There's already some evidence of higher energy prices showing up in inflation prints in several EMs this year. S&P Global Ratings recently raised its oil price assumptions – we now expect Brent to average \$60/bbl through the remainder of 2021 and 2022, up from \$50/bbl previously.

# Regional Economic Highlights

# EM Asia Economics | A Rising Risk Of Faltering Recovery

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## Virus Resurgence Could Delay Recovery



*Note: Countries included are Indonesia, Thailand, the Philippines, and Malaysia. Data aggregated using seasonally adjusted purchasing power parity (PPP) GDP. Source: Oxford Economics and S&P Global Economics.*

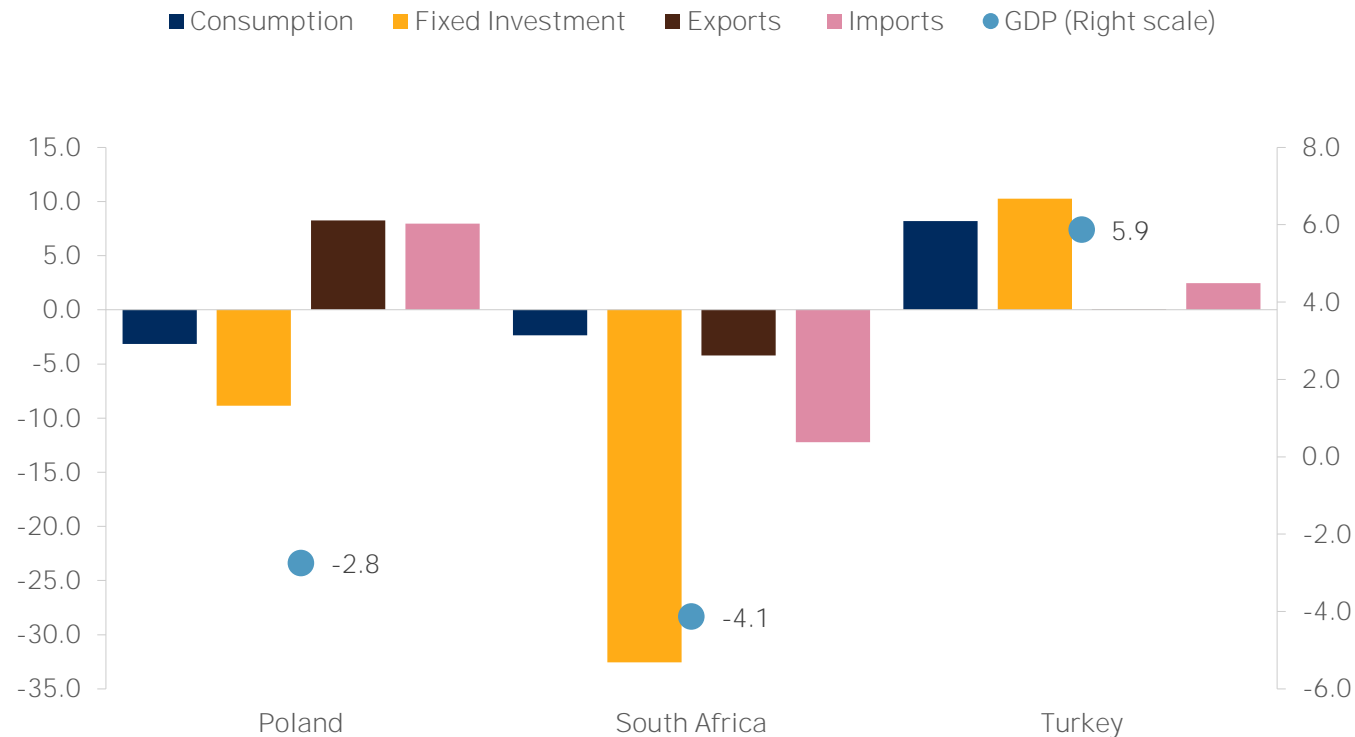
- A halt in recovery could cut growth in 2021 by 1 percentage point. In our recent article, [“Delay Risk On The Rise For Southeast Asia's Recovery”](#), we discuss how fresh pullbacks in mobility in the first quarter following an escalation of the pandemic have increased the risk of delayed economic recovery. We estimate that a two-month delay would reduce 2021 GDP growth for the region from 6.2% in the baseline to 5.2%, and permanent economic losses would rise to 8.1% from 7.4% of GDP.
- If recovery halts for more than two months, permanent economic costs will increase. The longer an economy is stuck with unemployed resources, the greater the damage to balance sheets and workers. More businesses would close, and workers would lose jobs, skills, and motivation.



# EM EMEA Economics | Wide Investment Gaps With Pre-Pandemic Levels

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## GDP And Components

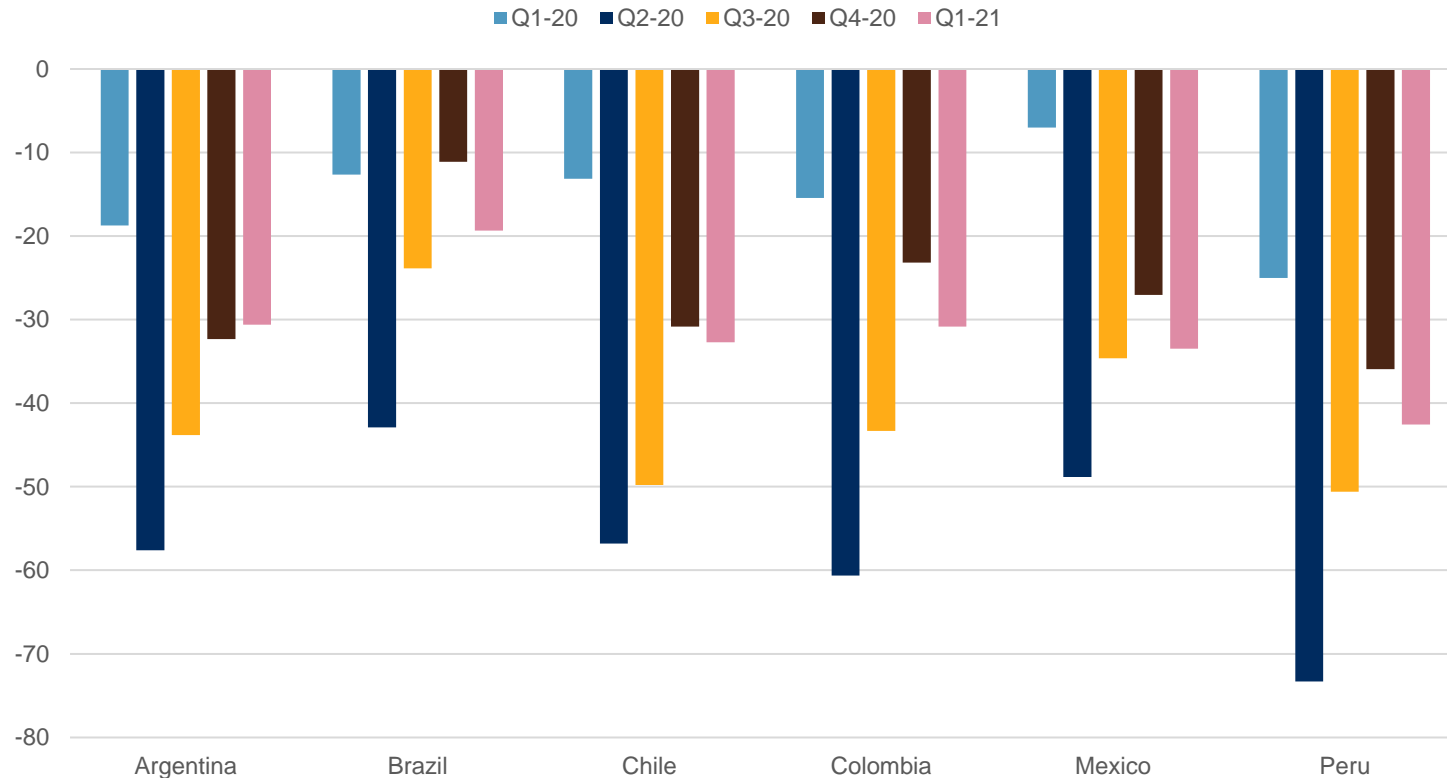


- Most key EMEA EMs expanded in Q4 at a modest pace except for the Polish economy that contracted due to the lockdowns. Turkey's growth tumbled to 1.7% from 15.9% in Q3, but the economy proved more resilient to the surge in infections and monetary tightening than we expected. South Africa's GDP growth also slowed, to 1.5% quarter-on-quarter, following a 13.7% growth in Q3. Consumption and investment continued to rebound, but are yet to reach pre-pandemic levels, with capital spending more than a third below the Q4 2019 level.
- Available high-frequency indicators suggest that the resilient performance of manufacturing and weaker of services has extended into Q1. Manufacturing PMI were in expansionary territory across key EMEA EMs in January and February. However, mobility indicators dipped across the board early in the year, which doesn't bode well for businesses that require close physical proximity. The recent improvement in mobility in Poland and Turkey has coincided with the rise in new reported COVID-19 infections, highlighting the risks of yet another reversal in mobility trends. On a positive note, both countries continue to be ahead of most EM in the vaccination pace, having vaccinated 11%-12% of their populations.

# LatAm Economics | Q1 GDP Likely To Pull Back From Q4 Pace

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Mobility Index, Quarterly Average (Deviation From Pre-Pandemic Level)



Note: Q1-21 is as of March 6th. The index is an equally-weighted index of retail & recreation, transit, and workplaces. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb. 6, 2020. Note: Source: Google LLC "Google COVID-19 Community Mobility Reports", S&P Global Ratings.

- Q4 GDP was stronger than expected across the board. Latin America expanded at a quarterly annualized pace of roughly 17% in the final quarter of 2020, with Chile and Colombia growing above 25%--among the highest rates globally. The reason for stronger growth was continued resilience in manufacturing and commodities, but also an improvement in services sector given that some sectors that were closed in Q3 re-opened in Q4.
- But January lockdowns will slow growth in Q1. High-frequency data point to a softer start of the year for most of the region, especially in the services sectors, which were hit by new lockdown restrictions as new COVID-19 cases spiked. The good news is that some of these restrictions were lifted in February, which in some countries could prevent Q1 GDP growth from contracting versus Q4. Also, the manufacturing and commodities sectors are holding up so far this year. This bodes well for a pickup in growth in the second quarter.

# Macro-Credit Dashboards

# GDP Summary | Q4 GDP Numbers Surprisingly Upbeat, Q1 Is Mixed

Country	Latest reading (y/y)	Period	Five-year avg	2019	2020e*	2021f	2022f
Argentina	-10.2	Q3	-0.3	-2.1	-11.7	4.0	3.0
Brazil	-1.1	Q4	-0.6	1.4	-4.4	3.2	2.6
Chile	-9.1	Q3	2.1	1.0	-6.4	5.2	3.9
Colombia	-3.6	Q4	2.4	3.3	-6.8	5.1	4.6
Mexico	-4.3	Q4	2.1	-0.1	-8.5	3.9	2.9
China	6.5	Q4	6.7	6.0	2.3	7.0	5.0
India	0.4	Q4	6.9	4.0	-8.0	11.0	6.3
Indonesia	-2.2	Q4	5.0	5.0	-2.1	5.4	5.2
Malaysia	-3.4	Q4	4.9	4.3	-5.6	7.5	5.2
Philippines	-8.3	Q4	6.4	6.0	-9.5	9.6	7.6
Thailand	-4.2	Q4	3.4	2.3	-6.1	5.0	3.9
Poland	-2.8	Q4	4.2	4.6	-2.7	3.8	4.2
Russia	-3.4	Q3	0.8	2.0	-3.1	2.9	2.7
Saudi Arabia	-3.8	Q4	1.6	0.3	-4.1	2.2	2.7
South Africa	-6.0	Q3	0.8	0.2	-7.0	3.6	2.5
Turkey	5.9	Q4	4.2	0.9	1.8	3.6	3.3

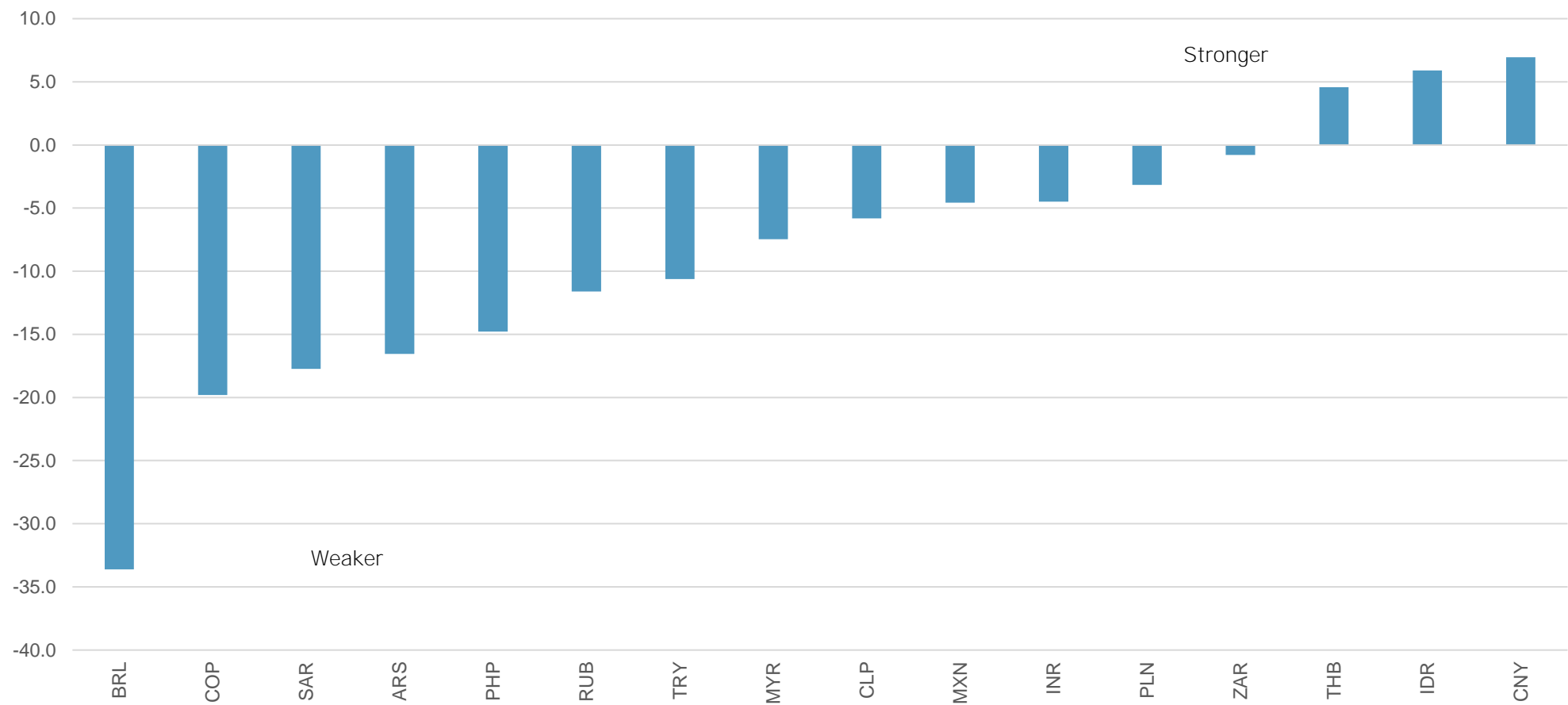
# Monetary Policy/FX | Mexico And Indonesia Cut Rates, But More Cuts Looking Unlikely

Country	Policy rate	Inflation target	Latest inflation reading	Latest rate decision	Next meeting	February exchange rate chg.	YTD exchange rate chg.
Argentina	38.00%	No Target	38.5%	N/A	N/A	-2.8%	-6.3%
Brazil	2.00%	3.75% +/-1.5%	4.6%	Hold	Mar. 17	-2.4%	-7.2%
Chile	0.50%	3% +/-1%	3.1%	Hold	Mar. 30	1.0%	-1.9%
Colombia	1.75%	3% +/-1%	1.6%	Hold	Mar. 26	-0.9%	-5.0%
Mexico	4.00%	3% +/-1%	3.5%	25 bps cut	Mar. 25	-1.4%	-4.5%
China	2.20%	3%	-0.2%	Hold	N/A	-0.8%	0.8%
India	4.00%	4% +/-2%	4.1%	Hold	N/A	-0.7%	-0.5%
Indonesia	3.50%	3.5% +/-1%	1.4%	25 bps cut	Mar. 18	-1.4%	-1.3%
Malaysia	1.75%	No Target	-0.2%	Hold	Mar. 04	-0.2%	-0.7%
Philippines	2.00%	3% +/-1%	4.2%	Hold	Mar. 25	-1.0%	-1.1%
Thailand	0.50%	2.5% +/-1.5%	-0.3%	Hold	Mar. 24	-0.7%	-0.6%
Poland	0.10%	2.5% +/-1%	2.7%	Hold	Apr. 07	-0.5%	-0.3%
Russia	4.25%	4.00%	5.2%	Hold	Mar. 19	1.5%	-0.3%
Saudi Arabia	1.00%	3% +/-1%	5.7%	Hold	N/A	0.0%	0.0%
South Africa	3.50%	3%-6%	3.2%	Hold	Mar. 25	0.3%	-2.8%
Turkey	17.00%	5% +/-2%	15.6%	Hold	Mar. 18	-1.6%	0.2%

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 or sets the policy rate directly (it is set based on monetary aggregates targeting). For China, we use the PBOC's seven-day reverse repo. Source: Bloomberg, Haver Analytics, and S&P Global Ratings.

# Real Effective Exchange Rates | Most Currencies Weakened Last Month

Broad Real Effective Exchange Rates

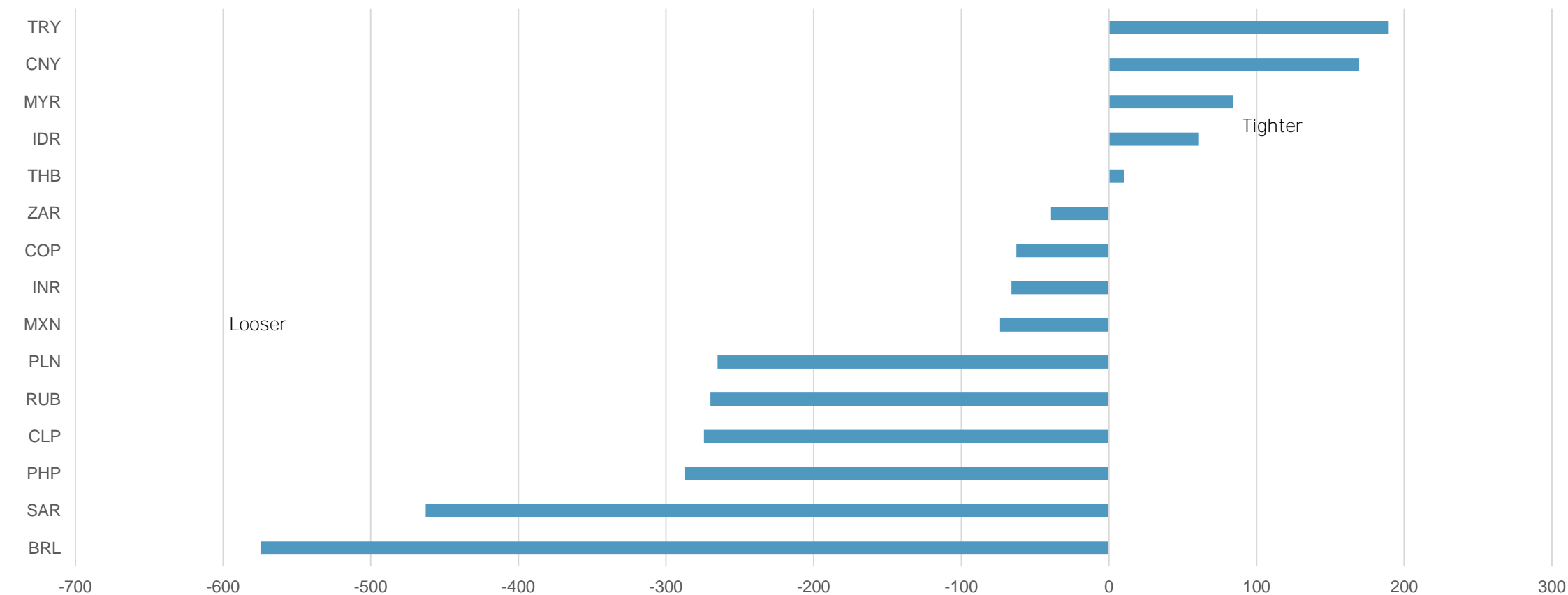


*Note: Percentage change from 10-year average. Data is computed on 10 years of the monthly average data of the J.P. Morgan Real Broad Effective Exchange Rate Index (PPI-deflated). Data as of Feb. 28, 2021. Source: S&P Global Ratings, Haver Analytics, and J.P. Morgan.*



# Real Interest Rates | A Looming Rate Hike In Brazil

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



*Note: In bps. 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 Feb. 28, 2021. Source: Haver Analytics and S&P Global Ratings.*

# EM Heat Map

## Emerging Markets Risk Profile

Sovereign Ratings (March 10, '21)

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

Financial Institutions (March 10, '21)

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

Non-Financial Corporates (Rated)

Median Rating (Feb. 28, 2020)	CCC+	BB-	BBB	BBB-	BB+	BBB	BB+	B+	BBB+	BBB	BBB+	BB+	BB+	BBB+	BB-	BB-
Net Debt / EBITDA	2.3	2.2	4.1	3.2	3.9	3.3	3.1	3.6	2.7	3.5	3.8	2.1	2.9	3.3	2.9	3.5
ROC Adj.*	-29.6	0.2	-0.6	1.3	0.3	-2.7	-3.6	0.0	0.3	0.0	1.7	-0.9	2.3	1.2	0.1	-6.9
EBITDA INT. COV.	2.5	3.1	6.5	4.5	3.7	5.8	3.7	3.7	7.9	6.2	8.4	12.9	4.6	7.9	4.6	2.6
NFC FC Debt % GDP*	10.3	17.1	37.0	10.6	20.9	6.5	7.5	9.0	10.4	5.9t	7.2	13.4	13.9	9.3	16.2	34.5
NFC Debt % of GDP*	14.9	43.5	110.9	36.1	27.7	159.1	44.8	22.8	68.7	32.0	47.5	43.8	47.8	48.8	39.6	69.2

### Color Coding

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

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

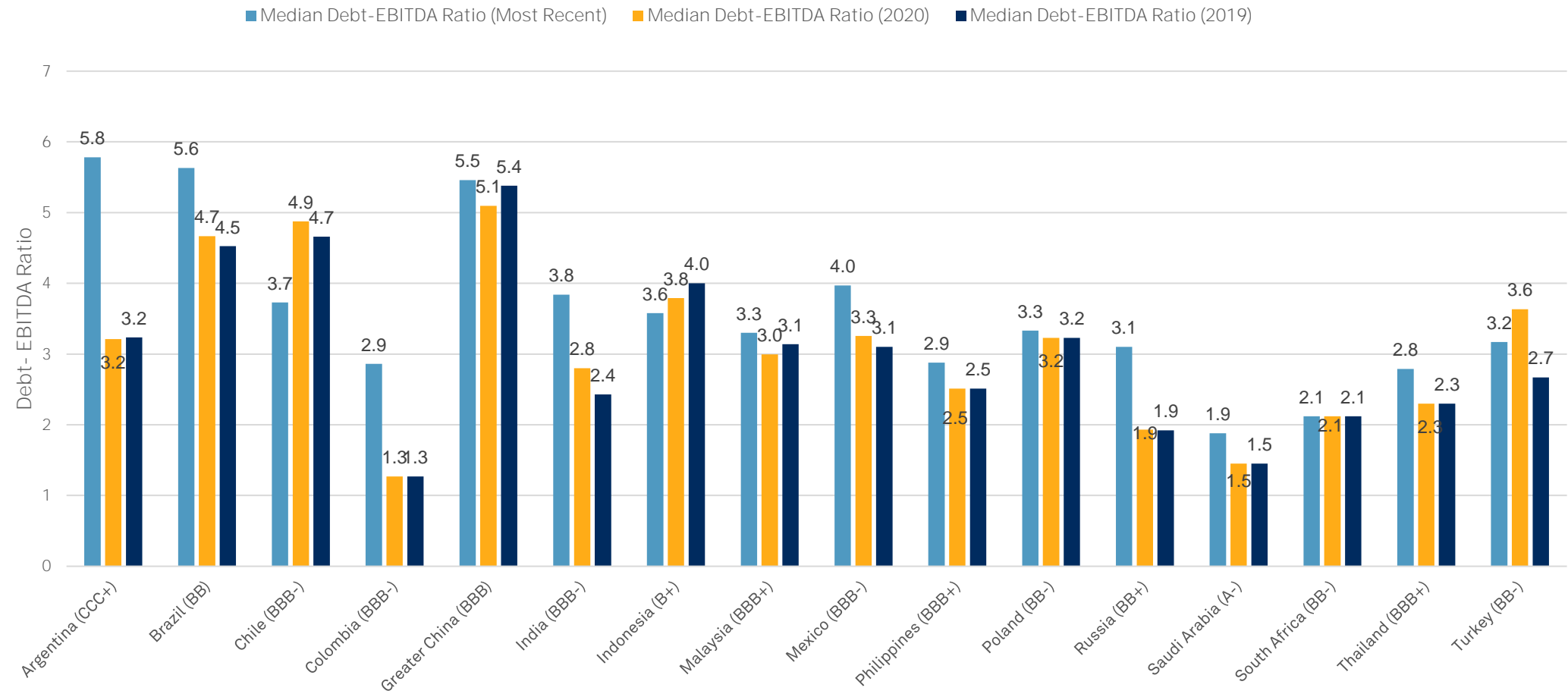
Nonfinancial Corporates--Ratios are derived from the median of rated corporates in their respective countries. We then rank them according to our "Corporate Methodology," Nov. 19, 2013 by using table 17, with levels that go from minimal to highly leveraged. \*We assess return on capital by using the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

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

# Financing Conditions

## Highlights

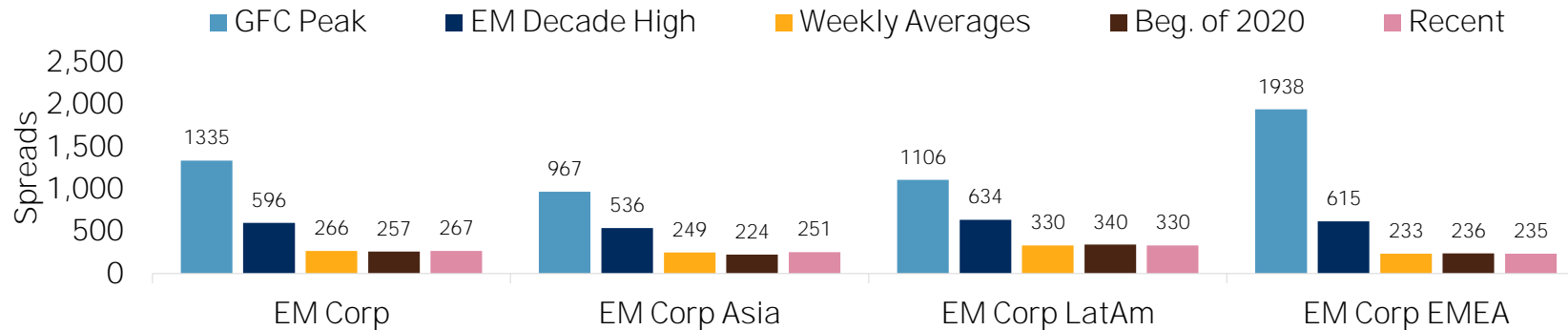
# Non-Financial Corporates | Leverage Rises Modestly



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

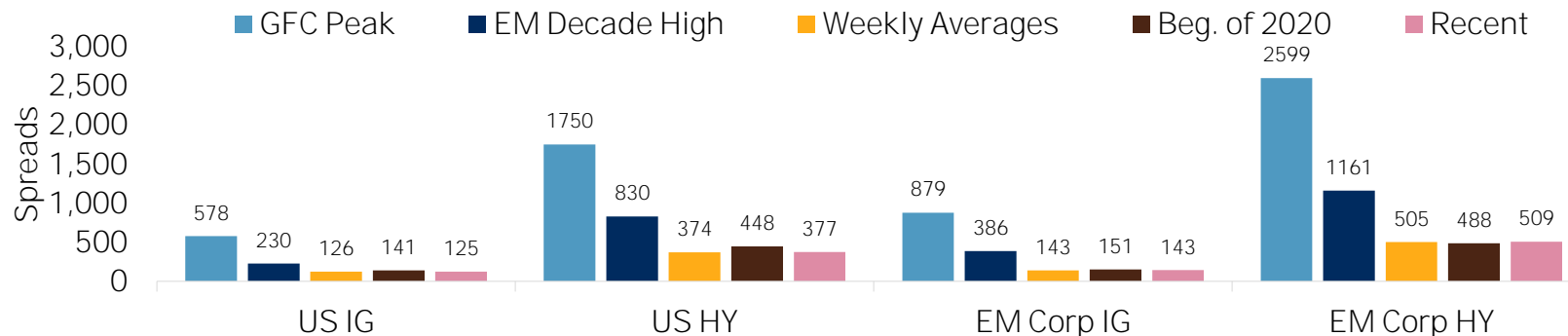
# EM Credit Spreads| Narrowing On Rising Yields

EM Spreads By Region



Note: Levels, bps. Data as of Feb. 26, 2021. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis.

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



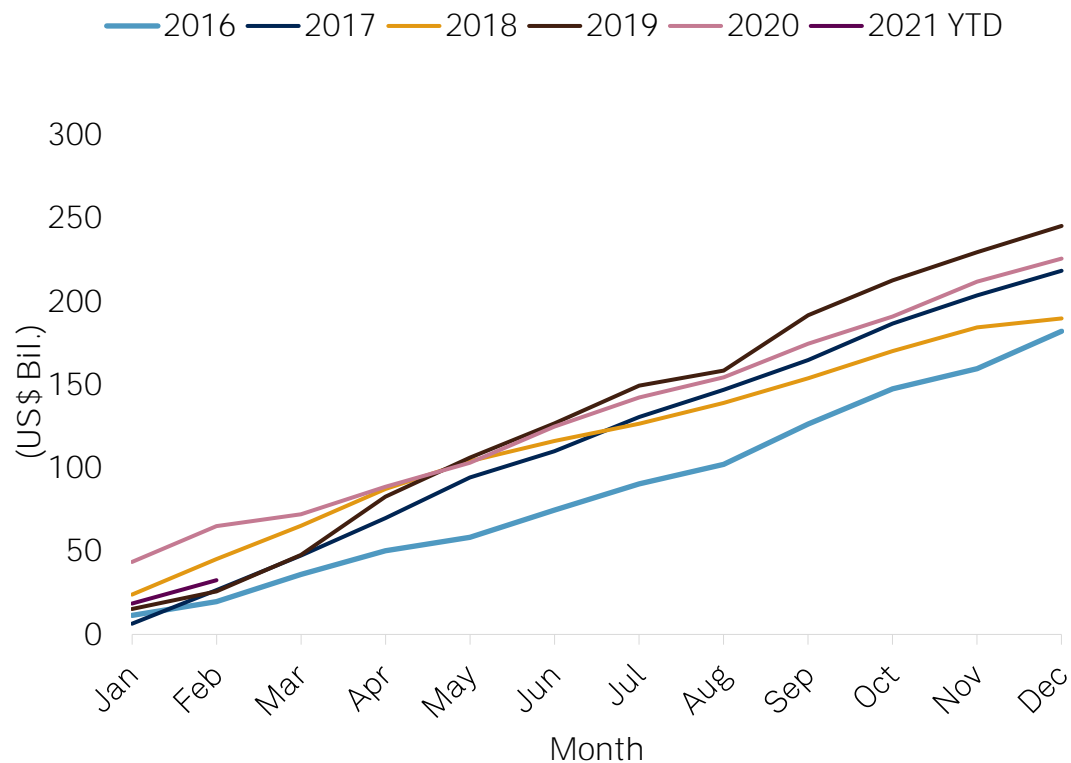
Note: Levels, bps. Data for EM spreads as of Feb. 26, 2021 for U.S. spreads as of March 1, 2021. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, and Federal Reserve Bank of St. Louis. HY – High Yield; IG – Investment Grade.

- U.S. spreads remain tighter than pre-pandemic levels despite recent volatility in Treasury markets. Despite the supportive domestic funding conditions for EMs, access to funding is uneven. Externally, the cost of funding might increase with the rising U.S. yields as the benchmark, despite relatively compressed spreads.
- EM spreads overall remained relatively higher than the levels in early 2020.
- Risk aversion persists despite the compressed spreads across markets and will continue to reflect revenue pressure and underlying fragility, despite relatively strong investor appetite.



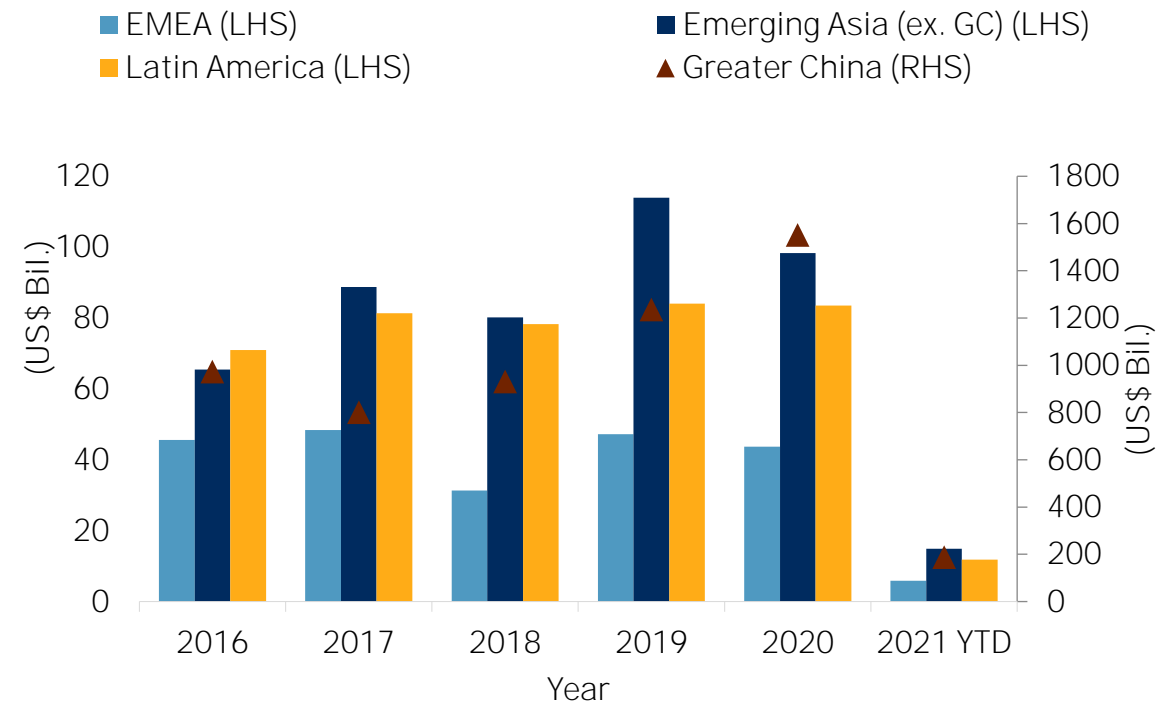
# EM | Financial And Non-Financial Corporate Issuance

EM Cumulative Corporate Bond Issuance



Excluding Greater China. Data as of Feb. 28, 2021. Data including not rated and both financial and non-financial entities. Source: S&P Global Ratings Research and Thomson Reuters.

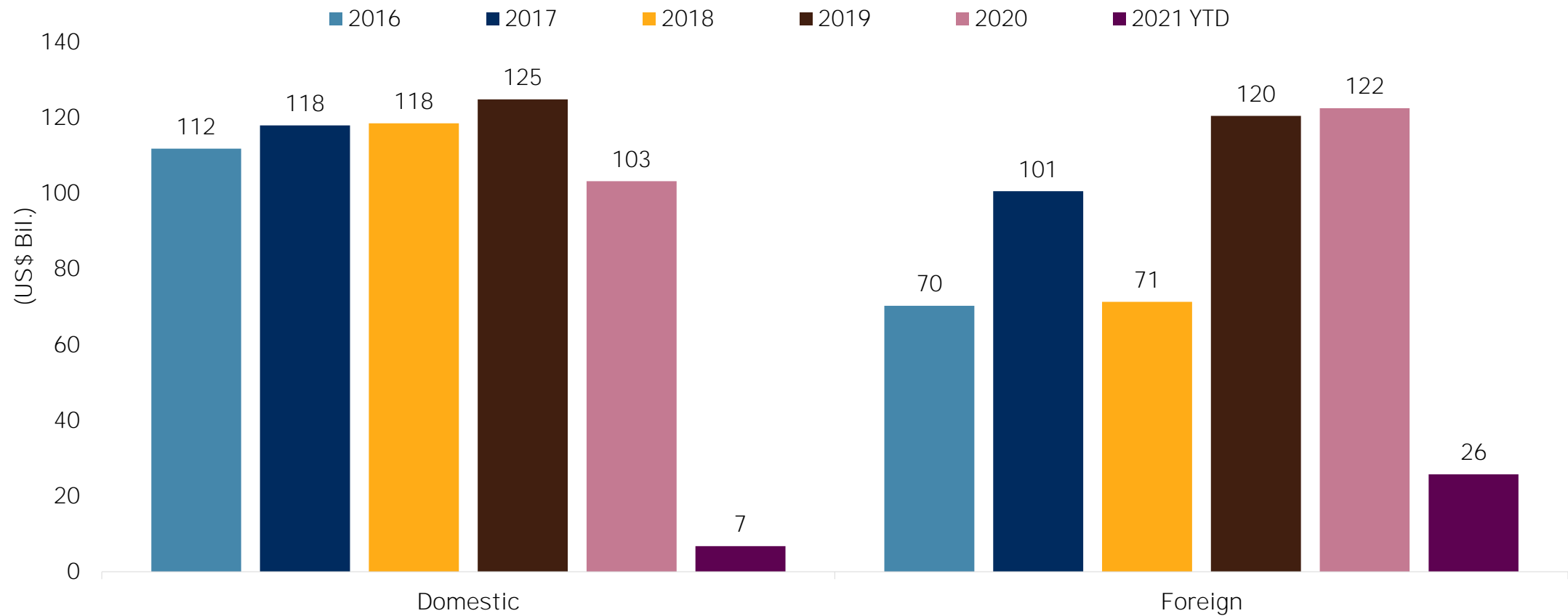
EM Regional Bond Issuance



Data as of Feb. 28, 2021, and full year data for 2006-2020, for both financial and non-financial entities. Source: S&P Global Ratings Research and Thomson Reuters.

# EM Corporate Issuance| By Market

EM Issuance By Market



Excluding Greater China. Data as of Feb. 28 for 2021, full year data for 2016-2020. Source: S&P Global Ratings Research and Thomson Reuters.

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

Issue Date	Issuer	Country	Market place	S&P sovereign S&P issue-rating rating		Security description	Currency	Issuance (mil.)	
5-Jan-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	1.850% Global Notes due '31	USD	\$	4,977
5-Jan-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	3.050% Global Notes due '51	USD	\$	4,951
5-Jan-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	1.100% Global Notes due '33	EUR	\$	4,876
14-Jan-21	Mexico	Mexico	Euro Public	NR	BBB	1.450% Fxd/Straight Bd due '33	EUR	\$	3,588
19-Jan-21	Republic of Turkey	Turkey	Euro Public	NR	B+	5.875% Sr Unsecurd Nts due '31	USD	\$	3,480
19-Jan-21	Republic of Turkey	Turkey	Euro Public	NR	B+	4.750% Sr Unsecurd Nts due '26	USD	\$	3,477
2-Dec-20	Philippines	Philippines	U.S. Public	BBB+	BBB+	2.650% Global Notes due '45	USD	\$	3,000
4-Jan-21	Mexico	Mexico	U.S. Public	BBB	BBB	3.750% Global Notes due '71	USD	\$	3,000
14-Jan-21	Mexico	Mexico	Euro Public	NR	BBB	2.125% Fxd/Straight Bd due '51	EUR	\$	2,670
2-Dec-20	Philippines	Philippines	U.S. Public	BBB+	BBB+	1.648% Global Notes due '31	USD	\$	2,500
5-Jan-21	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	3.350% Global Notes due '71	USD	\$	1,976

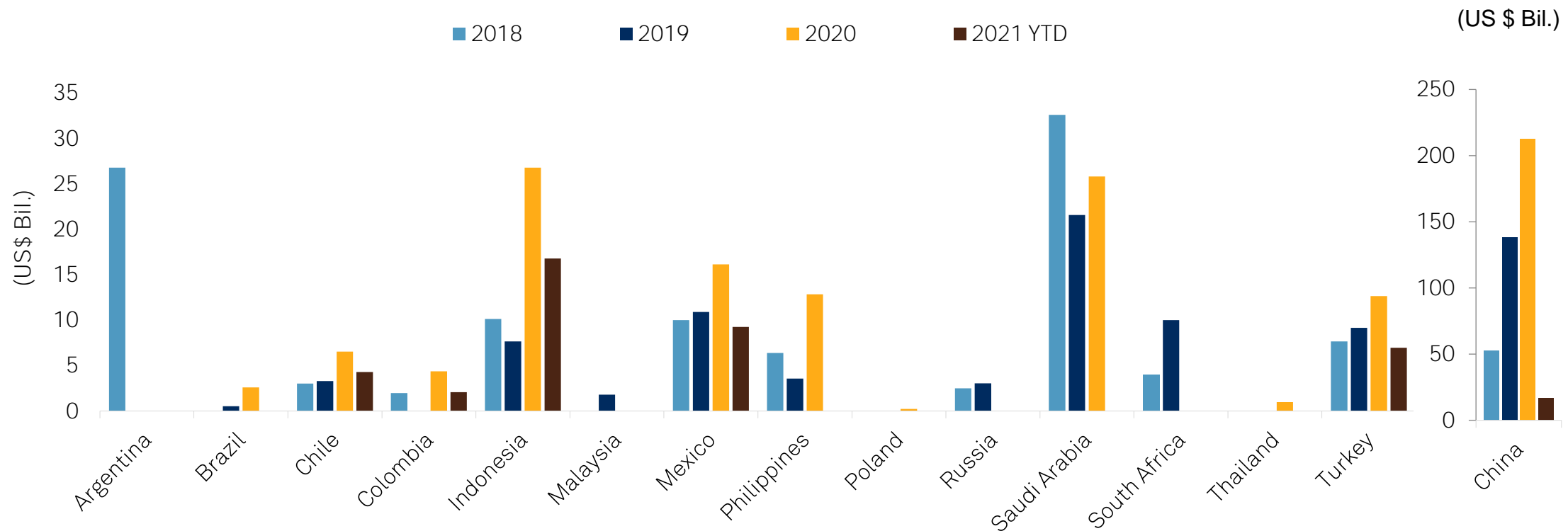
# Issuance| Sovereign Top Deals By Debt Amount In The Past 90 Days

Issue date	Issuer	Country	Market place	S&P issue-rating	S&P sovereign rating	Security description	Currency Issuance (mil.)		
19-Jan-21	Chile	Chile	Euro Public	A+	A+	1.250% Sr Unsecurd Nts due '51	EUR	\$	1,498
19-Jan-21	Chile	Chile	U.S. Public	NR	A+	3.100% Global Notes due '61	USD	\$	1,495
2-Dec-20	Republic of Brazil	Brazil	U.S. Public	BB-	BB-	3.875% Global Notes due '30	USD	\$	1,293
12-Jan-21	Colombia	Colombia	U.S. Public	BBB-	BBB-	3.875% Senior Notes due '61	USD	\$	1,270
12-Jan-21	Colombia	Colombia	U.S. Public	BBB-	BBB-	3.125% Senior Notes due '31	USD	\$	812
19-Jan-21	Chile	Chile	U.S. Public	NR	A+	2.550% Global Notes due '32	USD	\$	793
2-Dec-20	Republic of Brazil	Brazil	U.S. Public	BB-	BB-	4.750% Global Notes due '50	USD	\$	780
2-Dec-20	Republic of Brazil	Brazil	U.S. Public	BB-	BB-	2.875% Global Notes due '25	USD	\$	514
19-Jan-21	Chile	Chile	Euro Public	A+	A+	0.830% Sr Unsecurd Nts due '31	EUR	\$	507

Data as of Feb. 28, 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

- The EM sovereign debt issuance in 2020 has surpassed the 2019 level. This year has been relatively quiet with some issues starting to come to market in February.
- Most EMs had higher 2020 sovereign debt than in 2019, as governments and central banks are focused on economic recovery through various stimulus packages.



Data as of Feb. 28, 2021; includes local/foreign currencies. Included where Fungible is 'N' or Blank. China includes mainland China and Hong Kong. Source: Refinitiv and Dealogic.

# Issuance| EM Financial And Non-Financial Top 20 Deals For The Past 90 Days

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue – rating	Security description	Currency	Issuance (mil.)
3-Feb-21	9-Feb-26	PT Pertamina (Persero)	Indonesia	Integrated Oil & Gas	U.S. Private	NR	1.400% Medium-Term Nts due '26	US	\$ 1,000
4-Jan-21	13-Jan-31	Export-Import Bank of India	India	Banks	U.S. Private	BBB-	2.250% Medium-Term Nts due '31	US	\$ 990
3-Feb-21	9-Feb-31	PT Pertamina (Persero)	Indonesia	Integrated Oil & Gas	U.S. Private	NR	2.300% Medium-Term Nts due '31	US	\$ 900
3-Feb-21	10-Feb-26	APICORP	Saudi Arabia	Finance Company	Euro Public	NR	1.260% Sr Med Term Nts due '26	US	\$ 750
17-Feb-21	24-Feb-26	Ozon Holdings PLC	Russian Federation	Retail/Restaurants	Euro Public	NR	1.875% Convertible Bds due '26	US	\$ 750
3-Feb-21	10-Feb-31	Indian Railway Fin Corp Ltd	India	Broker	U.S. Private	BBB-	2.800% Medium-Term Nts due '31	US	\$ 750
24-Feb-21	3-Jun-31	Bharti Airtel Ltd	India	Telecommunications	U.S. Private	BBB-	3.250% Senior Notes due '31	US	\$ 749
7-Jan-21	14-Jan-31	Mercadolibre Inc	Argentina	High Technology	U.S. Public	BB+	3.125% Global Notes due '31	US	\$ 700
26-Jan-21	2-Feb-31	Adani Ports & SE Zone Ltd	India	Transportation	U.S. Private	BBB-	3.100% Senior Notes due '31	US	\$ 500
3-Feb-21	8-Feb-31	Hidrovias Intl Fin S.A R.L	Brazil	Broker	U.S. Public	BB	4.950% Sr Unsecurd Nts due '31	US	\$ 500
6-Jan-21	13-Mar-24	Shriram Transport Fin Co Ltd	India	Finance Company	U.S. Private	BB-	4.400% Secured MTNs due '24	US	\$ 500

Data as of Feb. 28, 2021 (last 90 days); excludes sovereign issuances and China. Red means speculative-grade rating, blue means investment-grade rating, and grey means NR (not rated). Table is for foreign currency only without perpetual. Source: S&P Global Ratings Research.



# Issuance| EM Financial And Non-Financial Top 20 Deals For The Past 90 Days

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue – rating	Security description	Currency	Issuance (mil.)
21-Jan-21	16-May-31	Power Finance Corp Ltd	India	Finance Company	Euro Public	NR	3.350% Sr Med Term Nts due '31	US	\$ 500
22-Feb-21	1-Sep-26	Rec Ltd	India	Financial Institution	Euro Public	NR	2.250% Medium-Term Nts due '26	US	\$ 499
6-Jan-21	11-Jan-26	Banco BTG Pactual SA	Brazil	Broker	U.S. Public	BB-	2.750% Senior Notes due '26	US	\$ 497
7-Jan-21	14-Jan-26	Mercadolibre Inc	Argentina	High Technology	U.S. Public	BB+	2.375% Global Notes due '26	US	\$ 400
8-Feb-21	16-Feb-31	Ultratech Cement Ltd	India	Forest Products & Building Materials	U.S. Private	NR	2.800% Sr Unsecurd Nts due '31	US	\$ 398
26-Jan-21	10-Feb-26	BUMA	Indonesia	Metals, Mining & Steel	U.S. Private	NR	7.750% Senior Notes due '26	US	\$ 396
13-Jan-21	20-Jan-26	PT Tower Bersama Infrstr Tbk	Indonesia	Telecommunications	Euro Public	NR	2.750% Sr Unsecurd Nts due '26	US	\$ 300
26-Jan-21	2-Feb-26	GMR Hyderabad Intl Airport Ltd	India	Transportation	U.S. Private	NR	4.750% Sr Secured Nts due '26	US	\$ 300
13-Jan-21	14-Jul-45	Shuaibah Water & Electricity	Saudi Arabia	Utility	Euro Private	NR	3.700% Senior Notes due '45	US	\$ 170

Data as of Feb. 28, 2021 (last 90 days); excludes sovereign issuances and China. Red means speculative-grade rating, blue means investment-grade rating, and grey means not rated. Table is for foreign currency only without perpetual. Source: S&P Global Ratings Research.

# Maturing Debt | EM Financial And Non-Financial

## Top Deals Coming Due In March 2021

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

Data as of Feb. 28, 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 Non-Financial

## Top Deals Coming Due In April 2021

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue – rating	Security description	Currency	Issuance (mil.)
26-Mar-10	5-Apr-21	Voto-Votorantim Ltd	Brazil	Forest Products & Building Materials	EURO/144 A	BBB	6.750% Gtd Sr Notes due '21	US	\$ 743
29-Mar-11	5-Apr-21	PTTEP Canada Int Fin Pty Ltd	Thailand	Finance Company	EURO/144 A	BBB+	5.692% Senior Notes due '21	US	\$ 700
1-Apr-11	6-Apr-21	Servicios Corporativos Javier	Mexico	Homebuilders/Real Estate Co.	EURO/144 A	NR	9.875% Senior Notes due '21	US	\$ 30
15-Mar-13	6-Apr-21	Servicios Corporativos Javier	Mexico	Homebuilders/Real Estate Co.	U.S. Public	B+	9.875% Global Notes due '21	US	\$ 49
8-Apr-16	8-Apr-21	MCI Venture Projects Sp z o o	Poland	Broker	Euro Public	NR	Float Rate Nts due '21	CK	\$ 15
14-Apr-11	20-Apr-21	Hypermarcas SA	Brazil	Consumer Products	EURO/144 A	BB-	6.500% Sr Unsecurd Nts due '21	US	\$ 737
14-Apr-11	20-Apr-21	Turkiye Garanti Bankasi AS	Turkey	Banks	EURO/144 A	NR	6.250% Fxd/Straight Bd due '21	US	\$ 495
16-Apr-14	25-Apr-21	Votorantim Cimentos SA	Brazil	Forest Products & Building Materials	EURO/144 A	BBB	3.250% Notes due '21	EUR	\$ 886
25-Apr-16	27-Apr-21	Gulf Riyadh	Saudi Arabia	Banks	Euro Public	NR	Islamic Finance due '21	SR	\$ 533
19-Apr-11	28-Apr-21	Al'fa-Bank AO	Russian Federation	Banks	EURO/144 A	BB-	7.750% Fxd/Straight Bd due '21	US	\$ 1,000

Data as of Feb. 28, 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 Non-Financial

## Top Deals Coming Due In April 2021

Issue date	Maturity date	Issuer	Country	Sector	Market place	S&P issue – rating	Security description	Currency	Issuance (mil.)
28-Apr-11	28-Apr-21	Alfa Bond Issuance Plc	Russian Federation	Finance Company	Euro Public	NR	7.750% Fxd/Straight Bd due '21	US	\$ 1,000
28-Apr-11	28-Apr-21	MayBank	Malaysia	Banks	Euro Public	BBB+	3.800% Mdm-Trm Sub Nts due '21	SG	\$ 815
27-Apr-16	28-Apr-21	PKO Bank Hipoteczny SA	Poland	Broker	Euro Public	NR	Float Rate Nts due '21	PZ	\$ 129
25-Apr-16	29-Apr-21	TC Ziraat Bankasi AS	Turkey	Banks	EURO/144A	NR	4.750% Medium-Term Nts due '21	US	\$ 499

Data as of Feb. 28, 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 February

Country	Rating	Outlook	Five-year CDS spread	Median rating financials (OLCW)	Median rating non-financials (OLCW)
Argentina	CCC+	Stable	1457		CCC+
Brazil	BB-	Stable	194		BB-
Chile	A+	Negative	56		BBB
China	A+	Stable	33	A	BBB
Colombia	BBB-	Negative	125		BBB-
India	BBB-	Stable	71		BB+
Indonesia	BBB	Negative	80		B+
Malaysia	A-	Negative	43		BBB+
Mexico	BBB	Negative	107	BB+	BB+
Philippines	BBB+	Stable	43		BBB
Poland	A-	Stable	49	A-	BB+
Russia	BBB-	Stable	93	BB	BB+
Saudi Arabia	A-	Stable	69	BBB	BBB+
South Africa	BB-	Stable	235		BB-
Thailand	BBB+	Stable	39	A-	BBB+
Turkey	B+	Stable	316		BB-

Note: Foreign currency ratings. Red means speculative-grade rating, and blue means investment-grade rating. Data and CDS spread are as of Feb. 28, 2021. China median rating includes China, Hong Kong, Macau, Taiwan, and Red Chip companies. Source: S&P Global Ratings Research and S&P Capital IQ.



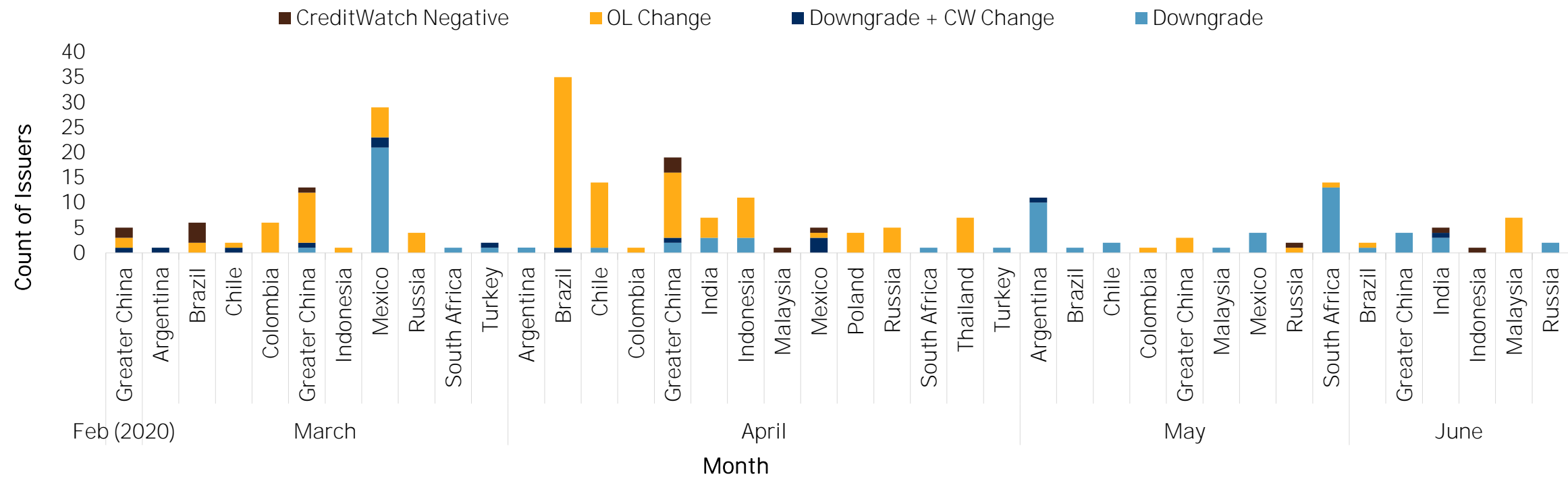
# Rating Actions | Top 15 By Debt Amount In The Past 90 Days

Rating date	Issuer	Country	Sector	To	From	Action type	Debt amount (mil.)
9-Feb-21	PTT Public Co. Ltd.	Thailand	Integrated Oil & Gas	BBB+	A-	Downgrade	\$ 6,055
26-Feb-21	YPF S.A	Argentina	Oil & Gas Exploration & Production	SD	CC	Downgrade	\$ 2,951
18-Dec-20	Polyus PJSC	Russia	Metals, Mining & Steel	BB+	BB	Upgrade	\$ 1,800
11-Dec-20	Rede D'Or Sao Luiz S.A.	Brazil	Health Care	BB	BB-	Upgrade	\$ 1,350
28-Jan-21	Companhia Energetica de Minas Gerais - CEMIG	Brazil	Utility	BB-	B	Upgrade	\$ 1,000
4-Dec-20	Braskem Idesa, S.A.P.I. and subsidiary	Mexico	Chemicals, Packaging & Environmental Services	B	B+	Downgrade	\$ 900
15-Jan-21	PT Saka Energi Indonesia (Republic of Indonesia)	Indonesia	Oil & Gas Exploration & Production	B	B+	Downgrade	\$ 625
10-Feb-21	PT Tower Bersama Infrastructure Tbk.	Indonesia	Telecommunications	BB+	BB	Upgrade	\$ 350
19-Feb-21	Embraer S.A.	Brazil	Aerospace & Defense	BB	BB+	Downgrade	\$ 332
17-Feb-21	AES Argentina Generacion S.A (AES Corp. (The))	Argentina	Utility	CCC+	CCC-	Upgrade	\$ 300

Data as of Feb. 28, 2021, excludes sovereigns, Greater China and the Red Chip companies and includes only latest rating changes. SD – Selective Default. Source: S&P Global Ratings Research.

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

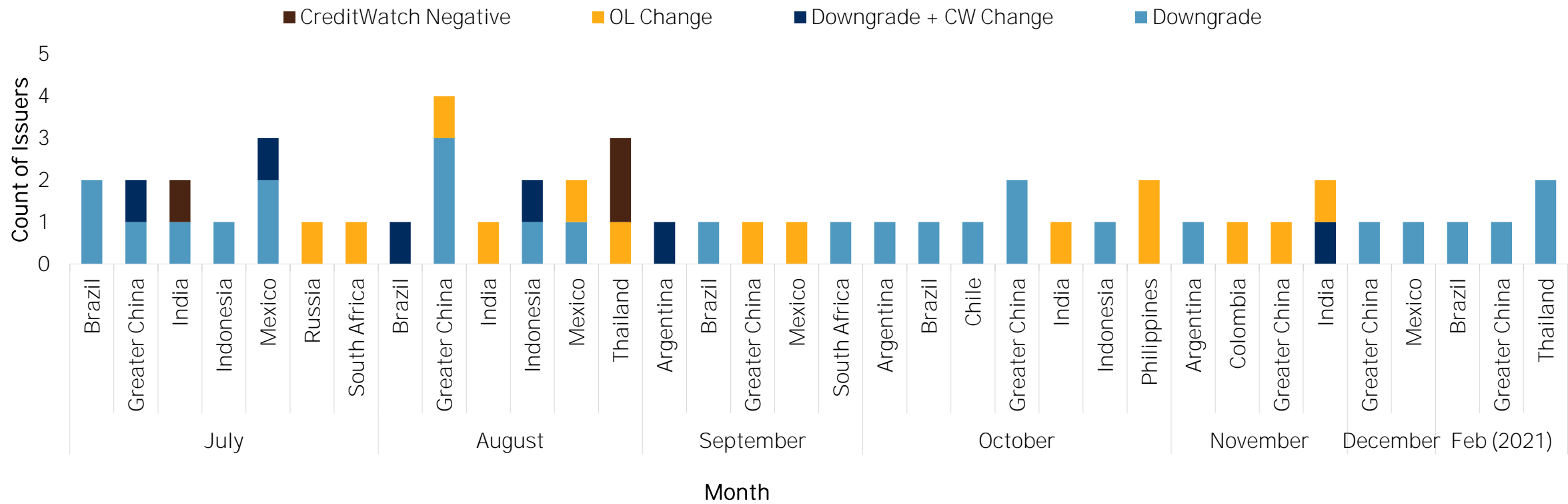
First Half Of 2020



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

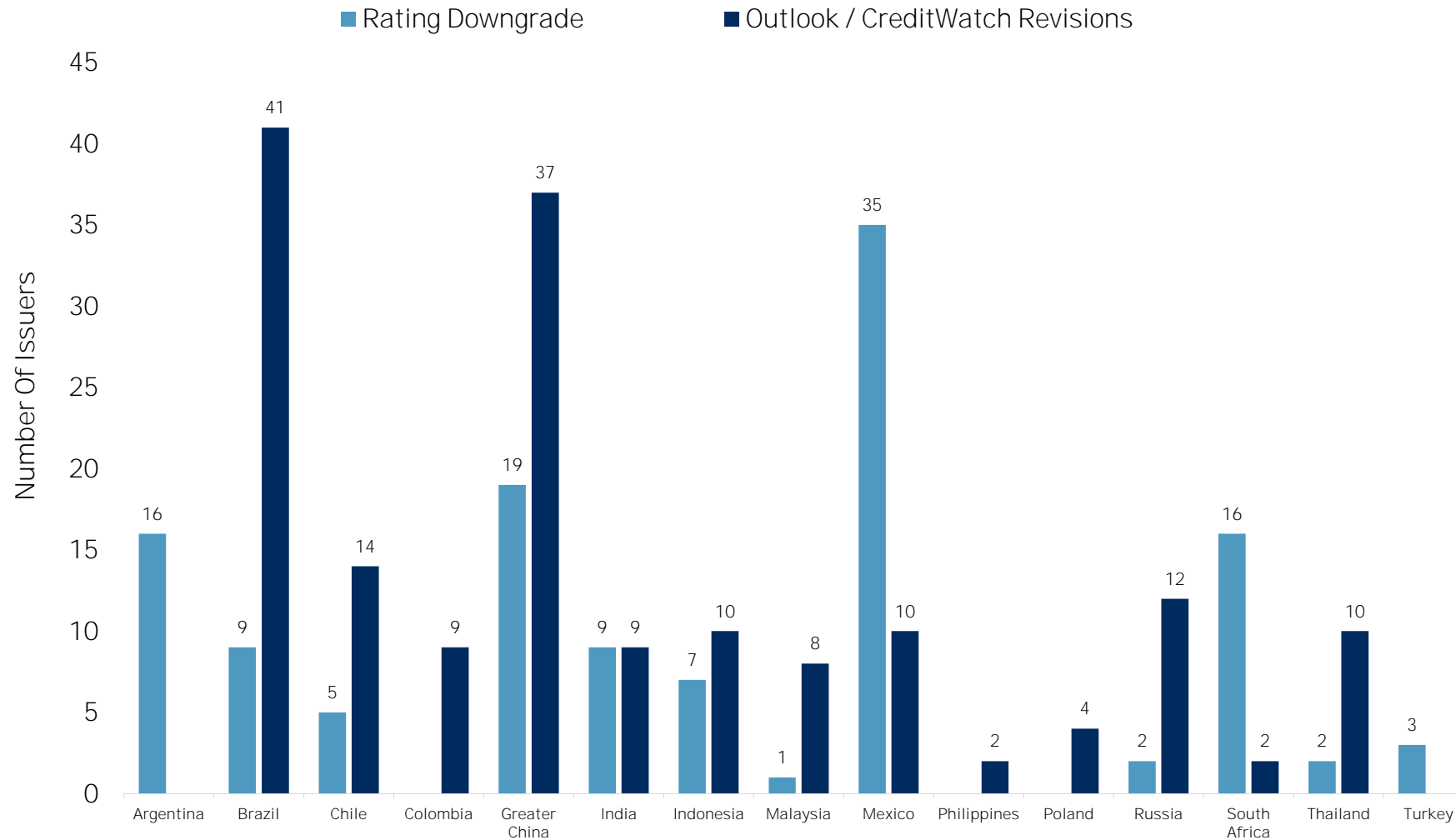
# EM | Virus- And Oil-Related Rating Actions By Country

Second Half Of 2020 And Start Of 2021



Note: Data includes sovereigns. Data from July 1, 2020 to Feb. 22, 2021. Greater China includes mainland China, Taiwan, Macao and Hong Kong. Source: S&P Global Ratings.

# EM | Virus- And Oil-Related Rating Actions

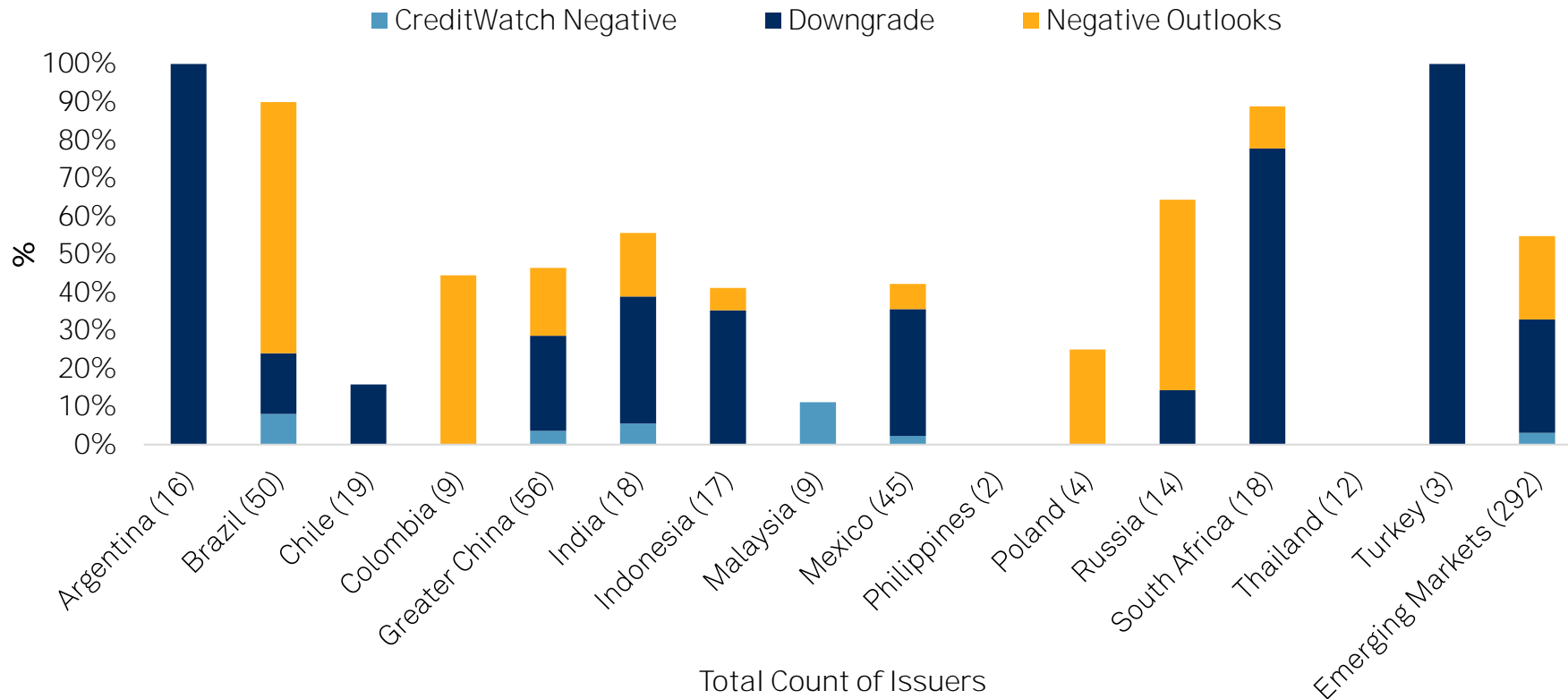


Data includes sovereigns. Data from Feb. 3, 2020 to Feb. 22, 2021. Source: S&P Global Ratings Research and Thomson Reuters.

- The largest number of downgrade were in Mexico (35), Greater China, Argentina (16), and South Africa (16).
- Brazil (41), Greater China (37), and Chile (14) had the most CreditWatch listings/outlook revisions.
- COVID-related rating actions slowed markedly in recent months and shifted in composition as downgrades resolved negative CreditWatch placements earlier in the pandemic.

# EM | Virus- And Oil-Related Rating Actions

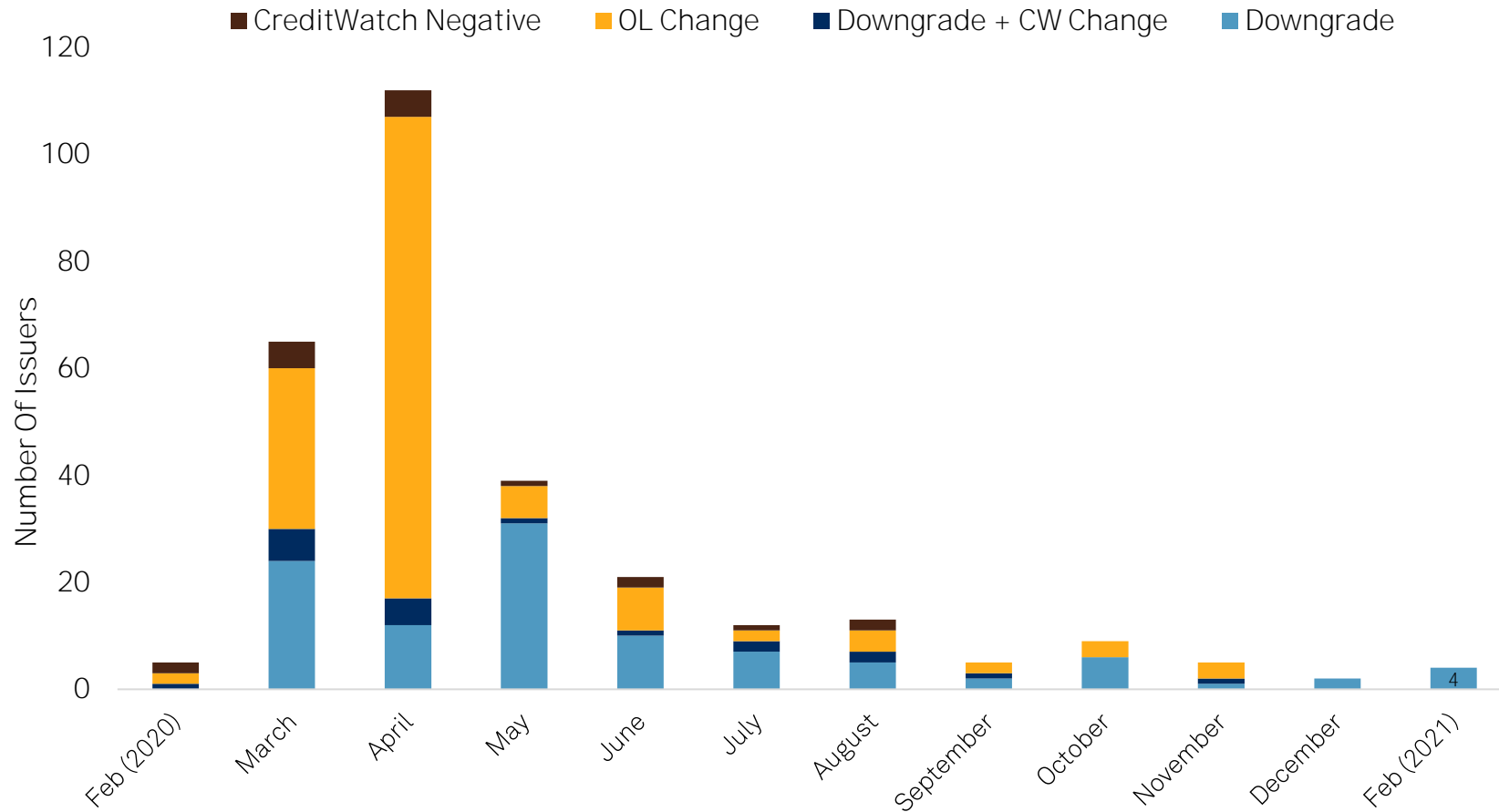
## Speculative-Grade Issuers' Contribution To Rating Actions



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

Note: Data includes sovereigns. Data from Feb. 3, 2020 to Feb. 22, 2021. Source: S&P Global Ratings.

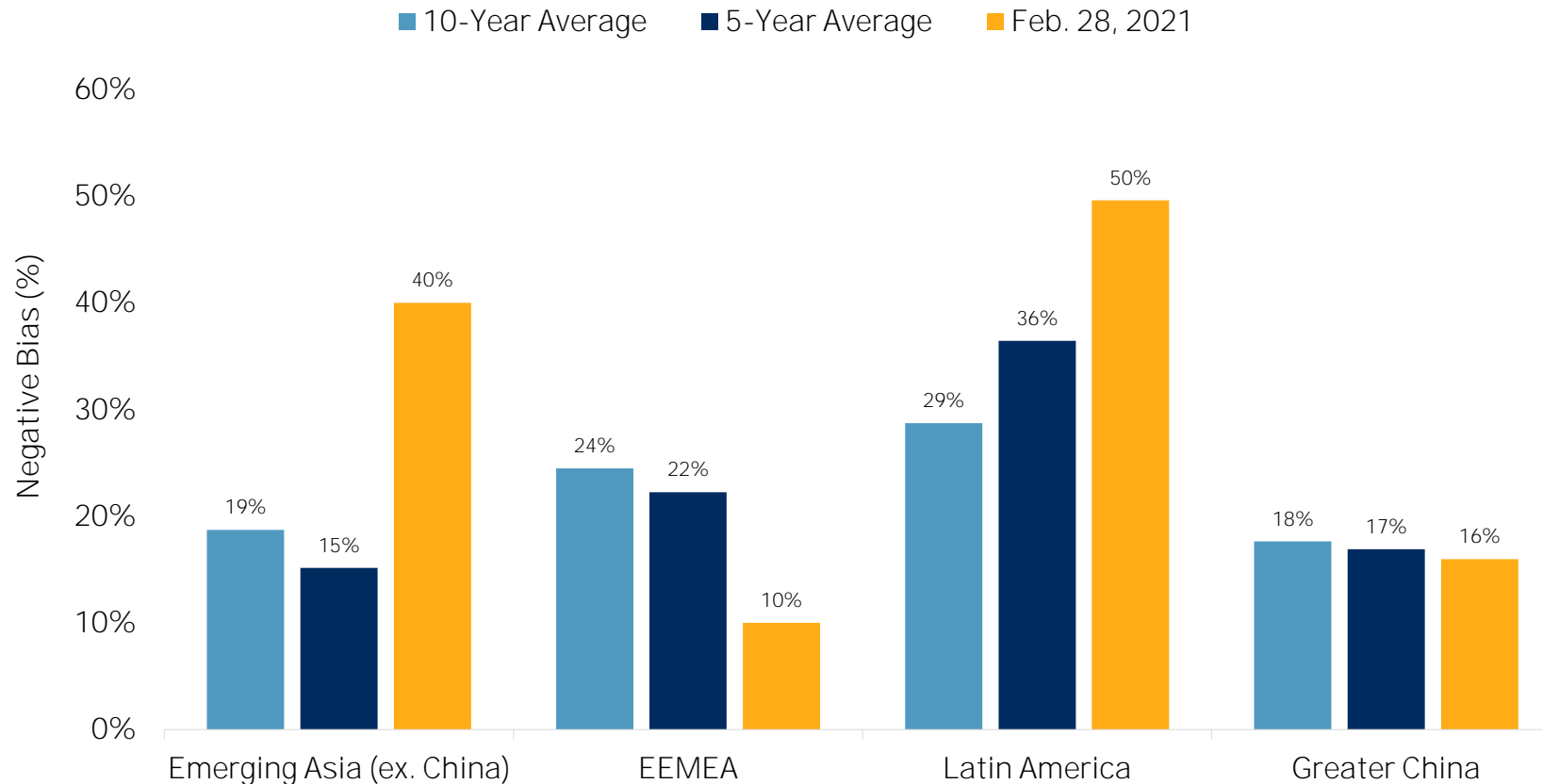
# EM | Virus- And Oil-Related Rating Actions By Month



- No EM sovereign downgrades in February 2021.
- No outlook changes for February 2021.
- Thailand has had two downgrades, while Brazil and Greater China has had one downgrade each in February 2021( through Feb. 22).

*Note: Data includes sovereigns. Data from Feb. 3, 2020 to Feb. 22, 2021. EMs consist of Argentina, Brazil, Chile, China, Colombia, Mexico, India, Indonesia, Malaysia, Thailand, the Philippines, Poland, Russia, Saudi Arabia, South Africa, and Turkey. Source: S&P Global Ratings.*

# Downgrade Potential | Regional Negative Bias

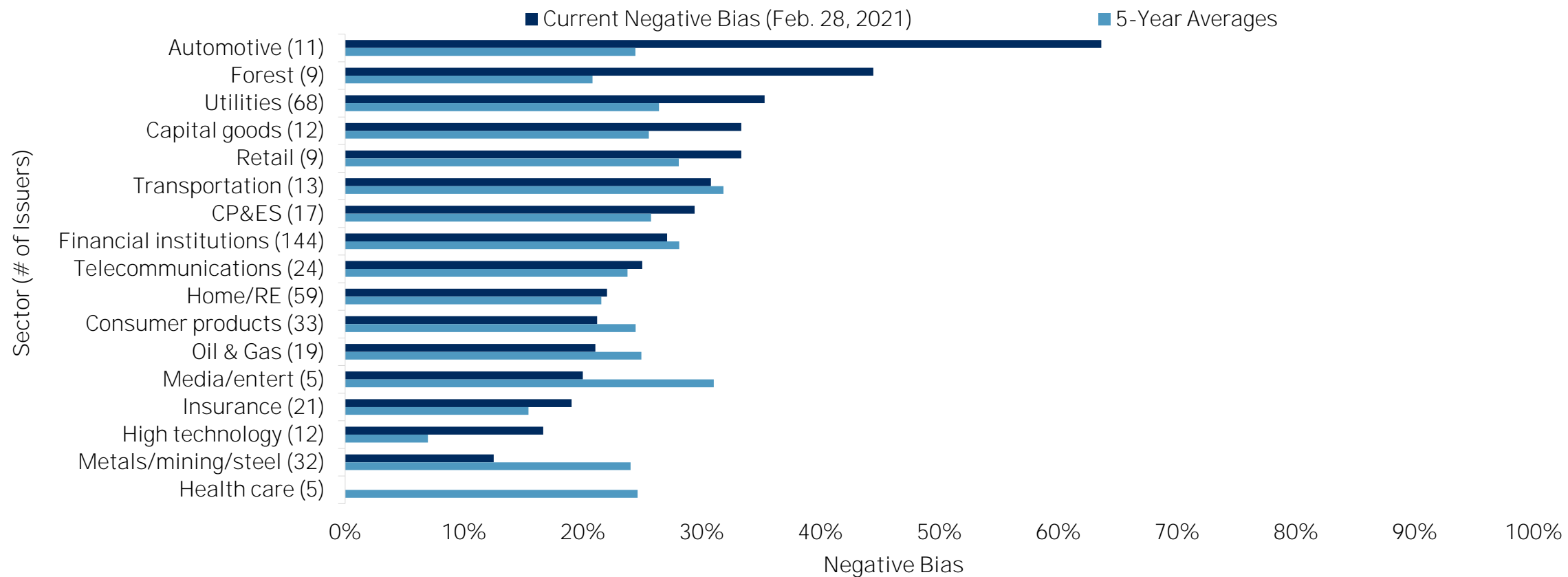


- Emerging Asia (excluding China). The February 2021 downgrade potential was 40%, same as for December 2020 (40%), but much higher than both 5- and 10-year historical averages.
- Latin America. Downgrade potential in February (50%) stayed above both historical averages.
- EEMEA. February downgrade (10%) potential was much lower especially compared with other EMs.
- Greater China. The February downgrade potential (16%) was slightly below its 5-year average (17%) and 10-year average (18%).

Data as of Feb. 28, 2021 and exclude sovereigns. Latin America: Argentina, Brazil, Chile, Colombia, Mexico. Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines. EEMEA: Poland, Russia, Saudi Arabia, South Africa, Turkey. Greater China: China, Hong Kong, Macau, Taiwan, and Red Chip companies. Source: S&P Global Ratings Research.

# EM Downgrade Potential | By Sector

Automotive, Forest Products, And Building Materials Sectors Continued To Lead February Sector Downgrade Potentials



Data as of Feb. 28, 2021 and include sectors with more than five issuers only; excludes sovereigns. EMs consist of Argentina, Brazil, Chile, China, Colombia, Mexico, India, Indonesia, Malaysia, Thailand, Philippines, Poland, Russia, Saudi Arabia, South Africa, and Turkey. Greater China --- China, Hong Kong, Macau, Taiwan and Red Chip companies. Media/entert -- Media and entertainment, Retail -- Retail / restaurants, CP&ES -- Chemicals, packaging and environmental services, Home/RE -- Homebuilders/real estate companies, Forest -- Forest products and building materials. Source: S&P Global Ratings Research.



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

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

**No EM rating changes from 'B-' to 'CCC' so far in 2021.**

# Rating Actions | Fallen Angels

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

No EM fallen angels so far in 2021.

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

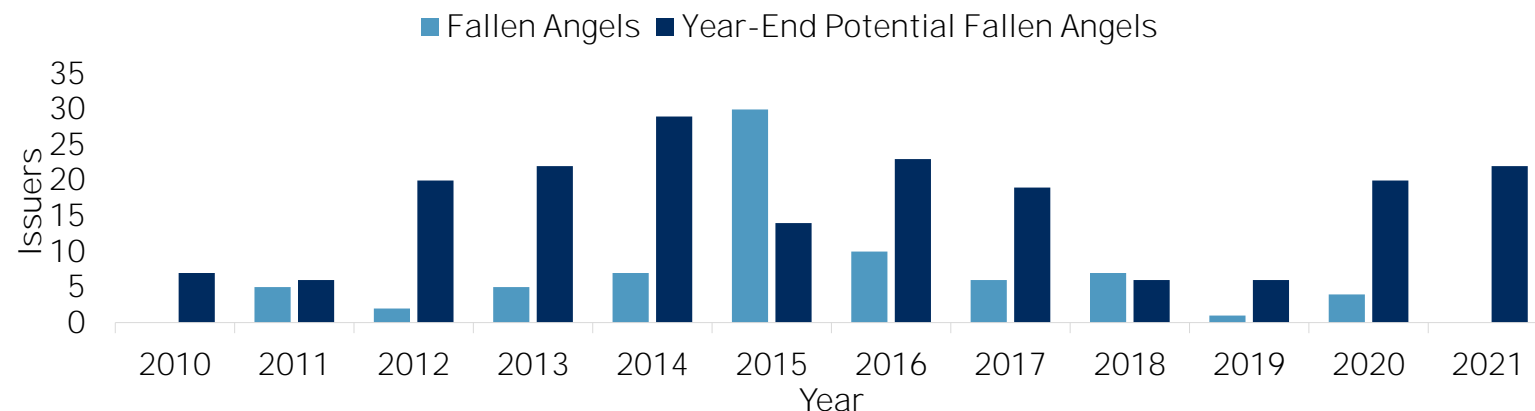
# Rating Actions | List Of Defaulters For 2020 And 2021 YTD

Rating date	Issuer	Country	Sector	To	From	Action type	Debt amount (mil.)
14-Jan-20	Qinghai Provincial Investment Group Co. Ltd.	China	Metals, Mining & Steel	D	CCC-	Downgrade	\$ 850
21-Jan-20	Panda Green Energy Group Ltd.	Bermuda	Utilities	SD	CC	Downgrade	\$ 350
21-Jan-20	Republic of Argentina	Argentina	Sovereign	SD	CCC-	Downgrade	\$ 137,602
21-Feb-20	Tunghsu Group Co. Ltd.,	China	High Technology	SD	CCC-	Downgrade	\$ 390
27-Mar-20	Yida China Holdings Ltd.	Cayman Islands	Homebuilders/Real Estate Co.	SD	CC	Downgrade	\$ 300
7-Apr-20	Republic of Argentina	Argentina	Sovereign	SD	CCC-	Downgrade	\$ 139,092
10-Apr-20	Vestel Elektronik Sanayi Ve Ticaret A.S.	Turkey	High Technology	SD	CCC+	Downgrade	\$ -
24-Apr-20	Enjoy S.A.	Chile	Media & Entertainment	D	B-	Downgrade	\$ 300
11-May-20	Yihua Enterprise (Group) Co. Ltd.	China	Consumer Products	SD	CCC	Downgrade	\$ -
19-May-20	Aeropuertos Argentina 2000 S.A.	Argentina	Utilities	SD	CC	Downgrade	\$ 750
27-May-20	Latam Airlines Group S.A.	Chile	Transportation	D	CCC-	Downgrade	\$ 1,800
2-Jun-20	Grupo Famsa, S.A.B. de C.V.	Mexico	Retail/Restaurants	SD	CCC-	Downgrade	\$ 81
1-Jul-20	Grupo Aeromexico, S.A.B. de C.V.	Mexico	Transportation	D	B-	Downgrade	\$ 400
1-Jul-20	Grupo Posadas, S. A. B. de C. V.	Mexico	Media & Entertainment	D	CC	Downgrade	\$ 400
8-Jul-20	PT Modernland Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	SD	CCC-	Downgrade	\$ 390
9-Oct-20	Oi S.A.	Brazil	Telecommunications	SD	CC	Downgrade	\$ 1,654
14-Oct-20	Banco Hipotecario S.A.	Argentina	Bank	SD	CC	Downgrade	\$ 350
16-Oct-20	Corp Group Banking S.A. (Inversiones CorpGroup Interhold, Ltda.)	Chile	Financial Institutions	D	CC	Downgrade	\$ 500
28-Oct-20	PT Alam Sutera Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	D	CC	Downgrade	\$ 545
12-Nov-20	IRSA Inversiones y Representaciones S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	SD	CC	Downgrade	\$ 360
26-Feb-21	YPF S.A	Argentina	Oil & Gas Exploration & Production	SD	CC	Downgrade	\$ 2,951

Data as of Feb. 28, 2021. Includes both rated and zero debt defaults. Includes sovereigns, Greater China, and Red Chip companies. Excludes five confidential issuers. D – Default; SD – Selective Default. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

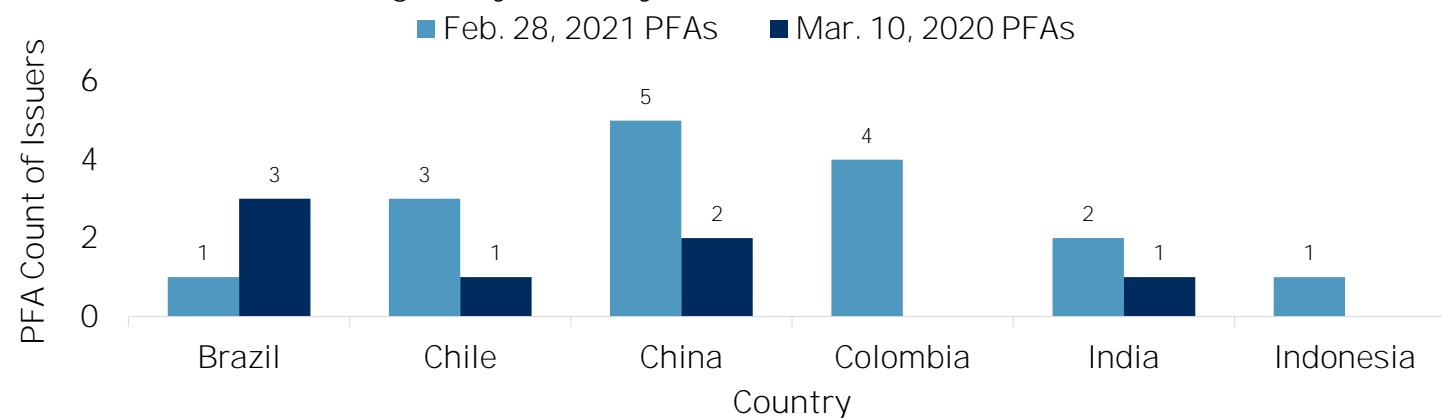
# Rating Actions | Fallen Angels And Potential Fallen Angels

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



Data as of Feb. 28, 2021. Parent only. Source: S&P Global Ratings Research.

## EM Potential Fallen Angels By Country

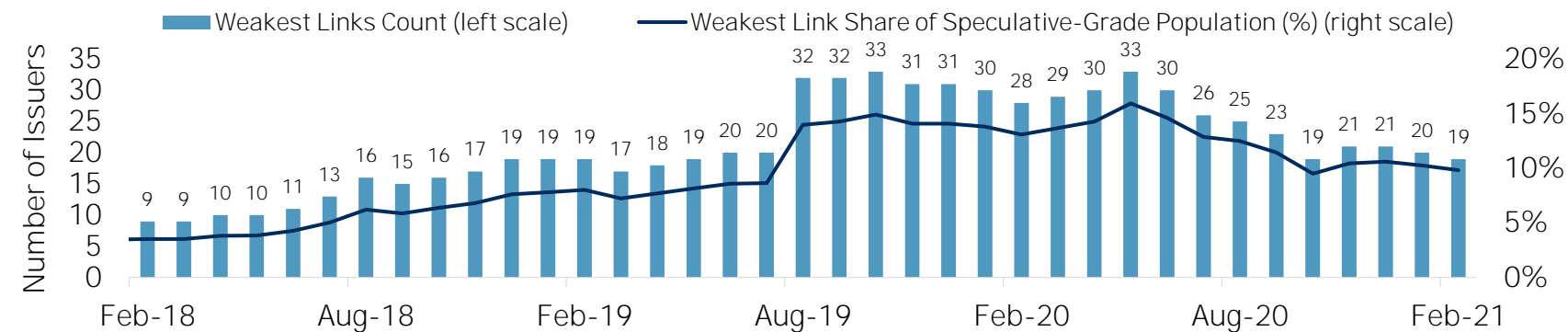


Data as of Feb. 28, 2021. Source: S&P Global Ratings Research.

- No fallen angels. Through 2021 February, there were no fallen angels in EM.
- Potential fallen angels. The number of potential fallen angels continued to slip, signaling lesser immediate risk of broad credit deterioration compared with the second quarter of 2020.
- Among the current EM potential fallen angels, there were none on CreditWatch, indicating lower immediate downgrade risk, because potential fallen angels with negative outlooks typically have a one-in-three chance of a downgrade within two years of receiving the negative outlook.
- See ['BBB' Pulse: Cautious Optimism Grows With No Fallen Angels And Three Rising Stars In January](#), Feb. 19, 2021.

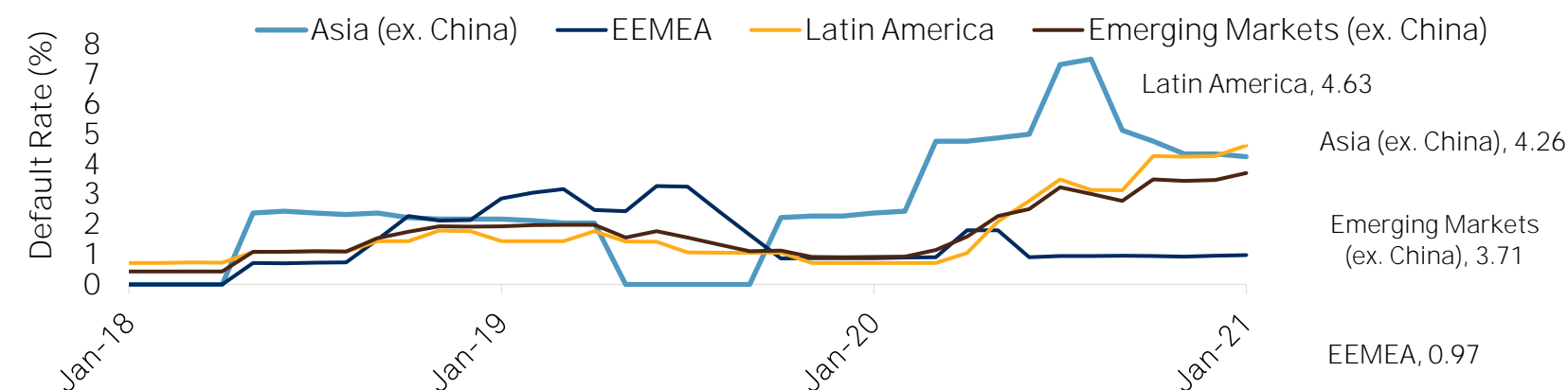
# Rating Actions | Weakest Links And Defaults

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



Data as of Feb. 28, 2021 (OLCW). Parent only. Source: S&P Global Ratings Research.

Default Rates At High Levels After Reaching Record Level In 2020

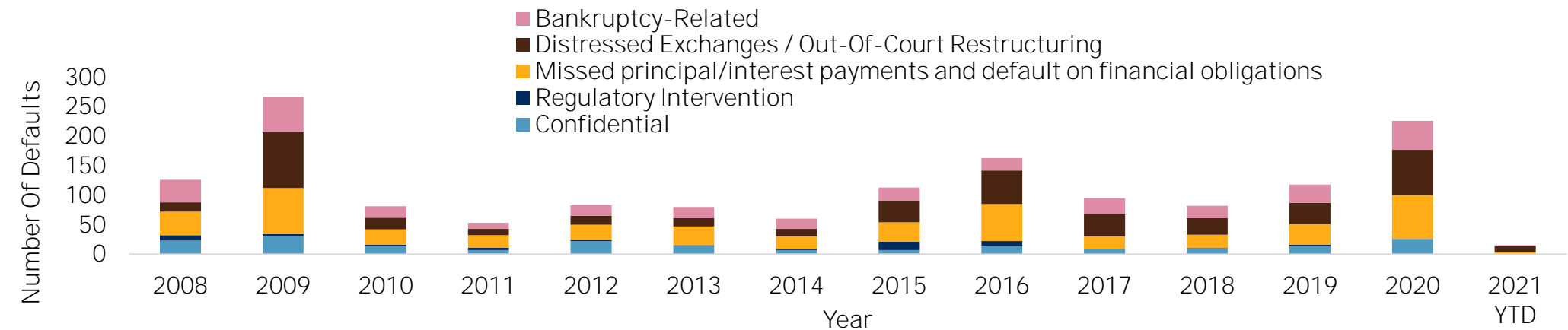


CreditPro data as of Jan. 31, 2021. Source: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

- Weakest links. EM saw 19 issuers on the weakest links list (nearly 10% of the speculative-grade population), reflecting elevated default prospects for the weakest issuers.
- Default rates. January default rates slightly rose across EMs, but those in Asia (excluding China) fell to 4.26%, other regions had slightly higher default rates.
- For more information, see [“Revenue Pressures Continue To Weigh On Consumer-Related Weakest Links”](#) published Feb. 22, 2021.

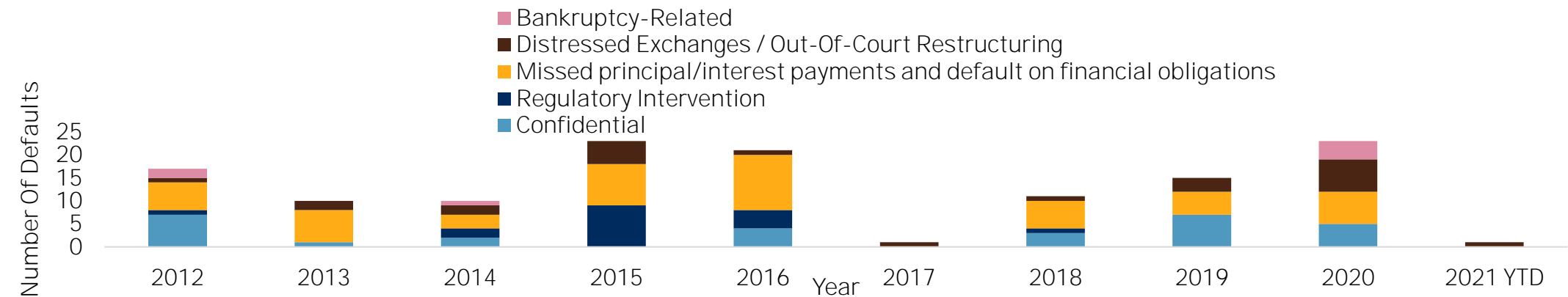
# Rating Actions | Defaults

Year-End Global Corporate Defaults By Reason



*\*Data as of Feb. 28, 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 Feb. 28, 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

- [Economic Research: China Finally Retires Its "Growth Above All" Policy; March](#)
- [Ratings Weekly Digest: March 3, 2021](#), March 3, 2021
- [Three Distressed Exchanges Push The 2021 Corporate Default Tally To 14](#), Feb. 26, 2021
- [ESG Concerns In Oil And Gas Sectors Led To A Surge In Downgrade Pressure In January, Which Was Realized By Mid-February](#), Feb. 24, 2021
- [COVID-19- And Oil Price-Related Public Rating Actions On Corporations, Sovereigns, International Public Finance, And Project Finance To Date](#), Feb. 23, 2021
- [Good Earning Capacity Gives Rated Banks In Emerging Markets A Buffer From COVID-19's Effects; Feb. 22, 2021](#)
- [Economic Research: Delay Risk On The Rise For Southeast Asia's Recovery; Feb. 22, 2021](#)
- [Revenue Pressures Continue To Weigh On Consumer-Related Weakest Links](#), Feb. 22, 2021
- ['BBB' Pulse: Cautious Optimism Grows With No Fallen Angels And Three Rising Stars In January](#), Feb. 19, 2021
- [The ESG Pulse: 2020 Lookback](#), Feb. 15, 2021
- Global Credit Outlook: Back on Track?, Dec. 3, 2020
- Global Economic Outlook: Limping Into A Brighter 2021, Dec. 3, 2020
- Credit Conditions Emerging Markets: A Vaccine Won't Erase All Risks, Dec. 3, 2020
- Economic Research: Emerging Markets: Risks To Outlook Balanced As Recovery Momentum Set To Pick Up In 2021, Dec. 2, 2020
- Economic Research: Latin America's Economic Recovery From The Pandemic Will Be Highly Vulnerable To Setbacks, Dec. 1, 2020
- Economic Research: Asia-Pacific Forecasts Stabilize, Risks Now Balanced, Nov. 29, 2020



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