

Conflict Exacerbates Risks For Emerging Markets Credit Conditions, Report Says

NEW YORK, March 29, 2022 /PRNewswire/ -- The Russia-Ukraine military conflict is hampering already-feeble credit conditions in emerging markets (EMs), according to S&P Global Ratings' report published today, titled "[Credit Conditions Emerging Markets 2Q 2022: Conflict Exacerbates Risks](#)". Inflationary pressures were denting corporations' margins and households' purchasing power prior to the conflict. Now, the rising energy and food prices have intensified challenges, at least over the short term, because the potential for a severe confidence shock could weaken global demand and cool off prices.

Downside risks for EMs are significant. Additional inflationary pressures and persistently high energy prices could result from an extended conflict between Russia and Ukraine, especially if sanctions on Russia hit its hydrocarbon exports. EM sovereigns are struggling to deal with the pandemic costs, managing inflation, and meeting protracted social demands, a balance between fiscal consolidation and social strife. At the same time, financing conditions could weaken rapidly following the hasty U.S. monetary tightening or continued escalation of the military conflict.

Financing conditions have tightened amid rising volatility. Spreads have surged for EM corporates, particularly those in the EEMEA region. Investors are becoming more selective, while some low-rated entities may struggle to refinance their debt or raise capital if current market conditions persist.

This report does not constitute a rating action.

The reports are available to subscribers of RatingsDirect at www.capitaliq.com. If you are not a RatingsDirect subscriber, you may purchase copies of these reports by calling (1) 212-438-7280 or sending an e-mail to research_request@spglobal.com. Ratings information can also be found on S&P Global Ratings' public website by using the Ratings search box located in the left column at www.standardandpoors.com. Members of the media may request copies of these reports by contacting the media representative provided.

Key Contacts:

Americas Media Relations: (1) 212-438-6667
media_relations@spglobal.com

Americas Customer Service: (1) 212-438-7280
research_request@spglobal.com

S&P Global Ratings is the world's leading provider of independent credit ratings. Our ratings are essential to driving growth, providing transparency and helping educate market participants so they can make decisions with confidence. We have more than 1 million credit ratings outstanding on government, corporate, financial sector and structured finance entities and securities. We offer an independent view of the market built on a unique combination of broad perspective and local insight. We provide our opinions and research about relative credit risk; market participants gain independent information to help support the growth of transparent, liquid debt markets worldwide.

S&P Global Ratings is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spglobal.com/ratings.

Update Profile:

If you would like to update your information (telephone number, email address, company, etc.) or change the sectors you receive press releases on, please [click here](#).

Visit SPRatings.com, a free, interactive, and informative portal to access highlights from our credit research offerings. Consider this your portal to perspective: www.spratings.com.

Regulatory Affairs and Disclaimers | Privacy and Cookie Notice | Terms of Use

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and <http://www.ratingsdirect.com> and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Australia

Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities or make any other investment decisions. S&P Global Ratings Australia Pty Ltd holds Australian financial services license number 337565 under the Corporations Act 2001. S&P credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act). Australian users should only access information about S&P's products and services from www.standardandpoors.com.au. Other S&P Websites are not intended for Australian users.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

To manage your S&P Global Ratings subscription preferences, please click [here](#).

S&P Global Ratings, 55 Water Street, New York, NY 10041

SOURCE S&P Global

<https://press.spglobal.com/2022-03-29-Conflict-Exacerbates-Risks-For-Emerging-Markets-Credit-Conditions,-Report-Says>