



The Surprising Leverage Profile of EM Corporates

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It may surprise some investors to learn that the leverage profile of emerging market corporations appears to be in better shape than that of their US counterparts. Maybe it's a matter of "been there, done that." Following the 2015 and 2016 commodity downturn, EM corporations tied to the oil and gas and metals and mining sectors undertook broad-based deleveraging efforts. Simultaneously, we witnessed Chinese policies aimed at reducing corporate leverage.



Since **2015**, we have seen EM corporate net leverage ratios improve relative to US levels in both investment grade and high yield ratings segments.



Source: J.P. Morgan, Bloomberg, as of 12/31/2019.

For perspectives and data on why EM corporates may continue to present a compelling investment opportunity, read our latest paper.

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