

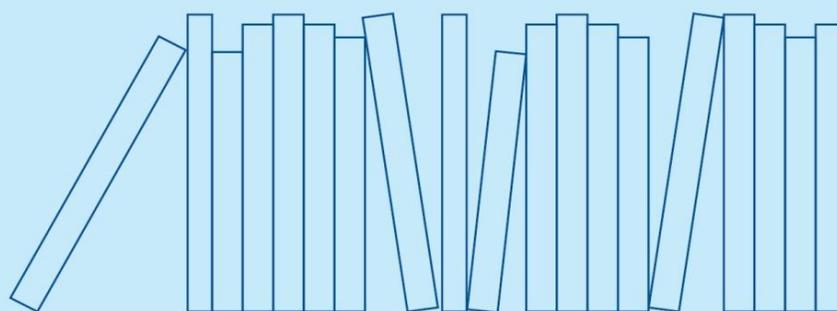
Economic Commission for Latin America and the Caribbean

ECLAC WASHINGTON OFFICE



Capital Flows to Latin America and the Caribbean

2017 Year in Review



UNITED NATIONS

ECLAC

Washington, D.C., 10 December 2017

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Highlights

- With one month to go to the end of the year, portfolio debt flows into Latin America and the Caribbean (LAC) have already broken an annual record. The total amount of debt issued by LAC borrowers from January to November 2017 reached US\$ 138 billion, the highest annual amount ever issued in the region.
- Investors' enthusiasm for LAC assets was supported by synchronized growth at the global level, still low interest rates across the globe (with only a very gradual tightening in the United States), weakness in the U.S. dollar, and an improvement in the region's own economic conditions.
- On the sovereign side, seventeen countries tapped international bond markets this year, with Argentina topping the list with 28% of the total sovereign issuance from January to November. Argentina attracted attention in the first half of the year by becoming the first Latin American non-investment grade sovereign to issue a 100-year bond.
- The 5 top sovereign issuers accounted for 65% of the total sovereign issuance in the period – they included Argentina (28%), Ecuador (12%), Mexico (9%), Brazil (8%) and Colombia (8%) – and 22% of the total sovereign and corporate issuance combined. Corporate issuance represented 61% of the total.
- The strong cross-border market performance was supported by a tightening in bond spreads. LAC bond spreads tightened 56 basis points from January to November 2017. However, despite a tightening in spreads, the credit quality in the region continued to deteriorate: there were 24 sovereign downgrades from January to November, and 10 upgrades.
- Although current expectations suggest credit conditions will continue to be favorable in 2018, challenges remain. Domestically, a heavy election cycle next year may lead investors to delay plans and may bring uncertainty. Regarding the external environment, while forecasts seem optimistic, an asset price correction or a geo-political surprise could lead to capital outflows from the region.

- The following are the main takeaways from activity in LAC international bond markets in 2017:

Sovereign and corporate issuers used bond buybacks to manage debt profiles: many issuers from the region came to international markets with the issuance of new bonds with lower coupons to buy back old ones carrying higher coupons, seeking to improve their debt profiles.

Oil quasi-sovereign companies and sovereigns have led in size: 17% of the total LAC issuance in the January-November 2017 period came from oil quasi-sovereigns, including Brazil's Petrobras, Mexico's Pemex and Peru's Petroperu, with all issuances being above US\$ 1 billion. On the sovereign side, bonds of US\$ 1 billion or more accounted for 53% of the total sovereign deals and 30% of the total sovereign and corporate issuance combined.

Seventeen cross-border debut issuances took place from January to November 2017: They accounted for 6% of the total issuance in the period. 57% of the debut issuances in the period took place in the energy sector, 19% in the transportation sector, and the rest in a variety of sectors, including financial services, utility, retail, industry (textiles) and construction. Except for one (Petroperu's US\$ 2 billion issuance in June), all were high-yield issuances.

There were six bond issuances with a green focus from January to November 2017: there were four issuances in the first quarter whose proceeds are going towards renewable energy projects, although only one was labeled a green bond, and only one green bond of the second quarter. In September, Brazil's Suzano Papel e Celulose, a pulp and paper company, re-opened its 5.750% 2026 green bond, originally issued in July 2016, to add US\$ 200 million, and another Brazilian paper and pulp company, Klabin, issued the only new green bond of the third quarter.

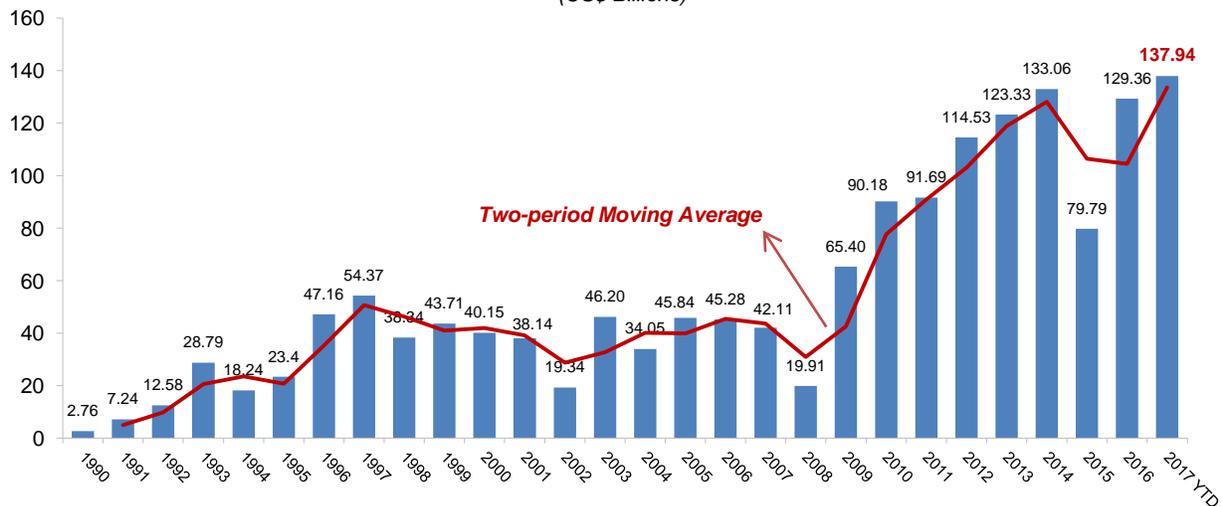
Activity has been dominated by high-yield issuers: high-yield issuers, including sovereign and corporate, accounted for 53% of the total issuance from January to November 2017. High-yield corporate issuers accounted for 28% of the total.

Currency diversity has continued: although dollar-denominated issuance accounted for 81% of the total, there were issuances in many currencies, including the Euro, Swiss Franc, British Pound, Australian Dollar, Japanese Yen, Hong Kong Dollar, Norwegian Krone, South African Rand and local currencies. Local currencies, which included the Argentine, Chilean, Colombian and Uruguayan Peso, the Peruvian Sol, and the Brazilian Real, accounted for 9% of the total amount issued in the period.

Overview

Latin American and Caribbean (LAC) countries sold debt at the strongest annual pace ever in 2017, a record that was already reached by the end of November. With global markets and economies rising in unison – virtually every major developed and emerging economy is growing simultaneously, the first time this has happened in 10 years – issuers from the region took advantage of increased investor demand. The still loose global monetary conditions and a weaker U.S. dollar for most of the year also supported capital flows to the region and contributed to push international capital flows into higher-yielding assets. The total amount of debt issued by LAC borrowers from January to November of 2017 reached US\$ 138 billion (chart 1). Bond issuance from January to November 2017 was 4% higher than the previous peak reached in 2014, and 7% higher than in 2016.

**CHART 1:
ANNUAL LAC ISSUANCE**
(US\$ Billions)

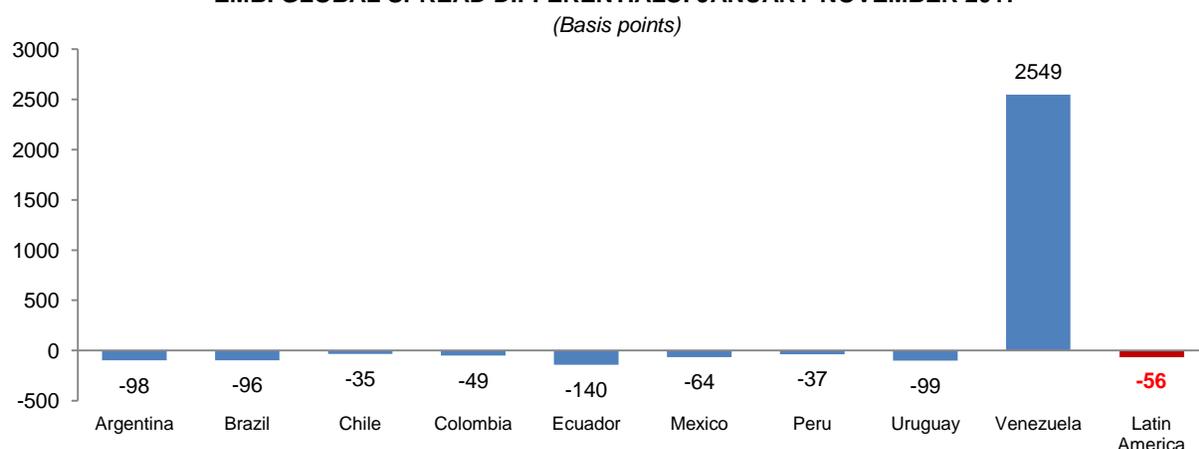


Source: ECLAC, on the basis of data from LatinFinance, JPMorgan and Bank of America-Merrill Lynch.

Reacting to favorable external conditions, issuers from the region embarked on a trend of carrying out liability management exercises. More recent examples of this trend include Brazil's cross-border issuance of a US\$ 3 billion 4.625% 2028 bond in early October, to buy back US\$ 1.57 billion in bonds maturing between 2019 and 2030 and carrying coupons from 5.875% to 12.25%. On the corporate side, at the end of November Mexican cement maker CEMEX offered a bond buyback of its own, making its first appearance in the cross-border market this year. It issued a EUR 650 million (US\$ 772 million-equivalent) 2.75% 2024 bond whose proceeds will be used to redeem CEMEX's 2019 dollar bonds and 2022 euro-denominated paper.

The strong cross-border market performance was supported by a tightening in bond spreads. LAC bond spreads tightened 56 basis points from January to November of 2017. Spreads widened sharply for Venezuela, but tightened for all the other countries in our sample (chart 2).

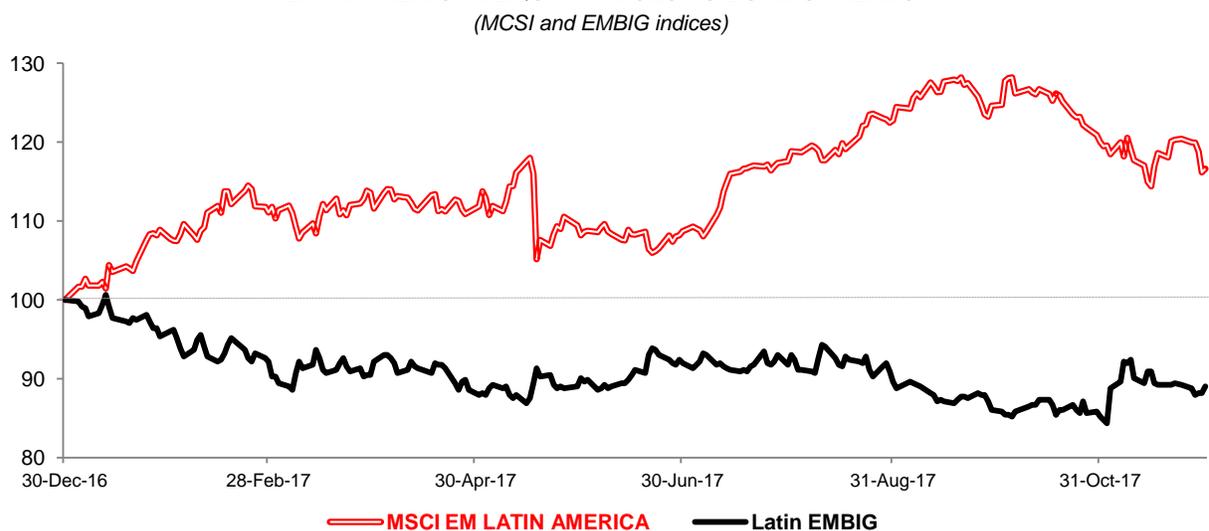
**CHART 2:
EMBI GLOBAL SPREAD DIFFERENTIALS: JANUARY-NOVEMBER 2017**



Source: ECLAC, on the basis of data from JPMorgan.

While LAC bond spreads showed a narrowing trend, Latin American equity prices showed a widening trend since the beginning of the year (chart3).

**CHART 3:
LATIN AMERICAN EQUITY PRICES VS BOND SPREADS**



Source: ECLAC, on the basis of data from MSCI Equity Indices and JPMorgan.

Latin American equities have lagged the positive returns seen in other emerging market regions and developed markets. Latin American stocks gained 16% from January to November, according to the MSCI Latin American Index, while emerging markets as a whole gained 30% and G7 countries 18%, respectively (chart 4). A large portion of this underperformance took place in the past three months, due to a decline in most Latin American currencies against the U.S. dollar on back of global factors, such as higher bond yields in the U.S.

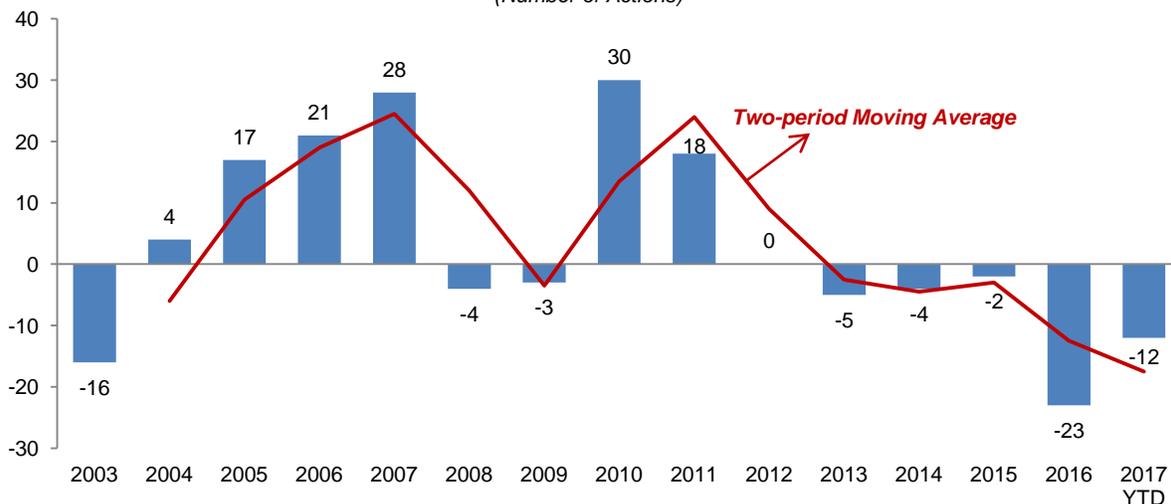
**CHART 4:
MSCI EQUITY PRICE INDEX: JANUARY-NOVEMBER 2017**



Source: MSCI Equity Indices, <http://www.msci.com/products/indexes/performance.html>, prices at the end of the month.

Despite a tightening in spreads and an increase in debt issuance, the credit quality in the region continued to deteriorate in 2017, although at a slower pace than in 2016. 2017 was the fifth year in which negative credit rating actions (including downgrades and downward outlook revisions) outnumbered positive actions (chart 5).

**CHART 5:
NET CREDIT RATING ACTIONS
(Number of Actions)**

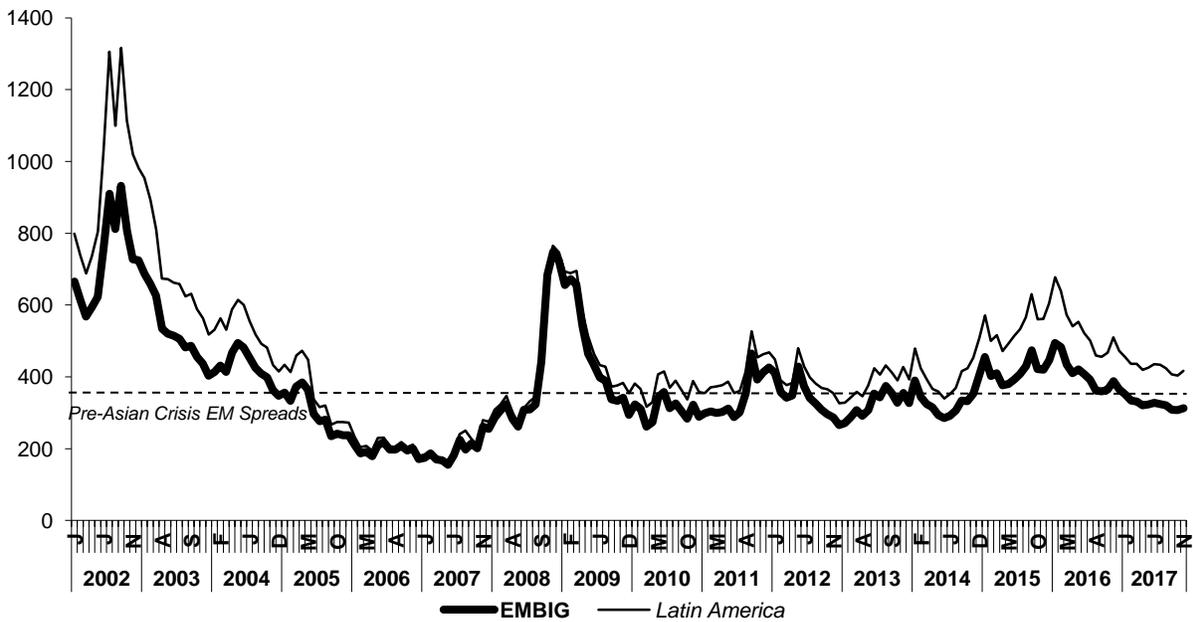


Source: ECLAC on the basis of data from Moody's, Standard & Poor's, Fitch and JPMorgan, Emerging Markets Outlook and Strategy.

I. Bond markets and debt management

EMBI Global bond spreads tightened 52 basis points while its Latin component tightened 56 basis points from January to November 2017, as higher commodity prices and positive global conditions led to better economic prospects for emerging markets and the LAC region. By the end of November, emerging market and LAC spreads were hovering around their lowest level since the end of 2014 (charts 6 and 7).

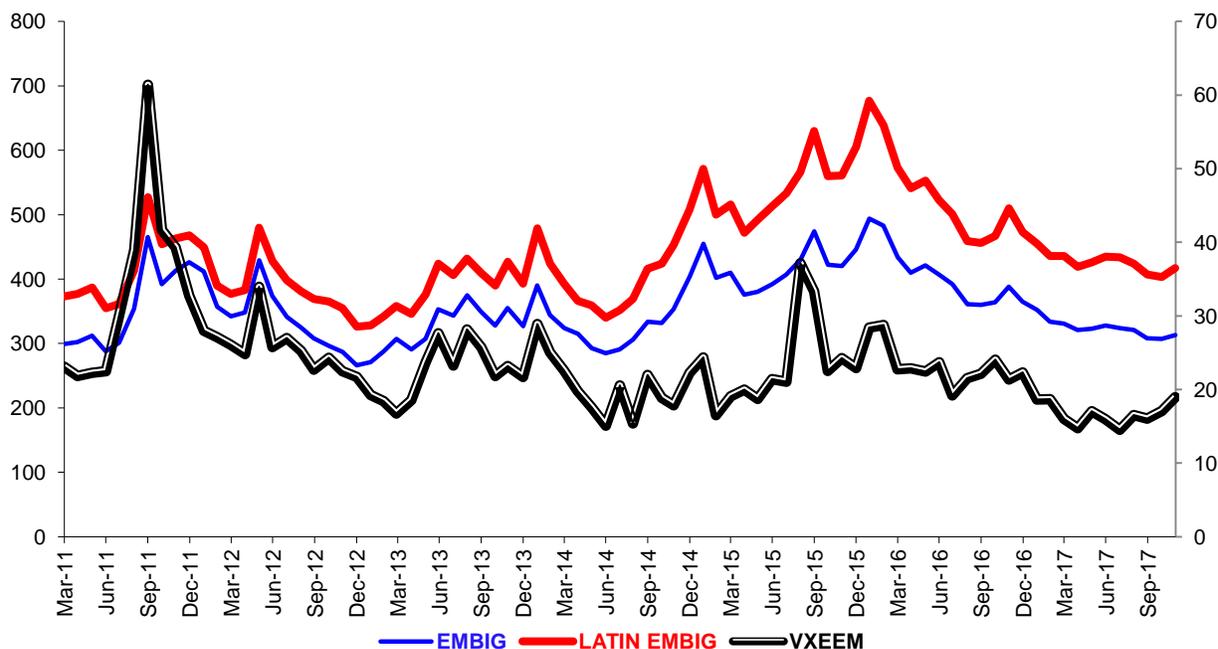
**CHART 6:
EMBIG AND LATIN AMERICAN MONTHLY SPREADS**
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan, "Emerging Markets Bond Index Monitor".

**CHART 7:
CBOE VOLATILITY INDEX AND EMBIG**

(Basis points, left and VXEEM close, right)



Source: ECLAC, on the basis of data from JPMorgan, "EMBI Monitor" and Chicago Board Options Exchange, www.cboe.com/micro/vix/historical.aspx

Note: The VXEEM is the CBOE volatility index for emerging markets (conveyed by MSCI Emerging Markets Index fund option prices).

Despite better economic prospects, sovereign credit quality has deteriorated since the beginning of the year: there were twelve more negative actions than positive from January to November 2017. There were twenty-one positive sovereign credit rating actions in Latin America and the Caribbean and thirty-three negative (table 1).

Among the twenty-one positive actions, ten were upgrades and eleven were outlook improvements. Among the thirty-three negative actions, twenty-four were downgrades, six were outlook declines and three were placements under CreditWatch Negative. Fiscal constraints, as well as low growth, loomed large behind the negative actions taken since the beginning of the year.

Since our last report in August, there have been four positive actions (all were upgrades) and eleven negative actions (eight were downgrades). Three countries have been upgraded since then: Moody's upgraded Honduras to B1 from B2 with a stable outlook in September, citing the sovereign's stabilizing debt and fiscal metrics in addition to the supporting institutional and economic conditions. In October, S&P upgraded El Salvador's long-term foreign currency rating to CCC+ from Selective Default (SD) with a stable outlook after the sovereign issuer completed restructuring its Certificates for Pension Investment (CIPs). S&P also upgraded Argentina's long-term foreign currency to B+ from B with a stable outlook, saying it is more confident in the government's ability to advance its economic policy agenda. And in November, Moody's upgraded Argentina's rating to B2 from B3 with a stable outlook, citing the return of economic growth and ongoing reforms.

Four countries – Chile, Venezuela, El Salvador and Guatemala – were downgraded between August and November. In August, Fitch downgraded Chile to A from A+ with a stable outlook, citing the sovereign's prolonged period of economic weakness and lower copper prices. It also downgraded Venezuela's long-term foreign rating to CC from CCC following the imposition of new financial

sanctions by the U.S. The agency said the sanctions further reduced financing options for the country and state-owned oil company PDVSA, and that a default by Venezuela was now “probable.”

In October, S&P downgraded El Salvador’s long-term foreign currency rating to Selective Default (SD) from CC/Negative after Congress approved amendments to the terms of its Certificates for Pension Investments (CIPs). Restructuring the original terms is classified as a default, according to the agency. Upon the completion of the restructuring, however, S&P said it would assign El Salvador with a new rating. The agency also downgraded Guatemala’s long-term foreign currency rating to BB- from BB with a stable outlook, citing recurrent political instability and weak government institutions.

In November, S&P downgraded Venezuela’s long-term foreign currency rating twice, first to CC from CCC-, placing it on CreditWatch with negative implications, following the sovereign’s announcement of a national commission to pursue a restructuring of all of Venezuela’s external debt obligations, and later to SD (Selective Default) from CC, following the sovereign’s failure to make a US\$ 200 million in coupon payments for its global bonds due 2019 and 2024 within the 30-calendar-day grace period. Fitch also downgraded Venezuela’s long-term foreign currency rating twice, first to C from CC, reflecting the announcement by the authorities that they intended to pursue a renegotiation of Venezuela’s external debt obligations, and later to RD (Restricted Default) from C, following Venezuela’s failure to pay to bondholders by the end of the 30-day grace period that ended on November 13, 2017, overdue interest payments on its sovereign bonds maturing October 13, 2019 and October 13, 2024.

At the end of November, Moody’s was the only agency with sovereigns on positive outlook (Nicaragua and Panama). Eleven sovereigns were on negative outlook by one or more agencies (Bahamas, Barbados, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Suriname and Venezuela). The outlooks show that the balance of risks is towards more negative actions (appendix A, table 1).

TABLE 1: SOVEREIGN CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2017 YTD

Date	Country	Action	
2017 YTD 21 positive and 33 negative actions			
Q1 2017 4 positive and 9 negative actions			
19-Jan-17	Costa Rica	Fitch downgrades Costa Rica to BB from BB+ with a stable outlook	<i>Negative</i>
26-Jan-17	Chile	S&P lowers the outlook on Chile’s AA- sovereign debt rating to negative from stable	<i>Negative</i>
1-Feb-17	El Salvador	Fitch downgrades El Salvador’s credit ratings to B from B+ with a negative outlook	<i>Negative</i>
9-Feb-17	Costa Rica	Moody’s downgrades Costa Rica’s rating to Ba2 from Ba1 with a negative outlook	<i>Negative</i>
21-Feb-17	Belize	S&P places Belize’s CC long-term foreign currency rating on CreditWatch Negative	<i>Negative</i>
22-Feb-17	Suriname	Fitch downgrades Suriname to B- from B+ and maintains a negative outlook	<i>Negative</i>
3-Mar-17	Barbados	S&P downgrades Barbados to CCC+ from B- with a negative outlook	<i>Negative</i>
6-Mar-17	Argentina	Moody’s changes the outlook on Argentina’s B3 rating to positive from stable	<i>Positive</i>
9-Mar-17	Barbados	Moody’s downgrades Barbados to Caa3 from Caa1 with a stable outlook	<i>Negative</i>
10-Mar-17	Colombia	Fitch revises the outlook on Colombia’s BBB rating to stable from negative	<i>Positive</i>
15-Mar-17	Brazil	Moody’s raises the outlook on Brazil’s Ba2 rating to stable from negative	<i>Positive</i>
20-Mar-17	Belize	S&P downgrades Belize’s rating to SD from CC	<i>Negative</i>
23-Mar-17	Belize	S&P upgrades Belize’s rating to B- from SD with a stable outlook	<i>Positive</i>
Q2 2017 4 positive and 10 negative actions			
4-Apr-17	Argentina	S&P upgrades Argentina’s long-term rating to B from B- with a stable outlook	<i>Positive</i>
10-Apr-17	El Salvador	Fitch downgrades El Salvador’s rating to CCC from B	<i>Negative</i>
11-Apr-17	El Salvador	S&P downgrades El Salvador’s rating to CCC- from B-. CreditWatch Negative	<i>Negative</i>
11-Apr-17	Belize	Moody’s upgrades Belize’s rating to B3 from Caa2 with a stable outlook	<i>Positive</i>

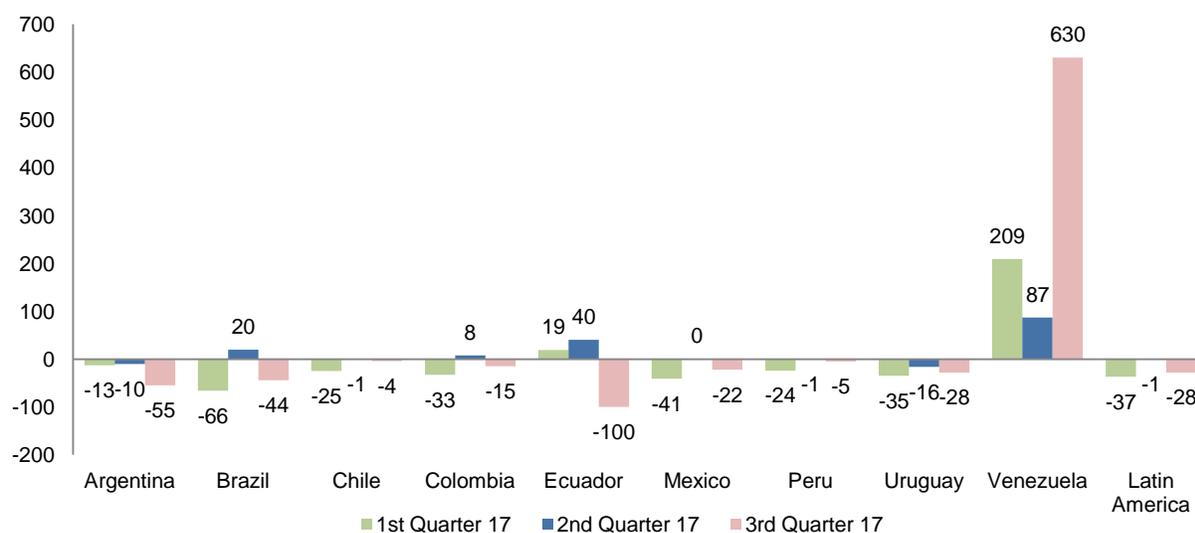
13-Apr-17	El Salvador	Moody's downgrades El Salvador's rating to Caa1 from B3, with a stable outlook	<i>Negative</i>
21-Apr-17	Trinidad & Tobago	S&P downgrades T & T long-term ratings to BBB+ from A- with a stable outlook	<i>Negative</i>
26-Apr-17	Suriname	S&P downgrades Suriname to B from B+ with a negative outlook	<i>Negative</i>
27-Apr-17	Trinidad & Tobago	Moody's downgrades T & T to Ba1 from Baa3 with a stable outlook	<i>Negative</i>
5-May-17	El Salvador	S&P upgrades El Salvador to CC from SD with a negative outlook	<i>Positive</i>
22-May-17	Brazil	S&P places Brazil BB long-term ratings on CreditWatch negative	<i>Negative</i>
26-May-17	Brazil	Moody's affirms Brazil's Ba2 rating and changes the outlook to negative from stable	<i>Negative</i>
30-May-17	Uruguay	S&P affirms Uruguay's BBB rating and revises its outlook to stable from negative	<i>Positive</i>
29-Jun-17	Ecuador	S&P downgrades Ecuador to B- from B with a stable outlook	<i>Negative</i>
Q3 2017 10 positive and 7 negative actions			
6-Jul-17	Bahamas	Moody's places the Bahamas Baa3 ratings on review for downgrade	<i>Negative</i>
11-Jul-17	Venezuela	S&P downgrades Venezuela long-term ratings to CCC- with a negative outlook	<i>Negative</i>
13-Jul-17	Chile	S&P downgrades Chile's rating to A+ from AA- with a stable outlook	<i>Negative</i>
13-Jul-17	Uruguay	Moody's changes outlook on Uruguay's Baa2 rating to stable from negative	<i>Positive</i>
18-Jul-17	Honduras	S&P upgrades Honduras long-term ratings BB- from B+ with a stable outlook	<i>Positive</i>
18-Jul-17	Mexico	S&P changes Mexico's rating outlook on its BBB+ rating to stable from negative	<i>Positive</i>
20-Jul-17	Dom. Republic	Moody's upgrades Dominican Republic's rating to Ba3 from B1 with a stable outlook	<i>Positive</i>
20-Jul-17	Nicaragua	Moody's changes outlook on Nicaragua's B2 rating to positive from stable	<i>Positive</i>
1-Aug-17	Bolivia	Moody's changes the outlook on Bolivia's Ba3 rating to stable from negative	<i>Positive</i>
3-Aug-17	Mexico	Fitch revises up Mexico's BBB+ rating outlook to stable from negative	<i>Positive</i>
11-Aug-17	Chile	Fitch downgrades Chile to A from A+ with a stable outlook	<i>Negative</i>
15-Aug-17	Brazil	S&P removes Brazil rating from CreditWatch and affirms it at 'BB'; outlook negative	<i>Positive</i>
24-Aug-17	Chile	Moody's affirms Chile's Aa3 ratings and changes outlook to negative	<i>Negative</i>
25-Aug-17	Bahamas	Moody's affirms Bahamas Baa3 ratings and changes outlook to negative	<i>Negative</i>
30-Aug-17	Venezuela	Fitch downgrades Venezuela to CC from CCC	<i>Negative</i>
23-Sep-17	Honduras	Moody's upgrades Honduras to B1 from B2 with a stable outlook	<i>Positive</i>
29-Sep-17	Panama	Moody's changes outlook on Panama's Baa2 rating to positive from stable	<i>Positive</i>
Q4 2017 3 positive and 7 negative actions			
2-Oct-17	El Salvador	S&P downgrades El Salvador's rating to Selective Default (SD) from CC/Negative	<i>Negative</i>
3-Oct-17	El Salvador	S&P upgrades El Salvador's rating to CCC+ from SD with a stable outlook	<i>Positive</i>
18-Oct-17	Guatemala	S&P downgrades Guatemala's rating to BB- from BB with a stable outlook	<i>Negative</i>
30-Oct-17	Argentina	S&P upgrades Argentina's rating to B+ from B with a stable outlook	<i>Positive</i>
3-Nov-17	Venezuela	S&P downgrades Venezuela's rating to CC from CCC-; places it on CreditWatch	<i>Negative</i>
3-Nov-17	Venezuela	Fitch downgrades Venezuela's long-term foreign currency rating to C from CC	<i>Negative</i>
8-Nov-17	Cuba	Moody's changes outlook on Cuba's Caa2 rating to stable from positive	<i>Negative</i>
13-Nov-17	Venezuela	S&P downgrades Venezuela's rating to SD (Selective Default) from CC	<i>Negative</i>
14-Nov-17	Venezuela	Fitch downgrades Venezuela's rating to RD (Restricted Default) from C	<i>Negative</i>
29-Nov-17	Argentina	Moody's upgrades Argentina's rating to B2 from B3 with a stable outlook	<i>Positive</i>

Source: ECLAC on the basis of data from Moody's, Standard & Poor's, Fitch and JPMorgan, Emerging Markets Outlook and Strategy.

A. Sovereign Spreads

The JPMorgan’s EMBIG narrowed 52 basis points since the beginning of the year – from 365 basis points at the end of December 2016 to 313 basis points at the end of November 2017 – while its Latin component narrowed 56 basis points, from 473 to 417 basis points. On a quarterly basis, most of the tightening took place in the first and third quarters. In the second quarter, spreads widened for Brazil, Colombia, and Ecuador. Spreads for Venezuela widened in all quarters, but the biggest tightening took place in the third quarter (chart 8).

CHART 8:
EMBIG QUARTERLY SPREAD DIFFERENTIALS
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan.

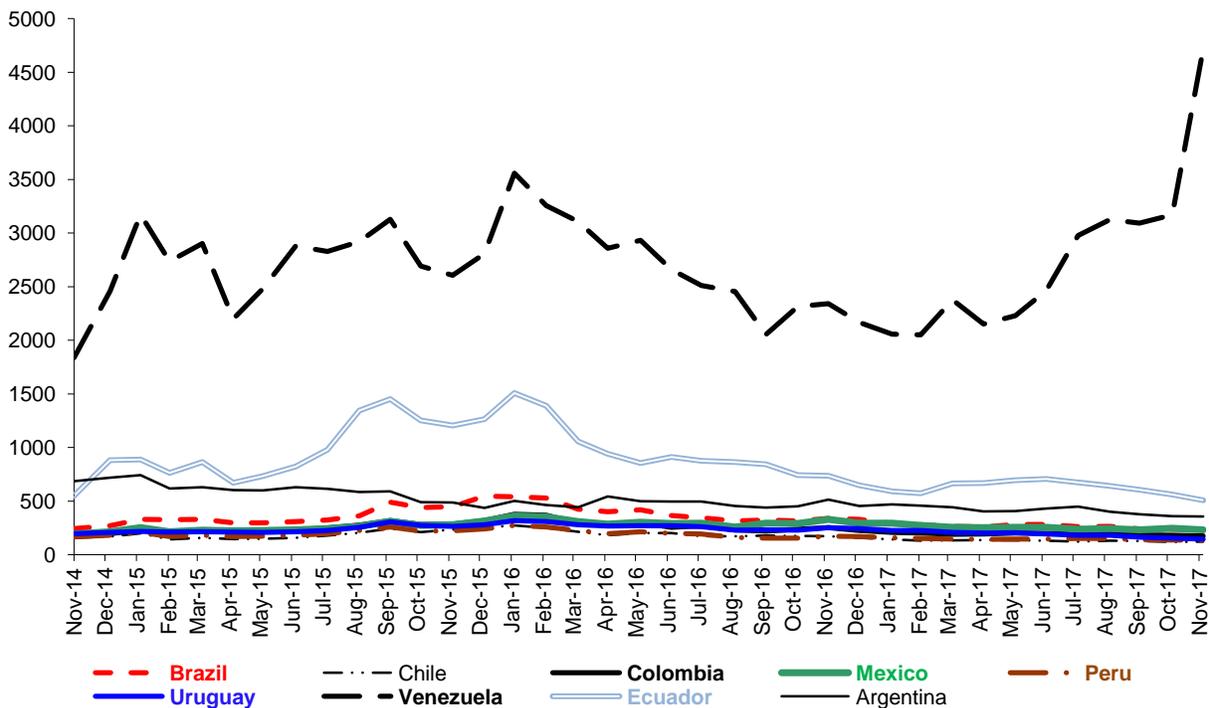
The recent evolution of the EMBIG spreads shows Venezuelan spreads widening sharply relative to the rest of Latin American countries in the EMBIG (chart 9). On November 2, the due date for a US\$ 1.12 billion PDVSA principal payment, the Venezuelan President announced that PDVSA would pay, but henceforth “refinance and restructure the external debt.” In the weeks that followed, credit rating agencies and the International Swaps and Derivatives Association (ISDA) – a trade organization of participants in the market for over-the-counter derivatives – determined that both Venezuela and PDVSA incurred Credit Events due to past due payments (triggering credit default swaps (CDS)). However, Venezuelan authorities have not yet declared a moratorium and have expressed their intention to continue honoring debt service, even if late, while they work with bondholders on a restructuring plan for dollar bonds. So far no formal proposal has been offered, but bondholders for now have not opted to accelerate their claims.

Among investment grade countries, Mexico had the highest spreads – 232 basis points – at the end of November, followed by Colombia with 176 basis points, Uruguay with 145 basis points and Peru with 133 basis points. Chile had the lowest spreads at 123 basis points (chart 10).

Among the non-investment grade countries, Venezuela had the highest spreads, while Brazil had the lowest (chart 11). At 4,717 basis points at the end of November, Venezuela maintains the highest debt spreads of any country in the EMBIG. Spreads for Ecuador and Argentina were at 507 and 357 basis points, respectively, at the end of November. Brazilian spreads have declined from a peak reached in February of 2016. At the end of November, Brazilian spreads were at 234 basis points, back to their level before the loss of investment grade status (chart 12).

**CHART 9:
EMBIG LATIN: COUNTRY SPREADS**

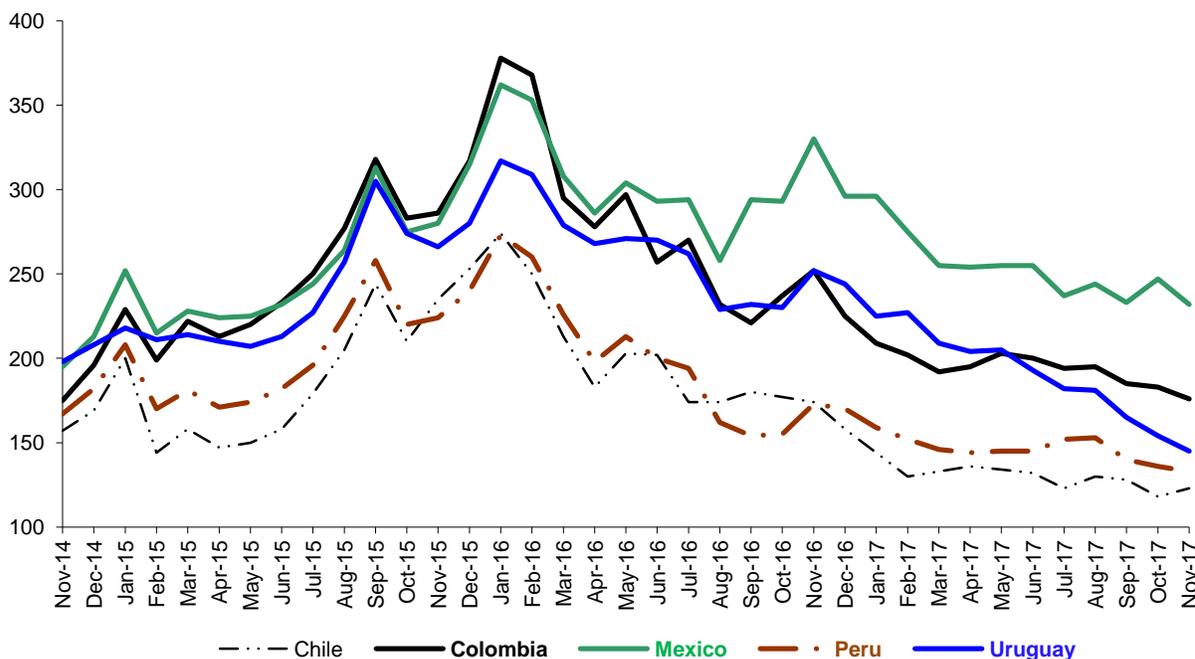
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan.

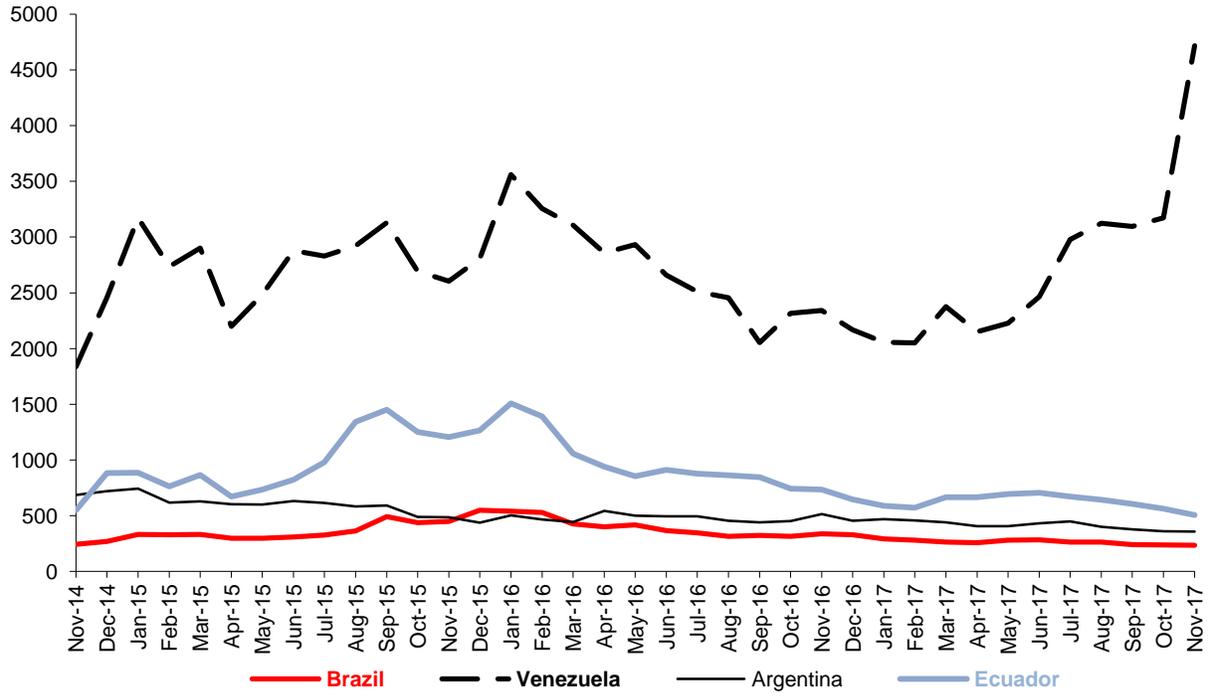
**CHART 10:
EMBIG LATIN: INVESTMENT GRADE ISSUERS**

(Basis points)



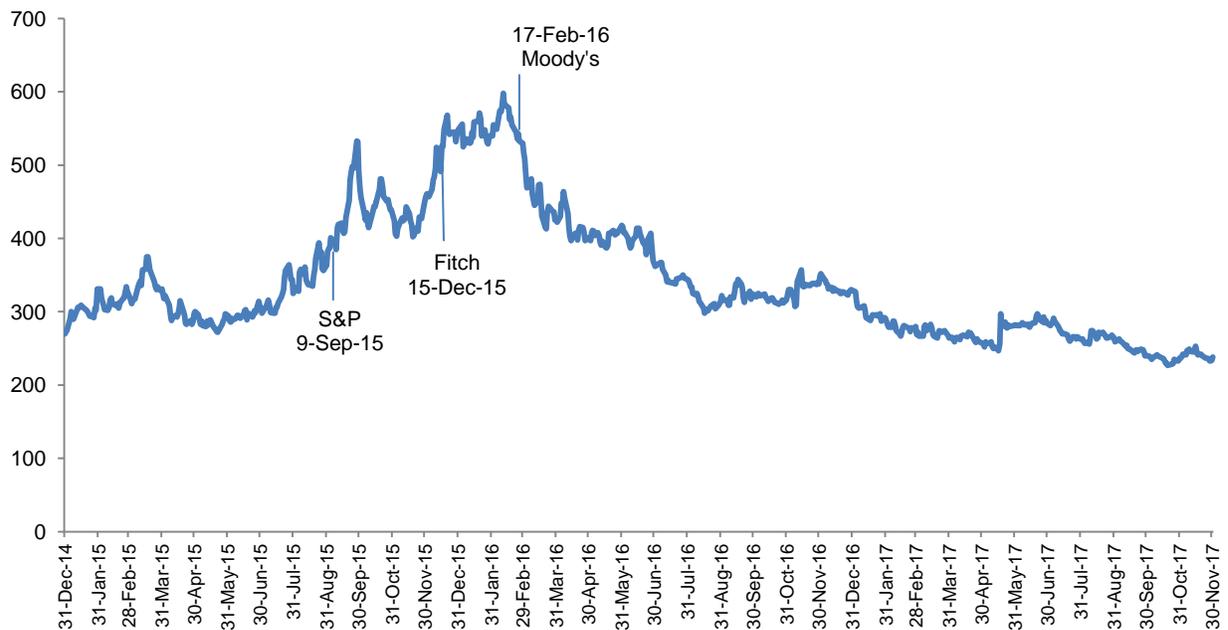
Source: ECLAC, on the basis of data from JPMorgan.

CHART 11:
EMBIG LATIN: NON-INVESTMENT GRADE ISSUERS
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan.

CHART 12:
BRAZILIAN BOND SPREADS
(Basis points)

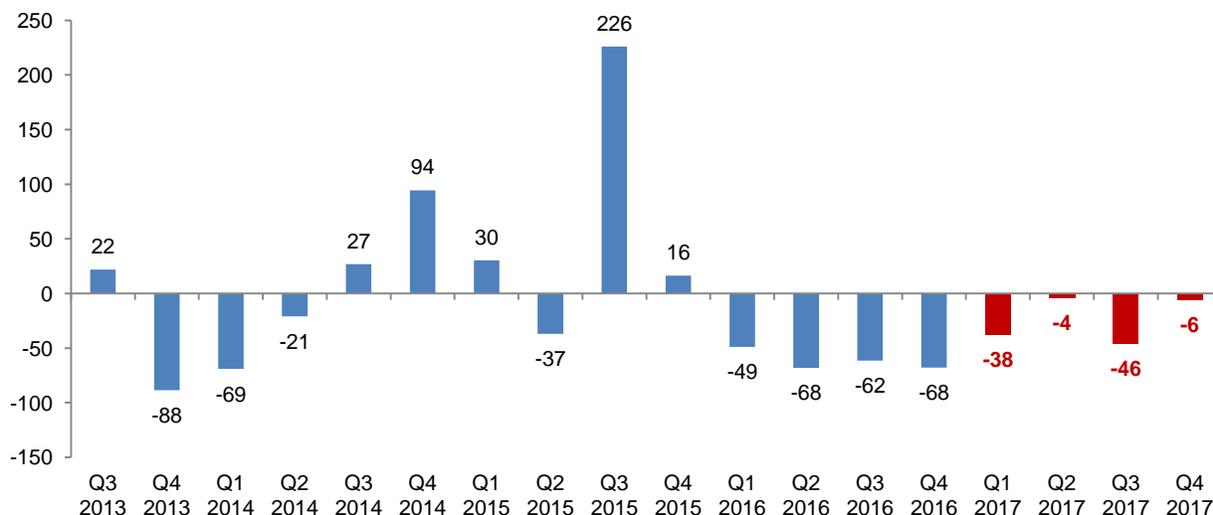


Source: ECLAC, on the basis of data from JPMorgan, Standard & Poor's, Moody's and Fitch.

B. Corporate Spreads

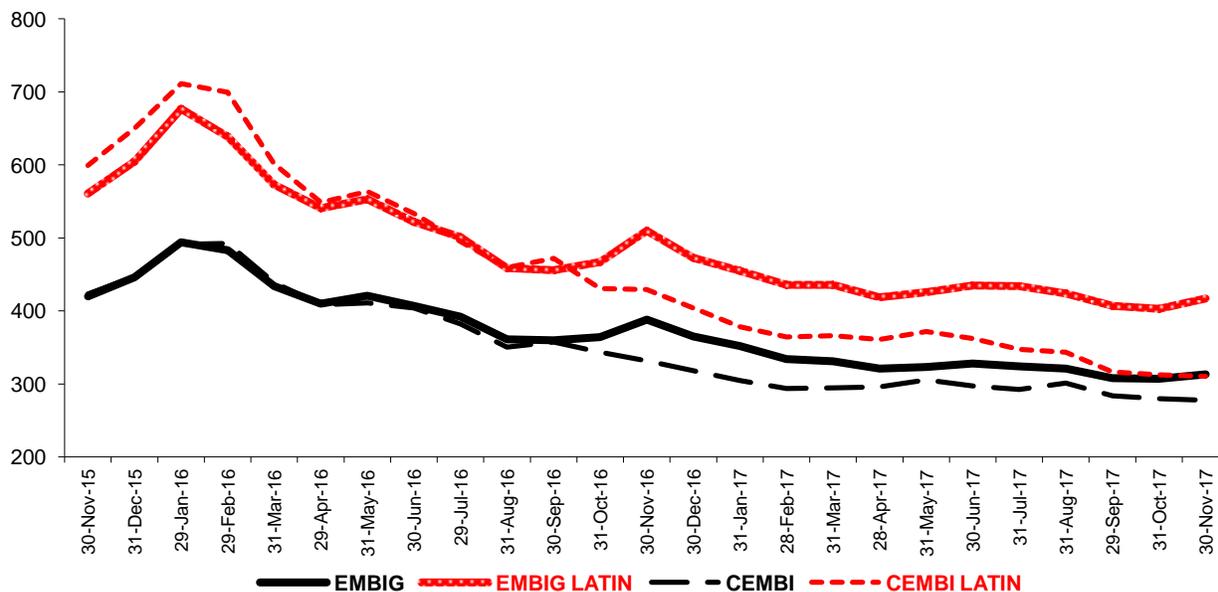
Latin American and Caribbean corporate bond spreads tightened slightly more (94 basis points) than their sovereign counterparts (56 basis points) from January to November 2017. As with their sovereign counterparts, most of the tightening took place in the first and third quarters (chart 13). Latin CEMBI spreads were 106 basis points lower than their sovereign counterpart at the end of November (chart 14).

CHART 13:
CORPORATE EMBI SPREADS: LATIN COMPONENT
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan. Note: information on Q4 spreads is up to end-November.

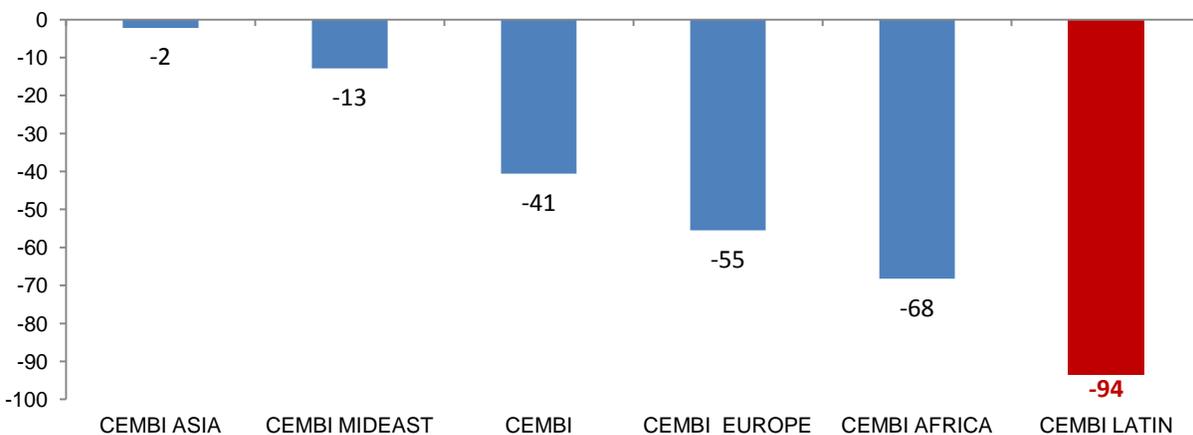
CHART 14:
JPMORGAN EMBIG SPREADS, CORPORATE AND SOVEREIGN
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan, "Emerging Markets Bond Index Monitor." EMBIG and EMBIG Latin: sovereign spreads, CEMBI and CEMBI Latin: blended spreads.

From January to November 2017 CEMBI spreads tightened 41 basis points, less than the Latin component. Given the region’s relatively high exposure to commodity exports and large corporations with very high levels of foreign currency borrowing, as the U.S. dollar weakened and commodity prices stabilized, Latin American corporate credit spreads tightened more than corporate spreads for other emerging market regions (charts 15).

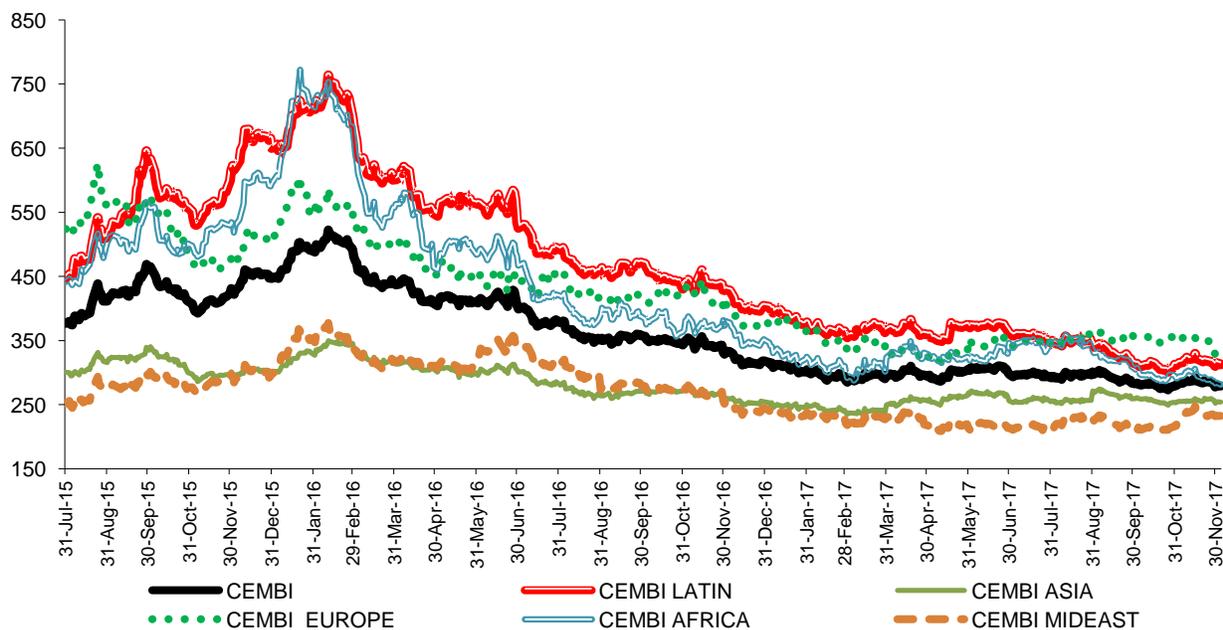
CHART 15:
CEMBI QUARTERLY SPREAD DIFFERENTIALS: JANUARY-NOVEMBER 2017
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan CEMBI.

However, following a two-year period of low growth and weak economic fundamentals, Latin American corporate credit spreads are still wider than other emerging region’s corporate spreads (chart 16).

CHART 16:
CEMBI SPREADS BY REGION
(Basis points)

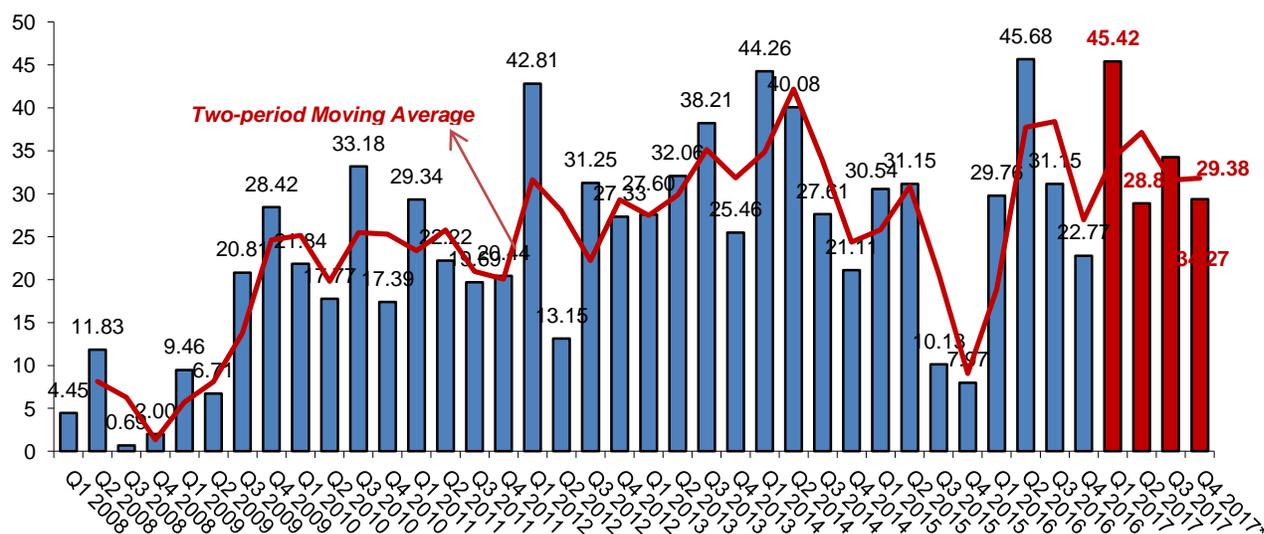


Source: ECLAC, on the basis of data from JPMorgan CEMBI.

C. New Debt Issuance

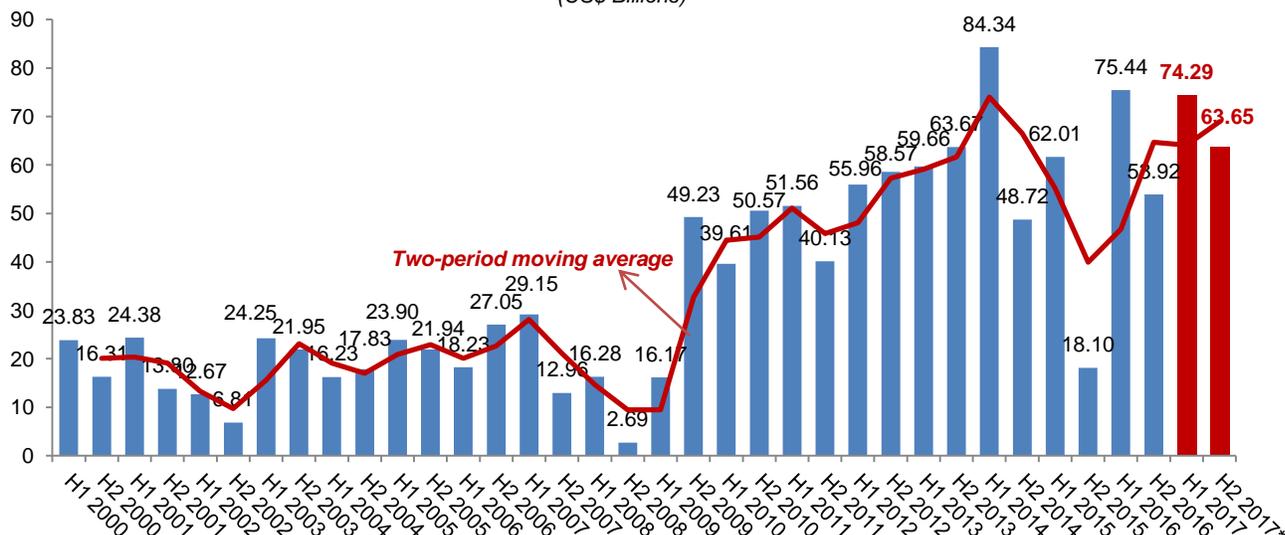
Total LAC debt issuance reached US\$ 138 billion at the end of November 2017. On a quarterly basis, issuance in the third and fourth (up to end-November) quarters were 10% and 29% higher, respectively, than the third and fourth quarters a year ago. Total issuance in the third quarter of 2017 was US\$ 34.27 billion, while total issuance in the fourth quarter up until end-November has been US\$ 29.38 billion (chart 17). Second half issuance up to end-November (US\$ 64 billion) is 18% higher than in the second half of 2016 (chart 18).

CHART 17:
QUARTERLY LAC ISSUANCE
(US\$ Billions)



Source: ECLAC, on the basis of data from LatinFinance, JPMorgan and Bank of America-Merrill Lynch. *Q4 2017 up to November.

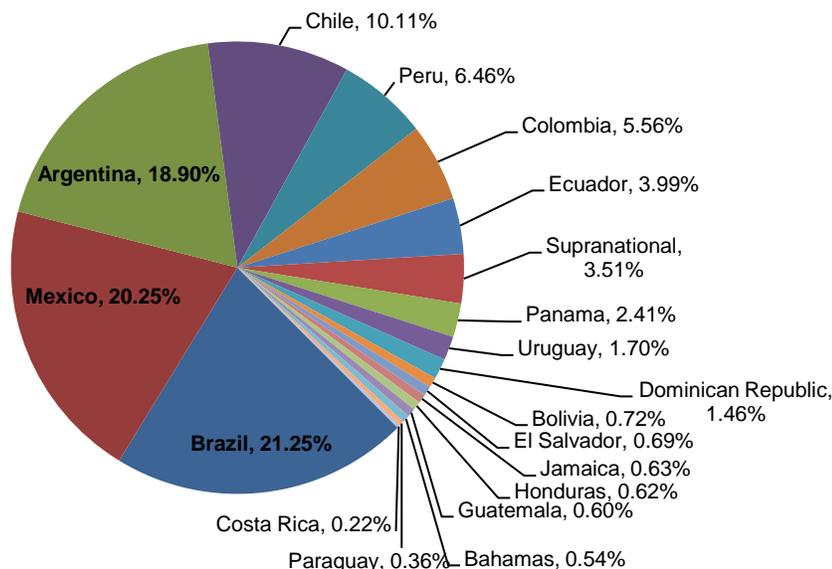
CHART 18:
HALF-YEARLY LAC ISSUANCE
(US\$ Billions)



Source: ECLAC, on the basis of data from LatinFinance, JPMorgan and Bank of America-Merrill Lynch. *H2 2017 up to November.

Brazil had the largest share of bond issuances from January to November 2017 – sovereign and corporate combined – followed by Mexico and Argentina. Brazil, Mexico and Argentina issued (sovereign and corporate combined) US\$ 29 billion, US\$ 28 billion, and US\$ 26 billion, respectively. Issuances from the three countries accounted for 60% of the total LAC issuance in the period (chart 19).

CHART 19:
LAC DEBT ISSUANCE IN JANUARY-NOVEMBER 2017: COUNTRY BREAKDOWN
(Country shares in percentage)



Source: ECLAC on the basis of data from LatinFinance.

Some of the largest issuances in the period have come from sovereigns and quasi-sovereigns. Sovereigns, quasi-sovereigns and supranational entities, including regional development banks, accounted for 70% of the total amount issued from January to November 2017. State-owned oil producers accounted for almost 20% of the total.

High-yield issuers – sovereign and corporate combined – dominated LAC issuance in the period, with a 53% share, while 47% of the total was issued by investment grade issuers. This is a result of the dominance of Argentine and Brazilian borrowers during the period, as most (including the sovereigns) were rated at below investment grade rates.

i. Sovereign Issuance

Seventeen sovereigns – Argentina, Bahamas, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay – tapped international debt markets from January to November of 2017 (appendix C, tables 3 to 6).

The top three sovereign issuers were Argentina, Ecuador and Mexico (table 2). Argentina not only had the top share of total sovereign issuance in the region in terms of amount, but it also had the bigger number of deals (seven) in the cross-border market this year. The sovereign issued a 100-year bond and also issued bonds in three different currencies, the U.S. dollar, the Swiss franc, and the Euro. Three sovereigns – Chile, Peru and Uruguay – issued bonds in local currency (global-peso bonds). Chile issued its global-peso bond in January, Peru in July, and Uruguay in June and September (appendix C).

**TABLE 2:
LAC SOVEREIGN DEBT ISSUANCE IN THE CROSS-BORDER MARKET, JANUARY-NOVEMBER 2017**

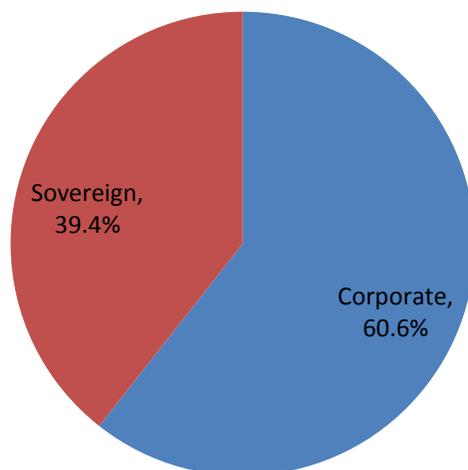
Sovereign Issuer	Total Issuance (US\$ Million)	%of the total sovereign Issuance	Number of Deals
Argentina	13,352	27.91%	7
Ecuador	5,500	11.50%	4
Mexico	4,280	8.95%	2
Brazil	4,000	8.36%	2
Colombia	3,900	8.15%	3
Chile	3,538	7.39%	3
Peru	3,100	6.48%	1
Uruguay	2,350	4.91%	2
Dom. Republic	1,700	3.55%	2
Panama	1,200	2.51%	2
Bolivia	1,000	2.09%	1
Jamaica	869	1.82%	2
Bahamas	750	1.57%	1
Honduras	700	1.46%	1
El Salvador	601	1.26%	1
Guatemala	500	1.05%	1
Paraguay	500	1.05%	1
Total	47,840	100.00%	36

Source: ECLAC on the basis of data from LatinFinance.

ii. Corporate Issuance

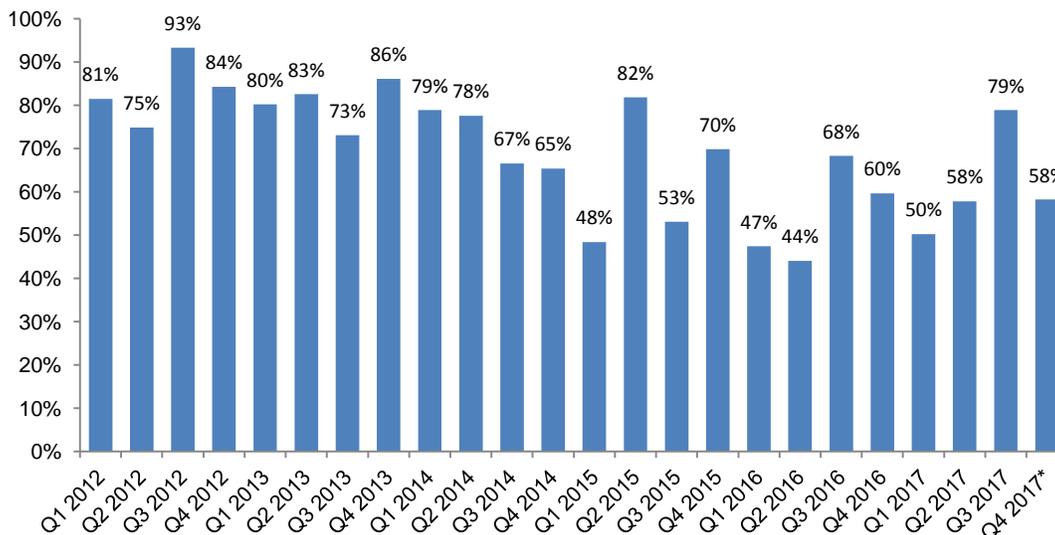
From January to November 2017, the corporate sector (including corporations, banks, quasi-sovereigns and supranationals) accounted for 61% of total LAC issuance (chart 20). The share of corporate issuance reached a peak in 2012 (chart 21).

**CHART 20:
LAC CORPORATE AND SOVEREIGN ISSUANCE: JANUARY-NOVEMBER 2017**
(Percentage)



Source: ECLAC on the basis of data from LatinFinance.

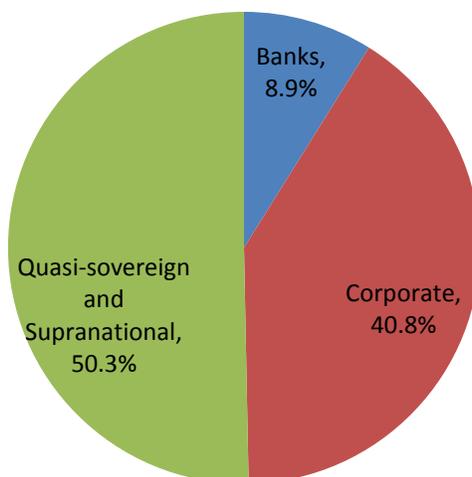
CHART 21:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE AS A SHARE OF THE TOTAL
(Percentage)



Source: ECLAC on the basis of data from LatinFinance. *Q4 2017: information up to November 2017.

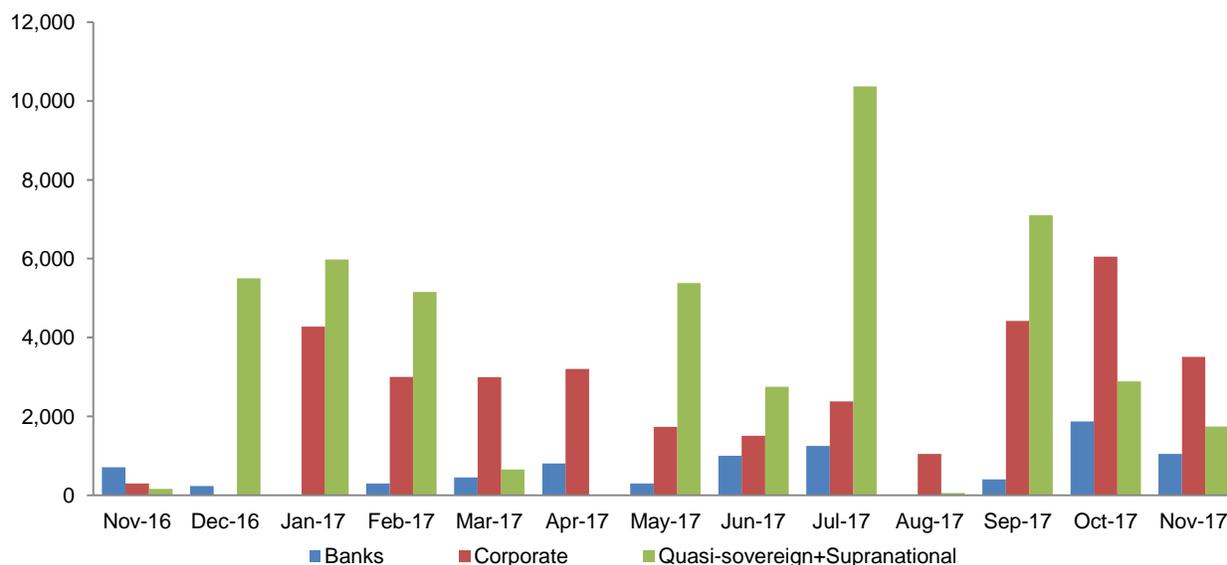
Quasi-sovereign and supranational issuers accounted for 50% of total LAC corporate issuance in international markets in the January-November 2017 period, a decrease from the 61% share in 2016. Corporations and banks accounted for the other half (charts 22 and 23).

CHART 22:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE: JANUARY-NOVEMBER 2017
(Percentage)



Source: ECLAC on the basis of data from LatinFinance.

CHART 23:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE: NOVEMBER 2016 TO NOVEMBER 2017
(US\$ million)

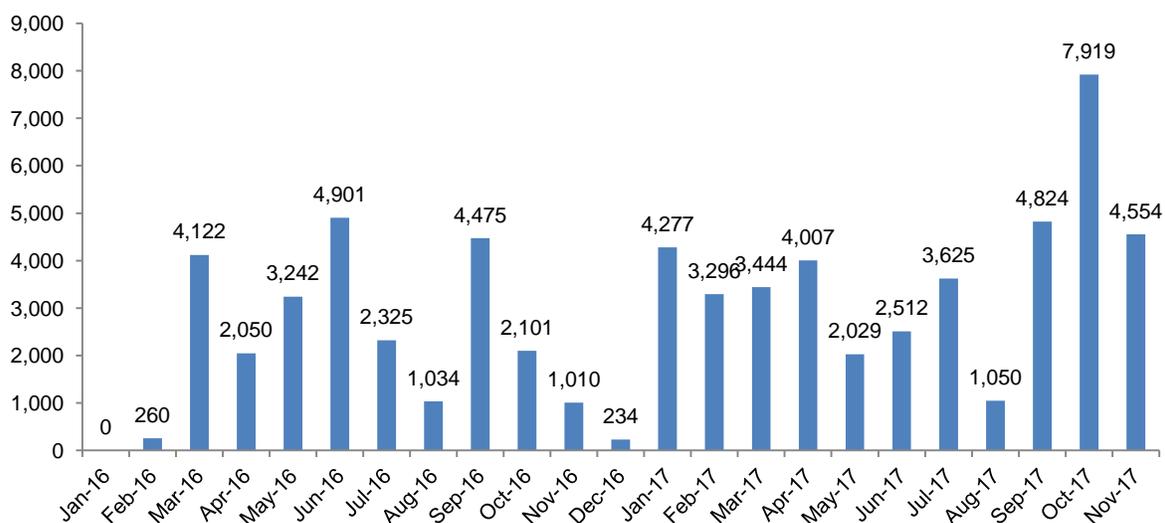


Source: ECLAC on the basis of data from LatinFinance.

Excluding sovereign borrowers, 121 corporate issuers (including quasi-sovereign and supranational companies) from the region sold US\$ 83.6 billion of cross-border bonds from January to November 2017, and 28% of that volume (US\$ 23.1 billion) came from state-owned oil producers.

Issuances from the private corporate sector from January to November of 2017, not including quasi-sovereigns and supranationals, reached US\$ 41.5 billion. It is 61% higher than in 2016. There was more activity in October, but monthly activity was high for most of the period (chart 24).

CHART 24:
LAC MONTHLY PRIVATE CORPORATE SECTOR BOND ISSUANCE IN 2016 AND 2017 YTD
(US\$ Millions)



Source: ECLAC on the basis of data from LatinFinance. Note: issuance from the private corporate sector only (including companies and banks); quasi-sovereigns and supranationals are not included in the chart.

Eighteen cross-border debut issuances took place from January to November 2017 amounting to almost US\$ 8 billion (table 3). They accounted for 9% of the total corporate issuance and 6% of the total issuance in the period. 57% of the debut issuances in the period took place in the energy sector, 19% in the transportation sector, and the rest in a variety of sectors, including financial services, utility, retail, industry (textiles) and construction. Except for Petroperu, all were high-yield issuances.

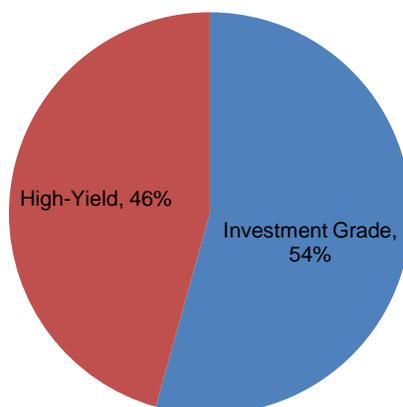
**TABLE 3:
CORPORATE DEBUT ISSUANCES IN LATIN AMERICA AND THE CARIBBEAN, 2017 YTD**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon(%)	Maturity	Issue Date
Argentina	Genneia	USD 350	350	8.750%	2022 NC3	12-Jan-17
Argentina	Pampa Energía	USD 750	750	7.500%	2027 NC5	17-Jan-17
Colombia	Tecnoglass	USDS 210	210	8.200%	2022	23-Jan-17
Brazil	Rumo	USD 750	750	7.375%	2024 NC4	2-Feb-17
El Salvador	Grupo Unicomer	USD 350	350	7.875%	2024	21-Mar-17
Mexico	Grupo Kaltex SA de CV	USD 320	320	8.875%	2022	6-Apr-17
Peru	Orazul Energy	USD 550	550	5.625%	2027 NC5	25-Apr-17
Guatemala	Energuate Trust	USD 330	330	5.875%	2027 NC5	27-Apr-17
Peru	Petroleos del Peru (Petroperu)	USD 1000	1,000	4.750%	2032	12-Jun-17
Peru	Petroleos del Peru (Petroperu)	USD 1000	1,000	5.625%	2047	12-Jun-17
Brazil	JSL	USD 325	325	7.750%	2024	19-Jul-17
Colombia	Credivalores	USD 250	250	9.750%	2022	20-Jul-17
Honduras	Inversiones Atlantida SA	USD 150	150	8.250%	2022 NC3	21-Jul-17
Peru	Fenix Power	USD 340	340	4.317%	2027	13-Sep-17
Argentina	Province of Jujuy	USD 210	210	8.625%	2022	13-Sep-17
Brazil	Aegea (Saneamento e Participações)	USD 400	400	5.750%	2024 NC4	3-Oct-17
Mexico	Docuformas	USD 150	150	9.250%	2022 NC3	3-Oct-17
Brazil	Azul Investments	USD 400	400	5.875%	2024 NC4	19-Oct-17
			7,835			

Source: ECLAC on the basis of data from LatinFinance.

Investment grade companies had a bigger share (54%) of total corporate issuance from January to November 2017. The share of high-yield issuance was 46% (chart 25).

**CHART 25:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY RATING, 2017 YTD**
(Percentage of total)

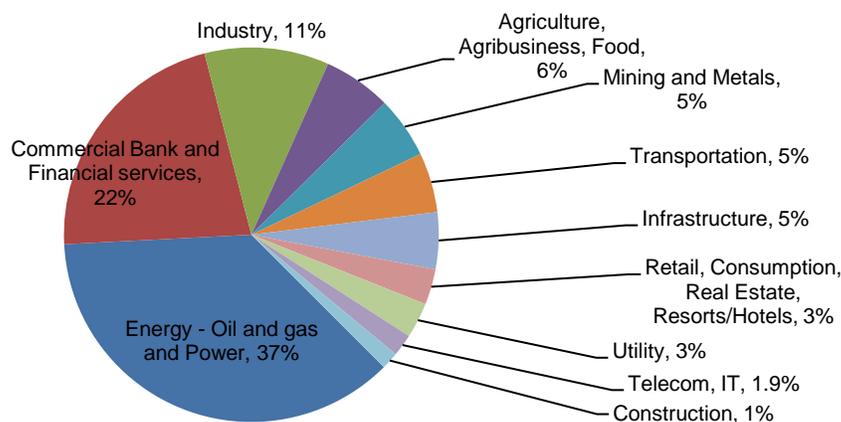


Source: ECLAC, on the basis of data from LatinFinance.

Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

From a sectoral perspective, 37% of LAC corporate debt issuance (including corporate, banks, quasi-sovereigns and supranationals) from January to November 2017 came from one sector: energy (chart 26). That was because of state-owned oil producers Petrobras, Pemex, YPF and Petroperu, which accounted for almost 30% of the total corporate issuance in the period. The financial sector, including banks as well as financial services companies, was the second most relevant sector in terms of aggregate volume (22% of total corporate issuance), followed by industry (11%) and agriculture, food and beverages (6%).

CHART 26:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY SECTORS, 2017 YTD
(Percentage of total)



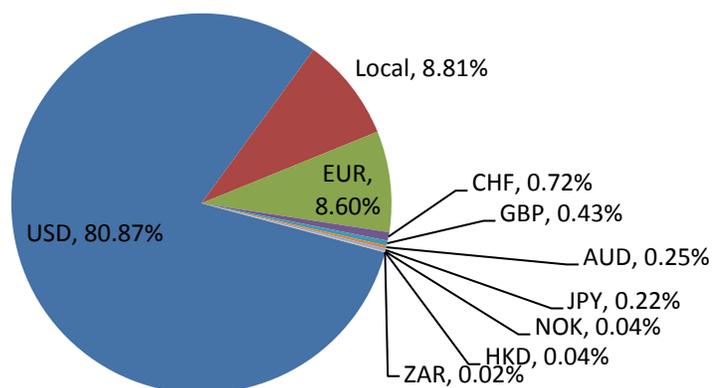
Source: ECLAC, on the basis of data from LatinFinance.

Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

iii. Currency Composition

Most of the international debt issuance in the region from January to November 2017 was denominated in U.S. dollars (81%). This could pose challenges for some issuers if U.S. interest rates rise faster than expected or the dollar resumes its ascent. There was also issuance in local currencies, including Argentine, Chilean, Colombian and Uruguayan pesos, Peruvian Soles, and Brazilian Reais (8.8%); Euros (8.6%); Swiss Francs (0.72%); British Pounds (0.43%), Australian Dollars (0.25%); Japanese Yens (0.22%); Norwegian Kroner (0.04%); Hong Kong Dollars (0.04%), and South African Rand (0.02%).

CHART 27:
CURRENCY BREAKDOWN, 2017 YTD



Source: ECLAC with data from LatinFinance (Bonds Database).

iv. Green Bonds

There were seven LAC issuances with a green focus from January to November 2017. The region's green issuance represented 3% of the total issuance in the period. The majority (five of them) was issued in the first half. In the second half there were only two green bonds issued, both in September.

One of the green issuances in September was a re-tap. On 5 September 2017, Brazil's Suzano Papel e Celulose, a pulp and paper company, re-opened its 5.750% 2026 bond, originally issued in July 2016, to add US\$ 200 million. The other issuance was a new bond. On 12 September, another Brazilian pulp and paper company, Klabin, issued a US\$ 500 million 4.875% 2027 bond. S&P Global Ratings said the company will use most of the proceeds to refinance debt from eligible green projects.

Only three countries from the region issued green bonds from January to November 2017. Brazil had the biggest share of green issuance in the period (70%), followed by Argentina (16%) and Chile (14%). Regarding the sectoral distribution, 49% of the total green issuance in the period was in the financial services sector, followed by pulp and paper (35%), and energy (10%). There was one sub-sovereign green issuance in the period, from Argentina's La Rioja Province.

TABLE 4:
LAC CROSS-BORDER BOND ISSUANCE WITH A GREEN FOCUS: 2017 YTD
(Millions of dollars)

Country	Issuer	Amount (million)	US\$ million	Coupon	Maturity	Issue Date
Brazil	Fibria Overseas Finance Ltd	USD 700	700	5.500%	2027	11-Jan-17
Argentina	Genneia	USD 350	350	8.750%	2022 NC3	12-Jan-17
Argentina	La Rioja Province	USD 200	200	9.750%	2025	17-Feb-17
Chile	Inversiones CMPC ¹	USD 500	500	4.375%	2027	31-Mar-17
Brazil	BNDES	USD 1000	1000	4.750%	2024	2-May-17
Brazil	Suzano Papel e Celulose	USD 200	200	5.750%	2026 (r)	5-Sep-17
Brazil	Klabin	USD 500	500	4.875%	2027	12-Sep-17
			3,450			

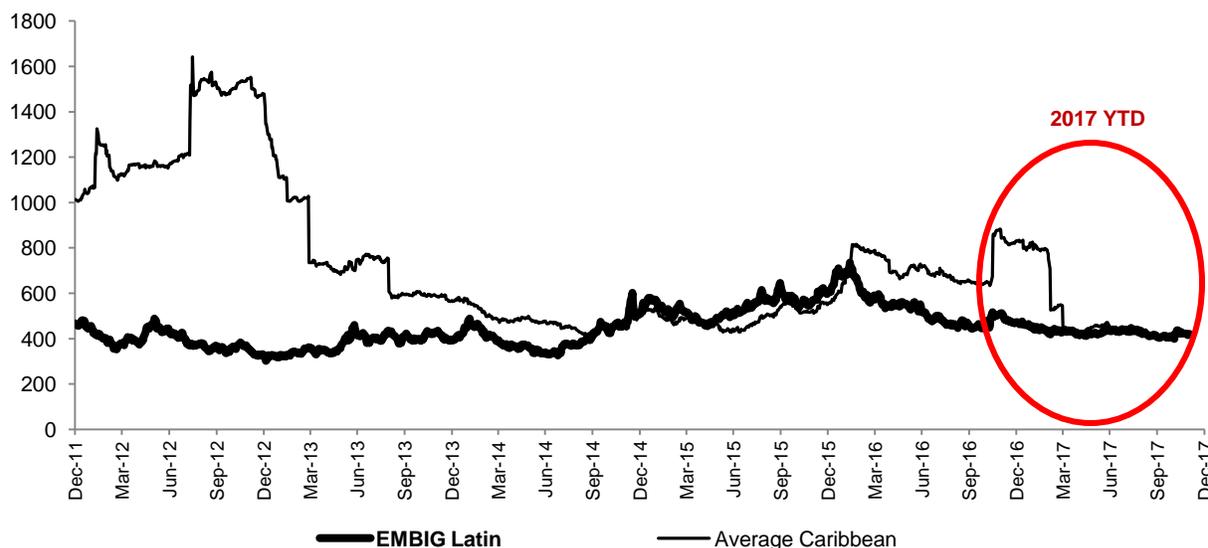
Source: ECLAC Washington Office, on the basis of data from LatinFinance.

¹ Compañía Manufacturera de Papeles y Cartones

II. Bond markets and credit management in the Caribbean¹

From January to November 2017, there was a retreat in the spread gap between the Caribbean countries and the EMBIG Latin component, which from late 2010 to late 2012 had widened almost 1,000 basis points as a result of the high number of defaults in the Caribbean region (chart 28).

CHART 28:
EMBIG SPREADS, CARIBBEAN VERSUS LAC
(Basis points)



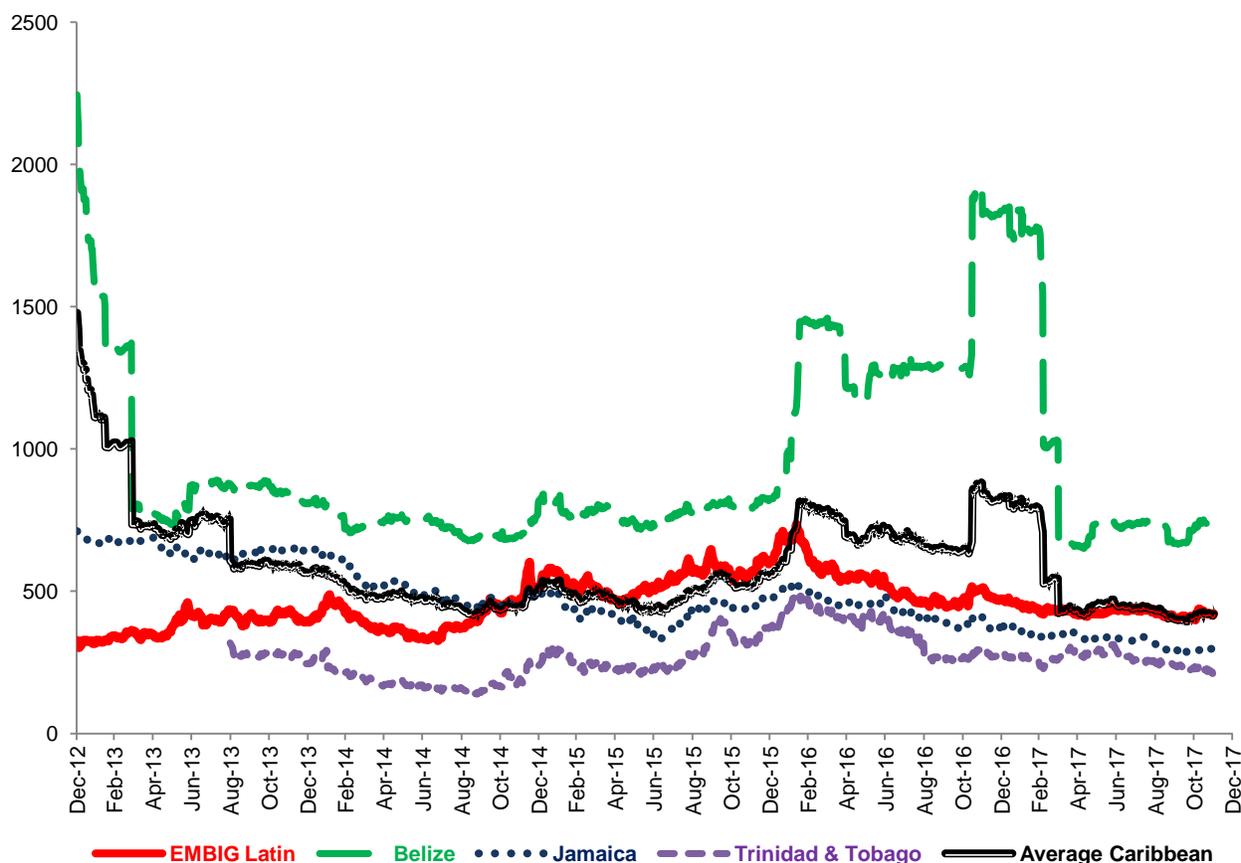
Source: ECLAC, on the basis of data from JPMorgan. The Caribbean average includes Belize and Jamaica, and since 30 August 2013, it also includes Trinidad & Tobago.

¹ Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Of these 13 countries, only a few have tapped international capital markets.

In 2014 the spread gap had finally closed, as successful bond restructurings lowered spreads for the Caribbean region, and in 2015 the gap was actually reversed, with Caribbean spreads lower than the EMBIG Latin component by 50 basis points at the end of the year. In 2016, however, the gap reappeared.

The tightening in Caribbean spreads from January to November 2017 was driven by Belize, whose spreads tightened 1,091 basis points in the period. The agreement reached in mid-March between the government and 87% of its 2038 super bond’s holders to restructure the bond’s payments set the tone for the year.² Caribbean spreads tightened 418 basis points from January to November 2017, while the EMBIG Latin component tightened 56 basis points. Caribbean spreads at the end of November were 3 basis points lower than the EMBIG Latin spreads. Both Jamaica’s and Trinidad & Tobago’s spreads have been lower than the Latin American average (chart 29).

CHART 29:
CARIBBEAN COUNTRIES, 2017 YTD EMBIG SPREADS
(Basis points)



Source: ECLAC, on the basis of data from JPMorgan.

² The deal extended the maturity of the US\$ 530 million bond by 4 years, to 2038, increased the coupon to 5% and changed the amortization schedule. Belize also committed to taking IMF assistance if it misses primary surplus targets in the coming years.

Credit Rating Actions

There were two positive and ten negative credit rating actions in the Caribbean from January to November of 2017 (table 5).

**TABLE 5:
SOVEREIGN CREDIT RATING ACTIONS IN THE CARIBBEAN, 2017 YTD**

Date	Country	Action	
2017 YTD	2 positive and 10 negative actions		
Q1 2017	1 positive and 5 negative actions		
21-Feb-17	Belize	S&P places Belize's CC rating on CreditWatch Negative	<i>Negative</i>
22-Feb-17	Suriname	Fitch downgrades Suriname to B- from B+ and maintains a negative outlook	<i>Negative</i>
3-Mar-17	Barbados	S&P downgrades Barbados to CCC+ from B- with a negative outlook	<i>Negative</i>
9-Mar-17	Barbados	Moody's downgrades Barbados to Caa3 from Caa1 with a stable outlook	<i>Negative</i>
20-Mar-17	Belize	S&P downgrades Belize's rating to SD from CC	<i>Negative</i>
23-Mar-17	Belize	S&P upgrades Belize's rating to B- from SD with a stable outlook	<i>Positive</i>
Q2 2017	1 positive and 3 negative actions		
11-Apr-17	Belize	Moody's upgrades Belize's rating to B3 from Caa2 with a stable outlook	<i>Positive</i>
21-Apr-17	Trinidad & Tobago	S&P downgrades T & T rating to BBB+ from A- with a stable outlook	<i>Negative</i>
26-Apr-17	Suriname	S&P downgrades Suriname to B from B+ with a negative outlook	<i>Negative</i>
27-Apr-17	Trinidad & Tobago	Moody's downgrades T & T to Ba1 from Baa3 with a stable outlook	<i>Negative</i>
Q3 2017	0 positive and 2 negative actions		
6-Jul-17	Bahamas	Moody's places the Bahamas Baa3 ratings on review for downgrade	<i>Negative</i>
25-Aug-17	Bahamas	Moody's affirms Bahamas Baa3 ratings and changes outlook to negative concluding review	<i>Negative</i>

Source: J.P. Morgan, Emerging Markets Outlook and Strategy and rating agencies.

The positive actions were all related to Belize, after the sovereign restructured its 2038 super bonds in March, its third debt restructuring in the last 10 years. Before that Belize had been downgraded by S&P and Moody's following a missed coupon payment and the announced debt exchange.

Negative actions were taken on Suriname, Barbados, Trinidad & Tobago and the Bahamas' credit ratings. In February, Fitch downgraded Suriname to B- from B+ and maintained a negative outlook, citing macroeconomic instability and rising government debt. In April, Suriname was downgraded by S&P to B from B+ with a negative outlook, on worsening economic strength and debt burden.

Barbados was downgraded by S&P and Moody's in March, to CCC- and Caa3, respectively. The agencies cited limited financing alternatives and low international reserves, warning that the sovereign faces increasing chances of a default.

In April, S&P downgraded Trinidad and Tobago to BBB+ from A-, citing higher debt burden, and Moody's took the sovereign's investment grade away, downgrading its rating to Ba1 from Baa3. Moody's said the sovereign's policy response to offset the impact of low energy prices on government revenues was insufficient, also adding that the government's large deficits had led to increased debt ratios.

In July, Moody's placed the Bahamas Baa3 ratings on review for downgrade, citing a weaker fiscal position. In August, Moody's affirmed Bahamas Baa3 ratings and changed the outlook to negative, concluding the review for downgrade. The negative outlook reflects potential downside risks to the fiscal consolidation process posed by weak growth and exposure to climate-related shocks.

Moody's has recently released the conclusions of a report that says that small island sovereigns are relatively susceptible to the physical effects of climate change, which can be felt via shocks like storms and floods, as well as trends like higher global temperatures and rising sea levels.³

Based on an assessment of the proportion of low-lying land, size of landmass, scale of the economy and concentration in climate-related sectors, Moody's has identified eighteen rated small islands around the globe as particularly susceptible to climate change. The sovereign credit profiles of small islands take into account the medium-term vulnerabilities to climate change, primarily through weaker economic strength. As such, Moody's does not expect single climate shocks to have credit implications unless they are much more severe than its assessments of these sovereigns' exposure and resilience suggest.

In the Caribbean, St. Vincent and the Grenadines (B3 stable) is among the most exposed and least resilient, according to the report, while the Bahamas (Baa3 negative) is also highly exposed, although the situation is somewhat mitigated by higher income levels. Jamaica (B3 stable) has the lowest resilience due to low income levels and the government's limited fiscal flexibility. Trinidad & Tobago (Ba1 stable), on the other hand, is among the least vulnerable, given its stronger economic situation.

Moody's says that the credit implications of climate trends will also depend on how mitigating actions shape resilience. In particular, with many small islands lacking the financial resources and technical know-how to adequately address climate change, the availability of insurance or pooled resources and foreign financial support would help.⁴

Debt issuance

In August, Jamaica returned to the cross-border market with a two-tranche retap, adding US\$ 869 million across its 6.75% 2028 and 7.875% 2045s (appendix C, table 5), retiring some short-term debt and cutting future interest payments. This was consistent with the trend for the wider LAC region to carry out liability management exercises.

In November, the Commonwealth of the Bahamas issued a US\$ 750 million 6 % 2028 bond (appendix C, table 6). The Bahamas had last tapped international markets in November 2009, with a US\$ 300 million 20-year paper.

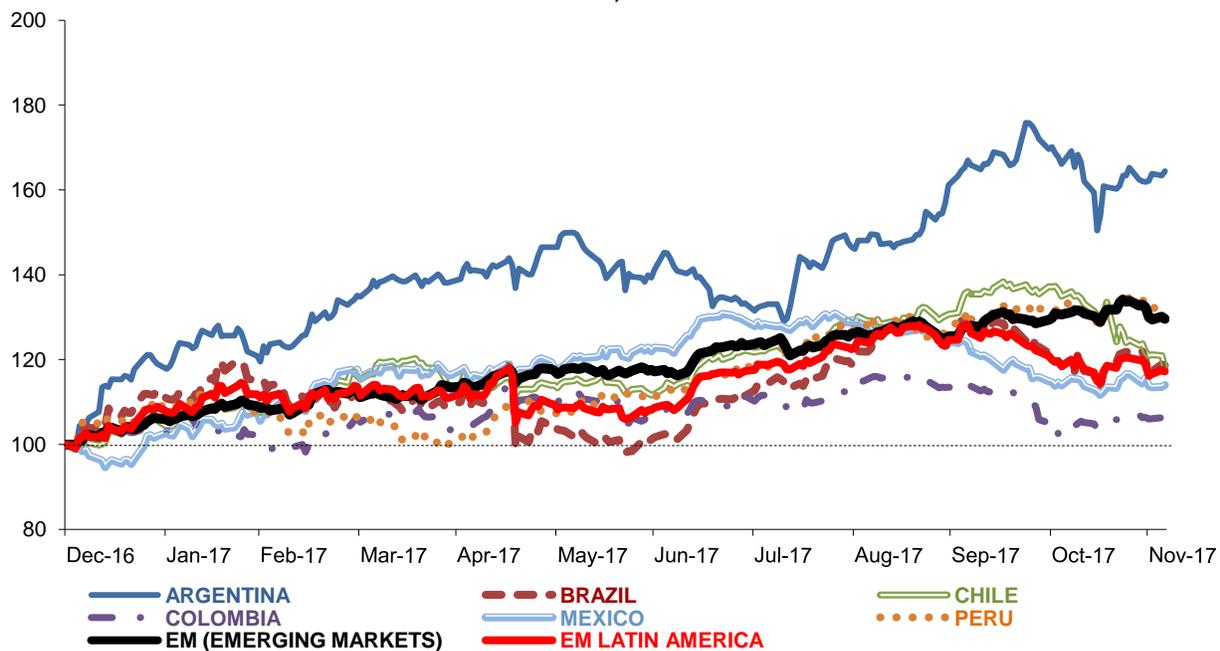
³ Moody's, *"Sovereigns – Global, Small island credit profiles resilient to near-term climate shocks, but climate trends pose longer-term risks,"* December 2017.

⁴ For instance, most of the Caribbean small islands in the Moody's study -- with the exception of St. Maarten -- are members of the Caribbean Catastrophe Risk Insurance Facility, which pools resources and limits the impact of a disaster on a government's balance sheet.

III. Portfolio equity flows

Latin American equities have lagged behind equities in other emerging market and developed countries in the past three months, as Latin American currencies have declined against the U.S. dollar in this period. Latin American stocks gained 16% from January to November 2017 (chart 30, table 6), according to the MSCI Latin American Index, while the broader emerging market index was up 29% in dollar terms in the same period.

**CHART 30:
MSCI EQUITY PRICE INDEX, JANUARY-NOVEMBER 2017**



Source: ECLAC, on the basis of data from MSCI Equity Indices, <http://www.msci.com/equity/index2.html>. Prices at the end of the month.

Within the region, Argentina's MSCI index had the sharpest gain in the period (62.12%), followed by Peru (31.99%), Chile (20.91%), Brazil, (16.46%), Mexico (13.68%), and Colombia (5.99%).

**TABLE 6:
MSCI EQUITY INDICES, 2017 YTD**

	Price Index in USD					Variation				2017 YTD
	Dec 30, 2016	Mar 31, 2017	Jun 30, 2017	Sep 29, 2017	Nov 30, 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017*	
Emerging markets	862.275	958.369	1,010.800	1,081.722	1,120.793	11.14%	5.47%	7.02%	3.61%	29.98%
Latin America	2,340.648	2,611.103	2,544.131	2,916.685	2,719.256	11.55%	-2.56%	14.64%	-6.77%	16.18%
Argentina	2,469.085	3,328.184	3,487.665	3,978.247	4,002.962	34.79%	4.79%	14.07%	0.62%	62.12%
Brazil	1,671.820	1,834.817	1,700.183	2,080.852	1,946.957	9.75%	-7.34%	22.39%	-6.43%	16.46%
Chile	1,447.021	1,669.464	1,618.388	1,890.592	1,749.525	15.37%	-3.06%	16.82%	-7.46%	20.91%
Colombia	560.756	590.415	600.640	636.371	594.318	5.29%	1.73%	5.95%	-6.61%	5.99%
Mexico	4,696.829	5,435.586	5,770.653	5,835.607	5,339.456	15.73%	6.16%	1.13%	-8.50%	13.68%
Peru	1,248.497	1,316.704	1,387.239	1,581.282	1,647.951	5.46%	5.36%	13.99%	4.22%	31.99%

Source: ECLAC, on the basis of data from MSCI Equity Indices, <http://www.msci.com/equity/index2.html>

*Q4 2017 up to end-November.

IV. Prospects

Credit conditions in Latin America and the Caribbean are expected to remain favorable in 2018, thanks to a favorable external backdrop and to economic improvements in the largest economies of the region. While the heavy electoral cycle next year may increase uncertainty and could slow down investments in the region, growth prospects remain positive.⁵

External risks are contained, but should not be taken too lightly. Developments with respect to U.S. policies – including monetary, fiscal and de-regulation policies, as well as NAFTA negotiations – could have an unanticipated impact on the region, as the details and the full effect of these policies are not yet clear. Moreover, despite market assumptions that monetary policy in advanced economies should continue to be gradual, if inflation levels prompt a faster increase in rates, an asset-price correction may take place in a crowded market, what could lead to capital outflows from the region and negative implications for economic growth.

Finally, geo-political risks, which could have an effect on commodity prices and result in a sudden shock to portfolio flows to Latin America and the Caribbean, should also be under the radar. However, despite the risks, most investors seem to believe that the benign conditions for emerging markets and Latin American asset markets are likely to persist in the near-term.

⁵ Second-round elections are about to take place in Chile (December 2017), and there will be general elections in Colombia (May 2018), Mexico (July 2018), and Brazil (October 2018).

Appendix

A. Credit Rating

**TABLE 1:
CREDIT RATINGS IN LATIN AMERICA AND THE CARIBBEAN, 2017 YTD**

	Moody's	S&P	Fitch	Recent Moody's Action		Recent S&P Action		Recent Fitch Action	
	Rating View	Rating View	Rating View	Action	Date	Action	Date	Action	Date
Argentina	B2	B+	B	Upgrade, O/L stable	29-Nov-17	Upgrade, O/L stable	30-Oct-17	Affirmed, O/L stable	13-Oct-16
Bahamas	Baa3 (-)	BB+		Affirmed, O/L changed to (-)	25-Sep-17	Downgrade, O/L stable	20-Dec-16		
Barbados	Caa3	CCC+ (-)	NR	Downgrade, O/L stable	9-Mar-17	Affirmed, O/L (-)	27-Aug-17		
Belize	B3	B-	NR	Upgrade, O/L stable	11-Apr-17	Upgrade, O/L stable	23-Mar-17		
Bolivia	Ba3	BB	BB-	Affirmed, O/L changed to stable from (-)	1-Aug-17	Upgrade, O/L stable	15-May-14	Downgrade, O/L stable	13-Jul-16
Brazil	Ba2 (-)	BB (-)	BB (-)	Affirmed, O/L changed to (-)	26-May-17	Affirmed, O/L (-)	15-Aug-17	Downgrade, O/L (-)	5-May-16
Chile	Aa3 (-)	A+	A	Affirmed, O/L changed to (-)	24-Aug-17	Downgrade, O/L stable	13-Jul-17	Downgrade, O/L changed to stable	11-Aug-17
Colombia	Baa2	BBB (-)	BBB	Affirmed, O/L stable	26-May-16	Affirmed, O/L (-)	18-Jan-17	Affirmed, O/L stable	26-Oct-17
Costa Rica*	Ba2 (-)	BB- (-)	BB	Downgrade, O/L (-)	9-Feb-17	Downgrade, O/L (-)	25-Feb-16	Downgrade, O/L stable	19-Jan-17
Cuba	Caa2	NR	NR	Affirmed, O/L changed to stable from (+)	8-Nov-17				
Dominican Republic	Ba3	BB-	B+	Upgrade, O/L stable	21-Jul-17	Upgrade, O/L stable	20-May-15	Upgrade, O/L stable	21-Nov-14
Ecuador	B3	B-	B (-)	Affirmed, O/L stable	23-Nov-16	Downgrade, O/L stable	29-Jun-17	Affirmed, O/L (-)	24-Aug-17
El Salvador	B3 (-)	CCC+	CCC	Downgrade, O/L (-)	7-Nov-16	Upgrade, O/L stable	3-Oct-17	Downgrade	10-Apr-17
Grenada		SD				Downgrade	12-Mar-13		
Guatemala	Ba1	BB-	BB	O/L changed to stable from (-), Affirmed	30-Jun-16	Downgrade, O/L stable	18-Oct-17	Downgrade, O/L stable	20-Jun-14
Honduras	B1	BB-	NR	Upgrade, O/L stable	23-Sep-17	Upgrade, O/L stable	18-Jul-17		
Jamaica	B3	B	B	Upgrade, O/L stable	21-Nov-16	Upgrade, O/L stable	3-Jun-15	Upgrade, O/L stable	11-Feb-16
Mexico	A3 (-)	BBB+	BBB+	Affirmed, O/L (-)	28-Apr-17	Affirmed, O/L changed to stable from (-)	18-Jul-17	Affirmed, O/L changed to stable from (-)	3-Aug-17
Nicaragua	B2 (+)	B+	B+	Affirmed, O/L changed to (+) from stable	20-Jul-17	Assigned 'B+' First-Time Rating; O/L Stable	16-Feb-16	Assigned 'B+' First-Time Rating; O/L Stable	16-Dec-15
Panama	Baa2 (+)	BBB	BBB	Affirmed, O/L changed to (+)	29-Sep-17	Affirmed, O/L stable	1-Aug-13	Affirmed, O/L stable	19-Feb-16
Paraguay	Ba1	BB	BB	Affirmed, O/L stable	21-Jun-16	Affirmed, O/L revised to stable from (+)	15-Jun-16	Upgrade, O/L stable	29-Jan-15
Peru	A3	BBB+	BBB+	Affirmed, O/L stable	24-Aug-17	Affirmed, O/L stable	10-Aug-16	Affirmed, O/L stable	29-Sep-16
St Vincent and the Grenadines	B3			O/L changed to stable from (-)	19-May-16				
Suriname	B1	B (-)	B- (-)	Downgrade, O/L stable	20-May-16	Downgrade, O/L (-)	26-Apr-17	Downgrade, O/L (-)	22-Feb-17
Trinidad & Tobago	Ba1	BBB+	NR	Downgrade, O/L stable	27-Apr-17	Downgrade, O/L stable	21-Apr-17		
Uruguay*	Baa2	BBB	BBB-	Affirmed, O/L changed to stable from (-)	13-Jul-17	Affirmed, O/L changed to stable	30-May-17	Affirmed, O/L stable	7-Apr-17
Venezuela	Caa3 (-)	SD	RD	Affirmed, O/L changed to (-)	4-Mar-16	Downgrade	13-Nov-17	Downgrade	14-Nov-17

Source: JPMorgan, Emerging Markets Outlook and Strategy and rating agencies.

Changes for Q1 2017 are in red.

Note: Moody's ratings are qualified by outlooks and reviews while S&P and Fitch ratings are qualified by outlooks and watches.

A review/watch [+ or -] is indicative of a likely short-term development.

An outlook [(+) or (-)] suggests that a review/watch or long/intermediate-term movement is likely.

*S&P issue rating is one notch above the issuer credit rating.

BOX 1
CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2017 YTD

There have been 21 positive and 33 negative actions in Latin America and the Caribbean in 2017 YTD.

Positive Actions: 21 (Bold)

March

- **Argentina (March 6): Moody's changes the outlook on Argentina's B3 rating to positive from stable**, citing improved policy stance and expectations of faster economic growth.
- **Colombia (March 10): Fitch revises the outlook on Colombia's BBB rating to stable from negative**, citing the sharp reduction in the current account deficit, diminished uncertainties due to passage of tax reform measures in December 2016, and the expectation that inflation converges towards the central bank's target.
- **Brazil (March 15): Moody's raises the outlook on Brazil's Ba2 rating to stable from negative**, arguing that the downside risks reflected in the negative outlook are abating and macroeconomic conditions stabilizing.
- **Belize (March 23): S&P upgrades Belize's long-term foreign currency rating to B- from SD with a stable outlook**, following completion of debt restructuring, its third debt restructuring in the last 10 years.

April

- Uruguay (April 7): Fitch affirms Uruguay's BBB- rating with a stable outlook (*no change*).
- **Argentina (April 4): S&P upgrades Argentina's long-term rating to B from B- with a stable outlook**, on improvement in economic policy.
- **Belize (April 11): Moody's upgrades Belize's rating to B3 from Caa2 with a stable outlook**, after the sovereign restructured its 2038 super bonds in March.

May

- **El Salvador (May 5): S&P upgrades El Salvador to CC from SD with a negative outlook**, after the government caught up on missing pension debt payments.
- **Uruguay (May 30): S&P affirms Uruguay's BBB rating and revises its outlook to stable from negative** on more balanced economic risks.

July

- **Uruguay (July 13): Moody's changes outlook on Uruguay's Baa2 rating to stable from negative**, citing the government's commitment to fiscal consolidation and an improving macroeconomic performance.
- **Honduras (July 18): S&P upgrades Honduras long-term ratings BB- from B+ with a stable outlook**, on improved fiscal flexibility and limited debt increases. The agency cited the government's commitment to strengthen public finances.
- **Mexico (July 20): S&P changes Mexico's rating outlook on its BBB+ rating to stable from negative**, noting that it does not expect a deterioration in the country's debt level.
- **Dominican Republic (July 20): Moody's upgrades Dominican Republic's issuer rating to Ba3 from B1 with a stable outlook**, citing a positive growth outlook and reduce fiscal deficits.
- **Nicaragua (July 20): Moody's changes outlook on Nicaragua's B2 rating to positive from stable**, citing continued fiscal stability and favorable economic prospects.

August

- **Bolivia (August 01): Moody's changes the outlook on Bolivia's Ba3 issuer and bond rating to stable from negative and affirms the ratings at Ba3**, citing stabilizing fiscal and current account deficits.
- **Mexico (August 03): Fitch revises up Mexico's sovereign ratings outlook to stable from negative and affirms the ratings at BBB+**. The agency cited downside risks to Mexico's growth outlook and an expected stabilization of the public debt burden.
- **Brazil (August 15): S&P removes Brazil rating from CreditWatch and affirms it at 'BB'; outlook is negative** on ongoing policy challenges.
- Peru (August 23): Moody's affirms Peru's A3 rating and maintains stable outlook (*no change*).

September

- **Honduras (September 23): Moody's upgrades Honduras to B1 from B2 with a stable outlook**, citing the sovereign's stabilizing debt and fiscal metrics in addition to the supporting institutional and economic conditions.

Box 1– (cont.)

- **Panama (September 29): Moody’s changes outlook on Panama’s Baa2 rating to positive from stable**, citing Panama’s economic strength and expectation that the debt trend will improve in the coming years supported by fiscal consolidation.

October

- **El Salvador (October 3): S&P upgrades El Salvador’s long-term foreign currency rating to CCC+ from Selective Default (SD) with a stable outlook** after the sovereign issuer completed restructuring its pension certificates (CIPs).
- Colombia (October 26): Fitch affirms Colombia’s sovereign debt rating at BBB with a stable outlook (*no change*).
- **Argentina (October 31): S&P upgraded Argentina’s long-term foreign currency to B+ from B with a stable outlook** saying it is more confident in the government’s ability to advance its economic policy agenda.

November

- **Argentina (November 29): Moody’s upgrades Argentina’s rating to B2 from B3 with a stable outlook**, citing the return of economic growth and ongoing reforms.

Negative Actions: 33 (Bold)*January*

- Colombia (January 18): S&P affirms Colombia’s BBB long-term sovereign currency debt rating with a negative outlook (*no change*).
- **Costa Rica (January 19): Fitch downgrades Costa Rica to BB from BB+ with a stable outlook**, citing a large fiscal deficit and “institutional gridlock” that has stalled potential reforms.
- **Chile (January 26): S&P lowers the outlook on Chile’s AA- sovereign debt rating to negative from stable**, because of the risk that prolonged low economic growth could translate into larger fiscal deficits.

February

- **El Salvador (February 1): Fitch downgrades El Salvador’s credit ratings to B from B+ with a negative outlook**, citing hindered progress on fiscal measures due to political polarization and limited financing options.
- **Costa Rica (February 9): Moody’s downgrades Costa Rica’s government bond rating to Ba2 from Ba1, and maintains the negative outlook**, citing the continued weakening of Costa Rica’s fiscal profile.
- **Belize (February 21): S&P places Belize’s CC long-term foreign currency rating on CreditWatch Negative** following missed coupon payment.
- **Suriname (February 22): Fitch downgrades Suriname to B- from B+ and maintains a negative outlook**, citing macroeconomic instability and rising government debt.
- Venezuela (February 28): S&P’s affirms Venezuela’s CCC long-term sovereign rating and negative outlook (*no change*).

March

- **Barbados (March 3): S&P downgrades Barbados to CCC+ from B- with a negative outlook**, citing limited financing alternatives and low international reserves.
- **Barbados (March 9): Moody’s downgrades Barbados to Caa3 (nine levels below investment grade) from Caa1 with a stable outlook**, warning the Caribbean island faces increasing chances of a default.
- **Belize (March 20): S&P downgrades Belize’s rating to SD from CC** following announced debt exchange, because it considered the changes made by the sovereign to its 2038 super bonds as a default.

April

- **El Salvador (April 10): Fitch downgrades El Salvador’s rating to CCC from B**, saying that political polarization increased risks of default.
- **El Salvador (April 11): S&P lowers its long-term foreign-currency sovereign credit ratings on El Salvador to CCC- from B-**. The ratings are on CreditWatch with negative implications. The agency cautioned that the sovereign could hit selective default if the political volatility persists.

Box 1– (cont.)

- **El Salvador (April 13): Moody’s downgrades El Salvador’s rating to Caa1 from B3 and changes outlook to stable from negative**, saying that the previous week’s missed payments on pension-related bonds signaled a higher risk that the political impasse in the Legislative Assembly could lead to missed payments on government debt obligations.
- **El Salvador (April 20): S&P downgrades El Salvador’s sovereign credit rating to “selective default” from CCC-**, after the government missed payments related to its pension debts.
- **Trinidad & Tobago (April 21): S&P downgrades Trinidad and Tobago long-term ratings to BBB+ from A- with a stable outlook**, citing higher debt burden.
- **Suriname (April 26): S&P downgrades Suriname to B from B+ with a negative outlook**, on worsening economic strength and debt burden.
- **Trinidad & Tobago (April 27): Moody’s downgrades Trinidad & Tobago to Ba1 from Baa3 and changed the outlook to stable from negative.** The agency said the sovereign’s policy response to offset the impact of low energy prices on government revenues was insufficient, also adding that the government’s large deficits had led to increased debt ratios.
- **Mexico (April 28): Moody’s affirms Mexico’s A3 issuer rating; negative outlook (*no change*).**

May

- **Brazil (May 22): S&P places Brazil BB long-term ratings on CreditWatch negative** on increased political uncertainty.
- **Brazil (May 26): Moody’s affirms Brazil’s Ba2 rating and changes the outlook to negative from stable** due to a rise in uncertainty regarding reform momentum.

June

- **Ecuador (June 29): S&P downgrades Ecuador to B- from B with a stable outlook**, citing higher fiscal and external vulnerabilities.

July

- **Bahamas (July 07): Moody’s places the Bahamas Baa3 ratings on review for downgrade**, citing a weaker fiscal position.
- **Venezuela (July 11): S&P downgrades Venezuela long-term ratings to CCC- with a negative outlook**, on worsening economic conditions and political tensions. The agency said the downgrade reflected the worsening economic conditions and the doubts surrounding Venezuela’s ability to service its debt.
- **Chile (July 13): S&P downgrades Chile’s long-term foreign currency rating to A+ from AA- with a stable outlook**, on higher external vulnerabilities. The agency said the downgrade reflected the country’s slow economic growth, which has affected its fiscal revenues and contributed to increase the debt burden.

August

- **Chile (August 11): Fitch downgrades Chile to A from A+ with a stable outlook**, citing the sovereign’s prolonged period of economic weakness and lower copper prices.
- **Chile (August 24): Moody’s affirms Chile’s Aa3 ratings and changes outlook to negative**, citing the gradual but broad-based erosion in Chile’s credit profile.
- **Ecuador (August 24): Fitch affirms Ecuador’s ratings at B and maintains negative outlook (*no change*).**
- **Bahamas (August 25): Moody’s affirms Bahamas Baa3 ratings and changes outlook to negative**, concluding review for downgrade. The negative outlook reflects potential downside risks to the fiscal consolidation process posed by weak growth and exposure to climate-related shocks.
- **Venezuela (August 30): Fitch downgrades Venezuela’s long-term foreign rating to CC from CCC following the imposition of new financial sanctions by the U.S.** The agency said the sanctions further reduced financing options for the country and state-owned oil company PDVSA, and that a default by Venezuela was now “probable.”

Box 1– (conclusion)*October*

- **El Salvador (October 2): S&P downgrades El Salvador’s long-term foreign currency rating to Selective Default (SD) from CC/Negative** after Congress approved amendments to the terms of its Certificates for Pension Investments (CIPs). Restructuring the original terms is classified a default, according to the agency. Upon the completion of the restructuring, however, S&P said it would assign El Salvador with a new rating.
- **Guatemala (October 18): S&P downgrades Guatemala’s long-term foreign currency rating to BB- from BB with a stable outlook**, citing recurrent political instability and weak government institutions.

November

- **Venezuela (November 3): S&P downgrades Venezuela’s long-term foreign currency rating to CC from CCC-, and places it on CreditWatch with negative implications**, following the sovereign’s announcement of a national commission to pursue a restructuring of all of Venezuela’s external debt obligations.
- **Venezuela (November 3): Fitch downgrades Venezuela’s long-term foreign currency rating to C from CC**, reflecting the announcement by the authorities that they intend to pursue a renegotiation of Venezuela’s external debt obligations.
- **Cuba (November 8): Moody’s changes outlook on Cuba’s Caa2 rating to stable from positive**, citing a stalled rapprochement process with the United States and adding that Moody’s expectations of continued reform momentum and favorable macroeconomic performance have not materialized due to a series of climate shocks, strained relations with the U.S. and the upcoming domestic political transition.
- **Venezuela (November 13): S&P downgrades Venezuela’s long-term foreign currency rating to SD (Selective Default) from CC**, following the sovereign’s failure to make a US\$ 200 million in coupon payments for its global bonds due 2019 and 2024 within the 30-calendar-day grace period.
- **Venezuela (November 14): Fitch downgrades Venezuela’s long-term foreign currency rating to RD (Restricted Default) from C**, following the failure of bond holders to receive overdue interest payments on Venezuela’s sovereign bonds maturing October 13, 2019 and October 13, 2024 by the end of the 30-day grace period that ended on November 13, 2017.

Source: ECLAC, on the basis of information from various market sources.

B. Latin American Spreads

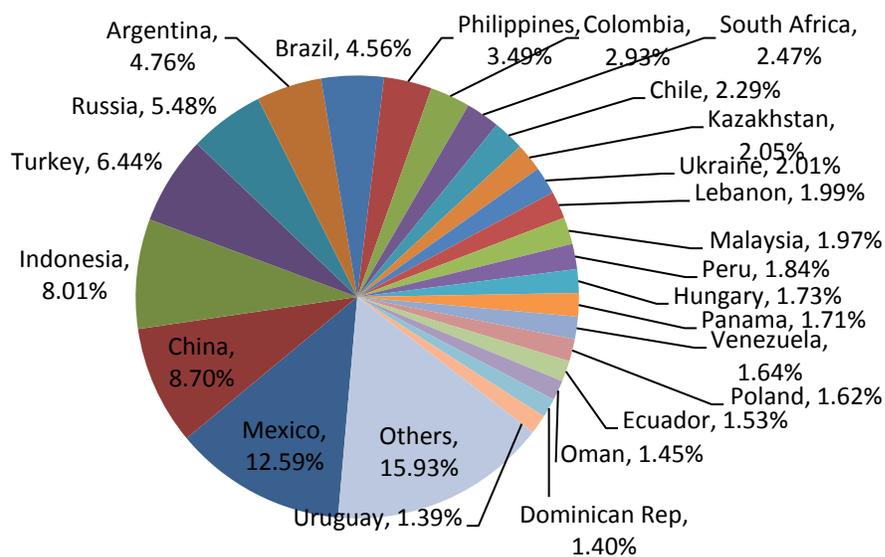
TABLE 2:
SOVEREIGN SPREADS ON JPMORGAN EMBI GLOBAL AND LATIN AMERICAN COMPOSITES
(Basis Points)

	EMBI Global	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	Venezuela	Latin America
27-Nov-13	355	776	256	171	190	539	211	193	220	1221	427
31-Dec-13	327	808	230	148	163	530	177	162	194	1141	393
31-Jan-14	390	1085	278	172	208	605	219	202	239	1400	479
28-Feb-14	344	907	251	151	184	609	195	181	217	1255	424
31-Mar-14	324	799	230	143	168	508	182	165	192	1165	393
30-Apr-14	315	786	217	137	157	361	177	149	187	1018	366
30-May-14	293	833	214	129	147	372	165	150	167	1031	359
30-Jun-14	285	724	211	123	144	376	160	151	169	938	340
30-Apr-14	315	786	217	137	157	361	177	149	187	1018	366
30-May-14	293	833	214	129	147	372	165	150	167	1031	359
30-Jun-14	285	724	211	123	144	376	160	151	169	938	340
31-Jul-14	291	649	214	125	145	486	164	151	177	976	352
29-Aug-14	306	808	208	124	146	412	161	148	169	1123	369
30-Sep-14	334	700	241	137	169	484	186	162	193	1387	416
31-Oct-14	332	703	236	146	172	495	188	169	193	1507	424
26-Nov-14	353	687	243	157	175	550	195	167	198	1837	453
31-Dec-14	404	719	270	169	196	883	213	182	208	2457	508
30-Jan-15	455	742	331	200	229	887	252	208	218	3173	571
27-Feb-15	402	618	328	144	199	763	215	170	211	2736	500
31-Mar-15	410	629	331	158	222	865	228	181	214	2902	516
30-Apr-15	376	603	297	147	213	672	224	171	210	2200	472
29-May-15	380	601	297	150	220	735	225	174	207	2483	492
30-Jun-15	392	631	309	158	233	824	232	182	213	2879	513
31-Jul-15	407	615	325	179	250	980	244	196	227	2829	533
29-May-15	380	601	297	150	220	735	225	174	207	2483	492
30-Jun-15	392	631	309	158	233	824	232	182	213	2879	513
31-Jul-15	407	615	325	179	250	980	244	196	227	2829	533
31-Aug-15	430	584	363	205	277	1344	264	225	257	2922	566
30-Sep-15	474	591	491	244	318	1451	313	258	305	3129	630
31-Oct-15	422	489	139	210	283	1252	275	220	274	2692	560
30-Nov-15	420	487	450	235	286	1207	280	224	266	2605	561
31-Dec-15	446	438	548	253	317	1266	315	240	280	2807	605
29-Jan-16	494	502	540	274	378	1509	362	273	317	3560	677
29-Feb-16	483	465	530	250	368	1391	353	260	309	3255	639
31-Mar-16	434	444	426	213	295	1058	308	226	279	3108	573
29-Apr-16	410	544	401	183	278	941	286	198	268	2858	541
31-May-16	421	500	418	203	297	855	304	213	271	2933	553
30-Jun-16	407	495	366	202	257	913	293	200	270	2659	522
29-Jul-16	392	496	346	174	270	877	294	194	262	2510	501
31-Aug-16	361	455	315	174	232	863	258	162	229	2456	459
30-Sep-16	360	441	324	180	221	845	294	154	232	2053	456
31-Oct-16	364	452	316	177	237	743	293	155	230	2316	467
30-Nov-16	388	515	338	174	252	736	330	173	252	2343	510
30-Dec-16	365	455	330	158	225	647	296	170	244	2168	473
31-Jan-17	352	469	291	144	209	590	296	159	225	2056	455
28-Feb-17	334	458	280	130	202	572	275	152	227	2050	436
31-Mar-17	331	442	264	133	192	666	255	146	209	2377	436
30-Apr-17	321	405	259	136	195	667	254	144	204	2151	419
31-May-17	323	407	282	134	203	694	255	145	205	2228	426
30-Jun-17	328	432	284	132	200	706	255	145	193	2464	435
31-Jul-17	324	448	263	123	194	673	237	152	182	2977	434
31-Aug-17	321	402	265	130	195	643	244	153	181	3125	424
29-Sep-17	308	377	240	128	185	606	233	140	165	3094	407
31-Oct-17	307	361	237	118	183	563	247	136	154	3171	403
30-Nov-17	313	357	234	123	176	507	232	133	145	4717	417

Source: "Emerging Markets Bond Index Monitors"; JPMorgan.

EMBI Global composition by country (end-November 2017): Mexico, Argentina and Brazil account for 21.90% of the total weighting.
 EMBI Global composition by region: Latin: 40.24%; Non-Latin: 59.76%.

EMBI GLOBAL COMPOSITION (AS OF NOVEMBER 2017)



Others:	%
Egypt	1.22%
Sri Lanka	1.15%
Croatia	1.00%
Romania	0.74%
El Salvador	0.71%
Azerbaijan	0.71%
Costa Rica	0.68%
Jamaica	0.66%
Lithuania	0.61%
Ivory Coast	0.53%
Pakistan	0.53%
India	0.48%
Serbia	0.43%
Iraq	0.41%
Mongolia	0.41%
Zambia	0.36%
Paraguay	0.35%
Trinidad & Tobago	0.35%
Jordan	0.34%
Ghana	0.34%
Kenya	0.33%
Nigeria	0.31%
Guatemala	0.30%
Morocco	0.27%
Gabon	0.25%
Senegal	0.25%
Bolivia	0.23%
Honduras	0.21%
Vietnam	0.21%
Angola	0.19%
Slovakia	0.18%
Belarus	0.17%
Namibia	0.14%
Georgia	0.13%
Armenia	0.12%
Ethiopia	0.12%
Tunisia	0.11%
Cameroon	0.10%
Latvia	0.08%
Suriname	0.07%
Mozambique	0.06%
Tajikistan	0.05%
Belize	0.04%
Total	15.93%

C. New LAC Debt Issuance

**TABLE 3:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FIRST QUARTER OF 2017**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jan-17					
Brazil	Petrobras	USD 2000	2,000	6.125%	2022
Brazil	Petrobras	USD 2000	2,000	7.375%	2027
Ecuador	Republic of Ecuador	USD 1000	1,000	9.650%	2026 (r)
Brazil	Fibra Overseas Finance Ltd	USD 700	700	5.500%	2027 (g)
Honduras	Republic of Honduras	USD 700	700	6.250%	2027
Dominican Republic	Aeropuertos Dominicanos Siglo XXI (Aerodom)	USD 317	317	6.750%	2029
Brazil	Raizen Fuels Finance S.A.	USD 500	500	5.300%	2027
Argentina	Genneia	USD 350	350	8.750%	2022 NC3
Argentina	Pampa Energía	USD 750	750	7.500%	2027 NC5
Colombia	Republic of Colombia	USD 1000	1,000	3.875%	2027
Colombia	Republic of Colombia	USD 1500	1,500	5.000%	2045 (r)
Dominican Republic	Dominican Republic	USD 1200	1,200	5.950%	2027
Chile	Metro de Santiago (Empresa de Transporte de Pasajeros Metro SA)	USD 500	500	5.000%	2047
Supranational	CAF Development Bank of Latin America	EUR 750	798	0.500%	2022
Chile	Republic of Chile	CLP 1000000	1,510	4.500%	2021
Argentina	Republic of Argentina	USD 3250	3,250	5.625%	2027
Argentina	Republic of Argentina	USD 3750	3,750	6.875%	2022
Colombia	Tecnoglass	USDS 210	210	8.200%	2022
Supranational	Central American Bank for Economic Integration (CABEI)	HKD 400	51	3.270%	2024
Supranational	Central American Bank for Economic Integration (CABEI)	NOK 500	60	2.990%	2029
Guatemala	Central America Bottling Corporation (CBC)	USD 500	500	5.750%	2027 NC5
Brazil	Embraer	USD 750	750	5.400%	2027
Supranational	CAF Development Bank of Latin America	BRL 220	70	8.100%	2020
Argentina	AES Argentina Generación	USD 300	300	7.750%	2023 NC4
Argentina	Aeropuertos Argentina 2000 (AA2000)	USD 400	400	6.875%	2027
			24.165		
Feb-17					
Argentina	Entre Rios Province	USD 350	350	8.750%	2025
Mexico	Sigma Alimentos	EUR 600	646	MS+225	2024
Brazil	Rumo	USD 750	750	7.375%	2024 NC4
Argentina	Banco Supervielle	ARS 4768	300	Badlar+450	2020
Brazil	Vale Overseas Ltd.	USD 1000	1,000	6.250%	2026 (r)
Argentina	Compania Latinoamericana de Infraestructura y Servicios (Clisa)	USD 100	100	9.500%	2023 NC4(r)
Peru	Fondo Mivivienda	USD 150	150	3.500%	2023 (r)
Peru	Fondo Mivivienda	PEN 1500	455	7.000%	2024
Argentina	Buenos Aires Province	USD 750	750	6.500%	2023
Argentina	Buenos Aires Province	USD 750	750	7.875%	2027 (r)
Argentina	Stoneway Capital Corporation	USD 500	500	10.000%	2027
Mexico	Pemex	EUR 1750	1,853	2.500%	2021
Mexico	Pemex	EUR 1250	1,324	3.750%	2024
Mexico	Pemex	EUR 1250	1,324	4.875%	2028
Argentina	La Rioja Province	USD 200	200	9.750%	2025
Supranational	Central American Bank for Economic Integration (CABEI)	AUD 65	50	4.420%	2026 (r)
El Salvador	Republic of El Salvador	USD 601	601	8.625%	2029
Argentina	Province of Cordoba	USD 510	510	7.450%	2024
Argentina	Entre Rios Province	USD 350	350	8.750%	2025
Mexico	Sigma Alimentos	EUR 600	646	MS+225	2024
			11.613		
Mar-17					
Brazil	Republic of Brazil	USD 1000	1,000	6.000%	2026 (r)
Brazil	Marfrig Alimentos	USD 750	750	7.000%	2024 NC3
Mexico	Nemak	EUR 500	529	3.250%	2024 NC4
Brazil	Suzano Papel e Celulose	USD 300	300	7.000%	2047
Supranational	CAF Development Bank of Latin America	AUD 175	131	4.500%	2027
Bolivia	Republic of Bolivia	USD 1000	1,000	4.500%	2028
Argentina	Raghsa	USD 100	100	7.250%	2024 NC4
Chile	BancoEstado	CHF 100	100	0.575%	2027
Mexico	United Mexican States	USD 2400	2,400	4.150%	2027
Argentina	Province of Santa Fe	USD 250	250	7.000%	2023
Panama	Global Bank	USD 150	150	4.500%	2021 (r)
Supranational	CAF Development Bank of Latin America	CHF 160	160	0.300%	2025
El Salvador	Grupo Unicomer	USD 350	350	7.875%	2024
Paraguay	Republic of Paraguay	USD 500	500	4.700%	2027
Mexico	Nafin	JPY 10000	90	0.780%	2022
Argentina	Republic of Argentina	CHF 400	403	3.375%	2020
Brazil	Globo Comunicações	USD 200	200	5.125%	2027
Supranational	Central American Bank for Economic Integration (CABEI)	USD 167	167	L+100	2022
Colombia	Banco GNB Sudameris	USD 300	300	6.500%	2027 NC5
Chile	Inversiones CMPC (Compañía Manufacturera de Papeles y Cartones)	USD 500	500	4.375%	2027
Argentina	Arcos Dorados	USD 265	265	5.875%	2027
			9.645		

Source: LatinFinance (Bonds Database).

Notes:

(r): retap; (g): green..

NC3, NC4, NC5: only callable after 3, 4 and 5 years, respectively.

Q1 2017 Total

45.423

**TABLE 4:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
SECOND QUARTER OF 2017**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity	
Apr-17						
Chile	LATAM Airlines (LATAM Finance Ltda)	USD 700	700	6.875%	2024	
Mexico	Grupo Kaltex SA de CV	USD 320	320	8.875%	2022	
Argentina	Tierra del Fuego	USD 200	200	8.950%	2027	
Mexico	Banco Inbursa	USD 750	750	4.550%	2027	
Colombia	Sura Asset Management SA	USD 350	350	4.375%	2027	
Argentina	Tarjeta Naranja	USD 250	250	15.000%	2022	
Argentina	Province of Neuquen	USD 366	366	7.500%	2025	
Peru	Orazul Energy	USD 550	550	5.625%	2027	NC5
Guatemala	Energuate Trust	USD 330	330	5.875%	2027	NC5
Brazil	Votorantim Metais (VM Holding SA)	USD 700	700	5.375%	2027	NC5
Chile	Banco de Chile	EUR 53	57	1.700%	2032	
			4,573			
May-17						
Brazil	BNDES	USD 1000	1,000	4.750%	2024	(g)
Argentina	Banco Macro	ARS 4621	300	17.500%	2022	
Chile	Celeo Redes	USD 379	379	5.200%	2047	
Argentina	YPF	ARS 4659	300	16.500%	2022	
Panama	Republic of Panama	USD 150	150	3.875%	2028	(r)
Panama	Republic of Panama	USD 1050	1,050	4.500%	2047	
Chile	Enjoy	USD 300	300	10.500%	2022	NC3
Chile	BancoEstado	AUD 110	81	4.180%	2027	
Argentina	Capex	USD 300	300	6.875%	2024	NC4
Mexico	Unifin Financiera	USD 450	450	7.000%	2025	NC4
Brazil	Petrobras	USD 1000	1,000	6.125%	2022	(r)
Brazil	Petrobras	USD 2000	2,000	7.375%	2027	(r)
Brazil	Petrobras	USD 1000	1,000	7.250%	2044	(r)
Argentina	Province of Buenos Aires	ARS 15180	944	24.5%/15.0%	2022	
Costa Rica	Autopista del Sol	USD 300	300	7.375%	2030	
Ecuador	Republic of Ecuador	USD 1000	1,000	8.750%	2023	
Ecuador	Republic of Ecuador	USD 1000	1,000	9.625%	2027	
Guatemala	Republic of Guatemala	USD 500	500	4.375%	2027	
			12,054			
Jun-17						
Peru	Petróleos del Peru (Petroperu)	USD 1000	1,000	4.750%	2032	
Peru	Petróleos del Peru (Petroperu)	USD 1000	1,000	5.625%	2047	
Uruguay	Republic of Uruguay	UYU 31150	1,250	9.875%	2022	
Brazil	Minerva Foods	USD 350	350	6.625%	2026	(r)
Panama	Multibank	CHF 100	102	2.000%	2021	
Argentina	Arcor	USD 150	150	6.000%	2023	(r)
Chile	Republic of Chile	EUR 700	785	1.875%	2030	(r)
Chile	Republic of Chile	USD 1243	1,243	3.860%	2047	
Dom. Republic	Dominican Republic	USD 500	500	5.950%	2027	(r)
Argentina	Republic of Argentina	USD 2750	2,750	7.125%	2117	
Mexico	Grupo Cementos de Chihuahua (GCC)	USD 260	260	5.250%	2024	NC4
Chile	Nova Austral	USD 300	300	8.250%	2021	NC2
Mexico	Comisión Federal de Electricidad (CFE)	USD 750	750	5.150%	2047	
Mexico	Grupo Kuo	USD 450	450	5.750%	2027	NC5
Argentina	Province of Córdoba	USD 450	450	7.125%	2027	
Mexico	Banorte	USD 550	550	7.625%	2027	*
Mexico	Banorte	USD 350	350	6.875%	2022	*
			12,240			

Source: LatinFinance (Bonds Database).

Notes:

(r): retap; (g): green.

NC2, NC3, NC4, NC5: only callable after 2, 3, 4 and 5 years, respectively.

*These are AT1 bonds, which have no maturity date, but the issuing bank has the option to call back the bonds or repay the principal after a specified period of time. In the case of these two bonds, they will be called back after ten and five years.

Q2 2017 Total **28,867**

H1 2017 **74,290**

**TABLE 5:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
THIRD QUARTER OF 2017**

Jul-17					
Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Supranational	CAF Development Bank of Latin America	USD 1250	1,250	2.200%	2020
Mexico	Pemex	USD 2500	2,500	6.500%	2027 (r)
Mexico	Pemex	USD 2500	2,500	6.750%	2047 (r)
Chile	Cencosud	USD 1000	1,000	4.375%	2027
Mexico	Financiera Independencia (FinDep)	USD 250	250	8.000%	2024 NC4
Argentina	Buenos Aires Province	EUR 500	570	5.375%	2023
Peru	Republic of Peru	PEN 10000	3,100	6.150%	2032
Argentina	YPF	USD 750	750	6.950%	2027
Brazil	JSL	USD 325	325	7.750%	2024
Colombia	Credivalores	USD 250	250	9.750%	2022
Honduras	Inversiones Atlantida SA	USD 150	150	8.250%	2022 NC3
Chile	Santander Chile	USD 100	100	L+80	2020
Chile	Codelco (Corporación Nacional del Cobre de Chile)	USD 1500	1,500	3.625%	2027
Chile	Codelco (Corporación Nacional del Cobre de Chile)	USD 1250	1,250	4.500%	2047
Colombia	Banco de Bogota SA	USD 600	600	4.375%	2027
Brazil	Atento SA (through subsidiary Atento Luxco 1)	USD 400	400	6.125%	2022 NC2
Panama	Banco General	USD 550	550	4.125%	2027
Panama	Metro de Panama (Sparc EM SPC Panama Metro Line 2)	USD 619	619	3.875%	2022
			17,664		
Aug-17					
Colombia	Republic of Colombia	USD 1400	1,400	3.875%	2027 (r)
Mexico	TV Azteca	USD 400	400	8.250%	2024 NC4
Supranational	Central American Bank for Economic Integration (CABEI)	AUD 36.7	29	2.200%	2021
Supranational	Central American Bank for Economic Integration (CABEI)	ZAR 328.7	25	7.050%	2021
Peru	Cerro de Aguilas	USD 650	650	4.125%	2027
Jamaica	Republic of Jamaica	USD 505	505	6.750%	2028 (r)
Jamaica	Republic of Jamaica	USD 364	364	7.875%	2045 (r)
			3,373		
Sep-17					
Brazil	Suzano Papel e Celulose	USD 200	200	5.750%	2026 (g) (r)
Brazil	Suzano Papel e Celulose	USD 200	200	7.000%	2047 (r)
Uruguay	Republic of Uruguay	UYU 31603	1,100	8.500%	2028
Chile	Empresa Nacional del Petroleo (ENAP)	USD 600	600	4.500%	2047
Peru	San Miguel Industrias (SMI)	USD 300	300	4.500%	2022
Brazil	Klabin	USD 500	500	4.875%	2027 (g)
Panama	Banistmo	USD 400	400	3.650%	2022
Brazil	Cosan	USD 500	500	5.950%	2024
Supranational	Millicom	USD 500	500	5.125%	2028 NC5
Peru	Fenix Power	USD 340	340	4.317%	2027
Argentina	Province of Jujuy	USD 210	210	8.625%	2022
Mexico	Mexico Airport Trust	USD 1000	1,000	3.875%	2028
Mexico	Mexico Airport Trust	USD 3000	3,000	5.500%	2047
Argentina	Adecoagro S.A.	USD 500	500	6.000%	2027 NC5
Chile	GeoPark Latin America Ltd (Agencia en Chile)	USD 425	425	6.500%	2024 NC4
Brazil	Petrobras	USD 1000	1,000	5.299%	2025
Brazil	Petrobras	USD 1000	1,000	5.999%	2028
Mexico	Mexichem	USD 500	500	4.000%	2027
Mexico	Mexichem	USD 500	500	5.500%	2048
Chile	Cooppeuch	CHF 125	129	1.050%	2021
Mexico	Cydsa	USD 330	330	6.250%	2027
			13,234		

Source: LatinFinance (Bonds Database), Bloomberg.

Notes:

(r): retap.

NC2: only callable after 2 years.

NC3: only callable after 3 years.

NC4: only callable after 4 years

Q3 2017 Total **34,271**
2017 YTD Total **108,561**

**TABLE 6:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FOURTH QUARTER OF 2017**

Oct-17					
Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon(%)	Maturity
Mexico	United Mexican States	USD 1880	1,880	4.600%	2048
Brazil	Republic of Brazil	USD 3000	3,000	4.625%	2028
Brazil	Aegea Saneamento e Participações	USD 400	400	5.750%	2024 NC4
Mexico	Docuformas	USD 150	150	9.250%	2022 NC3
Brazil	Braskem	USD 500	500	3.500%	2023
Brazil	Braskem	USD 1250	1,250	4.500%	2028
Chile	Colbun	USD 500	500	3.950%	2027
Chile	Banco de Crédito e Inversiones (BCI)	USD 500	500	3.500%	2027
Colombia	Bancolombia	USD 750	750	4.875%	2027
Chile	Tanner Servicios Financieros	CHF 100	102	1.375%	2020
Brazil	Gerdau S.A.	USD 650	650	4.875%	2027
Peru	Intercorp Financial Services (IFS)	USD 300	300	4.125%	2027
Ecuador	Republic of Ecuador	USD 2500	2,500	8.875%	2027
Brazil	Banco do Brasil	USD 1000	1,000	4.625%	2025
Brazil	Azul Investments	USD 400	400	5.875%	2024 NC4
Colombia	Davivienda	COP 1469000	500	7.500%	2022
Chile	Falabella	USD 400	400	3.750%	2027
Mexico	Nafin	JPY 15000	132	0.660%	2022
Chile	Celulosa Arauco	USD 500	500	3.875%	2027
Chile	Celulosa Arauco	USD 400	400	5.500%	2047
Peru	Banco de Credito del Peru (BCP)	PEN 2000	617	4.850%	2020
Colombia	Empresas Publicas de Medellin (EPM)	COP 2300000	754	8.375%	2024
Supranational	CAF Development Bank of Latin America	USD 1000	1,000	2.750%	2023
			18,185		
Nov-17					
Argentina	Banco Hipotecario	ARS 6300	358	0	2022
Chile	BanChile	JPY 10000	88	1.020%	2037
Peru	Inkia Energy	USD 450	450	5.875%	2027
Argentina	Republic of Argentina	EUR 1000	1,163	3.375%	2023
Argentina	Republic of Argentina	EUR 1000	1,163	5.250%	2028
Argentina	Republic of Argentina	EUR 750	873	6.250%	2047
Panama	Multibank	USD 300	300	4.375%	2022
Mexico	Grupo Bimbo	USD 650	650	4.700%	2047
Colombia	Inversiones JMH	USD 20	20	8.000%	2020
Mexico	Pemex	GBP 450	592	3.750%	2025
Brazil	Fibria	USD 600	600	4.000%	2025
Mexico	Axtel	USD 500	500	6.375%	2024 NC3
Argentina	Stoneway Capital Corporation	USD 165	165	10.000%	2027 (r)
Bahamas	Commonwealth of the Bahamas	USD 750	750	6.000%	2028
Argentina	Entre Rios Province	USD 150	150	8.750%	2025 (r)
Argentina	City of Buenos Aires	ARS 8760	500	Badlar+375	2028
Colombia	Credivalores	USD 35	35	8.250%	2020
Mexico	Credito Real	USD 230	230	9.125%	2022
Brazil	Banco do Brasil	BRL 293.08	91	10.150%	2027
Mexico	Cemex	EUR 650	772	2.750%	2024 NC3
Supranational	CAF Development Bank of Latin America	AUD 75	57	4.500%	2027 (r)
Argentina	Albanesi (Generacion Mediterranea and Central Termica Roca)	USD 86	86	9.625%	2023 NC4 (r)
Brazil	Banco Votorantim	USD 300	300	8.250%	2022
Argentina	Rio Negro Province	USD 300	300	7.750%	2024
Brazil	Cemig	USD 1000	1,000	9.500%	2024 NC6
			11,193		

Source: LatinFinance (Bonds Database), Bloomberg.

Notes:

(r): retap.

NC3: only callable after 3 years.

NC4: only callable after 4 years

Q4 2017 Total*

29,378

*As of end-November

2017 YTD Total

137,939



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