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Capital Flows to Latin America

First Quarter 2004

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CAPITAL FLOWS TO LATIN AMERICA
1st Quarter of 2004*

In the first quarter of 2004, bond flows remained strong as issuers rushed to take advantage of low borrowing costs.[1] Emerging market issuance stood at US$24.4 billion, a 15% increase from the US$20.7 billion issued in the first quarter of 2003 and the highest quarterly supply in the last three years. Almost half of this year's expected sovereign issuance materialized in the first three months.[2] By region, Latin America had the most issuance this quarter with US$11.6 billion (47.3% of all emerging market debt issuance).

However, in the near future, a tightening of liquidity by major industrialized countries is looming. Thus, the acceleration of net capital flows to emerging markets is beginning to slow as the prospect of higher short-term interest rates has made investors more cautious and triggered deleveraging across a wide range of markets.[3]

A rising of interest rates, especially as those foreshadowed by the United States, will negatively affect capital flows to emerging markets, particularly if they are enacted sooner and less gradually than anticipated. In order to counteract the latter scenario, emerging markets will have to rely on strengthening fiscal and monetary policies. The quality of policies in emerging markets, generally speaking, has improved in recent years to include flexible exchange rates (except in Venezuela and Ecuador), budget surpluses (the highest in Argentina, Brazil, and Venezuela), large international reserve buffers, and greater policy response. Yet, policy slippage remains an element of uncertainty. The momentum to implement further needed measures could be challenged, especially if the acceleration in growth currently forecast by the government and others fails to materialize.[4] This is a plausible scenario: less investment leads to less growth.

BOX 1:
Credit Ratings

In the first quarter of 2004, upgrades continue to exceed downgrades in global sovereign ratings. The bulk of these upgrades are concentrated in developing Europe and there are expectations for more upgrades in this region within this year.

In Latin America, moderate changes in credit rating have defined the first quarter of 2004. Chile's outlook was upgraded to stable by S&P and Ecuador's was upgraded to stable by Moody's. Meanwhile, a downgrade risk for the Dominican Republic persists. S&P affirmed a negative outlook for the Dominican Republic. Similarly, Moody's Dominican Republic outlook was downgraded to negative.

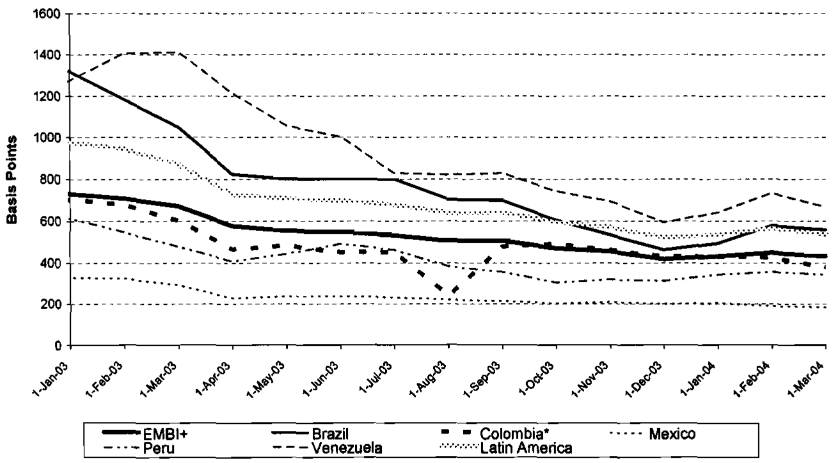
Additionally, a change in credit rating for Brazil remains unlikely while Moody's maintains Mexico as a likely receptor of a credit rating upgrade this year.

* This document has been prepared on the basis of market views and developments. All data and information are from market sources, unless otherwise noted.
1 Institute of International Finance Inc., Capital Flows to Emerging Market Economies, April 2004.
2 Merrill Lynch, Emerging Markets Debt Monthly, April 2004.
3 IMF, Financial Market Update, June 2004.
4 Institute of International Finance Inc., April 2004.

I. Bond Markets and Debt Management

Emerging market spreads, as measured by the J.P. Morgan's benchmark EMBI+ index, began the quarter with a record low on January 8 with a spread of 384 basis points. Since the beginning of January spreads have widened. At the end of January the spread reached 432 bps, rose to 449 bps at the end of February and returned to 432 at the end of March. The Latin American component remained steady throughout the first quarter returning to January's 536 bps in March from its quarter high of 568 in February (see Chart 1).

Chart 1:
Spreads on JP Morgan EMBI+ and Latin American Composites January 2003 to March 2004 (without Argentina)



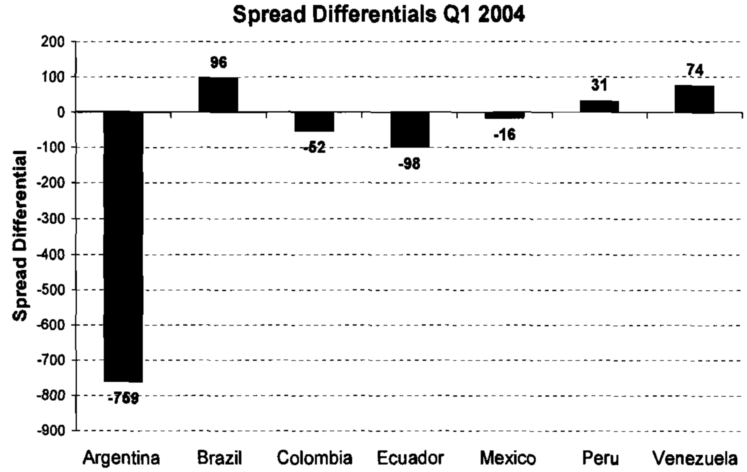
* The Colombia 7 5/8% due 07 and the Colombia 8 5/8% due 08 were added at the end of May 99.

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

Humble changes in spread differentials compared to Argentina's extraordinary contraction, highlighted the first quarter.

Sovereign spreads for Colombia, Ecuador, and Mexico experienced narrowing while Brazil, Peru, and Venezuela experienced expansion (see Chart 2). Brazil and Venezuela remain overweight although political noise is of concern. Peru is considered marketweight, but, like the latter countries, political noise is raising unease.[5]

Chart 2:
Spread Differentials Q1 2004



Source: ECLAC, on the basis of data from JP Morgan.

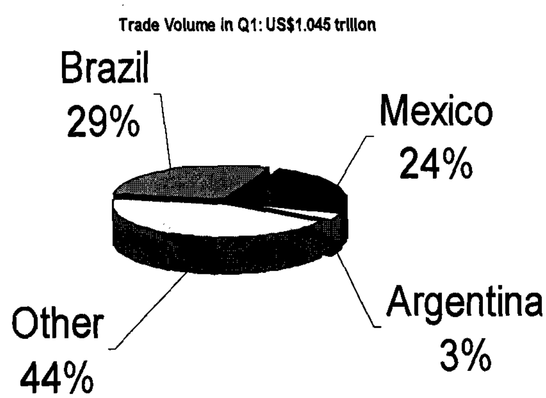
According to the Emerging Markets Traders Association (EMTA), the emerging market debt trading volumes stood at US$1.045 trillion in the first quarter of 2004. This is a 3% increase from the fourth quarter level and a 25% increase from the US$839 reported in the first quarter of 2003. Brazilian instruments volume surpassed all others this quarter representing 29% of total turnover. In fact, trading in Brazilian instruments surpassed volumes of any other instruments for the first time since the third quarter of 2000.

[5] J.P Morgan, Emerging Markets Outlook, March 2004.

Despite speculation that higher US Treasury yields and upcoming Federal Reserve interest rate hikes are dampening interest in emerging market asset class, volume levels have not yet felt any spillover effect.

Mexican instruments fell to second place for the first time in three years. Mexican volumes stood at US$246 trillion this quarter, a retreat of 36% from the last quarter of 2003[6] (see Chart 3).

Chart 3:
Emerging Markets Debt Trading Volume:
Country Shares



Source: EMTA

Eurobond trading represented 47% of the quarter's total volume at US$486 billion. Brazilian instruments accounted for nearly one-third of all Eurobonds (US$157 billion including corporate issues) followed by Mexican instruments which accounted for US$63 billion. Total corporate Eurobond trading reached its highest level in six years at US$80 billion. This phenomenon is explained by the high liquidity of corporate bonds in the first quarter.

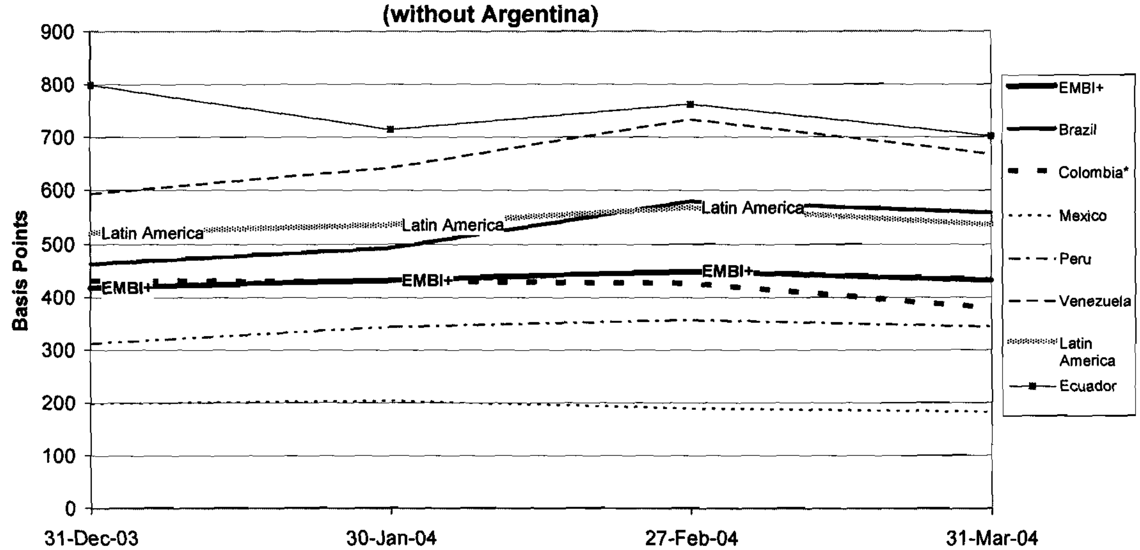
Brady bond trading was virtually unchanged from the last quarter of 2003. At US$86 billion it held 8% of the overall volume.

A. Spreads

The global backdrop does warrant the superior performance in Latin America in the first quarter of 2004. The United States has not raised interest rates, which returned to the lows of the past nine months. Furthermore, commodity prices continue to break new records, benefiting Latin America and confirming the robust global economy.[7] Although the EMBI+ Latin American spreads had a spike during the month of February (EMBI+ Spread equaled 449), they resembled the end of January's figures (432) at the end of the first quarter of 2004 (see Chart 4), except for Argentina whose spread narrowed by 759 bps (see Chart 5).

[6] Mexico was the first country to issue Brady bonds in 1990 and also became the first country to fully pay off its Brady issues in 2003.
[7] J.P Morgan, Emerging Markets Outlook, March 2004.

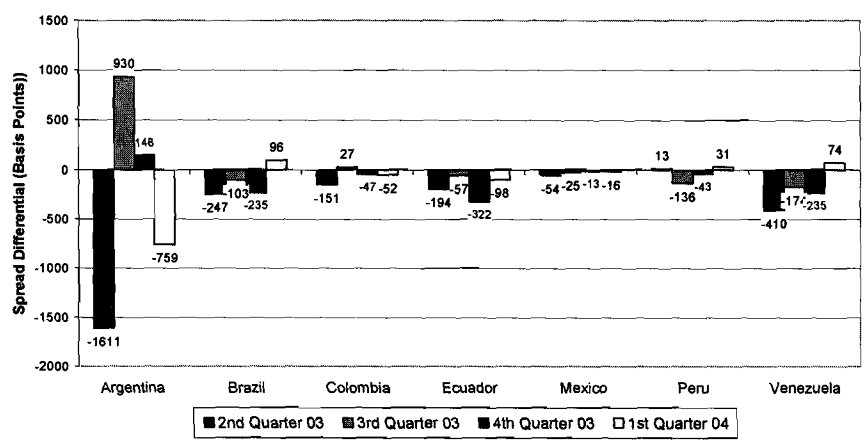
Chart 4:
Spreads on JP Morgan EMBI+ and Latin American Composites Q1 2004
(without Argentina)



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

The dramatic narrowing of Argentine spreads during the first quarter, in February and March, of 2004 (see chart 6) were due to the country's recovering economy as well as its current relations with the IMF and private creditors. President Néstor Kirchner had threatened to default on US$3.1 billion due to the IMF, however, on March 9 President Kirchner pulled back on the default. Additionally, the IMF promised to ask its board to approve a disbursal as part of the US$13.5 billion, it had agreed to pay Argentina under the Dubai agreement.

Chart 5:
Quarterly Spread Differential
2nd Quarter 2003 - 1st Quarter 2004

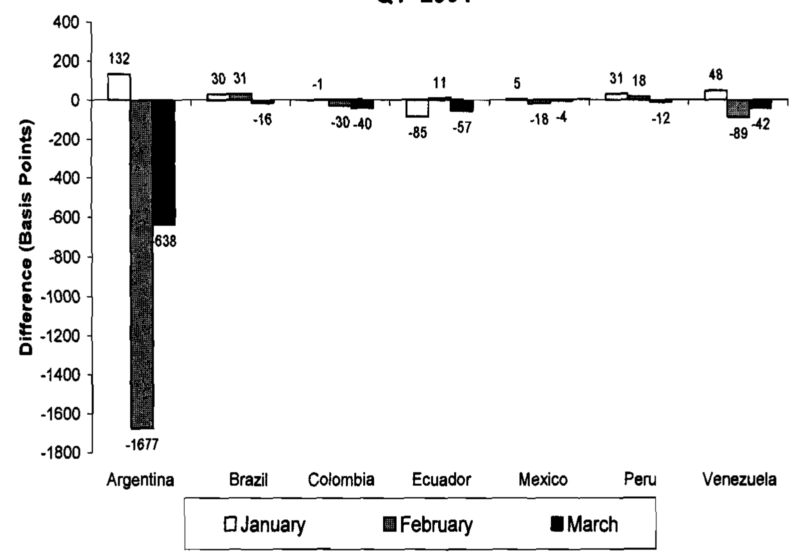


Source: ECLAC, on the basis of data from JP Morgan.

Private creditors who hold US$88.1 billion in debt, no longer serviced by Kirchner's government, also received welcomed news. The Argentine government has agreed to recognize the Global Committee of Argentina Bondholders, a creditor group which represents nearly half of the defaulted bonds. Negotiations are to begin within the next few months.

Finally, there is robust growth in Argentina. Currently the country is meeting its economic and budgetary targets with room to spare. However, the government's incentive to 'talk down' market prices remains intact, which caps the immediate upside and the reason JP Morgan considers Argentina slightly underweight.[8]

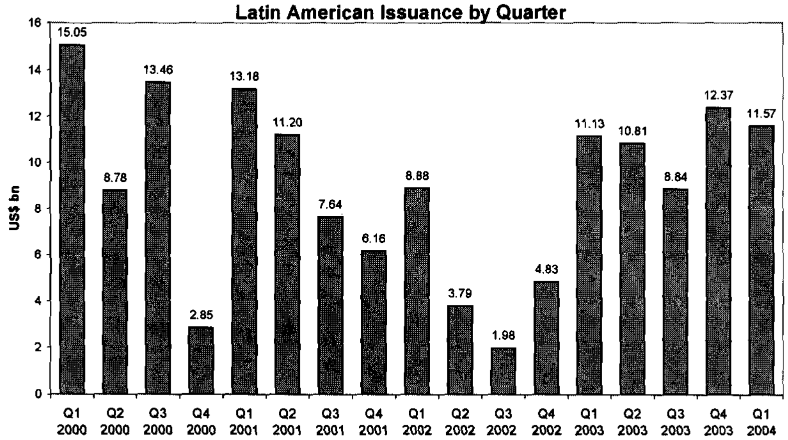
Chart 6:
Monthly Spread Differentials
Q1 2004



Source: ECLAC, on the basis of data from JP Morgan.

Brazilian spreads expanded in the first quarter of 2004 by 96 bps (see chart 5). This is the first quarter of expansion since the third quarter of 2002. Although the economic conditions continue to improve, with inflation receding and trade balances outperforming estimations, the political atmosphere is lackluster and of concern to investors. In the short term it seems evident that Mexico's economic recovery continues its convergence with the United State's.

Chart 7
Latin American Issuance by Quarter



B. Issuance

In the first quarter of 2004, bond flows remained strong as issuers rushed to take advantage of low borrowing costs.[9] Emerging market issuance stood at US$24.4 billion, a 17.8% increase from the US$20.7 billion issued in the first quarter of 2003 and the highest quarterly supply in the last three years. Latin

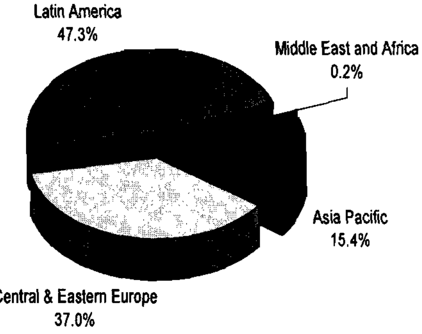
[8] JP Morgan, Emerging Markets Outlook, March 2004.
[9] Institute of International Finance Inc., Capital Flows to Emerging Market Economies, April 2004.

American bond issuers placed US$11.57 billion in international capital markets in the first quarter of 2004, a 3.9% increase over first quarter issuance in 2003 (chart 7).

Latin America had the largest share of total net issuance in the first quarter of 2004: 47.3% (see chart 8).

The compression in spreads on emerging markets bonds in the first quarter of 2004 created an opportunity for a pipeline of new issues both from sovereign and corporate issuers. Expectations that interest rates would rise in the second quarter of 2004 also helped spark an increase in bond issuance in the first quarter (particularly in January).

Chart 8
Emerging Markets Debt Issuance: Regional Breakdown
2004 Year-to-date



Note: Total emerging markets debt issuance year-to-date is $24.43 Bn.

Between January and March of 2004, Latin American corporate issuance reached US$ 4.8 billion, 41% of all issuance in the first quarter. Meanwhile, sovereign issuance reached US$ 6.8 billion or 59% of all issuance (see appendix C).

II. Portfolio Equity Flows into Latin America

According to the International Monetary Fund, portfolio equity investments in Latin America are expected to reach $2.1 billion for 2004[10], following an inflow of $2.9 billion in 2003. During the first quarter of 2004, Latin American stocks increased 6.24% in value based on the Morgan Stanley's MSCI (Morgan Stanley Capital International) Index[11]. Most of the principal markets' Stock Indices continued to build up as the investor's appetite for risk did not fade, which is especially high since March 2003 because of the Fed's low rate policy.[12] The continuing rise of the MSCI EM Latin American Index goes along with the international situation; from March 2003 to March 2004, the international markets recovered $10 trillion of the $13 trillion in capitalization that had been lost since the downturn of April 2000[13].

During the first quarter, Colombia was the best performing country; its Stock Price Index increased 40.7% during the period. A low interest rate (almost zero in real term), strong exports, high remittances and fewer private external debts compared with the same

[10] International Monetary Fund, World Economic Outlook, April 2004.
[11] The MSCI EM (Emerging Markets) Latin America IndexSM is a free float-adjusted market capitalization index that is designed to measure equity market performance in Latin America. As of December 2003 the MSCI EM Latin America Index consisted of the following 7 emerging market country indices: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
[12] BIS, 74th Annual report, p.110
[13] BIS, 74th Annual report, p.107

period in 2003 are all factors that have favored the continuing increase in the Stock Price Index[14].

On the other hand, two countries among the seven biggest Latin American markets underwent a downsizing of their Stock Price Index. Chile decreased by 2.6% while Brazil lost 1.9%. This situation constitutes a reversal shift for Brazil, whose Stock Price Index had more than doubled during 2003, placing the latter among the best performing markets of the world. Political turbulence and the upcoming negotiations with civil servants and minimum wages are probably the causes of the shift, since economic indicators remain positive. In Chile, the decrease is due to an upward shift in the long-term interest rate and investors' doubts about future economic growth[15].

In addition, net private capital flows to emerging markets are projected to increase from US$194 billion last year to US$225 billion this year, some US$100 billion above the low point reached in 2002. Ample liquidity, low interest rates worldwide and a progressive strengthening of global economic activity have been an impetus for the resurgence in flows. The high returns realized in emerging market assets in the past year have attracted investors to the asset class. In Latin America, net direct investment is likely to increase to nearly US$43 billion in 2004 after falling to an eight year low of US$24.4 billion in 2003. This is due to a higher confidence by private investors in the economic conditions in the region. Projected growth in the region is set to pick up to 3.8% this year, including optimistic rebounds by Brazil and Mexico.[16]

III. Bank Lending

According to the latest available information on actual bank lending[17], there was a net outflow of funds from Latin America in the fourth quarter of 2003. The US$ 12 billion outflow was largely the result of a single bilateral move vis-à-vis banks in Brazil. Excluding these, net claims fell by US$ 6 billion. This is the tenth consecutive quarterly decline, reflecting the continued reduction of lending to non-bank borrowers in the region. Yet, excluding the massive transfer of equity holdings from Brazilian banks to a non-bank holding company by a bank in Spain, the net flows into Brazil, while modest, were positive for the first time in six quarters. The stock of claims on the region fell to US$266.7 billion at the end of the fourth quarter from US$272.1 billion at the end of the third quarter of 2003, continuing to reflect the improvement in economic conditions in several of the major borrowing countries. Likewise, liability vis-à-vis Latin America rose by US$ 3.8 billion to US$ 273.1 billion (i.e 22% of total emerging markets liabilities) as both banks and non-banks in the region increased deposits with reporting area banks.

[14] Drausio Giacomelli and Luis Oganes, *Emerging Markets Today*, March 25, 2004, p.20
[15] Drausio Giacomelli and Luis Oganes, *Emerging Markets Today*, March 25, 2004, p.16
[16] *The Institute of International Finance, Inc.*, April 2004.
[17] *BIS Quarterly Review*, June 2004.

Table 3
Cross-border bank flows to Latin America

	Banks	Exchange rate adjusted changes in amounts outstanding, in billions of US$ dollars									
	Banks	2001	2002	2003	2002		2003				Stocks at
	Position*	Year	Year	Year	Q3	Q4	Q1	Q2	Q3	Q4	end-december 2003
Latin America	Claims	-3.5	-26.3	-15.8	-11.4	-7.9	-0.9	-0.1	-4.4	-10.3	266.7
	Liabilities	-1.9	-26.9	25.0	-8.5	-8.2	3.3	12.9	7.5	1.4	273.1
Argentina	Claims	-5.8	-11.8	-8.5	-4.5	-2.3	-1.9	0.9	-5.3	-2.1	23.4
	Liabilities	-16.7	-0.1	-0.9	0.3	0.2	0.6	0.1	-2.2	0.7	24.9
Brazil	Claims	0.9	-11.2	-7.2	-3.5	-6.3	2.2	-1.7	1.0	-9.1	83.1
	Liabilities	0.4	-8.0	14.4	-1.4	-4.3	3.3	6.6	7.7	-3.4	57.1
Chile	Claims	0.2	0.5	22.4	-0.1	1.3	0.2	-0.1	0.1	0.9	22.4
	Liabilities	-1.0	-1.1	-2.6	-0.8	0.3	-1.0	-0.9	-0.1	-0.3	14.3
Mexico	Claims	2.0	3.1	-0.8	-1.9	0.0	-0.5	-0.1	0.8	-0.9	65.4
	Liabilities	8.8	-11.4	6.2	-0.3	1.7	4.5	2.2	0.2	-0.3	62.2
Venezuela	Claims	-0.4	1.1	-1.7	0.0	0.6	-0.5	-0.5	-0.5	-0.1	14.2
	Liabilities	-0.1	0.5	-3.6	-0.6	0.9	-2.5	-1.3	-0.2	0.6	28.6

Source: BIS Quarterly Review, June 2004

* External on-balance sheet positions of banks in the BIS reporting area. Liabilities mainly comprise deposits.

An increase in claims represents an inflow into Latin American economies; an increase in liabilities an outflow.

A decline in lending to Argentine borrowers also contributed to the net outflow from the region. Claims on Argentina fell by US$2.1 billion. Combined, this pushed claims on Argentina down to 8.7% on claims on the region, from 9% in the previous quarter. Meanwhile, liabilities in Argentina rose by US$ .7 billion. Banks in Brazil reduced their liabilities in the fourth quarter by a total of US $3.4 billion, mostly within banks in the US and offshore centers, the first drop in 3 quarters (Table 3).

Table 4
Announced syndicated lending and securities issuance (in billions of US dollars)

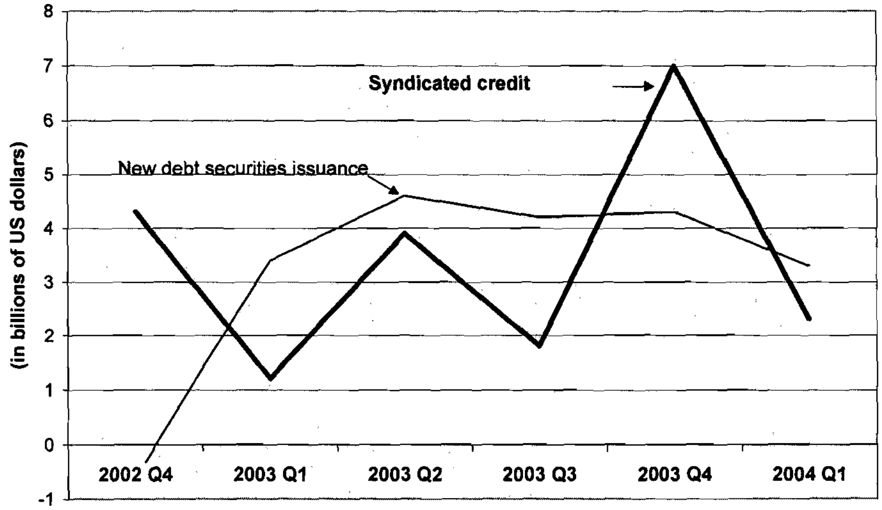
	Syndicated Credit Facilities										
	2001Q3	2001Q4	2002Q1	2002Q2	2002Q3	2002Q4	2003Q1	2003 Q2	2003 Q3	2003 Q4	2004 Q1
Latin America	6.2	8.8	1.6	2.8	2.7	4.3	1.2	3.9	1.3	7.0	3.2
Argentina	0.3	0.2	-	-	-	-	-	-	-	0.3	0.3
Brazil	3.2	2.6	0.8	1.6	0.3	1.2	-	0.8	0.2	0.2	1.1
Chile	-	0.9	0.2	0.2	0.5	0.5	0.2	0.1	0.5	0.7	0.6
Colombia	0.2	0.1	0.5	-	0.5	0.2	-	-	-	0.1	-
Mexico	0.8	4.0	0.1	0.9	1.3	2.2	1.0	2.8	0.6	5.3	0.9

Source: BIS Quarterly Review, June 2004

The Latin American/Caribbean overall volume of announced syndicated lending dropped to US $2.3 billion in the first quarter of 2004 after a sharp increase to $7 billion in the fourth quarter of 2003 from US $1.3 billion in the third quarter of 2003. Borrowing by Mexican and Chilean energy and transportation companies accounted for a major part of Latin American activity (see Chart 9 and Table 4). [18]

[18] Syndicated credits data are not necessarily a reliable proxy for future bank lending. The syndicated credits are gross announcements of loan facilities (i.e. loan commitments, which do not need to be drawn fully or immediately), while changes in amounts outstanding in the BIS data are driven mainly by net new lending (actual disbursements). See Blaise Gadanecz and Karsten von Kleist (202): "Do syndicated credits anticipate BIS consolidated banking data?" *BIS Quarterly Review*, April 2004, pp 65-74.

Chart 9:
Announced Syndicated Lending and Securities Issuance in Latin America/Caribbean



* Net Issuance: Gross Issues - Repayments

Source: ECLAC, on the basis of data from the Bank for International Settlements (BIS).

APPENDIX

A. Credit Ratings in Latin America
B. Latin American Spreads
C. New Latin American Debt Issuance

A. Credit Ratings

Table 1:

Credit Ratings in Latin America

	Moody's		S&P		Recent Moody's Action		Recent S&P Action	
	Rating	View	Rating	View	Action	Date	Action	Date
Argentina	**Caa1**	-	SD	-	**Upgrade, stable**	**20-Aug-03**	Downgrade	6-Nov-01
Barbados	Baa2	-	A-	-	Upgrade, stable	8-Feb-00	Affirmed, stable	2-May-02
Bolivia	Caa1	-	B-	oo	Downgrade, stable	16-Apr-03	Downgrade, O/L (-)	20-Oct-03
Brazil	B2	-	B+	o	Downgrade, stable	12-Aug-03		13-Jan-04
Chile	Baa1	-	A	-	Affirmed, stable	1-Mar-00	Upgrade, stable	14-Jan-04
Colombia	Ba2	oo	BB	oo	O/L changed to (-)	27-Mar-02	**Affirmed, stable**	**24-Dec-03**
Costa Rica	Ba1	oo	CC	oo	O/L changed to (-)	16-Apr-03	O/L changed to (-)	4-Apr-03
Cuba	Caa1	-	nr	-				
Dominican Republic	B3	oo	B+	oo	Downgrade, O/L (-)	30-Jan-04	Affirmed, O/L(-)	5-Feb-04
Ecuador	Caa1	-	CCC+	o	Upgrade, stable	24-Feb-00	**Affirmed, stable**	**23-Dec-03**
El Salvador	Baa3	-	BB+	-	O/L changed to (-)	18-Dec-03	Affirmed, stable	12-May-03
Guatemala	Ba2	-	BB-	-	Affirmed, stable	1-Mar-00	**Affirmed, stable**	**30-Jul-03**
Honduras	B2	-	nr	-	Affirmed, stable	3-Feb-00		
Jamaica	B1	-	B	oo	Downgrade, stable	27-May-03	**Downgrade, O/L (-)**	**28-Jul-03**
Mexico	Baa2	o	BBB-	-	O/L changed to (+)	12-Mar-03	Affirmed, stable	27-Feb-03
Nicaragua	B2	-	nr	-	Affirmed, stable	30-Mar-00		
Panama	Ba1	-	BB	oo			O/L changed to (-)	10-Mar-03
Paraguay	Caa1	-	SD	oo	Downgrade, stable	28-Apr-03		
Peru	Ba3	-	BB-	-	Affirmed, stable	28-Oct-02	**Affirmed, stable**	**17-Nov-03**
Trinidad & Tobago	Baa3	-	BBB	-	Affirmed, stable	30-Aug-00	Upgrade, stable	2-Apr-03
Uruguay	B3	oo	B-	-	Affirmed, O/L (-)	9-May-03	Affirmed, stable	11-Jun-03
Venezuela	Caa1	-	B-	-	O/L changed to stable	27-May-03	**Upgrade, stable**	**30-Jul-03**

- stable outlook; o positive outlook; oo negative outlook

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

A review/watch is indicative of a likely short-term development.

An outlook suggests that a review/watch or long/intermediate-term movement is likely.

Source: JP Morgan, Emerging Markets Outlook, March 25, 2004.

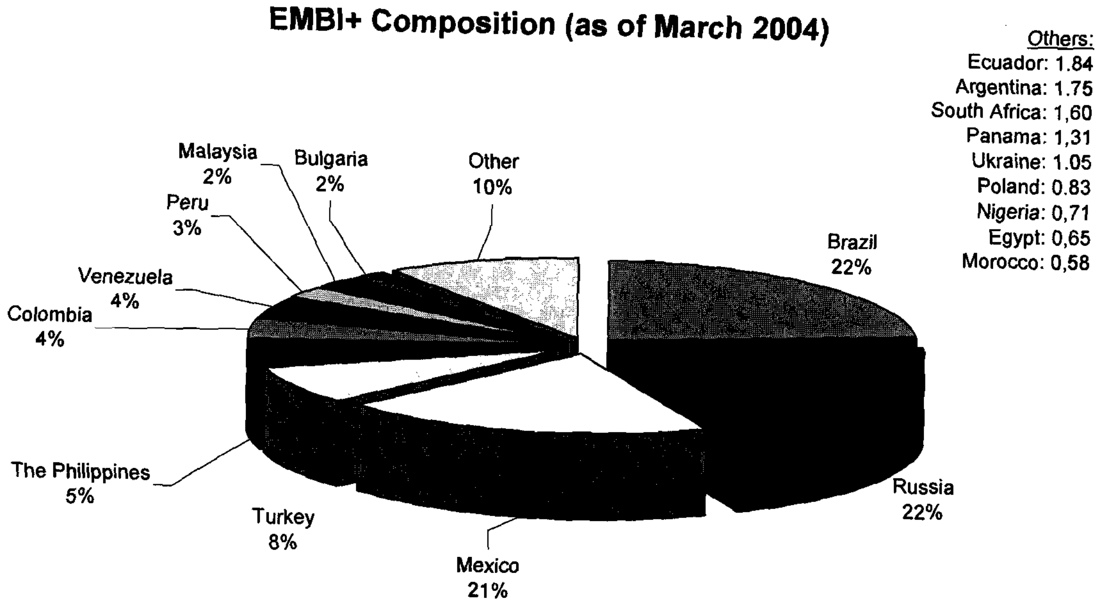
B. Table 2: Latin American Spreads

Sovereign Spreads on JP Morgan EMBI+ and Latin American Composites

	EMBI+	*Argentina*	*Brazil*	*Colombia**	*Ecuador*	*Mexico*	*Peru*	*Venezuela*	*Latin America*	*Non-Latin*
31-Jul-98	633	454	608	n.a.	1371	461	515	829	554	
31-Aug-98	1524	1278	1421	n.a.	2077	941	941	2575	1328	
30-Sep-98	1330	904	1326	n.a.	1903	911	911	1558	1111	
31-Oct-98	1190	779	1192	n.a.	1484	819	755	1372	980	
30-Nov-98	1070	664	975	n.a.	1221	737	610	1612	858	
31-Dec-98	1151	707	1231	n.a.	1631	741	612	1283	941	
31-Jan-99	1288	858	1507	n.a.	2055	801	743	1463	1106	
28-Feb-99	1330	794	1376	n.a.	2405	722	663	1393	1028	
31-Mar-99	1171	683	1041	n.a.	1973	600	562	1121	839	
30-Apr-99	1010	596	873	n.a.	1553	532	396	789	709	
28-May-99	1157	786	1066	671	1862	647	603	1108	880	
30-Jun-99	1070	758	957	667	2113	623	609	896	832	
30-Jul-99	1147	853	1053	691	2473	677	610	1024	919	
31-Aug-99	1166	776	1124	700	3402	644	700	1174	931	
30-Sep-99	1098	663	984	613	4764	596	635	925	823	
29-Oct-99	1010	635	851	505	3705	535	613	836	743	
30-Nov-99	927	650	806	549	3093	449	526	940	715	
31-Dec-99	824	533	636	423	3353	363	443	844	597	
31-Jan-00	904	594	758	482	4033	438	482	894	682	
20-Feb-00	816	551	688	524	3227	364	432	792	616	
31-Mar-00	798	568	679	547	3111	354	518	879	623	
28-Apr-00	708	572	742	740	3350	385	512	952	654	
31-May-00	784	702	792	739	4499	438	611	985	737	
30-Jun-00	712	676	722	722	3926	381	546	895	679	
31-Jul-00	680	650	712	662	2846	353	522	837	654	
31-Aug-00	643	681	672	686	1340	321	496	780	618	
29-Sep-00	677	675	705	722	1261	318	664	798	634	
31-Oct-00	745	815	758	768	1331	365	759	860	707	
30-Nov-00	805	879	829	818	1441	385	772	902	759	
29-Dec-00	756	773	749	755	1415	392	687	958	706	864
31-Jan-01	674	663	677	697	1230	363	674	838	631	765
28-Feb-01	748	803	753	646	1268	428	637	850	710	829
30-Mar-01	784	960	811	645	1366	414	650	874	763	828
30-Apr-01	773	1039	812	634	1482	366	824	833	766	787
31-May-01	751	993	858	600	1366	326	774	852	761	729
29-Jun-01	766	1050	847	541	1303	310	632	847	803	675
31-Jul-01	940	1599	972	585	1454	360	661	925	1016	767
31-Aug-01	885	1430	954	540	1411	354	601	916	959	716
28-Sep-01	1005	1615	1165	626	1516	431	669	995	1103	787
31-Oct-01	1073	2162	1163	628	1558	412	651	1034	1055	778
30-Nov-01	1069	3372	976	545	1393	357	572	1055	1119	646
31-Dec-01	731	4372	863	514	1233	308	521	1130	711	567
31-Jan-02	713	4379	866	586	1144	304	468	1254	837	522
28-Feb-02	644	4276	785	651	1147	272	474	1046	765	473
28-Mar-02	598	5062	718	536	1037	251	419	890	713	429
30-Apr-02	619	5004	849	578	1000	255	492	873	763	417
31-May-02	650	5979	981	567	1184	265	512	933	829	407
28-Jun-02	799	7074	1548	613	1262	323	628	1111	1063	468
31-Jul-02	991	7008	2341	930	1780	390	865	1226	1350	555
30-Aug-02	886	6430	1630	898	1704	360	774	1028	1131	556
30-Sep-02	1041	6553	2395	1084	1975	436	880	1162	1399	601
31-Oct-02	862	6192	1742	841	1854	372	742	1068	1153	501
29-Nov-02	778	6240	1606	694	1696	311	636	943	1054	439
31-Dec-02	765	6391	1446	645	1801	331	610	1127	1007	467
31-Jan-03	730	6022	1319	703	1524	329	613	1275	977	424
28-Feb-03	707	6736	1182	676	1522	324	547	1406	943	413
31-Mar-03	671	6165	1048	602	1372	291	478	1412	869	417
30-Apr-03	576	5225	822	465	1103	227	407	1215	727	368
31-May-03	553	5343	799	483	1128	236	443	1056	707	341
30-Jun-03	547	4554	801	451	1178	237	491	1002	697	346
31-Jul-03	532	5046	801	452	1147	230	462	828	678	329
31-Aug-03	504	4882	703	421	1153	220	383	820	639	315
30-Sep-03	506	5484	698	478	1121	212	355	828	641	316
31-Oct-03	470	5752	605	490	978	202	304	742	595	292
28-Nov-03	455	6260	533	460	910	208	319	693	570	293
31-Dec-03	418	5632	463	431	799	199	312	593	521	268
30-Jan-04	432	5764	493	430	714	204	343	641	536	280
27-Feb-04	449	5815	579	426	762	189	356	733	568	289
31-Mar-04	403	3449	508	360	668	182	349	510	490	268
	EMBI+	*Argentina*	*Brazil*	*Colombia**	*Ecuador*	*Mexico*	*Peru*	*Venezuela*	*Latin America*	*Non-Latin*

Source: "Emerging Markets Bond Index Monitors"; JP Morgan

* The Colombia 7 5/8% due 07 and the Colombia 8 5/8% due 08 were added at the end of May 99.


EMBI+ Composition (as of March 2004)
Others:
Ecuador: 1.84
Argentina: 1.75
South Africa: 1,60
Panama: 1,31
Ukraine: 1.05
Poland: 0.83
Nigeria: 0,71
Egypt: 0,65
Morocco: 0,58
Malaysia 2%
Bulgaria 2%
Other 10%
Peru 3%
Brazil 22%
Venezuela 4%
Colombia 4%
The Philippines 5%
Turkey 8%
Mexico 21%
Russia 22%

C. New Latin American Debt Issuance

C1. January 2004

New Latin American Debt Issuance
First Quarter of 2004
Jan-04

Country	Issuer	Amount (US$ mn)	Maturity
Mexico	United Mexican States	1,000	13-Jan-09
Venezuela	Bolivarian Republic of Venezuela	1,000	13-Jan-34
Brazil	Vale Overseas Limited	500	17-Jan-34
Brazil	CSN Islands Corporation	200	16-Dec-13
Brazil	Federative Republic of Brazil	1,500	20-Jan-34
Brazil	Telemig Celular Participacoes SA	120	20-Jan-09
Costa Rica	Republic of Costa Rica	250	20-Mar-14
Mexico	Banco Nacional Comercial	400	21-Jan-09
Colombia	Republic of Colombia	500	21-May-24
Brazil	Braskem SA	250	22-Jan-14
Brazil	Banespa (Banco do Estado Sao Paulo)	100	24-Jul-06
Brazil	Banco Votorantim	300	23-Jan-14
Brazil	Banco Nossa Caixa SA	100	23-Jan-06
Brazil	LPG International INC	60	22-Jun-05
Panama	Republic of Panama	326	16-Jan-23
Brazil	Banco BNP Paribas Brazil	60	27-Dec-06
Panama	Republic of Panama	250	28-Apr-34
Panama	Republic of Panama	-406	
Chile	Republic of Chile	600	28-Jan-08
Brazil	CIA Siderurgica Paulista	175	30-Jan-09
Total		**7,285**	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".

Currency Breakdown
(% of Latin America's Total)

Currency	Jan-04
Dollar	100.00%
Euro	0.00%
Yen	0.00%
GBP	0.00%

Issuer Type Breakdown
(% of Latin America's Total)

Issuer Type	Jan-04
Sovereign*	75.75%
Corporate**	24.25%

*Also includes state owned enterprises, city and regional governments (sovereign-supported and sub-sovereign issues).
**Also includes bank issuance.

C2. February 2004

New Latin American Debt Issuance
First Quarter of 2004
Feb-04

Country	Issuer	Amount (US$ mn)	Maturity
Bolivia	Colvis Finance Limited	108	2-Feb-09
Brazil	Banco Bradesco SA	100	3-Jan-07
Costa Rica	Instituto Costarricense de Electricidad	60	3-Feb-14
Mexico	United Mexican States	**924**	6-Feb-24
Brazil	Unibanco - Uniao de Bancos Brasileiro	100	10-Aug-05
Jamaica	Republic of Jamaica	**257**	11-Feb-09
Brazil	Banco Mercantil del Norte S.A.	250	17-Feb-14
Brazil	Brasil Telecom S.A.	200	18-Feb-14
Guatemala	CNTL AMR Bottling Corp.	50	18-Feb-09
Total		**2,048**	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".

Currency Breakdown
(% of Latin America's Total)

Currency	Feb-04
Dollar	99.95%
Euro	0.05%
Yen	0.00%
GBP	0.00%

Issuer Type Breakdown
(% of Latin America's Total)

Issuer Type	Feb-04
Sovereign*	60.55%
Corporate**	39.45%

*Also includes state owned enterprises, city and regional governments (sovereign-supported and sub-sovereign issues).
**Also includes bank issuance.

C3. March 2004

New Latin American Debt Issuance
First Quarter of 2004
Mar-04

Country	Issuer	Amount US$ (mm)	Maturity
Mexico	Constructora Internacional de Infrae Structi	230	27-May-08
Uruguay	Republic of Uruguay	100	20-Oct-06
Mexico	America Movil SA de CV	800	1-Mar-14
Mexico	America Movil SA de CV	500	1-Mar-09
Chile	Empresa Nacional de Petroleo	150	15-Mar-14
Brazil	Banco Votorantim	50	19-Mar-07
Chile	AES Gener SA	400	25-Mar-14
Total		**2,230**	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".

Currency Breakdown
(% of Latin America's Total)

Currency	Mar-04
Dollar	100.00%
Euro	0.00%
Yen	0.00%
GBP	0.00%

Issuer Type Breakdown
(% of Latin America's Total)

Issuer Type	Mar-04
Sovereign*	4.48%
Corporate**	95.52%

*Also includes state owned enterprises, city and regional governments (sovereign-supported and sub-sovereign issues).
**Also includes bank issuance.