

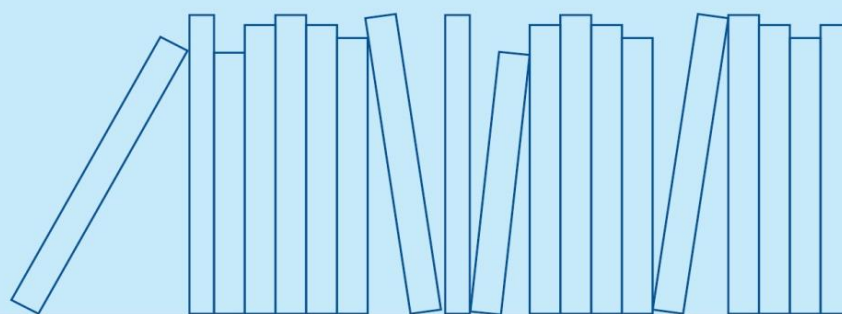
Economic Commission for Latin America and the Caribbean

ECLAC WASHINGTON OFFICE



Capital Flows to Latin America and the Caribbean

Recent developments



UNITED NATIONS

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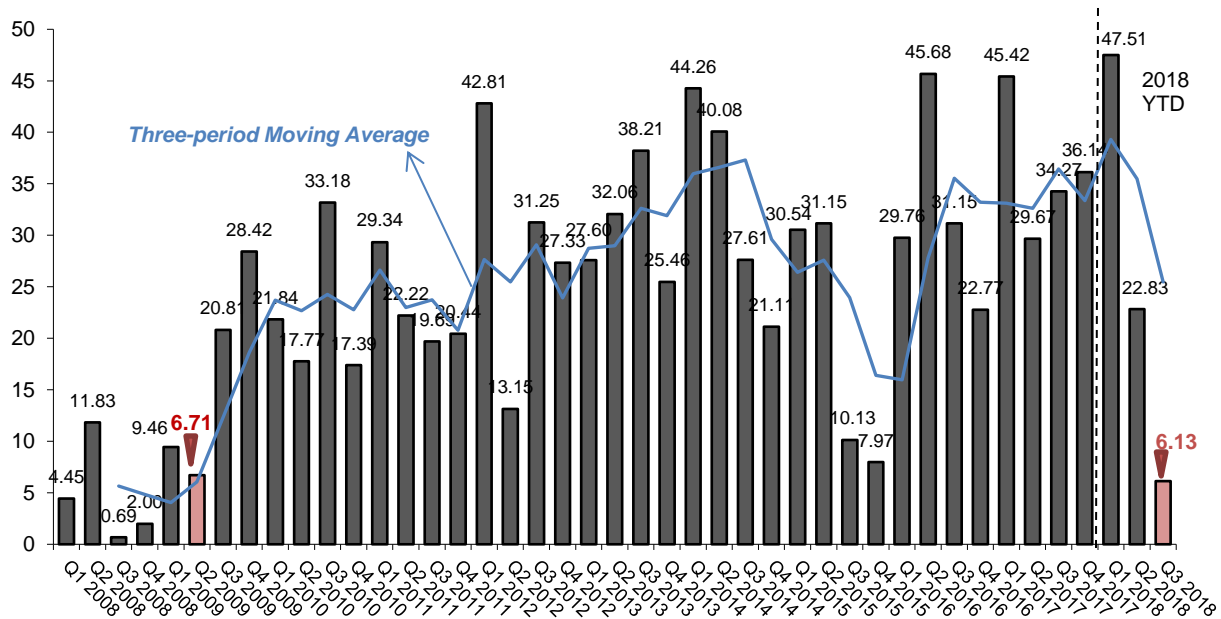
Highlights

- The Latin America and Caribbean (LAC) region has seen the best and the worst conditions for tapping international capital markets this year. In January 2018, issuers from the region placed their highest ever monthly volume of debt in international markets: US\$ 32 billion. First quarter debt issuance in international markets, at US\$ 47.5 billion, also broke a record.
- However, debt issuance from the region in the third quarter of 2018 was the lowest quarterly issuance since the second quarter of 2009 (US\$ 6 billion). From January to October 2018, total international debt issuance amounted to US\$ 86 billion, 33% lower than in the same period last year.
- On the sovereign side, ten countries tapped international bond markets this year so far, with Argentina topping the list with 30% of the total sovereign issuance from January to October in terms of amount. In January, Argentina issued US\$ 9 billion across three sets of bonds. Mexico had the bigger number of deals (seven) in the cross-border market this year, however.
- The 3 top issuers year-to-date, sovereign and corporate issuance combined, accounted for 62% of the total issuance in the period – they included Mexico (28%), Brazil (19%), and Argentina (15%). Corporate issuance represented 60% of the total.
- Despite a strong cross-border market performance in the beginning of the year, bond activity in the rest of the year was affected by U.S. interest rate hikes, withdrawal of dollar liquidity, dollar strengthening, and instability in stock markets. The appreciation of the U.S. dollar, which reduced the appeal of risky assets, increased pressure on LAC assets.
- There was only one international bond issuance with a green focus since the beginning of the year, but there were green and social debt instruments issued in local currency markets. The current slowdown in activity in the green bond market is not expected to continue, and long-term interest in the market remains strong.

Overview

Debt issuance from Latin American and Caribbean (LAC) in the third quarter of 2018 was the lowest quarterly issuance from the region since the second quarter of 2009 (chart 1). Despite starting the year with the highest quarterly issuance on record in the first quarter, deal flows from the region start to decline since then. Bond activity was constrained by rising interest rates and the surging U.S. dollar, which reduced the appeal of risky assets, such as emerging market debt, and raised doubts over the creditworthiness of big dollar debtors.

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

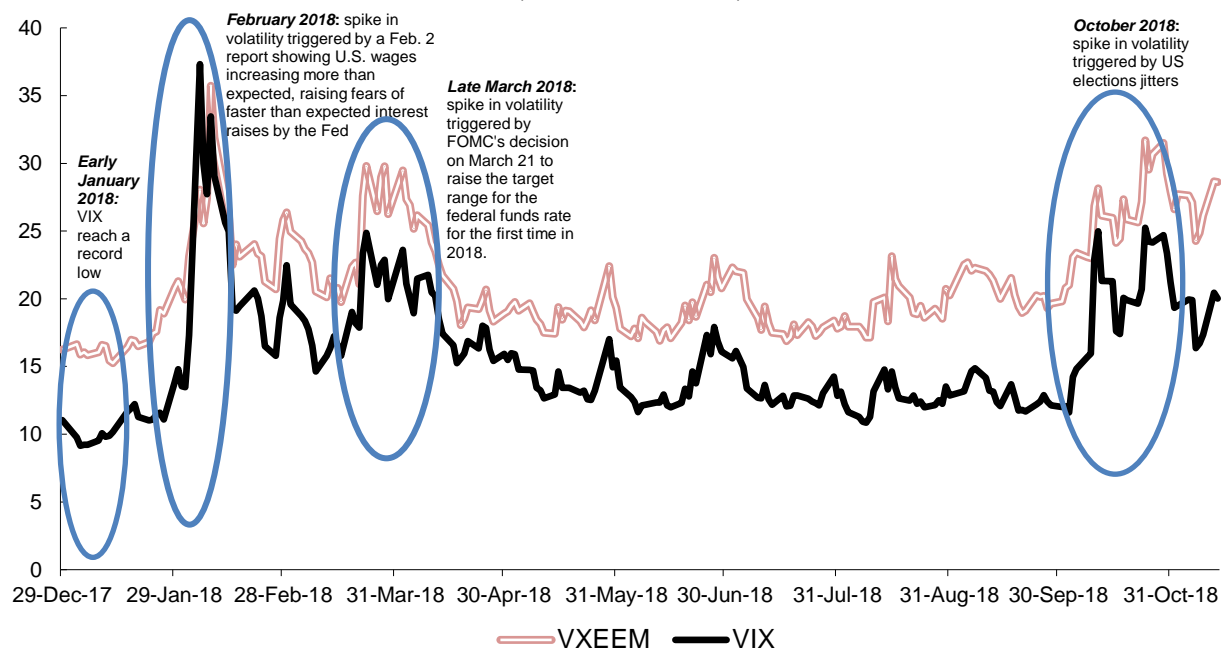


Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

New debt issuance in the region amounted to US\$ 6.1 billion in the third quarter of 2018, 82% lower than in the third quarter of last year. From January to October 2018, total debt issuance reached US\$ 86 billion, 33% lower than last year's issuance in the same period, with issuance picking up in October relative to recent months. Dollar-denominated issuance from the region from January to October was 37% lower than last year's in the same period, following three interest rate hikes by the U.S. Federal Reserve's in March, June, and September, which raised the target range for the federal funds rate to 2 to 2.25%. Sovereign, supranational and agency (SSA) issuance in the region was 41% lower than last year in the same period, weakening to a three-year low. Usually U.S. dollar-denominated bonds dominate the SSA market.

Volatility has clouded the market since the beginning of the year, and a heavy electoral calendar in the region combined with U.S. interest rate hikes and a strong U.S. dollar to lead LAC assets to a sell-off since the end of the first quarter. The result of Brazil's runoff elections at the end of October and subsequent announcements of political appointments had a favorable impact on investors' confidence. In the case of Mexico, the incoming administration's cancellation at the end of October of the US\$ 13.3 billion project to build a new airport in Mexico City, based on the results of a referendum, shook investors' confidence.¹ The airport was already under construction, with the state-owned operator Grupo Aeroportuario de Ciudad de México (GACM) having already issued US\$ 6 billion in bonds through Mexico Airport Trust, a Special Purpose Vehicle. US\$ 2 billion were issued in 2016 and US\$ 4 billion in 2017, through green instruments that were classified in the category of energy efficiency and clean transportation and received a Moody's Green Bond Assessment: GB1.

**CHART 2:
CBOE VOLATILITY INDEX**
(VIX and VXEEM close)



Source: ECLAC Washington Office, based on data from the Chicago Board Options Exchange.

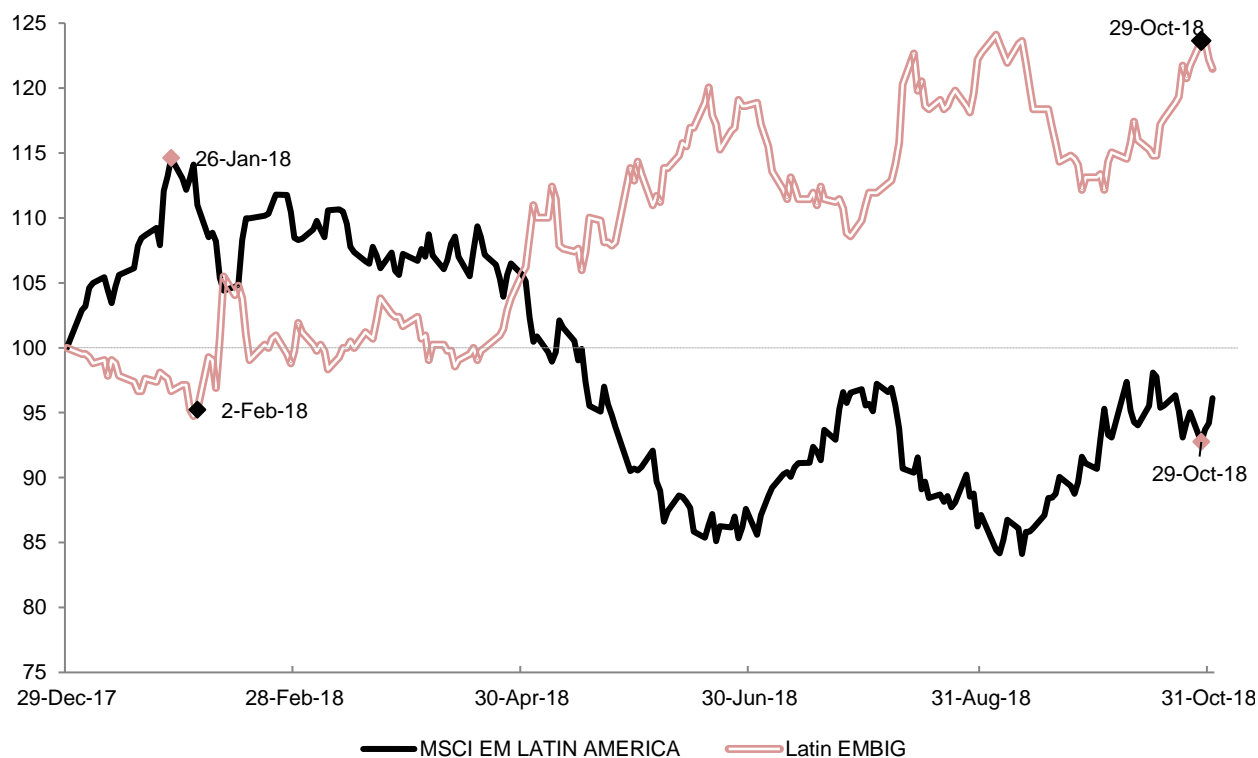
Note: The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. VIX values greater than 30 are generally associated with a large amount of volatility, while values below 20 generally correspond to less stressful, even complacent, times in the markets. The VXEEM is the CBOE volatility index for emerging markets (conveyed by MSCI Emerging Markets Index fund option prices).

¹ According to the Bank of Mexico, foreign investors shed US\$ 2.2 billion of government bonds in October, and fund managers report more sell-offs since the airport decision. Rating agency Fitch put Mexico on negative outlook after the airport decision (see table 1 on page 15).

Political risk abroad has also been a major drive of financial markets this year, from Italy's new government, to U.S. trade policy and world oil prices. Investors see risks on the rise, including rising trade tensions when signs of a slowdown in the global economy are mounting. Germany and Japan have reported an economic contraction in the third quarter and the Organization of the Petroleum Exporting Countries has slashed its global economic forecast to 3.5% for 2019. The economic data increasingly suggests that the global economic cycle is entering a mature phase. One reason is a slowdown in demand from consumers and companies in China, driven in part by a crackdown on risky financing and concerns over trade disputes between Beijing and Washington. China's growth slowed to its lowest level since 2009 in the third quarter.

Both Latin American stocks and debt spreads were adversely impacted by the increase in volatility and risk perception in global markets. While LAC bond spreads showed a widening trend, Latin American equity prices showed a narrowing trend since the end of January (chart 3).

**CHART 3:
LATIN AMERICAN EQUITY PRICES VS BOND SPREADS**
(MSCI and EMBIG indices)

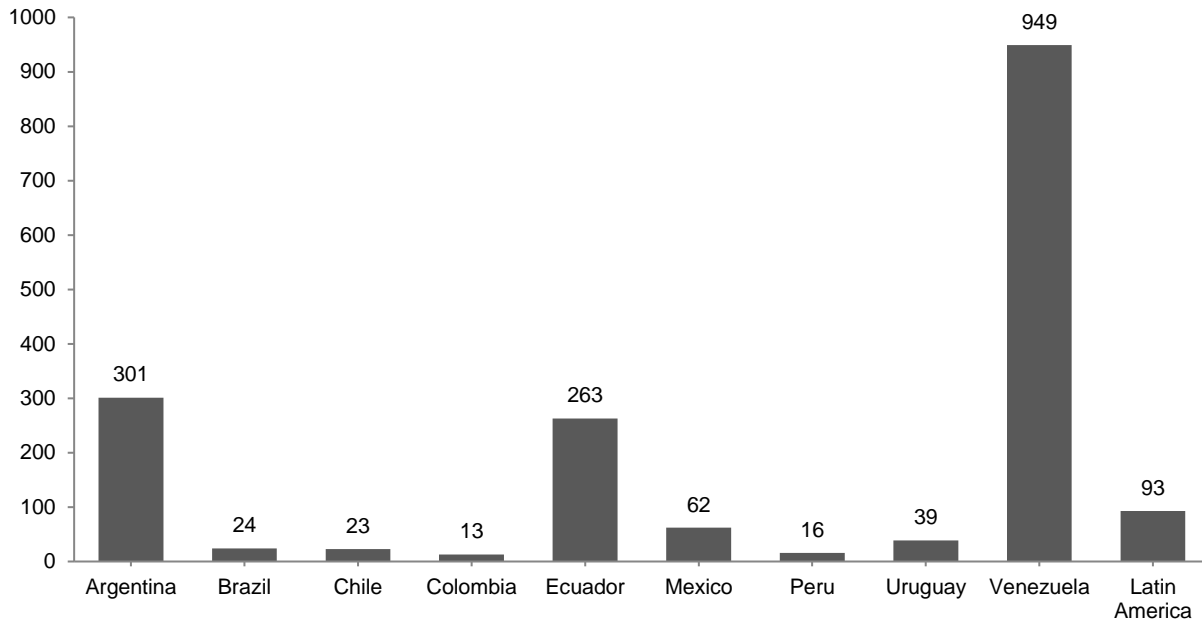


Source: ECLAC Washington Office, based on data from MSCI Equity Indices and JPMorgan.

Bond spreads for select Latin American countries have increased across the board since the beginning of the year, as financial market turmoil related to rising global interest rates and trade disputes have increased risk aversion toward emerging market (EM) and LAC assets. The external backdrop has taken a toll on Argentina and Ecuador, which are highly dependent on external financing, and Venezuela (chart 4).

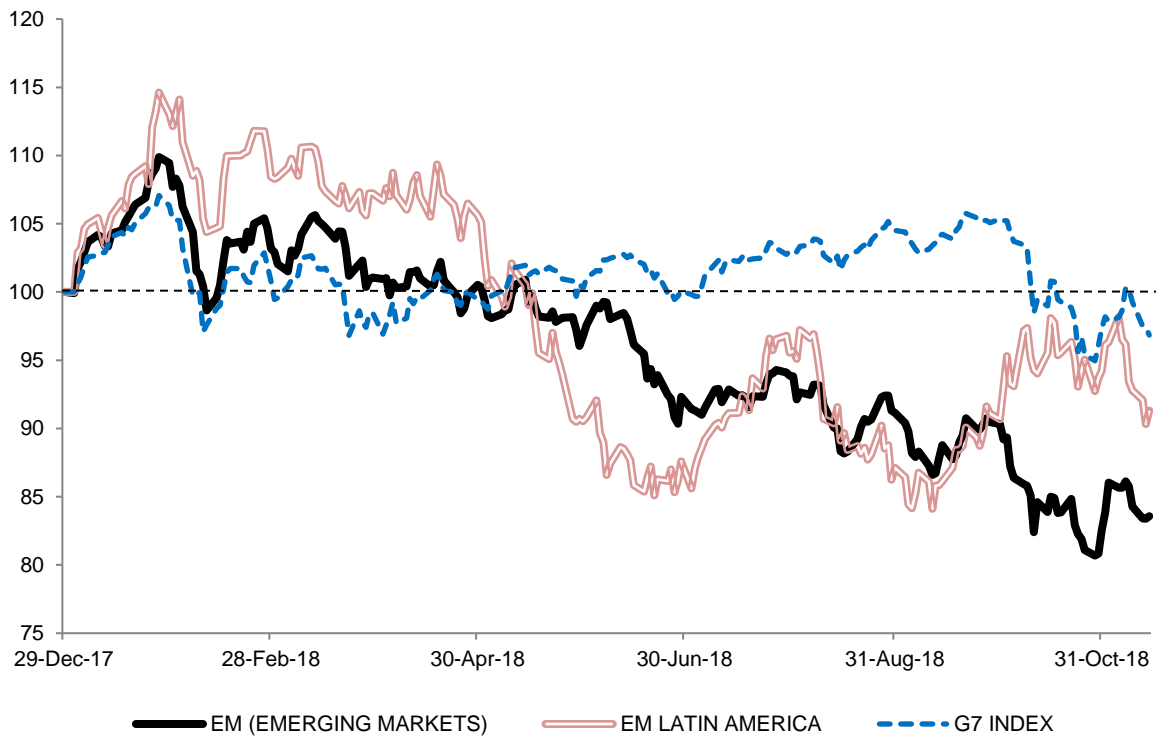
Latin American stocks lost 5.8% from January to October 2018, according to the MSCI Latin American Index, while emerging markets lost 17.5% and G7 countries 2.7%, respectively (chart 5). A large portion of Latin American stocks' underperformance took place in April thru June, due to a decline in most Latin American currencies against the U.S. dollar. In August Latin American stocks also underperformed, as countries, particularly Argentina, felt the effects of the plunge in the Turkish lira.

CHART 4:
EMBIG SPREAD DIFFERENTIALS: JAN-OCT 2018
(Basis points)



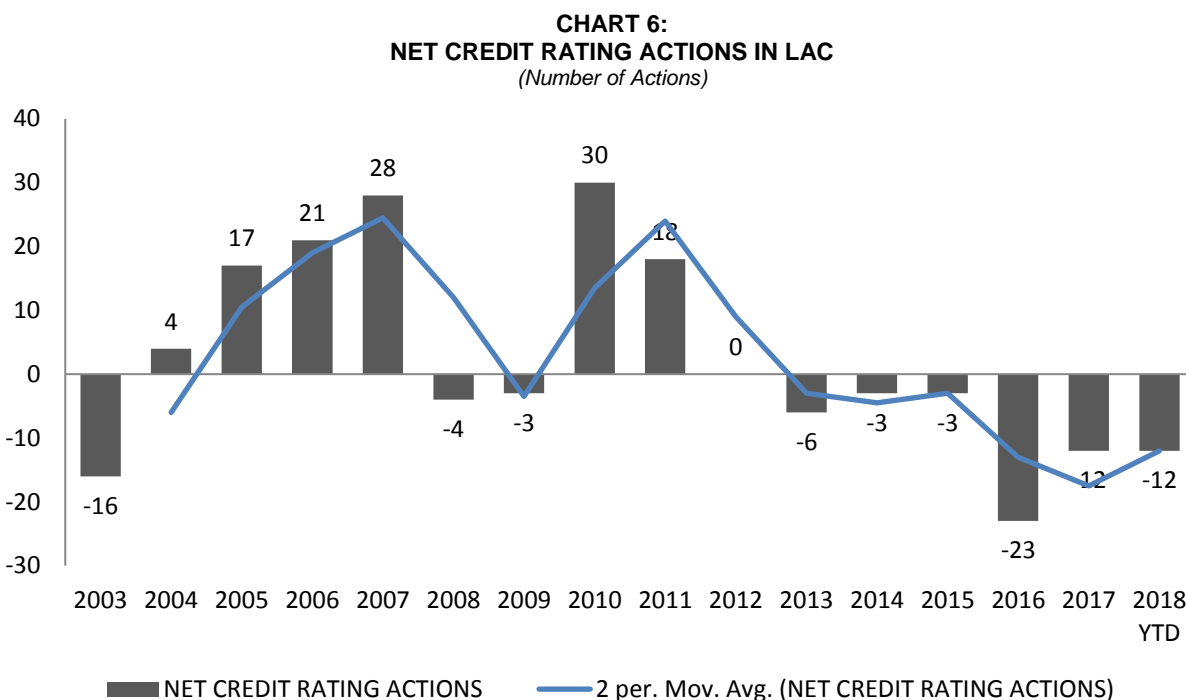
Source: ECLAC Washington Office, based on data from JPMorgan.

CHART 5:
MSCI EQUITY PRICE INDEX: JAN-OCT 2018



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

Finally, credit quality in the region has continued to deteriorate in 2018 so far. Including 2018, negative credit rating actions (including downgrades and downward outlook revisions) have outnumbered positive actions in the region for six years in a row. From 1 January to 14 November 2018, there were twelve more negative actions than positive in the region (chart 6).



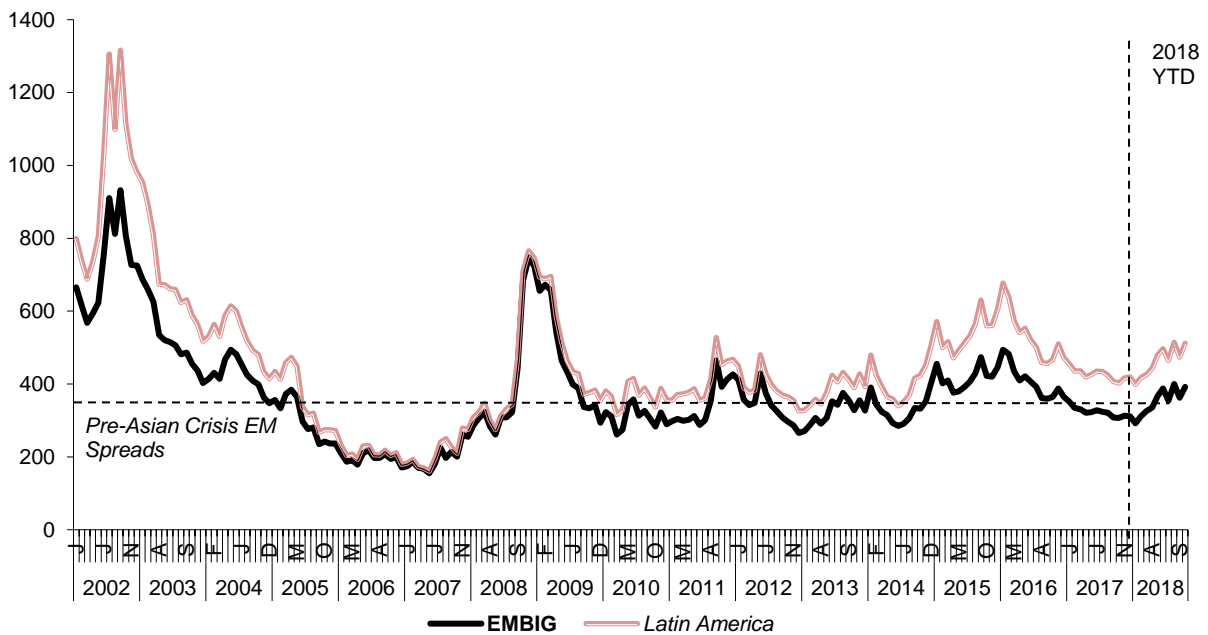
Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch.

The LAC region has been hit hard in this year's sell-off in global debt markets, which has been fueled in part by rising U.S. interest rates (pushing yields up and prices down) and the surging U.S. dollar. However, the region has shown a lot of heterogeneity. For the most part, it has been countries with high dependence on foreign financing and with dollar debts that have been suffering the most from tighter global financial conditions. For example, while Argentina's dollar bonds have lost 18.6% on a total return basis this year according to JPMorgan data, amid a currency turmoil that saw the peso lose about half of its value and led to a US\$ 57 billion program with the International Monetary Fund, Belize's bonds, after a restructuring agreement with the holders of the 2038 super bond was reached in mid-March 2017, have posted a 5.9% gain this year.

I. Bond markets and debt management

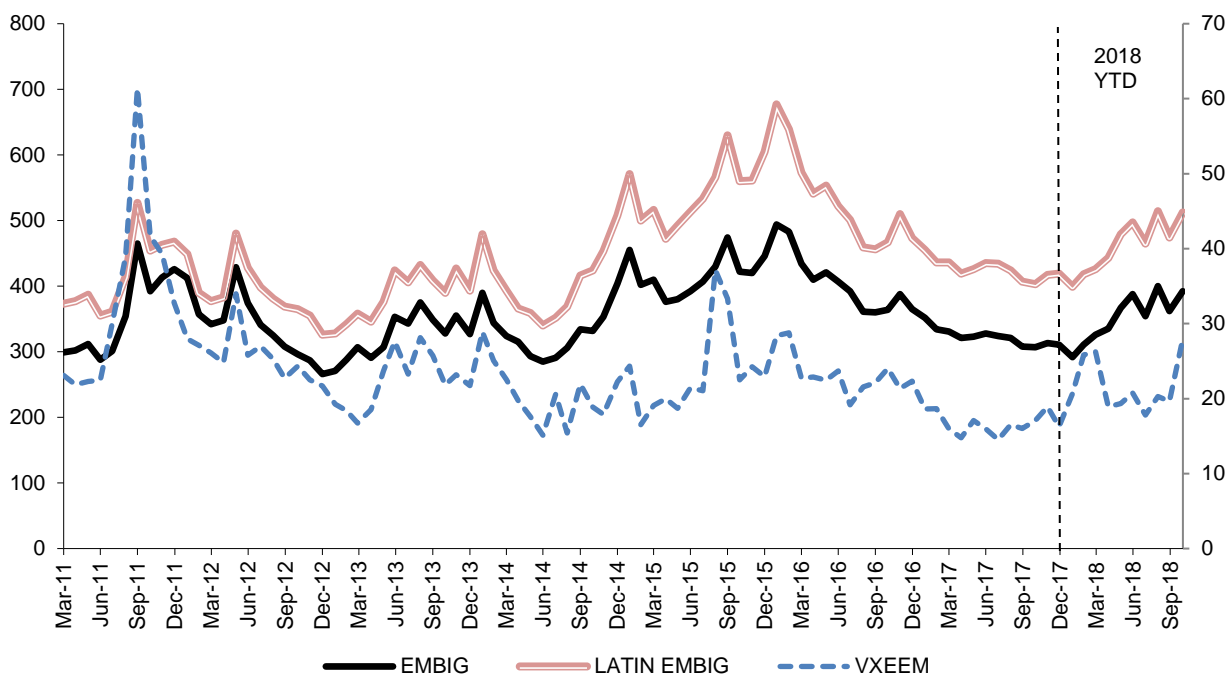
EMBI Global bond spreads widened 81 basis points while its Latin component widened 93 basis points from January to October 2018, as higher U.S. interest rates, dollar liquidity withdrawal and a strengthening U.S. dollar adversely affected emerging market dollar debt (chart 7). Volatility has also increased and fluctuated more since last year (chart 8).

**CHART 7:
EMBIG AND LATIN AMERICAN MONTHLY SPREADS**
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan, "Emerging Markets Bond Index Monitor".

CHART 8:
CBOE VOLATILITY INDEX AND EMBIG
(Basis points, left and VXEEM close, right)



Source: ECLAC Washington Office, based on data from JPMorgan and Chicago Board Options Exchange.

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

Sovereign credit rating trends in the region continue to be negative, with credit quality deteriorating since the beginning of the year. There were nine positive sovereign credit rating actions and twenty-one negative from 1 January to 14 November 2018, a net of twelve more negative actions than positive (table 1).

Among the nine positive actions, only one was an upgrade and eight were outlook improvements. In February, Moody's upgraded El Salvador's ratings to B3 from Caa1, with a stable outlook, citing significantly reduced government liquidity risks and diminished political risk.

Among the twenty-one negative actions, twelve were downgrades and nine were outlook declines. Fiscal constraints and rising dollar debt levels, as well as higher budget deficits, loomed large behind the negative actions taken year-to-date.

Four countries – Argentina, Chile, Ecuador and Nicaragua – have been downgraded in the second half of the year. On July 23, S&P downgraded Nicaragua's rating to B from B+ with a negative outlook, saying that heightened domestic conflict and ongoing violence had weakened governability and impaired predictability and effectiveness of policy implementation. On July 26, Moody's downgraded Chile's rating to A1 from Aa3 with a stable outlook, citing a broad-based deterioration in the country's credit profile, driven by a deterioration in the fiscal position, low income levels relative to Aa-rated peers, dependence on commodities, and external vulnerabilities. On August 17, Fitch downgraded Ecuador's sovereign debt rating to B- from B with a stable outlook, citing "evidence of increased fiscal financing constraints amidst a steady deterioration of Ecuador's key metrics, including rapidly rising government debt and interest burden as well as weaker economic growth performance relative to the 'B' median." On November 9, S&P downgraded Nicaragua's credit rating to B- from B with a negative outlook, citing "ongoing economic strain" and limited financing options. And on November 12, S&P downgraded Argentina's rating to B from B+ with a stable outlook, citing poorer prospects for growth, inflation and debt. It seems that the downward trend is set to continue in the months ahead, as external conditions become more difficult.

As of mid-November, six sovereigns were on negative outlook by one or more agencies (the Bahamas, Colombia, Costa Rica, Nicaragua, Suriname and Trinidad and Tobago), and three were on a positive outlook (El Salvador, Jamaica, and Panama). 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, 2018 YTD**

Date	Country	Action	
2018 YTD 9 positive and 21 negative actions			
Q1 2018 3 positive and 6 negative actions			
11-Jan-18	Brazil	S&P downgrades Brazil's BB rating to BB- with a stable outlook	<i>Negative</i>
18-Jan-18	Costa Rica	Fitch revises the outlook on Costa Rica's BB rating to negative	<i>Negative</i>
31-Jan-18	Jamaica	Fitch revises the outlook on Jamaica's B rating to positive from stable	<i>Positive</i>
20-Feb-18	Suriname	Moody's downgrades Suriname's rating to B2 from B1 with a negative outlook	<i>Negative</i>
21-Feb-18	Suriname	Fitch revises the outlook on Suriname's B- rating to stable from negative	<i>Positive</i>
22-Feb-18	Colombia	Moody's revises the outlook on Colombia's Baa2 rating to negative	<i>Negative</i>
23-Feb-18	El Salvador	Moody's upgrades El Salvador's rating to B3 from Caa1 with a stable outlook	<i>Positive</i>
23-Feb-18	Brazil	Fitch downgrades Brazil's BB rating to BB- with a stable outlook	<i>Negative</i>
9-Mar-18	Venezuela	Moody's downgrades Venezuela's rating to C from Caa3, with a stable outlook	<i>Negative</i>
Q2 2018 3 positive and 7 negative actions			
2-Apr-18	Suriname	S&P revises the outlook on Suriname's B rating to stable from negative	<i>Positive</i>
9-Apr-18	Brazil	Moody's revises the outlook on Brazil's Ba2 rating to stable from negative	<i>Positive</i>
11-Apr-18	Mexico	Moody's revises the outlook on Mexico's A3 rating to stable from negative	<i>Positive</i>
27-Apr-18	T&T	S&P revises the outlook on Trinidad and Tobago's BBB+ rating to negative	<i>Negative</i>
4-May-18	Argentina	Fitch revises the outlook on Argentina's B rating to stable from positive	<i>Negative</i>
23-May-18	Bolivia	S&P downgrades Bolivia's foreign currency rating to BB- from BB with a stable outlook	<i>Negative</i>
6-Jun-18	Barbados	S&P downgrades Barbados' rating to SD from CCC+ and placed it on CreditWatch (-)	<i>Negative</i>
8-Jun-18	Nicaragua	S&P revises outlook on Nicaragua's B+ rating to negative from stable	<i>Negative</i>
13-Jun-18	Nicaragua	Moody's revises outlook on Nicaragua's B2 rating to stable from positive	<i>Negative</i>
22-Jun-18	Nicaragua	Fitch downgrades Nicaragua's rating to B from B+ with a negative outlook	<i>Negative</i>
Q3 2018 3 positive and 4 negative actions			
2-Jul-18	Panama	S&P revises outlook on Panama's BBB rating to positive from stable	<i>Positive</i>
20-Jul-18	Jamaica	Moody's revises outlook on Jamaica's B3 rating to positive from stable	<i>Positive</i>
23-Jul-18	Nicaragua	S&P downgrades Nicaragua's rating to B from B+ with a negative outlook	<i>Negative</i>
26-Jul-18	Chile	Moody's downgrades Chile's ratings to A1 from Aa3 with a stable outlook	<i>Negative</i>
17-Aug-18	Ecuador	Fitch downgrades Ecuador's sovereign debt rating to B- from B with a stable outlook	<i>Negative</i>
31-Aug-18	Argentina	S&P puts Argentina's B+ credit rating on "CreditWatch negative"	<i>Negative</i>
25-Sep-18	Jamaica	S&P revises its outlook on Jamaica's B rating to positive from stable	<i>Positive</i>
Q4 2018 0 positive and 4 negative actions			
31-Oct-18	Mexico	Fitch revises its outlook on Mexico's BBB+ rating to negative from stable	<i>Negative</i>
7-Nov-18	Argentina	Fitch revises its outlook on Argentina's B rating to negative from stable	<i>Negative</i>
9-Nov-18	Nicaragua	S&P downgrades Nicaragua's rating to B- from B with a negative outlook	<i>Negative</i>
12-Nov-18	Argentina	S&P downgrades Argentina's rating to B from B+ with a stable outlook	<i>Negative</i>

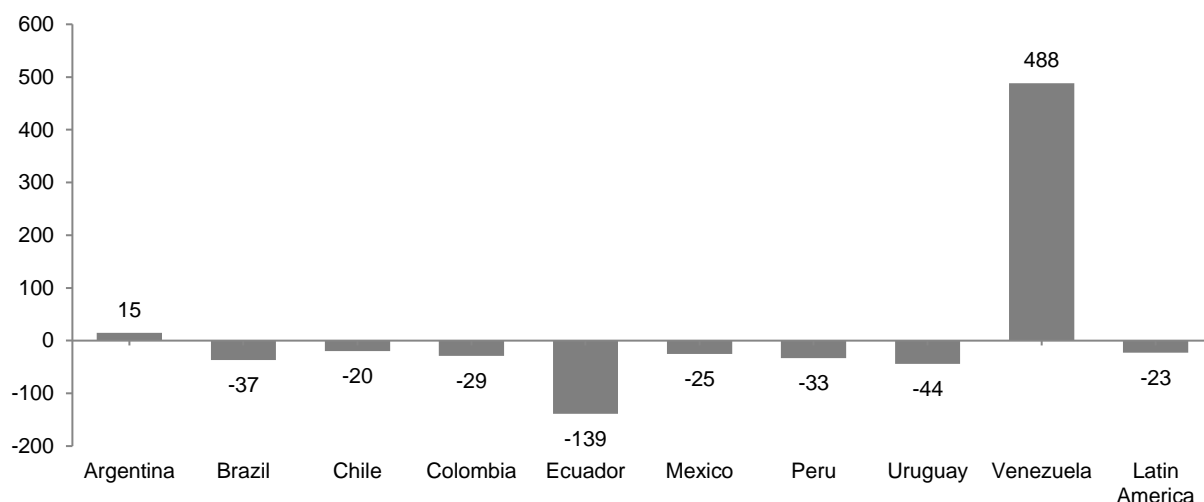
Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch.

A. Sovereign Spreads

The JPMorgan’s EMBIG widened 81 basis points since the beginning of the year – from 311 basis points at the end of December 2017 to 392 basis points at the end of October 2018 – while its Latin component widened 93 basis points, from 419 to 512 basis points. Spreads have widened for all countries in our sample. However, there was a respite during the third quarter as spreads decreased for all countries except Argentina and Venezuela, reflecting a moderation in the pressures on EM asset classes and the stabilization of EM currencies versus the U.S. dollar (charts 9 and 10). In the third quarter, EMBIG spreads and its Latin component tightened 26 and 23 basis points, respectively.

**CHART 9:
EMBIG QUARTERLY SPREAD DIFFERENTIALS: Q3 2018**

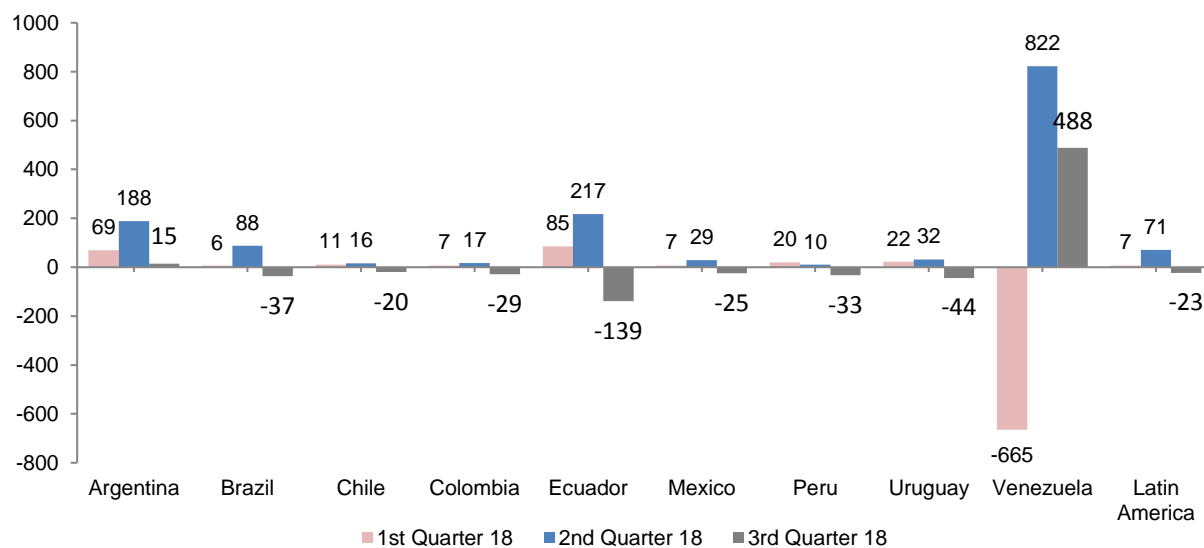
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

**CHART 10:
EMBIG QUARTERLY SPREAD DIFFERENTIALS: JAN-OCT 2018**

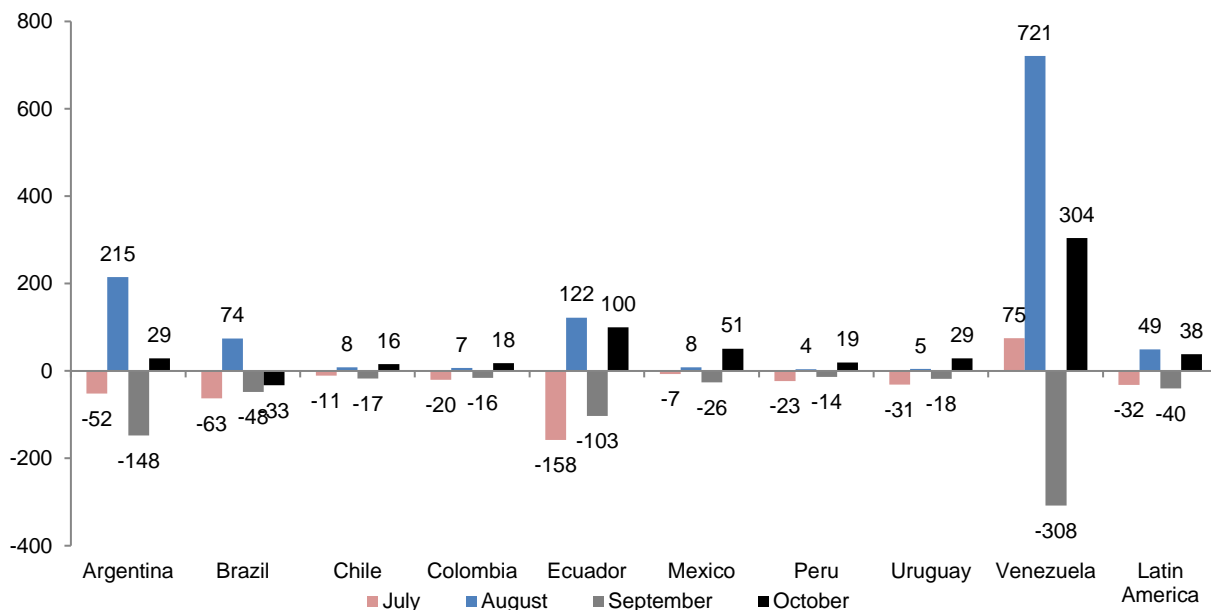
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

On a monthly basis, spreads tightened in July and September but widened in August. Spreads widened again in October, except for Brazil, where spreads tightened following the results of the presidential elections, which were welcomed by investors (chart 11).

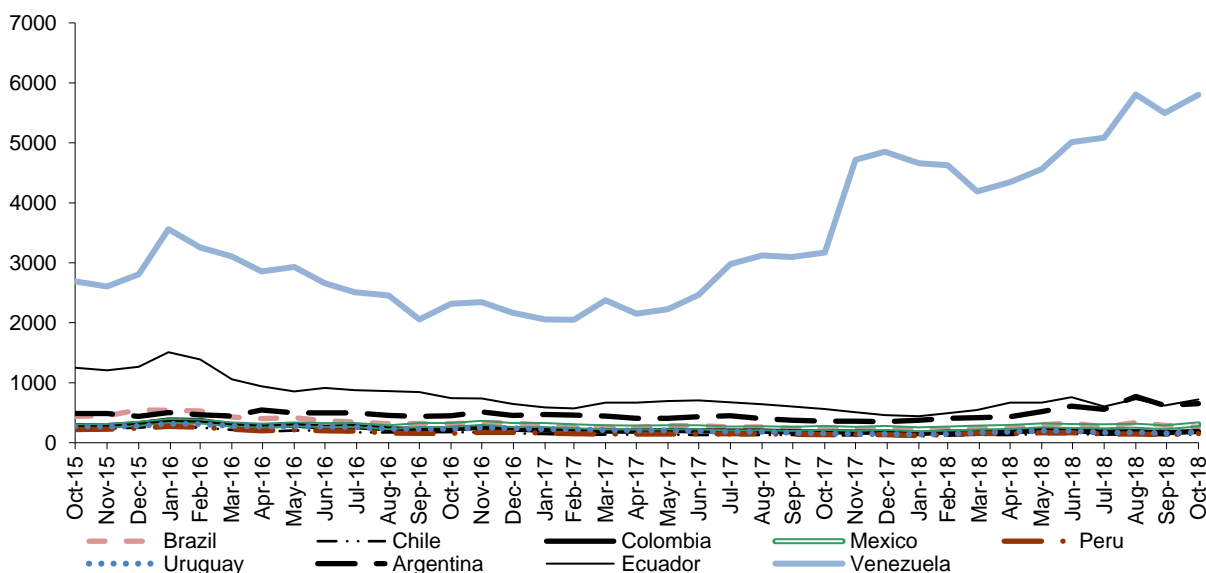
CHART 11:
EMBIG MONTHLY SPREAD DIFFERENTIALS: JUL-OCT 2018
(Basis points)



Source: ECLAC Washington Office, based on 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 12).

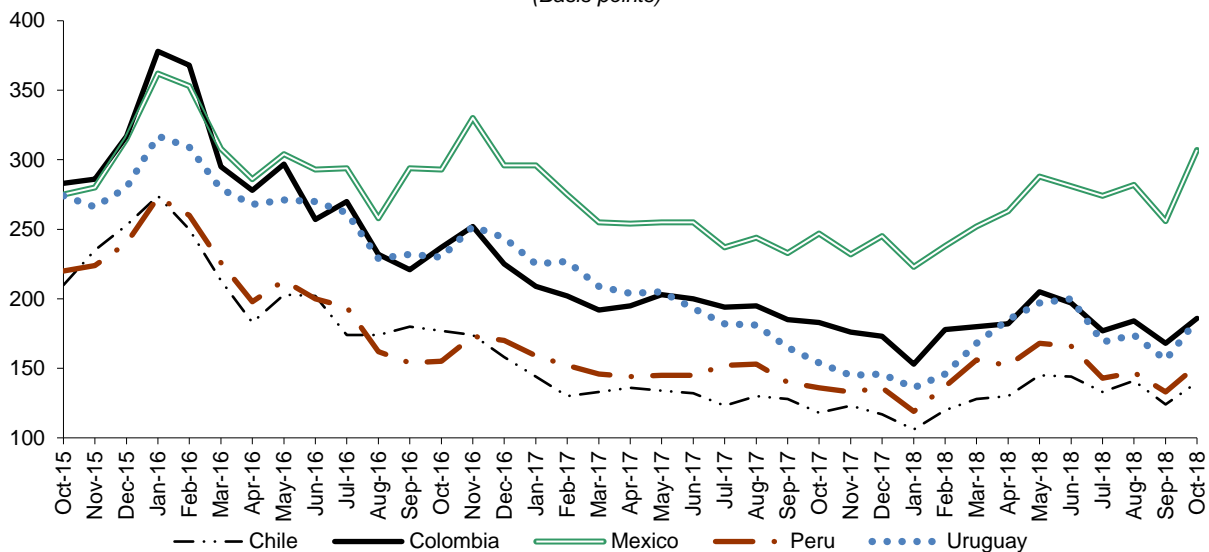
CHART 12:
EMBIG LATIN: COUNTRY SPREADS
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

Among investment grade countries, Mexico had the highest spreads – 307 basis points – at the end of October 2018 (Mexican 10-year bond yields are at their highest in a decade), followed by Colombia with 186 basis points, Uruguay with 185 basis points and Peru with 152 basis points. Chile had the lowest spreads at 140 basis points (chart 13).

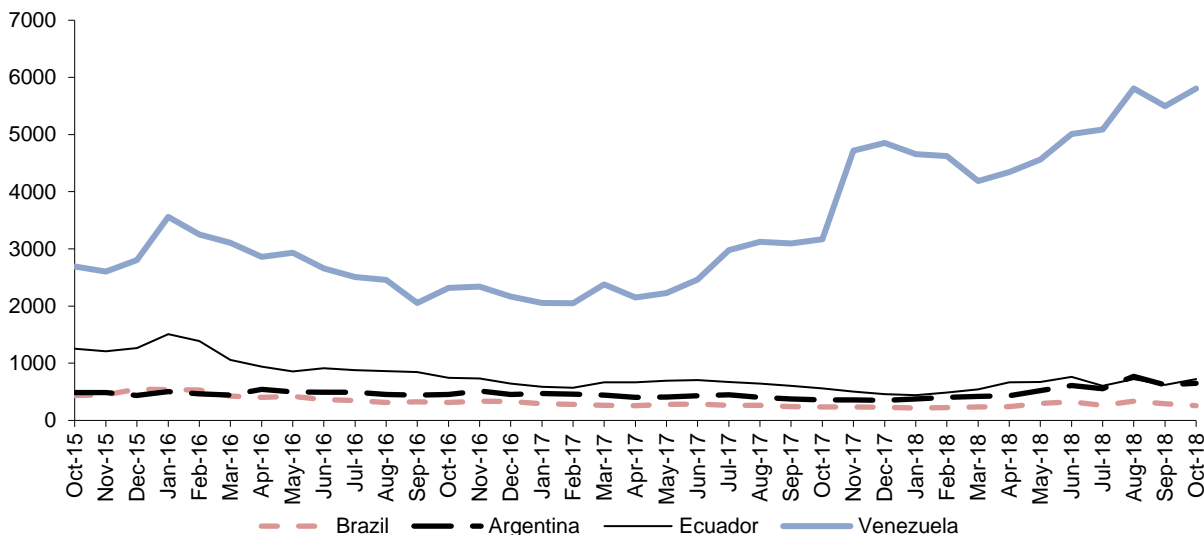
CHART 13:
EMBIG LATIN: INVESTMENT GRADE ISSUERS
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

Among the non-investment grade countries, Venezuela had the highest spreads, while Brazil had the lowest (chart 14). At 5,803 basis points at the end of October 2018, Venezuela maintains the highest debt spreads of any country in the EMBIG. Spreads for Ecuador and Argentina were at 722 and 652 basis points, respectively, and Brazilian spreads were at 256 basis points, lower than Mexican spreads (chart 12).

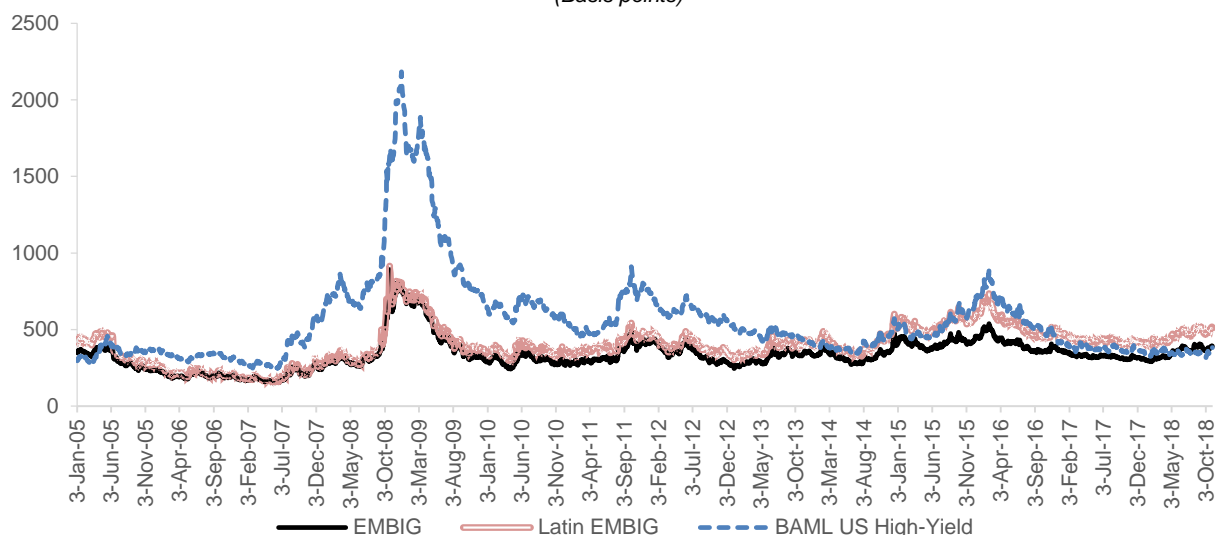
CHART 14:
EMBIG LATIN: NON-INVESTMENT GRADE ISSUERS
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

The gap between Latin American spreads and spreads for emerging markets as whole and U.S. high-yield bonds has increased this year (chart 15). While U.S. high yield bond issuers are rated below investment grade (BB or below), more than half of bonds in the JPMorgan Latin EMBIG index are rated investment grade, according to JPMorgan.

CHART 15:
EMBIG AND EMBIG LATIN VS U.S. HIGH-YIELD SPREADS
(Basis points)

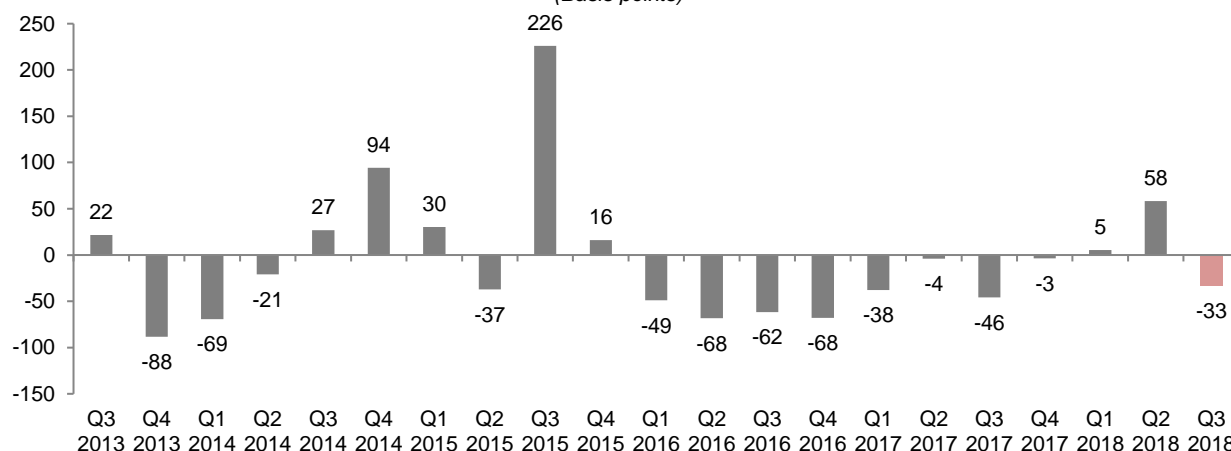


Source: ECLAC Washington Office, based on data from JPMorgan and from the Federal Reserve Bank of St. Louis (ICE BofAML US High Yield Master II Option-Adjusted Spread, Percent, Daily, Not Seasonally Adjusted).

B. Corporate Spreads

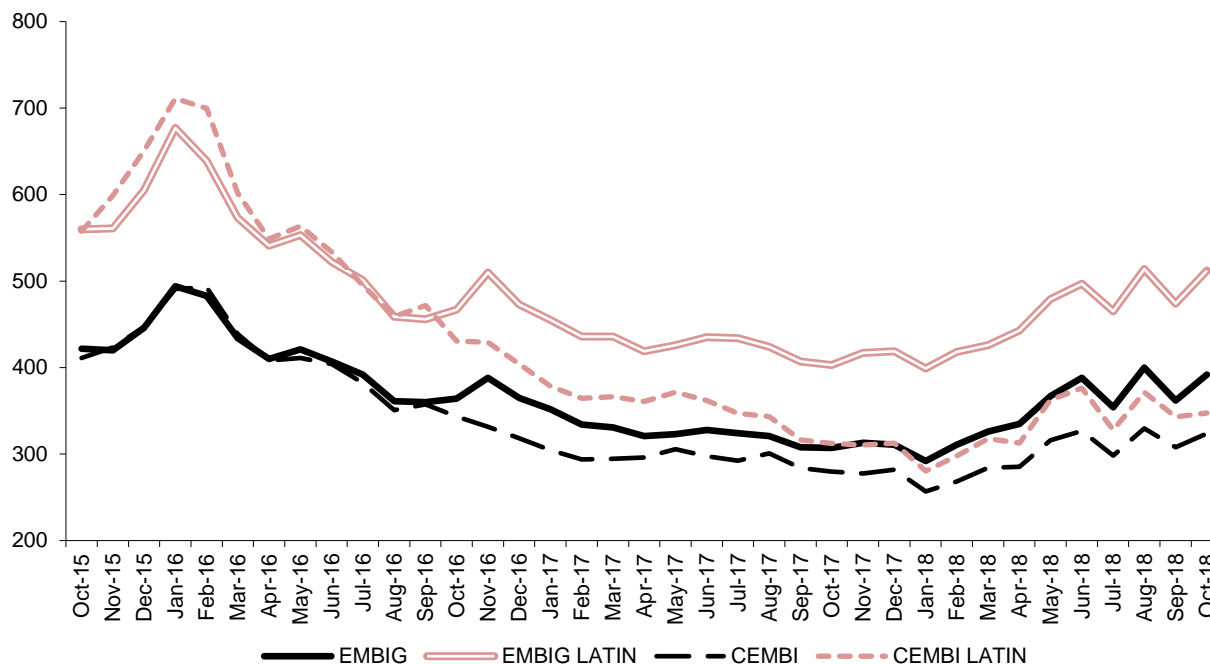
Latin American and Caribbean corporate bond spreads widened less than their sovereign counterparts from January to October 2018 (35 vs 93 basis points, respectively), and in the third quarter, LAC corporate spreads tightened more than their sovereign counterparts (-33 vs -23 basis points, respectively) (chart 16). Latin CEMBI spreads were 165 basis points lower than their sovereign counterpart at the end of October (chart 17).

CHART 16:
CORPORATE EMBI SPREADS: LATIN COMPONENT
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

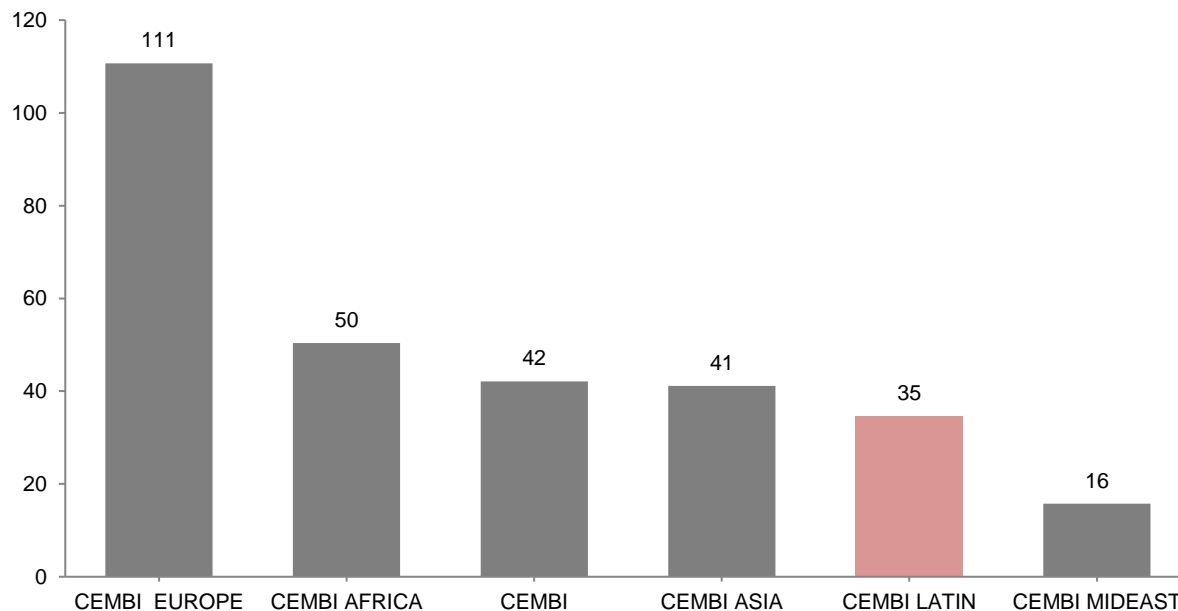
CHART 17:
JPMORGAN EMBIG SPREADS, CORPORATE AND SOVEREIGN
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

From January to October 2018 CEMBI spreads widened 42 basis points, more than the Latin component. As the U.S. dollar strengthened and the Euro weakened, European corporate credit spreads widened the most (chart 18).

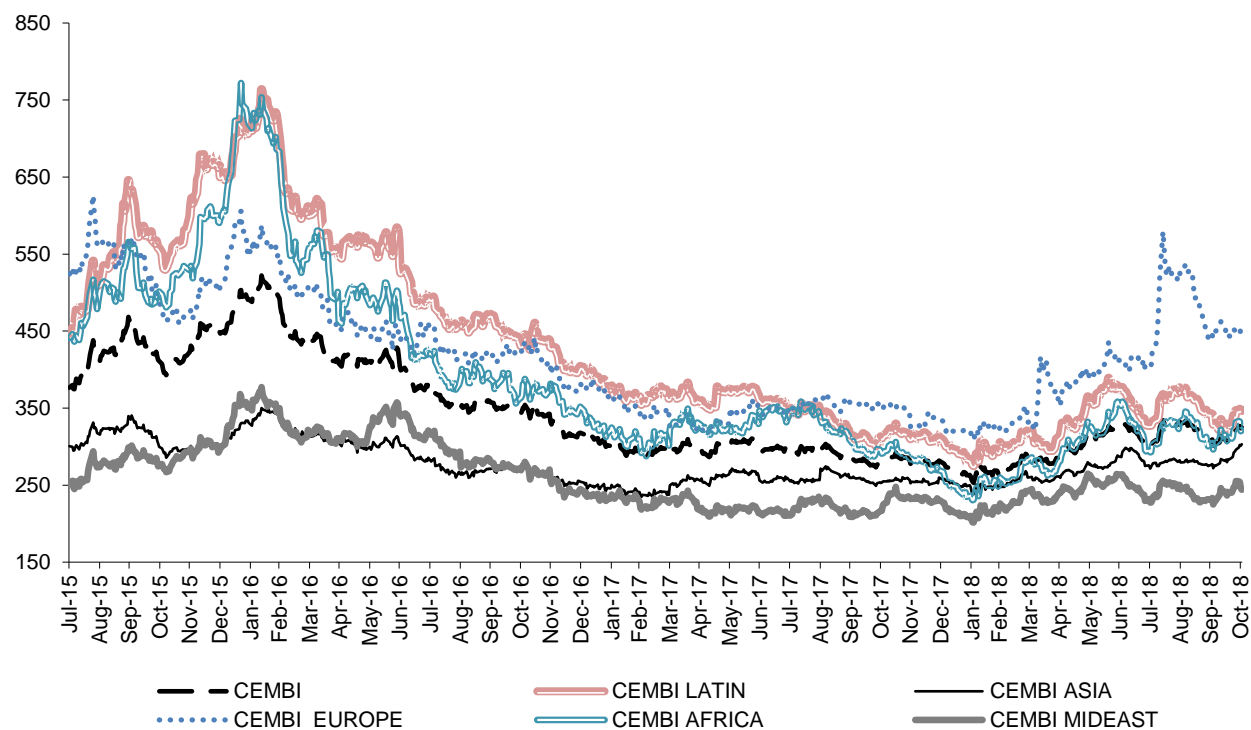
CHART 18:
CEMBI QUARTERLY SPREAD DIFFERENTIALS: JAN-OCT 2018
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan CEMBI.

Following a two-year period of low growth and weak economic fundamentals, Latin American corporate credit spreads are still wider than most emerging regions' corporate spreads, except for Emerging Europe (chart 19).

CHART 19:
CEMBI SPREADS BY REGION
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan CEMBI.

C. New Debt Issuance

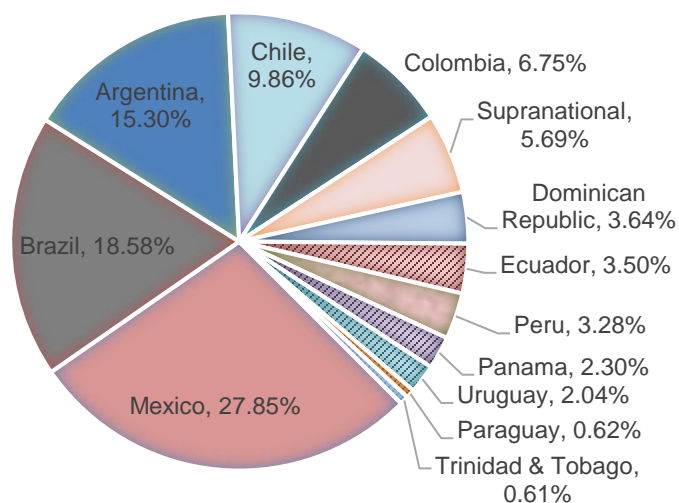
Total LAC debt issuance reached US\$ 85.8 billion at the end of October 2018. Issuance in the first ten months of 2018 was 33% lower than in the same period a year before. On a quarterly basis, issuance in the third quarter was the lowest since the second quarter of 2009. Total issuance in the third quarter of 2018 was US\$ 6.1 billion, 82% lower than the issuance in the third quarter of last year.

Mexico had the largest share of bond issuances from January to October 2018 – sovereign and corporate combined – followed by Brazil and Argentina. Mexico, Brazil and Argentina issued (sovereign and corporate combined) US\$ 24 billion, US\$ 16 billion, and US\$ 13 billion, respectively. Issuances from the three countries accounted for 62% of the total LAC issuance in the period (chart 20).

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 66% of the total amount issued from January to October 2018. State-owned oil producers Pemex and Petrobras accounted for 14% of the total amount issued in the period, sovereign and corporate combined, with Pemex alone accounting for 12%.

Investment-grade issuers – sovereign and corporate combined – dominated LAC issuance in the period, with a 54% share, while 46% of the total was issued by high-yield issuers.

CHART 20:
LAC DEBT ISSUANCE IN JAN-OCT 2018: COUNTRY BREAKDOWN
(Country shares in percentage)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

1. Sovereign Issuance

Ten sovereigns – Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, and Uruguay – tapped international debt markets in January-October 2018 (appendix C, tables 3 to 6). The top three sovereign issuers were Argentina, Mexico and Chile (table 2). Argentina had the top share of total sovereign issuance in the region in terms of amount, but Mexico had the bigger number of deals (seven) in the cross-border market this year.

TABLE 2:
LAC SOVEREIGN DEBT ISSUANCE IN THE CROSS-BORDER MARKET, JANUARY-OCTOBER 2018

Sovereign Issuer	Total Issuance (US\$ Million)	% of the total sovereign Issuance	Number of Deals
Argentina	10,487	29.9%	4
Mexico	6,261	17.9%	7
Chile	4,641	13.2%	4
Dominican Republic	3,118	8.9%	3
Ecuador	3,000	8.6%	1
Colombia	2,000	5.7%	2
Uruguay	1,750	5.0%	1
Panama	1,750	5.0%	2
Brazil	1,500	4.3%	1
Paraguay	530	1.5%	1
Total	35,037	100.00%	26

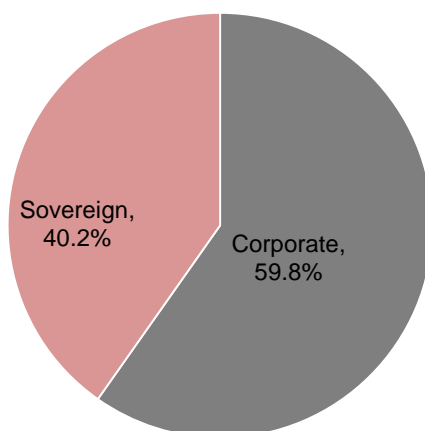
Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

Three sovereigns tapped international bond markets in the second half of the year. In July, Dominican Republic issued a US\$ 1.3 billion ten-year bond with a 6% coupon. In October, Colombia and Panama tapped international markets. Colombia interrupted a 14-month hiatus with the issuance of a long ten-year bond and a reopening of its 2045 bond. The offer was buoyed by higher oil prices and the strong secondary performance of Colombia's existing bonds. Panama reopened its 2050 4.5% bond originally issued in April to add US\$ 550 million, bringing the outstanding total to US\$ 1.75 billion (Appendix C, tables 5 and 6).

2. Corporate Issuance

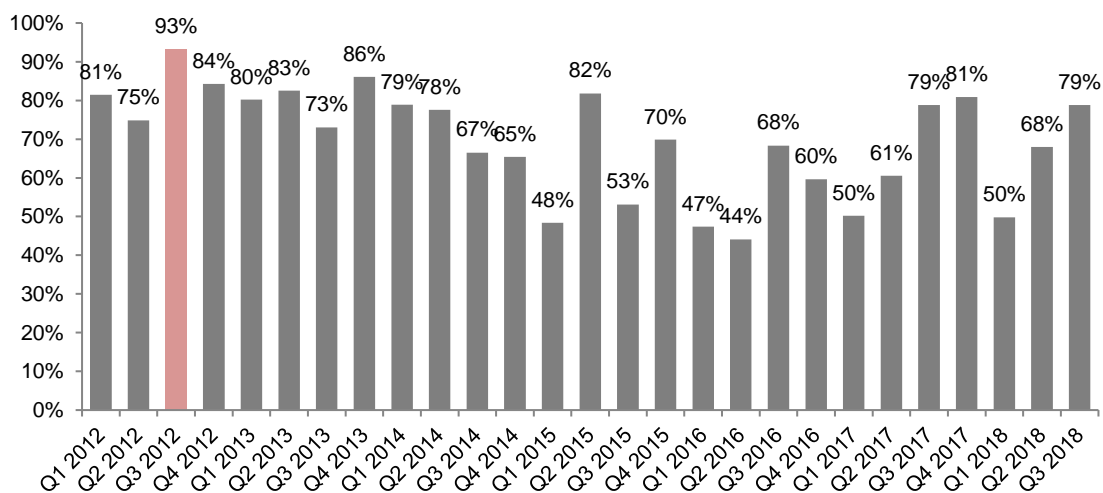
From January to October 2018, the corporate sector (including corporations, banks, quasi-sovereigns and supranationals) accounted for 60% of total LAC issuance (chart 21), slightly smaller than the corporate share of 62% in 2017. On a quarterly basis, the share of corporate issuance peaked in the third quarter of 2012. It increased to 79% in the third quarter of 2018 from 50% the first quarter (chart 22).

CHART 21:
LAC CORPORATE AND SOVEREIGN ISSUANCE: JAN-OCT 2018
(Percentage)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

CHART 22:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE AS A SHARE OF THE TOTAL
(Percentage)

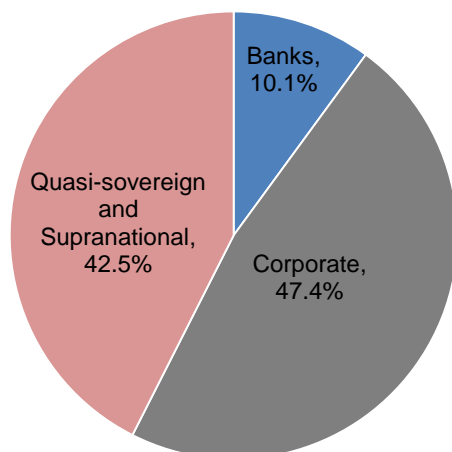


Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

Quasi-sovereign and supranational issuers accounted for 42.5% of total LAC corporate issuance in international markets in the January-October 2018 period, a decline from the 48% share in 2017 and the 61% share in 2016. Corporations and banks accounted for the other 57.5% (charts 23 and 24).

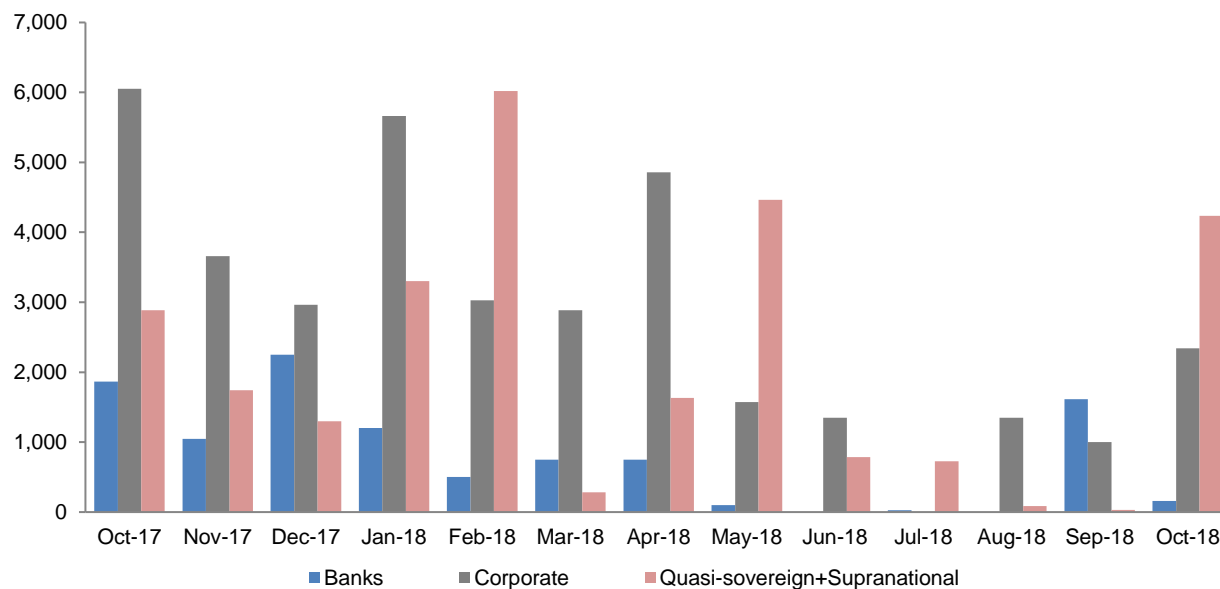
Excluding sovereign borrowers, 71 corporate issuers (including banks, quasi-sovereign and supranational companies) from the region sold US\$ 51 billion of cross-border bonds from January to October 2018, and 20% of that volume (US\$ 10 billion) came from Mexico’s state-owned oil producer Pemex.

CHART 23:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE: JAN-OCT 2018
(Percentage)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

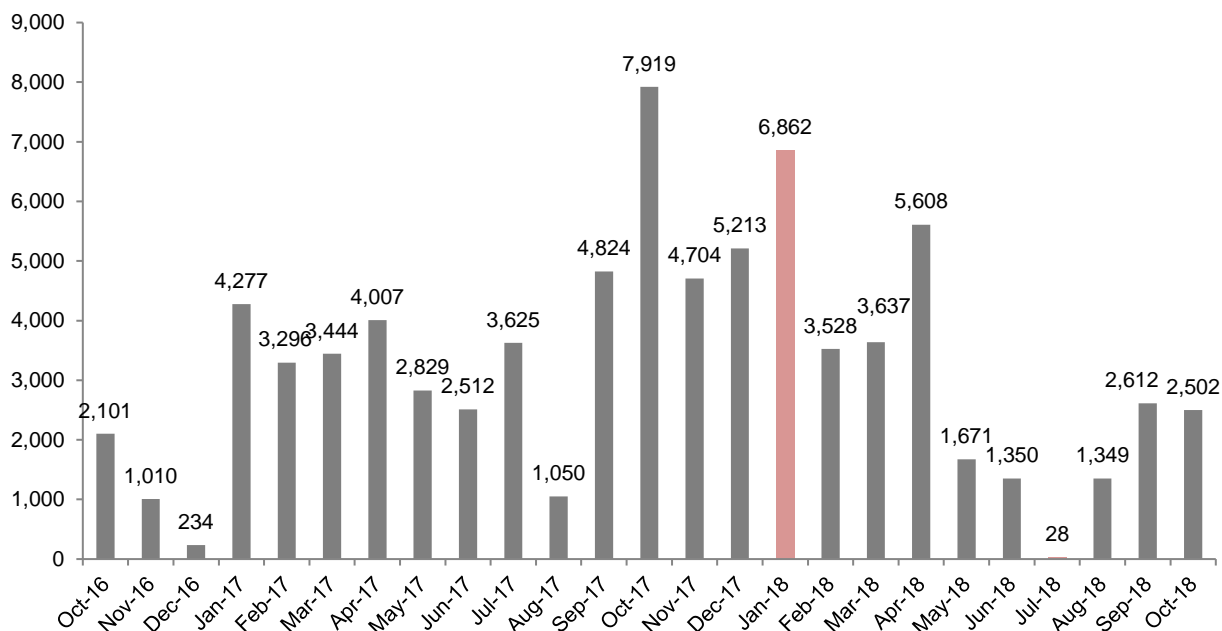
CHART 24:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE
(US\$ million)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

Issuances from the private corporate sector from January to October of 2018, not including quasi-sovereigns and supranationals, reached US\$ 29 billion. The highest monthly activity of the year was in January, and the lowest in July (chart 25).

CHART 25:
LAC MONTHLY PRIVATE CORPORATE SECTOR BOND ISSUANCE
(US\$ Millions)



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

Six cross-border debut issuances took place from January to October 2018 amounting to almost US\$ 4 billion (table 3). They accounted for 7% of the total corporate issuance and 1% of the total issuance in the period but were 52% lower than in the same period in 2017. All debuts took place in the first half of the year.

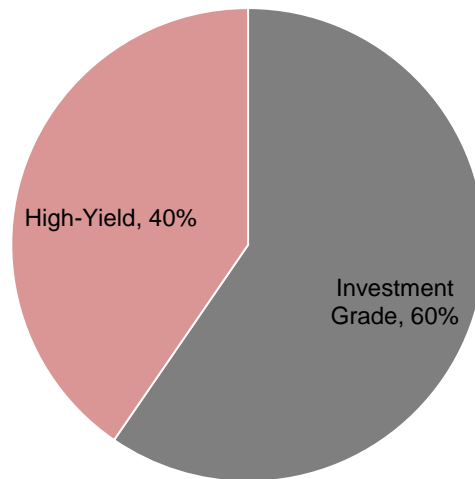
TABLE 3:
CORPORATE DEBUT ISSUANCES IN LATIN AMERICA AND THE CARIBBEAN, 2018 YTD

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity	Issue Date
Brazil	Rede D'Or São Luiz SA	USD 500	500	4.950%	2028	11-Jan-18
Brazil	Hidroviás do Brasil (HBSA)	USD 600	600	5.950%	2025 NC4	17-Jan-18
Brazil	Natura Cosméticos SA	USD 750	750	5.375%	2023 NC3	25-Jan-18
Colombia	BevCo LLC	EUR 800	996	1.750%	2023	02-Feb-18
Brazil	Unigel	USD 200	200	10.500%	2024	15-May-18
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 600	600	6.375%	2028	24-May-18
		3,646				

Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

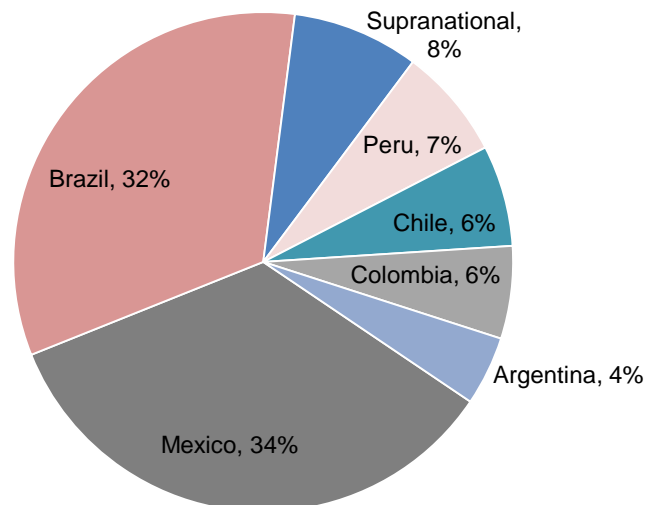
Investment grade companies had a higher share (60%) of total corporate issuance from January to October 2018, as a difficult backdrop and higher risk aversion provided less support to high-yield issuers. The share of high-yield issuance was 40% (chart 26). Mexican and Brazilian companies accounted for 66% of total corporate issuance in the period (chart 27).

CHART 26:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY RATING: JAN-OCT 2018
(Percentage of total)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

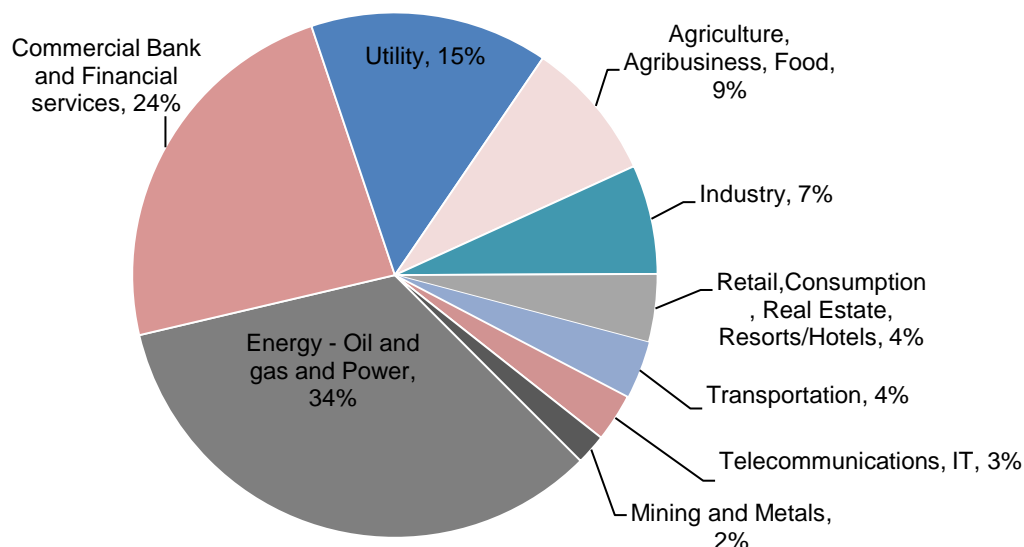
CHART 27:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY COUNTRY: JAN-OCT 2018
(Country shares in percentage)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

From a sectoral perspective, 34% of LAC corporate debt issuance (including corporate, banks, quasi-sovereigns and supranationals) from January to October 2018 came from one sector: energy (chart 28). That was because of state-owned oil producers Pemex and Petrobras, which accounted for 24% of the total corporate issuance in the period. Pemex alone accounted for 20% of the total amount issued by the LAC corporate sector 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 (24% of total corporate issuance), followed by utility (15%) and agriculture, food and beverages (9%).

CHART 28:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY SECTORS: JAN-OCT 2018
(Percentage of total)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

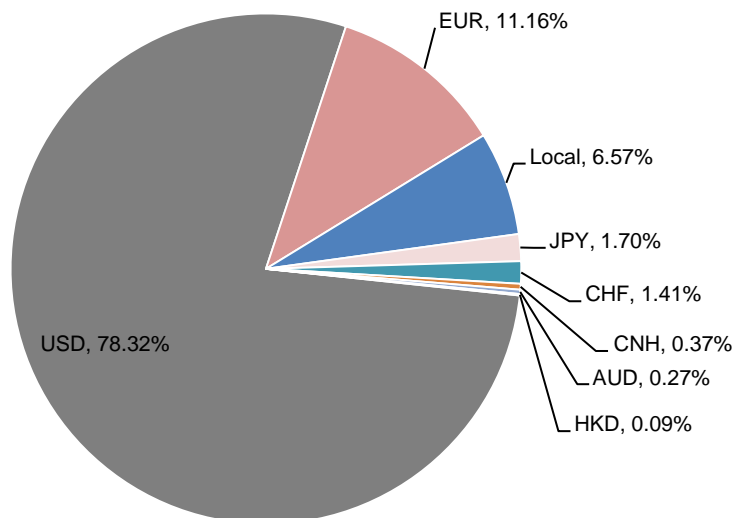
3. Currency Composition

Most of the international debt issuance in the region from January to October 2018 (chart 29) was denominated in U.S. dollars (78.32%). There was also issuance in Euros (11.16%); in local currencies, including Dominican Republic, Mexican, Argentine and Colombian Pesos, as well as Peruvian Soles and Brazilian Reals (6.57%); Japanese Yens (1.70%); Swiss Francs (1.41%); Chinese Yuan (0.37%), Australian Dollars (0.27%); and Hong Kong Dollars (0.09%).

Argentina's Province of Buenos Aires accounted for the largest issuance in local currency, issuing in April a 2025 global-local bond totaling US\$ 1.5 billion. The second biggest local-currency issuance in the period was by Brazil's Celse - Centrais Elétricas de Sergipe (Swiss Insured Brazil Power Finance SARL), which issued, also in April, a 2032 bond in local currency amounting to almost US\$ 1 billion. The third and fourth largest issuances in local currency were by two sovereigns: in June, Chile issued a 2030 4.7% bond in pesos amounting to US\$ 939 million²; and in February, the Dominican Republic issued a 2023 bond in local pesos, amounting to US\$ 818 million. The Dominican Republic's local currency issuance was a debut under the Euroclear format.

² In June, Chile also issued a 2023 4% bond in pesos, amounting to US\$ 677 million. Together, the 2030 and the 2023 local-currency bonds amounted to US\$ 1.6 billion.

**CHART 29:
CURRENCY BREAKDOWN, 2018 YTD**

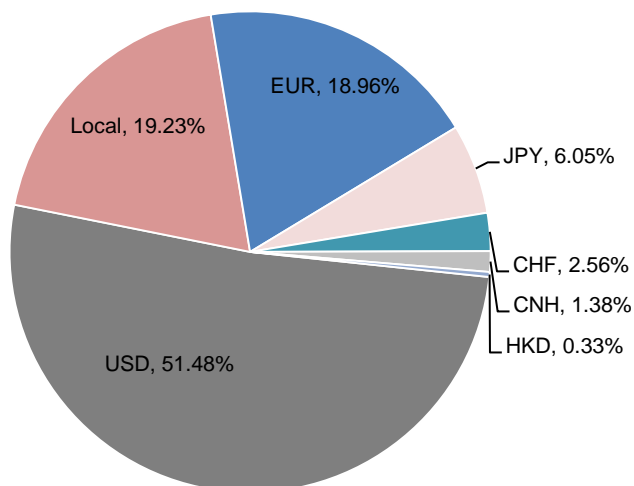


Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

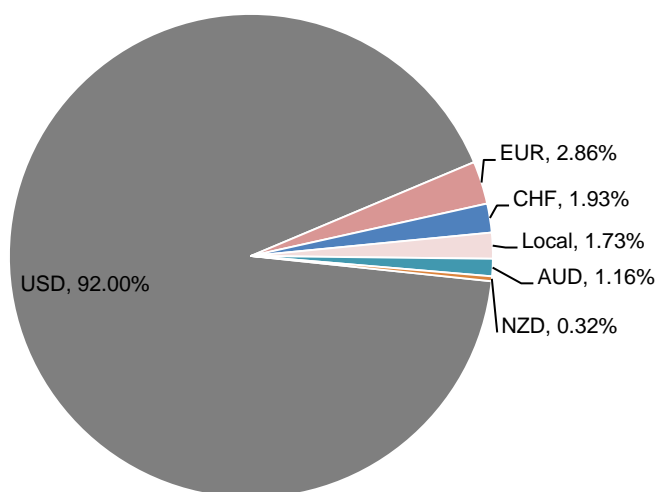
The lowest issuance in U.S. dollars was in the second quarter (51.48%), because of pressures on EM asset classes and EM currencies due to the strength of the U.S. dollar. In the third quarter, reflecting a moderation in these pressures and the stabilization of domestic currencies versus the U.S. dollar, U.S. dollar-denominated issuance reached 92% (chart 30).

**CHART 30:
CURRENCY BREAKDOWN, Q2 AND Q3 2018**

Q2 2018



Q3 2018



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

4. Green Bonds

Except for a supranational issuance in August – CAF-Development Bank of Latin America, issued a 2021 3.385% US\$ 30 million bond on August 14, whose proceeds will be used to finance green projects – there were no other LAC issuances with a green focus in international markets from January to October 2018. The decision to cancel Mexico City’s US\$ 13 billion new airport project was the biggest news event to hit the Latin American segment of the green bond market in the first 10 months of 2018. In the aftermath of the decision, the combination of the news of the project’s cancellation and broader emerging market volatility, led prices of the US\$ 6 billion of green bonds issued to finance the airport to plunge. Fitch placed its BBB+ rating on the green airport bonds on Rating Watch Negative on November 1st, saying suspending the project could trigger some materially adverse scenarios for the credit quality of Grupo Aeroportuario de la Ciudad de Mexico (GACM), the issuer of the bonds.

Despite the almost complete absence of cross-border LAC green bond issuance, there were sustainable securities issued in local markets.

In May, Colombia’s state-owned export development bank Banco de Comercio Exterior de Colombia S.A. (Bancóldex) and CAF-Development Bank of Latin America both issued sustainable securities in Colombia’s local market. Colombian Bancóldex sold a three-part social bond valued at COP 400 billion (US\$ 140 million-equivalent) and CAF sold COP 150 billion (US\$ 52 million) in 10-year green bonds, allocating proceeds for environmental and social impact projects in Ecuador, Panama and Peru. In July, Epsa, a division of the Colombian energy company Celsia, became the first non-financial institution to issue green bonds in Colombia, issuing COP 210 billion (US\$ 146 million). Financiera de Desarrollo Nacional (FDN) and the International Finance Corporation (IFC) of the World Bank Group were the underwriters. Epsa will use the money from the green bonds to finance investments in solar farm projects.

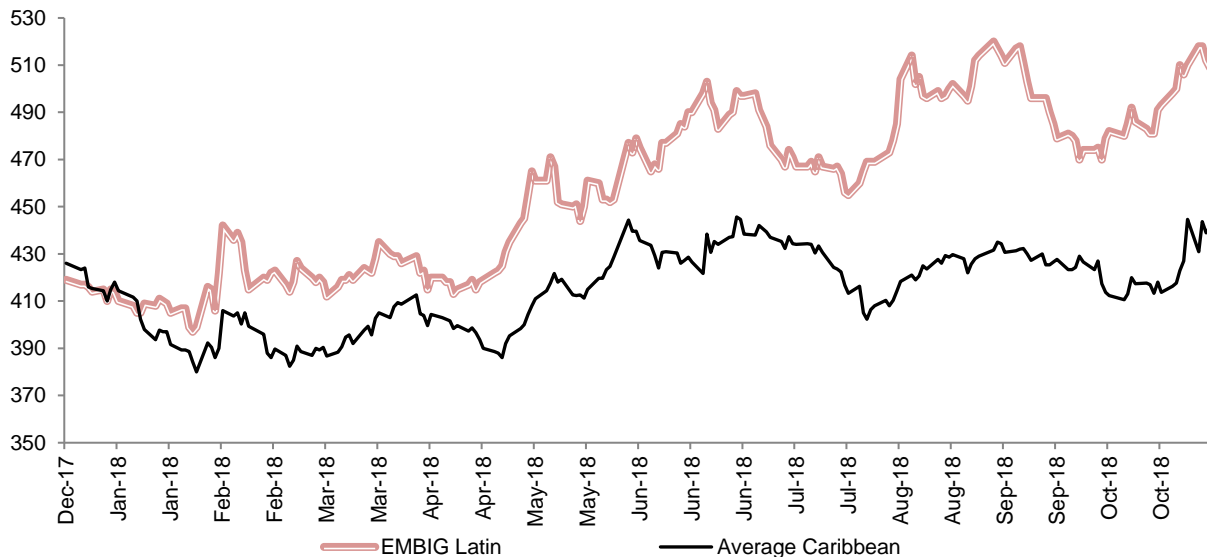
In August, Vinte Viviendas Integrales, a Mexican homebuilder, placed a sustainable bond in Mexico’s debt capital markets, selling MXN 800 million (US\$ 42 million) in seven-year fixed-rate bonds. In September, BBVA Bancomer, a Mexican financial institution, and the largest in the country, placed its first-ever green bond in Mexico’s debt capital markets, selling a two-part MXN 7 billion (US\$ 370 million) new issuance, comprised of a 3- and a 5-year note.

The current slowdown in activity in the green bond market is not expected to continue, and long-term interest in the market remains strong. The paucity of activity this year is partly the result of less benign conditions in general for international investors looking at Latin America, such as the hard-fought elections in Brazil and Mexico; economic difficulties in Argentina led by a sharp weakening of the peso as investors’ confidence in the country was shaken; and the crisis in Venezuela. In coming years, an increase in green bond issuance from Latin America and the Caribbean is expected, to fund the region’s need to build sustainable infrastructure.

II. Bond markets and credit management in the Caribbean³

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 because of the high number of defaults in the Caribbean region, was negative from January to October 2018. Caribbean spreads were thus lower on average than spreads for the LAC region as a whole (chart 31).

CHART 31:
EMBIG SPREADS, CARIBBEAN VERSUS LAC
(Basis points)

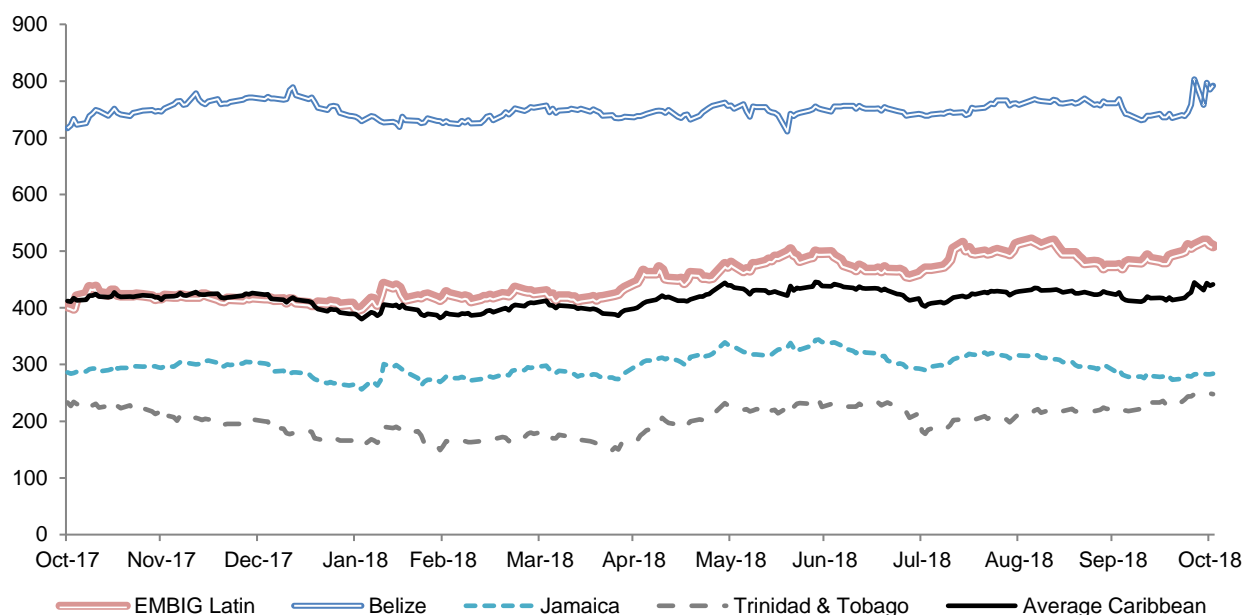


Source: ECLAC Washington Office, based on data from JPMorgan. The Caribbean average includes Belize and Jamaica, and since 30 August 2013, it also includes Trinidad & Tobago.

³ 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.

Caribbean spreads widened only 13 basis points in the January-October 2018 period, compared to 93 basis points for the EMBIG Latin component, and at the end of October were 73 basis points lower than the EMBIG Latin spreads. Both Jamaica's and Trinidad and Tobago's spreads have been lower than the Latin American average (chart 32). The widening in Caribbean spreads from January to October 2018 was driven by Trinidad and Tobago and Belize, whose spreads widened 46 and 14 basis points in the period, respectively. Spreads for Jamaica tightened 21 basis points in the first ten months of 2018. After reaching a peak for the year at the end of June, Jamaican spreads have been on a tightening trend.

CHART 32:
CARIBBEAN COUNTRIES, EMBIG SPREADS: OCT 2017-OCT 2018
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan.

Credit Rating Actions

There were five positive and three negative credit rating actions in the Caribbean from January to October of 2018 (table 4).

The positive actions were related to Jamaica and Suriname. There were three positive actions in the first half of 2018. In January, Fitch revised the outlook on Jamaica's B rating to positive from stable, citing much reduced refinancing risks and fiscal financing needs. In February, Fitch revised the outlook on Suriname's B- rating to stable from negative, citing the improving macroeconomic trend and more positive outlook for public finances. In April, S&P revises the outlook on Suriname's B rating to stable from negative, citing the end of economic contraction.

There were two positive actions in the third quarter. In July, Moody's revised its outlook on Jamaica's B3 rating to positive from stable, citing ongoing fiscal consolidation, and improving institutional capacity and policy effectiveness. In September, S&P revised its outlook on Jamaica's B rating to positive from stable, citing material progress in achieving macroeconomic stability and improvement in the external debt burden. The positive outlook reflects at least a one-in-three likelihood of an upgrade if, in the next 12 months, Jamaica further strengthens its external liquidity position.

Negative actions were taken on Suriname, Trinidad and Tobago, and Barbados. In February, Moody's downgraded Suriname's B1 long-term rating to B2 with a negative outlook, citing erosion of fiscal metrics. After the downgrade, Moody's rating for Suriname was at par with S&P's (B), while Fitch's (B-) was one notch lower. The negative outlook reflected the agency's view that without additional measures to strengthen the fiscal position, the pace of fiscal consolidation may not be sufficient to prevent increased liquidity pressures. In April, S&P revised the outlook on Trinidad and Tobago's BBB+ rating to negative on macroeconomic risks and external imbalances. In June, S&P downgraded Barbados' long-term foreign currency rating to Selective Default (SD) from CCC+ and placed it on CreditWatch with negative implications, following a missed coupon payment. S&P's CreditWatch (-) reflects the agency's opinion that there is a greater than one-in-two chance that Barbados could default again within the next three months.

Barbados has issued three international bonds worth US\$ 600 million – all of which had coupon payments due in June. Their prices declined from about 90 cents on the dollar to under 50 cents as investors digested the news of the payment moratorium. Fiscal accounts started eroding after the global financial crisis, when the economy was hard-hit by a decline in tourism. Barbados' prime minister, who revealed the discovery of previous undisclosed financial liabilities that increased the country's overall debt from 137% to more than 175% of GDP, called the International Monetary Fund and announced an "emergency plan" to restructure its public debt. In September, Barbados and the IMF agreed to a four-year US\$ 290 million extended facility fund (EEF) to help the country tackle the default and bond restructuring. In October, Barbados' government closed an exchange offer period for the local currency portion of its debt, receiving nearly full acceptance by creditors under the offer's terms. On November 16, S&P's upgraded Barbados' local currency ratings to B- with a stable outlook but said it will keep Barbados' foreign currency rating in selective default until the government carries out a debt exchange with international bondholders.

**TABLE 4:
SOVEREIGN CREDIT RATING ACTIONS IN THE CARIBBEAN, 2018 YTD**

Date	Country	Action	
2018 YTD	5 positive and 3 negative actions		
Q1 2018	2 positive and 1 negative actions		
31-Jan-18	Jamaica	Fitch revises the outlook on Jamaica's B rating to positive from stable	Positive
20-Feb-18	Suriname	Moody's downgrades Suriname's rating to B2 from B1 with a negative outlook	Negative
21-Feb-18	Suriname	Fitch revises the outlook on Suriname's B- rating to stable from negative	Positive
Q2 2018	1 positive and 2 negative actions		
2-Apr-18	Suriname	S&P revises the outlook on Suriname's B rating to stable from negative	Positive
27-Apr-18	T&T	S&P revises the outlook on Trinidad and Tobago's BBB+ rating to negative	Negative
6-Jun-18	Barbados	S&P downgrades Barbados' rating to SD from CCC+ and placed it on CreditWatch (-)	Negative
Q3 2018	2 positive and 0 negative actions		
20-Jul-18	Jamaica	Moody's revises outlook on Jamaica's B3 rating to positive from stable	<i>Positive</i>
25-Sep-18	Jamaica	S&P revises its outlook on Jamaica's B rating to positive from stable	<i>Positive</i>

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch.

Debt issuance

In May, Trinidad and Tobago's Consolidated Energy Finance S.A. (CEL) issued a US\$ 400 million 6.875% 2026 new bond and reopened its 2022 bond issued a year earlier to add US\$ 125 million. Proceeds of both bonds will be used to redeem the existing US\$ 1.05 billion 6.750% Fixed Rate Notes due on 15 October 2019 (issued in October 2014). The company accompanied the bond and retap with a five-year US\$ 225 million revolving credit facility and a seven-year US\$ 600 million B loan facility. Proceeds from the B loan will refinance existing debt attributed to CEL's Trinidadian subsidiary Methanol Holding Trinidad Ltd.

III. Portfolio equity flows

According to the MSCI Latin American Index, Latin American stocks lost almost 6% from January to October 2018 (table 5), while the broader emerging market index was down 17.5% in dollar terms in the same period. In the second quarter, investors shunned Latin American stocks as the U.S. dollar rallied amid global trade tensions, having an adverse impact on local currencies, particularly on the Argentinean peso. Moreover, uncertainty regarding the Brazilian presidential elections also had a negative impact. As emerging market stocks become cheaper with the climb in the dollar, market sentiment is starting to change. The latest monthly survey from Bank of America Merrill Lynch shows investors' allocations to EM equities jumped to 13% in November from 5% in October. Regarding Latin American stocks, the end of the electoral cycle has had a positive impact, especially on Brazilian assets. In the third quarter, Latin American stocks gained 4%.

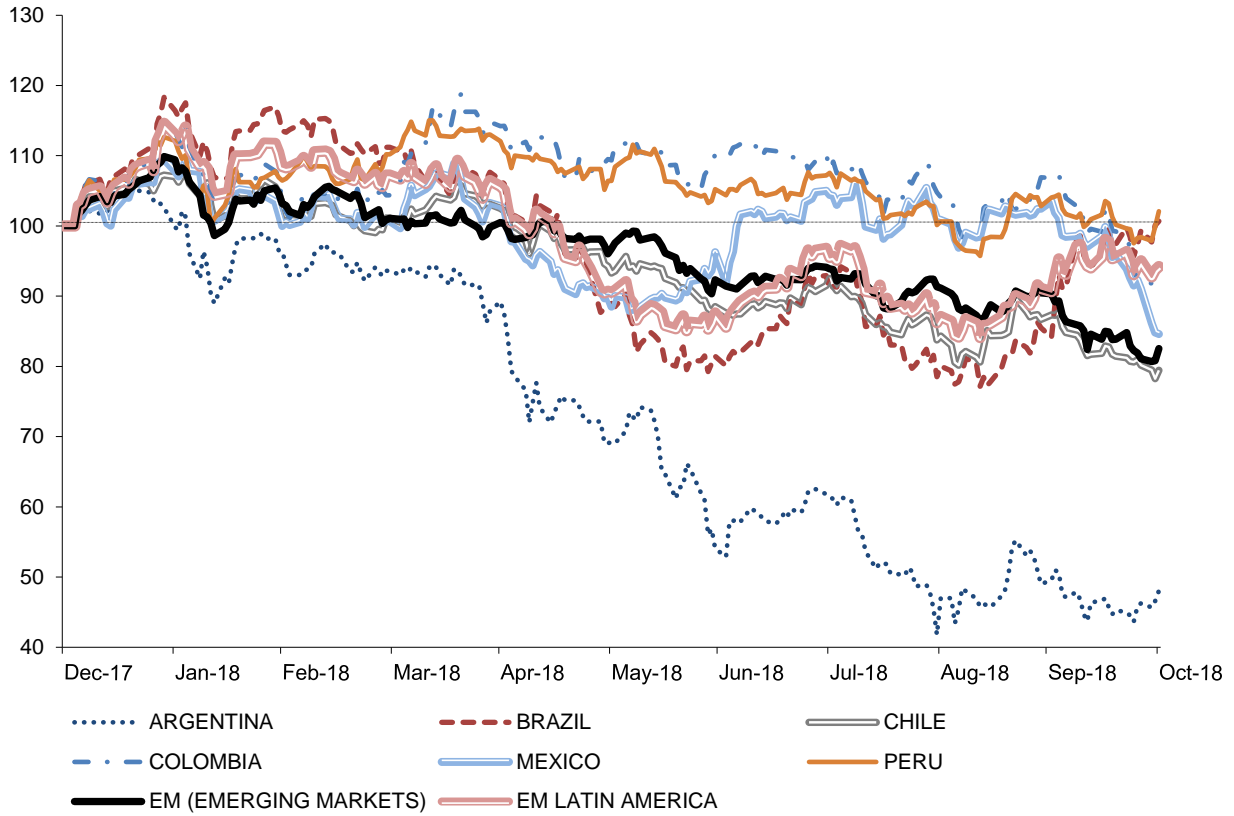
**TABLE 5:
MSCI EQUITY INDICES, 2018 YTD**

	Price Index in USD					Variation			
	Dec 29, 2017	Mar 30, 2018	Jun 29, 2018	Sep 28, 2018	Oct 31, 2018	Q1 2018	Q2 2018	Q3 2018	2018 YTD
<i>Emerging markets</i>	1,158.454	1,170.875	1,069.517	1,047.908	955.924	1.07%	-8.66%	-2.02%	-17.48%
<i>Latin America</i>	2,828.146	3,032.910	2,477.080	2,576.508	2,664.272	7.24%	-18.33%	4.01%	-5.79%
<i>Argentina</i>	4,253.465	3,982.243	2,298.664	2,083.404	2,044.068	-6.38%	-42.28%	-9.36%	-51.94%
<i>Brazil</i>	2,022.889	2,249.320	1,647.270	1,729.495	2,036.629	11.19%	-26.77%	4.99%	0.68%
<i>Chile</i>	2,022.426	2,045.040	1,790.499	1,752.832	1,606.586	1.12%	-12.45%	-2.10%	-20.56%
<i>Colombia</i>	638.240	666.087	703.730	682.439	584.462	4.36%	5.65%	-3.03%	-8.43%
<i>Mexico</i>	5,333.581	5,370.598	5,134.424	5,464.591	4,512.894	0.69%	-4.40%	6.43%	-15.39%
<i>Peru</i>	1,666.579	1,836.617	1,753.551	1713.53	1,701.109	10.20%	-4.52%	-2.28%	2.07%

Source: ECLAC Washington Office, based on data from MSCI Equity Indices, <http://www.msci.com/equity/index2.html>

Within the region (chart 33), Argentina’s MSCI index had the biggest loss in the January-October 2018 period (- 51.94%), followed by Chile (-20.56%), Mexico (-8.43%), and Colombia (-8.43%). Peru registered the biggest gain (2.07%), followed by Brazil (0.68%).

**CHART 33:
MSCI EQUITY PRICE INDEX, JANUARY-OCTOBER 2018**



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

IV. Prospects

In 2018, the Latin America and Caribbean region has seen the best and the worst conditions for tapping international capital markets. The year began with the strongest tone, with issuers from the region breaking a monthly bond issuance record in January and a quarterly bond issuance record in the first quarter. After this strong beginning, the region was hit by liquidity withdrawal from the G3 central banks, with the first shock coming through an increase in interest rates in the U.S., and by trade tensions, which shook market confidence. The changing external context exposed vulnerabilities that had been hidden by the low interest-rate environment. The region's large dollar debtors were particularly hit.

The benign external backdrop that supported large capital flows to the LAC region and a positive risk momentum began to unravel. Uncertainty over where the U.S. was headed with its future trade policies and the outcomes of upcoming presidential elections in Latin America forced the buy-side to exercise caution over where to allocate their money for most of the year.

Although the end of the heavy electoral calendar may lift some of the pressure on the region, the shift from synchronized growth in developed economies to a more mixed trend will continue to be a challenge for LAC assets in coming months. Another challenge for the region's assets is China's more uncertain economic outlook.

Financial markets have been on a more risk-off mode as of recently, and signs of a global dollar shortage have resurfaced since mid-September. This will once again test the sovereigns and corporates from the region that are especially reliant on international dollar liquidity. In addition, falling oil prices may give oil-exporters in the region less fiscal room to maneuver. Bond issues from Latin America could fall short of expectations in coming months, as a number of deals may face delays from volatile markets and political uncertainty.

Appendix

A. Credit Rating

**TABLE 1:
CREDIT RATINGS IN LATIN AMERICA AND THE CARIBBEAN, 2018 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	Downgrade, O/L stable	12-Nov-18	O/L changed to (-)	7-Nov-18
Bahamas	Baa3	(-)	BB+				O/L changed to (-)	25-Sep-17	Downgrade, O/L stable	20-Dec-16		
Barbados	Caa3		SD		NR		Downgrade, O/L stable	9-Mar-17	Downgrade, CreditWatch (-)	6-Jun-18		
Belize	B3		B-		NR		Upgrade, O/L stable	11-Apr-17	Upgrade, O/L stable	23-Mar-17		
Bolivia	Ba3		BB-		BB-		O/L changed to stable from (-)	1-Aug-17	Downgrade, O/L stable	23-May-18	Downgrade, O/L stable	13-Jul-16
Brazil	Ba2		BB-		BB-		O/L changed to stable from (-)	9-Apr-18	Downgrade, O/L stable	11-Jan-18	Downgrade, O/L stable	23-Feb-18
Chile	A1		A+		A		Downgrade, O/L stable	26-Jul-18	Affirmed, O/L stable	28-Jun-18	Affirmed, O/L stable	23-Feb-18
Colombia	Baa2	(-)	BBB-		BBB		O/L changed to (-)	22-Feb-18	Affirmed, O/L stable	13-Mar-18	Affirmed, O/L stable	14-Nov-18
Costa Rica	Ba2	(-)	BB-	(-)	BB	(-)	Downgrade, O/L (-)	9-Feb-17	Downgrade, O/L (-)	25-Feb-16	O/L changed to (-)	18-Jan-18
Cuba	Caa2		NR		NR		O/L changed to stable from (+)	8-Nov-17				
Dom. Republic	Ba3		BB-		BB-		Upgrade, O/L stable	21-Jul-17	Upgrade, O/L stable	20-May-15	Upgrade, O/L stable	18-Nov-16
Ecuador	B3		B-		B-		Affirmed, O/L stable	23-Nov-16	Downgrade, O/L stable	29-Jun-17	Downgrade, O/L stable	17-Aug-18
El Salvador	B3		CCC+	(+)	B-		Upgrade, O/L stable	23-Feb-18	O/L changed to (+)	14-Dec-17	Upgrade, O/L stable	6-Oct-17
Grenada			SD						Downgrade	12-Mar-13		
Guatemala	Ba1		BB-		BB		Affirmed, O/L stable	11-Jun-18	Downgrade, O/L stable	18-Oct-17	Affirmed, O/L stable	17-Apr-18
Honduras	B1		BB-		NR		Upgrade, O/L stable	22-Sep-17	Upgrade, O/L stable	18-Jul-17		
Jamaica	B3	(+)	B	(+)	B	(+)	O/L changed to (+)	20-Jul-18	O/L changed to (+)	25-Sep-18	O/L changed to (+)	31-Jan-18
Mexico	A3		BBB+		BBB+	(-)	O/L changed to stable from (-)	11-Apr-18	O/L changed to stable from (-)	18-Jul-17	O/L changed to (-)	31-Oct-18
Nicaragua	B2		B-	(-)	B	(-)	O/L changed to stable from (+)	13-Jun-18	Downgrade, O/L (-)	9-Nov-18	Downgrade, O/L (-)	22-Jun-18
Panama	Baa2	(+)	BBB	(+)	BBB		O/L changed to (+)	29-Sep-17	O/L changed to (+)	2-Jul-18	Affirmed, O/L stable	16-Feb-18
Paraguay	Ba1		BB		BB	(+)	Affirmed, O/L stable	22-Jun-18	O/L changed to stable from (+)	15-Jun-16	O/L changed to (+)	14-Dec-17
Peru	A3		BBB+		BBB+		Affirmed, O/L stable	24-Aug-17	Affirmed, O/L stable	10-Aug-16	Affirmed, O/L stable	21-Mar-18
St Vincent	B3						Affirmed, O/L stable	30-Apr-18				
Suriname	B2	(-)	B		B-		Downgrade, O/L (-)	20-Feb-18	O/L changed to stable from (-)	2-Apr-18	O/L changed to stable	21-Feb-18
T & T	Ba1		BBB+	(-)	NR		Downgrade, O/L stable	27-Apr-17	O/L changed to (-)	27-Apr-18		
Uruguay	Baa2		BBB		BBB-		O/L changed to stable from (-)	13-Jul-17	Affirmed, O/L stable	9-May-18	Affirmed, O/L stable	5-Apr-18
Venezuela	C		SD		RD		Downgrade, O/L stable	9-Mar-18	Affirmed	29-May-18	Downgrade	14-Nov-17

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. Changes for 2018 YTD are in pink.

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.

BOX 1
CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2018 YTD

There have been 9 positive and 21 negative actions in Latin America and the Caribbean in 2018 YTD.

Positive Actions: 9 (Bold)

January

- **Jamaica (January 31): Fitch revises the outlook on Jamaica’s B rating to positive from stable**, citing much reduced refinancing risks and fiscal financing needs.

February

- Panama (February 16): Fitch affirms Panama at BBB with a stable outlook (*no change*).
- **Suriname (February 21): Fitch revises the outlook on Suriname’s B- rating to stable from negative**, citing the improving macroeconomic trend and more positive outlook for public finances.
- **El Salvador (February 23): Moody’s upgrades El Salvador’s ratings to B3 from Caa1, with a stable outlook**, citing significantly reduced government liquidity risks and diminished political risk.
- Chile (February 23): Fitch affirms Chile at A with a stable outlook (*no change*).

March

- Colombia (March 13): S&P affirms Colombia’s BBB- foreign currency rating after Congressional elections, with a stable outlook (*no change*).
- Mexico (March 16): Fitch affirms Mexico at BBB+ with a stable outlook (*no change*).
- Peru (March 21): Fitch affirms Peru at BBB+ with a stable outlook (*no change*).

April

- **Suriname (April 2): S&P revises the outlook on Suriname’s B rating to stable from negative**, citing end of economic contraction.
- Uruguay (April 5): Fitch affirms Uruguay at BBB- with a stable outlook (*no change*).
- **Brazil (April 9): Moody’s revises the outlook on Brazil’s Ba2 rating to stable from negative**, citing receding downside risks to growth and receding uncertainty regarding the reform momentum.
- **Mexico (April 11): Moody’s revises the outlook on Mexico’s A3 rating to stable from negative**, citing receding downside risks from NAFTA negotiations, and credit strengths that offset weak governance indicators compared to similarly rated peers.
- Guatemala (April 17): Fitch affirms Guatemala at BB with a stable outlook (*no change*).
- St Vincent and the Grenadines (April 30): Moody’s affirms St Vincent and the Grenadine’s B3 rating with a stable outlook (*no change*).

May

- Colombia (May 9): Fitch affirms Colombia’s rating at BBB with a stable outlook (*no change*).
- Uruguay (May 9): S&P affirms Uruguay’s rating at BBB with a stable outlook (*no change*).

June

- Argentina (June 4): S&P affirms Argentina’s long-term rating at B+ with a stable outlook (*no change*).
- Guatemala (June 11): Moody’s affirms Guatemala’s Ba1 rating with a stable outlook (*no change*).
- Paraguay (June 22): Moody’s affirms Paraguay’s Ba1 rating with a stable outlook (*no change*).
- Chile (June 28): S&P affirms Chile’s A+ rating with a stable outlook (*no change*).

July

- **Panama (July 2): S&P revises outlook on Panama’s BBB rating to positive from stable**, citing consistently high growth and stable fiscal policy.
- **Jamaica (July 20): Moody’s revises outlook on Jamaica’s B3 rating to positive from stable**, citing ongoing fiscal consolidation, and improving institutional capacity and policy effectiveness.

Box 1– (cont.)*September*

- **Jamaica (September 25): S&P revises its outlook on Jamaica’s B rating to positive from stable**, citing material progress in achieving macroeconomic stability and improvement in the external debt burden. The positive outlook reflects at least one-in-three likelihood of an upgrade if, in the next 12 months, Jamaica further strengthens its external liquidity position.

November

- Colombia (November 14): Fitch affirms Colombia’s rating at BBB with a stable outlook (*no change*).

Negative Actions: 21 (Bold)*January*

- **Brazil (January 11): S&P downgrades Brazil’s BB long-term sovereign currency debt rating to BB- with a stable outlook**, citing "slower-than-expected progress" in implementing legislation to correct structural fiscal slippage and rising debt levels.
- **Costa Rica (January 18): Fitch revises the outlook on Costa Rica’s BB rating to negative**, citing diminished flexibility to finance rising budget deficits and public debt burden, as well as persistent institutional gridlock.

February

- **Suriname (February 20): Moody’s downgrades Suriname’s B1 long-term rating to B2 with a negative outlook**, citing erosion of fiscal metrics. The negative outlook reflects the agency’s view that without additional measures to strengthen the fiscal position, the pace of fiscal consolidation may not be sufficient to prevent increased liquidity pressures.
- **Colombia (February 22): Moody’s revises the outlook on Colombia’s Ba2 long-term rating to negative from stable**, citing expectation of a slower pace of fiscal consolidation and weakening fiscal metrics, and political risk post presidential elections.
- **Brazil (February 23): Fitch downgrades Brazil’s BB long-term foreign currency rating to BB- with a stable outlook**, citing persistent and large fiscal deficits, a high and growing government debt burden and the failure to legislate reforms.

March

- **Venezuela (March 09): Moody’s downgrades Venezuela’s rating to C from Caa3 with a stable outlook**, citing the continuing erosion of payment capacity and U.S. sanctions, which pose limits on the sovereign’s ability to restructure its debt.

April

- **Trinidad and Tobago (April 27): S&P revises the outlook on Trinidad and Tobago’s BBB+ rating to negative** on macroeconomic risks and external imbalances.

May

- **Argentina (May 4): Fitch revises outlook on Argentina’s B rating to stable from positive**, citing macroeconomic policy frictions and political headwinds, as well as market volatility.
- **Bolivia (May 23): S&P downgrades Bolivia’s foreign currency rating to BB- from BB with a stable outlook**, citing weakened external position by sustained large current account deficits.
- Venezuela (May 29): S&P affirms Venezuela’s rating at Selective Default (SD) (*no change*).

June

- **Barbados (June 6): S&P downgrades Barbados’ long-term foreign currency rating to Selective Default (SD) from CCC+ and placed it on CreditWatch with negative implications**, following a missed coupon payment. S&P’s CreditWatch (-) reflects the agency’s opinion that there is a greater than one-in-two chance that Barbados could default again within the next three months.
- **Nicaragua (June 8): S&P revises outlook on Nicaragua’s B+ rating to negative from stable**, citing weaker growth and fiscal prospects because of political turmoil.

Box 1– (conclusion)

- **Nicaragua (June 13): Moody’s revises outlook on Nicaragua’s B2 rating to stable from positive**, saying that the factors that supported its July 2017 decision to assign a positive outlook on Nicaragua’s rating have dissipated following what the agency believes is a marked weakening of the country’s consensus-building institutions following recent episodes of social unrest triggered by the government’s attempt to reform its pension system.
- **Nicaragua (June 22): Fitch downgrades Nicaragua’s long-term foreign currency rating to B from B+ with a negative outlook**, citing increasing political instability and the corresponding deterioration of investment, economic growth, and public finance outlook.

July

- **Nicaragua (July 23): S&P downgrades Nicaragua’s foreign currency rating to B from B+ with a negative outlook**, saying that heightened domestic conflict and ongoing violence have weakened governability and impaired predictability and effectiveness of policy implementation.
- **Chile (July 26): Moody’s downgrades Chile’s rating to A1 from Aa3 with a stable outlook**, citing a broad-based deterioration in the country’s credit profile, driven by a deterioration in the fiscal position, low income levels relative to Aa-rated peers, dependence on commodities, and external vulnerabilities.

August

- **Ecuador (August 17): Fitch downgrades Ecuador’s sovereign debt rating to B- from B with a stable outlook**, citing “evidence of increased fiscal financing constraints amidst a steady deterioration of Ecuador’s key metrics, including rapidly rising government debt and interest burden as well as weaker economic growth performance relative to the ‘B’ median.”
- **Argentina (August 31): S&P puts Argentina’s B+ credit rating on “CreditWatch negative”**, which reflects “the risk of worsening creditworthiness due to potentially weakened implementation of the government’s strategy to stabilize the economy”.

October

- **Mexico (October 31): Fitch revises its outlook on Mexico’s BBB+ rating to negative from stable**, saying the revision reflects the “deteriorating balance of risks confronting Mexico’s credit profile associated with scope for policy uncertainty and deterioration under the incoming administration,” highlighting the decision to cancel the current Mexico City airport project.

November

- **Argentina (November 7): Fitch revises its outlook on Argentina’s B rating to negative from stable**, as it “sees downside risks amid a nascent economic recession and election cycle,” the ratings agency said in a report.
- **Nicaragua (November 9): S&P downgrades Nicaragua’s credit rating to B- from B with a negative outlook**, citing “ongoing economic strain” and limited financing options.
- **Argentina (November 12): S&P downgrades Argentina’s foreign currency rating to B from B+ with a stable outlook**, citing poorer prospects for growth, inflation and debt.

Source: ECLAC Washington Office based on data from Moody’s, Standard & Poor’s, Fitch and various market sources.

B. Latin American Spreads

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

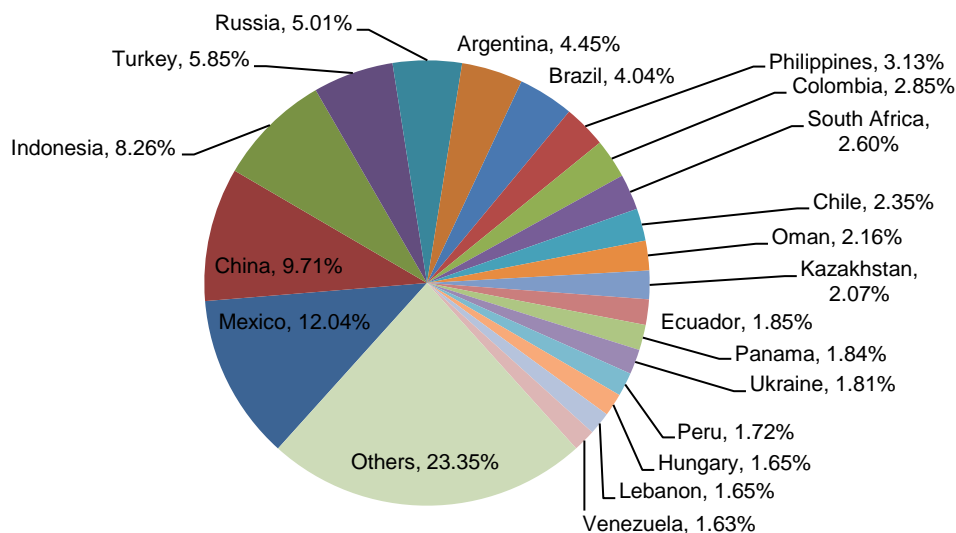
	EMBI Global	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	Venezuela	Latin America
31-Oct-14	332	703	236	146	172	495	188	169	193	1507	424
26-Nov-14	353	687	243	157	175	550	195	167	198	1837	453
31-Dec-14	404	719	270	169	196	883	213	182	208	2457	508
30-Jan-15	455	742	331	200	229	887	252	208	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
29-Dec-17	311	351	232	117	173	459	245	136	146	4854	419
31-Jan-18	292	375	217	106	153	442	223	119	136	4660	399
28-Feb-18	311	405	226	120	178	490	238	137	146	4625	418
29-Mar-18	326	420	238	128	180	544	252	156	168	4189	426
30-Apr-18	335	431	242	130	182	667	263	152	185	4344	443
31-May-18	367	521	299	145	205	671	288	168	197	4565	479
29-Jun-18	388	608	326	144	197	761	281	166	200	5011	497
31-Jul-18	354	556	263	133	177	603	274	143	169	5086	465
31-Aug-18	400	771	337	141	184	725	282	147	174	5807	514
28-Sep-18	362	623	289	124	168	622	256	133	156	5499	474
31-Oct-18	392	652	256	140	186	722	307	152	185	5803	512

Source: ECLAC Washington Office with data from "Emerging Markets Bond Index Monitors"; JPMorgan.

EMBI Global composition by country (end-October 2018): Mexico, Argentina and Brazil account for 20.53% of the total weighting.

EMBI Global composition by region: Latin: 39.23%; Non-Latin: 60.77%.

EMBI GLOBAL COMPOSITION (AS OF OCTOBER 2018)



Others	%
Dominican Rep	1.61%
Malaysia	1.59%
Egypt	1.58%
Uruguay	1.47%
Poland	1.28%
Sri Lanka	1.15%
Nigeria	0.89%
Croatia	0.82%
Romania	0.82%
Azerbaijan	0.71%
Pakistan	0.69%
El Salvador	0.67%
Jamaica	0.65%
Angola	0.63%
Lithuania	0.61%
Costa Rica	0.60%
India	0.53%
Ivory Coast	0.49%
Ghana	0.47%
Kenya	0.45%
Serbia	0.43%
Iraq	0.41%
Mongolia	0.41%
Paraguay	0.40%
Jordan	0.33%
Guatemala	0.29%
Senegal	0.27%
Morocco	0.27%
Zambia	0.24%
Gabon	0.24%
Belarus	0.24%
Trinidad & Tobago	0.24%
Bolivia	0.22%
Vietnam	0.21%
Honduras	0.21%
Slovakia	0.18%
Namibia	0.14%
Georgia	0.12%
Armenia	0.12%
Ethiopia	0.12%
Tunisia	0.10%
Cameroon	0.09%
Latvia	0.08%
Mozambique	0.07%
Suriname	0.06%
Papua New Guinea	0.06%
Tajikistan	0.05%
Belize	0.04%
Total	23.35%

C. New LAC Debt Issuance

**TABLE 3:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FIRST QUARTER OF 2018**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jan-18					
Mexico	United Mexican States	USD 2555	2,555	3.750%	2028
Mexico	United Mexican States	USD 645	645	4.600%	2048 (r)
Chile	Banco del Estado de Chile (BancoEstado)	USD 500	500	2.668%	2021
Argentina	Republic of Argentina	USD 1750	1,750	4.625%	2023
Argentina	Republic of Argentina	USD 4250	4,250	5.875%	2028
Argentina	Republic of Argentina	USD 3000	3,000	6.875%	2048
Brazil	JSL Europe LLC	USD 300	300	7.750%	2024 NC3
Mexico	United Mexican States	EUR 1500	1,799	1.750%	2028
Brazil	Rumo Luxembourg SARL	USD 500	500	5.785%	2025 NC4
Peru	Banco Internacional del Peru - INTERBANK	USD 200	200	3.375%	2023
Chile	Eletrans SA	USD 180	180	4.060%	2037
Brazil	Rede D'Or São Luiz SA	USD 500	500	4.950%	2028
Mexico	Nemak SAB de CV	USD 500	500	4.750%	2025 NC3
Mexico	BBVA Bancomer SA	USD 1000	1,000	5.125%	2033 NC10
Brazil	Marfrig Alimentos (MARB BondCo plc)	USD 1000	1,000	6.875%	2025
Supranational	CAF Development Bank of Latin America	AUD 75	59	4.500%	2027 (r)
Brazil	Hidroviás do Brasil (HBSA)	USD 600	600	5.950%	2025 NC4
Brazil	Republic of Brazil	USD 1500	1,500	5.625%	2047 (r)
Ecuador	Republic of Ecuador	USD 3000	3,000	7.875%	2028
Chile	BancoEstado (Banco del Estado de Chile)	AUD 40	32	3.900%	2029
Argentina	Genneia SA	USD 150	150	8.750%	2022 (r)
Mexico	Unifin Financiera	USD 250	250	8.875%	2025 Perp
Argentina	Aguas y Saneamientos Argentinos (AYSA)	USD 500	500	6.625%	2023 NC3
Brazil	Natura Cosmetics SA	USD 750	750	5.375%	2023 NC3
Chile	Republic of Chile	EUR 830	1,025	1.440%	2029
Brazil	Petrobras	USD 2000	2,000	5.750%	2029
Argentina	Rio Energy SA	USD 600	600	6.875%	2025
Supranational	Central American Bank for Economic Integration (CABEI)	CHF 200	213	0.314%	2024
Chile	Republic of Chile	USD 2000	2,000	3.240%	2028
Brazil	Gol Finance	USD 150	150	7.000%	2025 (r)
Mexico	Credito Real	CHF 170	182	2.875%	2022
			31,690		
Feb-18					
Brazil	Banco Safra SA	USD 500	500	4.125%	2023
Brazil	JBS SA	USD 900	900	6.750%	2028
Mexico	Petroleos Mexicanos - PEMEX	USD 2500	2,500	5.350%	2028
Mexico	Petroleos Mexicanos - PEMEX	USD 1500	1,500	6.350%	2048
Colombia	BevCo LLC	EUR 800	996	1.750%	2023
Supranational	Central American Bank for Economic Integration (CABEI)	JPY 5600	51	0.426%	2023
Supranational	CAF Development Bank of Latin America	EUR 1000	1,243	1.125%	2025
Colombia	Credivalores - Crediservicios SAS	USD 75	75	9.750%	2022 (r)
Dominican Republic	Dominican Republic	DOP 40000	818	8.900%	2023
Dominican Republic	Dominican Republic	USD 1000	1,000	6.500%	2048
Brazil	CSN Resources SA	USD 350	350	7.625%	2023 NC3
Mexico	Unifin Financiera	USD 300	300	7.375%	2026 NC4
Colombia	Gran Tierra Energy (GTE)	USD 300	300	6.250%	2025
Mexico	Comision Federal de Electricidad - CFE	USD 727	727	5.000%	2048
Peru	GenRent	USD 106.5	107	5.875%	2037
Brazil	Banco Safra SA	USD 500	500	4.125%	2023
			11,367		
Mar-18					
Supranational	CAF Development Bank of Latin America	MXN 3000	159	8.500%	2028
Paraguay	Republic of Paraguay	USD 530	530	5.600%	2048
Supranational	CAF Development Bank of Latin America	IDR 1034100	75	6.500%	2023
Brazil	Itau Unibanco Holding SA	USD 750	750	6.500%	2023 Perp
Peru	Peru LNG SRL	USD 940	940	5.375%	2030
Mexico	Sigma Alimentos	USD 500	500	4.875%	2028
Peru	InRetail Shopping Malls - Patrimonio en Fideicomiso DS 093-2002 -EF	PEN 313.5	97	6.563%	2028
Peru	InRetail Shopping Malls - Patrimonio en Fideicomiso DS 093-2002 -EF	USD 350	350	5.750%	2028
Brazil*	Vrio Finco 1 LLC	USD 650	650	6.250%	2023 NC3
Brazil*	Vrio Finco 1 LLC	USD 350	350	6.875%	2028 NC5
Supranational	CAF Development Bank of Latin America	USD 50	50	3-mth L+30	2027
Supranational	CAF Development Bank of Latin America	MXN 3000	159	8.500%	2028
			4,452		

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic.

Notes:

Q1 2018 Total 47,509

(r): retap; (g): green; NC3, NC4, NC5, NC10: only callable after 3, 4, 5 and 10 years, respectively. Perp: perpetual

TABLE 4:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
SECOND QUARTER OF 2018

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Apr-18					
Brazil	Celse - Centrais Elétricas de Sergipe (ARL)	BRL 3201.5	958	9.850%	2032
Argentina	Province of Buenos Aires	ARS 30000	1,487	3m Badlar +375	2025
Panama	Republic of Panama	USD 1200	1,200	4.500%	2050
Uruguay	Republic of Uruguay	USD 1750	1,750	4.975%	2055
Mexico	Grupo Bimbo	USD 500	500	5.950%	2023
Brazil	Banco do Brasil SA	USD 750	750	4.875%	2023
Brazil	RioPrevidencia - Rio Oil Finance Trust	USD 600	600	8.200%	2028
Mexico	United Mexican States	JPY 57200	535	0.600%	2023
Mexico	United Mexican States	JPY 24100	225	0.850%	2025
Mexico	United Mexican States	JPY 38700	362	1.050%	2028
Mexico	United Mexican States	JPY 15000	140	2.000%	2038
Mexico	Cometa Energia SA de CV	USD 860	860	6.375%	2035
Supranational	CAF Development Bank of Latin America	CHF 115	118	0.300%	2025
Peru	InRetail Pharma SA	PEN 385.8	120	6.438%	2025
Peru	InRetail Pharma SA	USD 400	400	5.375%	2023
Colombia	Gilex Holding SARL	USD 300	300	8.500%	2023
Brazil	Light Serviços de Eletricidade SA	USD 600	600	7.250%	2023
Argentina	Transportadora de Gas del Sur SA - TGS	USD 500	500	6.750%	2025
Mexico	KIO Networks (Sixsigma Networks Mexico SA De CV)	USD 300	300	7.500%	2025
Colombia	Canacol Energy Ltd	USD 320	320	7.250%	2025
Supranational	Central American Bank for Economic Integration (CABEI)	CNY 2000	316	4.850%	2023
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 600	600	4.850%	2048
			12,941		
May-18					
Mexico	Petroleos Mexicanos - PEMEX	CHF 365	366	1.750%	2023
Panama	Aeropuerto Internacional de Tocumen SA (AITSA)	USD 225	225	6.000%	2048
Trinidad and Tobago	Consolidated Energy Finance SA	USD 400	400	6.500%	2026
Trinidad and Tobago	Consolidated Energy Finance SA	USD 125	125	3m Libor +375	2022
Supranational	CAF Development Bank of Latin America	COP 450000	158	6.770%	2028
Brazil	Unigel	USD 200	200	10.500%	2024
Mexico	Petroleos Mexicanos - PEMEX	EUR 600	713	2.500%	2022
Mexico	Petroleos Mexicanos - PEMEX	EUR 650	773	3m Euribor +240	2023
Mexico	Petroleos Mexicanos - PEMEX	EUR 650	773	3.625%	2025
Mexico	Petroleos Mexicanos - PEMEX	EUR 1250	1,486	4.750%	2029
Chile	Banco del Estado de Chile (BancoEstado)	JPY 13000	118	0.580%	2028
Chile	Banco del Estado de Chile (BancoEstado)	HKD 600	76	3.600%	2033
Mexico	Banco Mercantil del Norte	CHF 100	100	0.875%	2021
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 600	600	6.375%	2028
Brazil	TAF Linhas Aéreas	USD 21	21	5.000%	2022
			6,134		
Jun-18					
Supranational	CAF Development Bank of Latin America	EUR 500	585	0.750%	2023
Chile	Enel Chile SA	USD 1000	1,000	4.875%	2028
Mexico	Comisión Federal de Electricidad - CFE	USD 150	150	5.460%	2036
Colombia	Frontera Energy Corp.	USD 350	350	9.700%	2023
Chile	Banco del Estado de Chile	COP 150000	51	7.000%	2028
Chile	Republic of Chile	CLP 610000	939	4.700%	2030
Chile	Republic of Chile	CLP 440000	677	4.000%	2023
Supranational	CAF Development Bank of Latin America	EUR 500	585	0.750%	2023
Chile	Enel Chile SA	USD 1000	1,000	4.875%	2028
			3,752		

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Notes:

(r): retap.

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

Q2 2018 Total 22,826

H1 2018 70,335

**TABLE 5:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
THIRD QUARTER OF 2018**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity	
Jul-18						
Chile	Banco del Estado	COP 150000	52	7.000%	2025	
Brazil	Cemig Geração e Transmissão SA	USD 500	500	9.250%	2024	NC6 (r)
Dominican Republic	Dominican Republic	USD 1300	1,300	6.000%	2028	
Chile	Banco de Crédito e Inversiones - BCI	AUD 40	28	4.670%	2033	
Supranational	CAF Development Bank of Latin America	EUR 150	175	1.000%	2020	
			2,055			
Aug-18						
Supranational	CAF Development Bank of Latin America	USD 30	30	3.385%	2021	(g)
Mexico	EVM Energía del Valle de Mexico Generador SAPI de CV	USD 469	469	6.020%	2040	
Supranational	CAF Development Bank of Latin America	PEN 177	54	4.444%	2021	
			553			
Sep-18						
Chile	Banco Santander Chile	CHF 155	119	0.441%	2023	
Chile	Banco de Crédito e Inversiones - BCI	AUD 60	43	4.650%	2033	
Chile	Banco de Crédito e Inversiones - BCI	USD 50	50	3.848%	2024	
Supranational	Central American Bank for Economic Integration (CABEI)	NZD 30	20	2.200%	2022	
Supranational	Central American Bank for Economic Integration (CABEI)	USD 12	12	2.620%	2022	
Brazil	Suzano Austria GmbH	USD 1000	1000	6.000%	2029	
Mexico	Banco Santander (Mexico) SA Institución de Banca Múltiple	USD 1300	1300	5.950%	2028	
Argentina	MercadoLibre Inc.	USD 880	880	2.000%	2028	
Chile	Banco de Crédito e Inversiones - BCI	USD 100	100	4.016%	2024	
			3,524			

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Notes:	Q3 2018 Total	6,132
(r): retap. (g): green.	2018 YTD Total	76,467
NC6: only callable after 6 years.		

**TABLE 6:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FOURTH QUARTER OF 2018**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity	
Oct-18						
Colombia	Republic of Colombia	USD 1500	1,500	4.500%	2029	
Colombia	Republic of Colombia	USD 500	500	5.000%	2045	(r)
Supranational	Millicom	USD 500	500	6.625%	2026	NC3
Chile	Banco de Crédito e Inversiones - BCI	USD 45	45	4.034%	2024	
Supranational	Central American Bank for Economic Integration (CABEI)	COP 185600	60	7.550%	2028	
Mexico	Petróleos Mexicanos - PEMEX	USD 2000	2,000	6.500%	2029	
Colombia	Transportadora de Gas Internacional SA ESP - TGI	USD 750	750	5.550%	2028	
Brazil	JBS Investments II GmbH	USD 500	500	7.000%	2026	NC3
Supranational	CAF Development Bank of Latin America	AUD 100	71	3.400%	2023	
Panama	Republic of Panama	USD 550	550	4.500%	2050	(r)
Colombia	AI Candelaria	USD 650	650	7.500%	2028	
Mexico	Controladora Mabe SA de CV	USD 370	370	5.600%	2028	
Chile	Coopeuch (Cooperativa del Personal de la Universidad de Chile)	JPY 3000	27	1.050%	2025	
Colombia	Gilex Holding SARL	USD 45	45	8.500%	2023	(r)
Supranational	CAF Development Bank of Latin America	USD 525	525	3-mth Libor +28	2020	
Supranational	CAF Development Bank of Latin America	USD 400	400	3.435%	2021	
Chile	Banco de Chile	CHF 115	115	0.568%	2023	
Chile	Empresa Nacional del Petróleo (ENAP)	USD 680	680	5.250%	2029	
			9,288			

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Notes:	2018 YTD Total	85,756
(r): retap. (g): green.		
NC6: only callable after 6 years.		



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