

Capital Flows to Latin America and the Caribbean

2019 Year-in-Review



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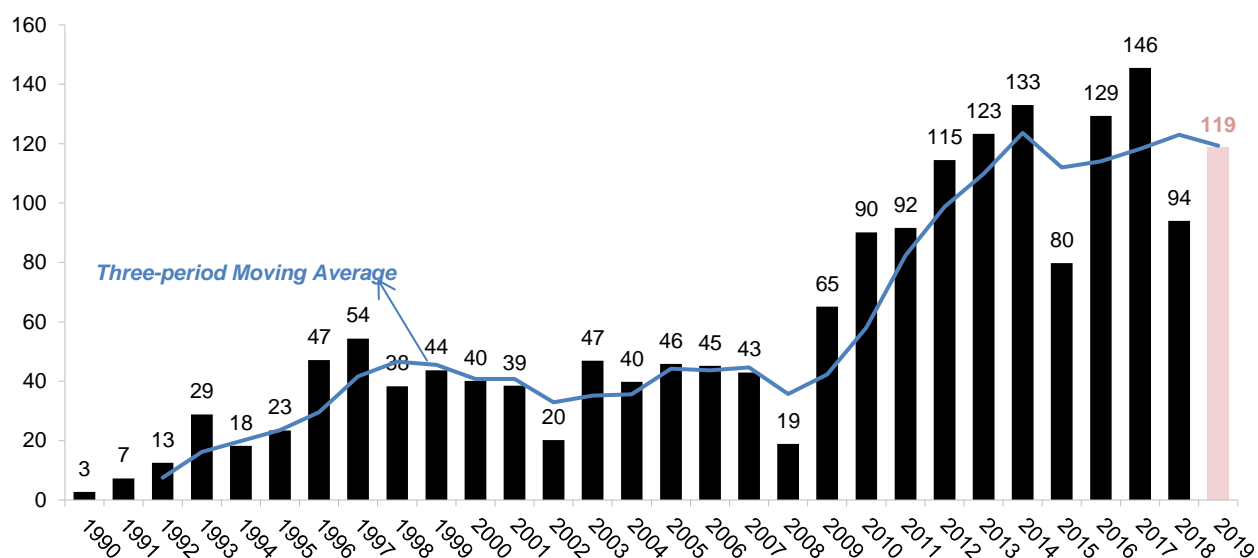
Highlights

- In 2019, international bond issuance from Latin America and the Caribbean (LAC) increased and bond spreads tightened, but credit quality continued to deteriorate although at a slower pace relative to 2018.
- Lowering global interest rates brought issuance volume up in the region. Total LAC debt issuance in international markets in 2019 was US\$ 119 billion, 26% higher than in 2018.
- Mexican, Brazilian and Chilean borrowers were the main contributors to the region's performance. Together they were the three top issuers (sovereign and corporate issuance combined) and accounted for 64% of the total LAC bond issuance in 2019. Mexican borrowers increased issuance by 40% relative to 2018, Brazilian by 54% and Chilean by 46%. They accounted for 28%, 25% and 11% of the total, respectively.
- In 2019, Latin American stocks and debt spreads recovered from the rout caused by the increase in volatility and risk perception in global markets in the second half of 2018. The JPMorgan EMBIG Latin component tightened 222 basis points (compared to a widening of 149 basis points in 2018), while Latin American stocks gained 14% according to the MSCI Latin American index (compared to a loss of 9% in 2018).
- On balance, credit quality deteriorated in 2019. There were eleven credit rating upgrades and twelve downgrades in 2019. When looking at all credit rating actions, including outlook revisions, there were eighteen positive and twenty-two negative actions. Negative credit rating actions (including downgrades and downward outlook revisions) have outnumbered positive actions in the region for seven years in a row, but the imbalance improved in 2019. There were four more negative actions than positive in the region in 2019, compared to fifteen more in 2018.
- Finally, there was a recovery in green bond issuances from the region in international markets. In 2019, LAC international green bond issuances amounted to US\$ 5.45 billion, which represented 4.6% of the region's total international bond issuance. In June, Chile became the first sovereign in the region to issue green bonds.

Overview

Lowering global interest rates supported Latin American and Caribbean bond activity in 2019. Borrowers enjoyed easy financing conditions, as interest rate cuts from the U.S. Federal Reserve and the European Central Bank allowed them to issue foreign currency denominated bonds at increasingly low rates. LAC debt issuance totaled US\$ 119 billion in 2019, up 26% from the US\$ 94 billion issued in 2018. It was only the fifth largest annual volume, given that the activity of some past large issuers, such as Argentina, was subdued (chart 1).

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

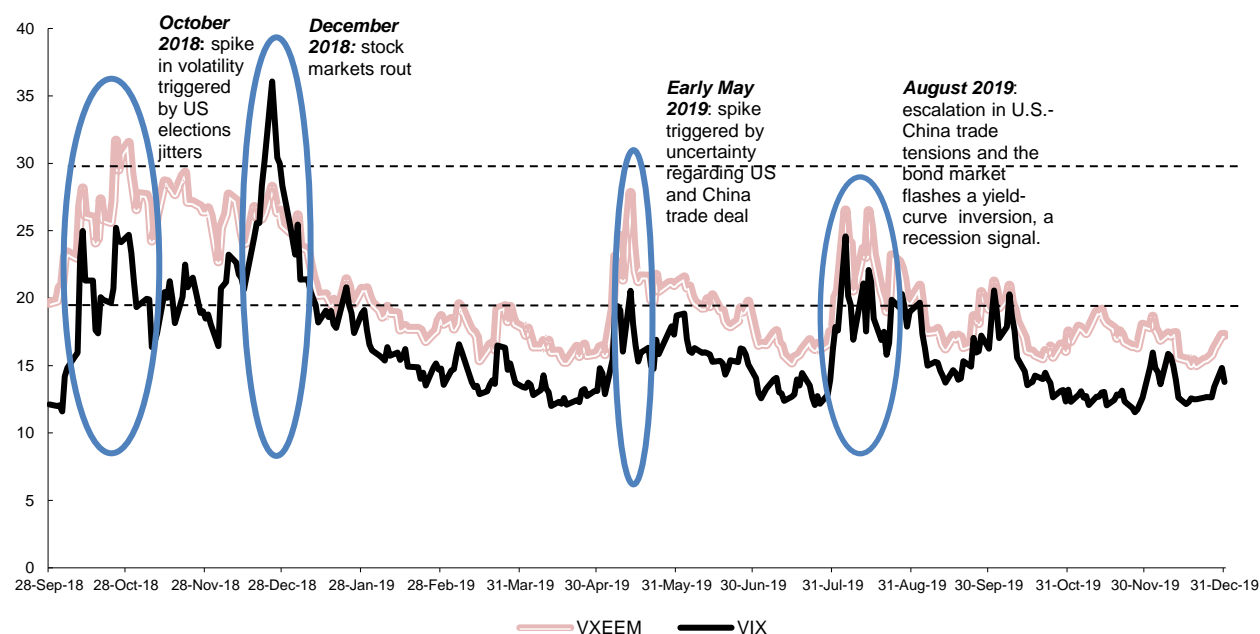


Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Bloomberg, JPMorgan and Bank of America/Merrill Lynch.

The growth in LAC bond markets in 2019 was driven by the corporate sector, which accounted for 64% of the total issuance. Dollar-denominated issuance from the region increased to 83% of the total from a share of 77% in 2018.

Volatility slowed down in the second half of 2019. The last peak of volatility observed in 2019 was in August (chart 2). It was driven by an escalation in U.S.-China trade tensions and concerns that the bond market was flashing a recession signal, an inverted yield-curve, with the 10-year Treasury yield falling below its 2-year counterpart. The improved tone around trade after August contributed to a spike in bets against volatility. With renewed hopes for a U.S.-China trade resolution giving stocks a boost, volatility embarked on a downward trend. Expectations that the Federal Reserve would keep interest rates low (with a second and a third interest rate cut taking place in September and October)¹ also contributed to reduce volatility and lift stocks.

CHART 2:
CBOE VOLATILITY INDEX IN 2019
(VIX and VXEEM close)



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

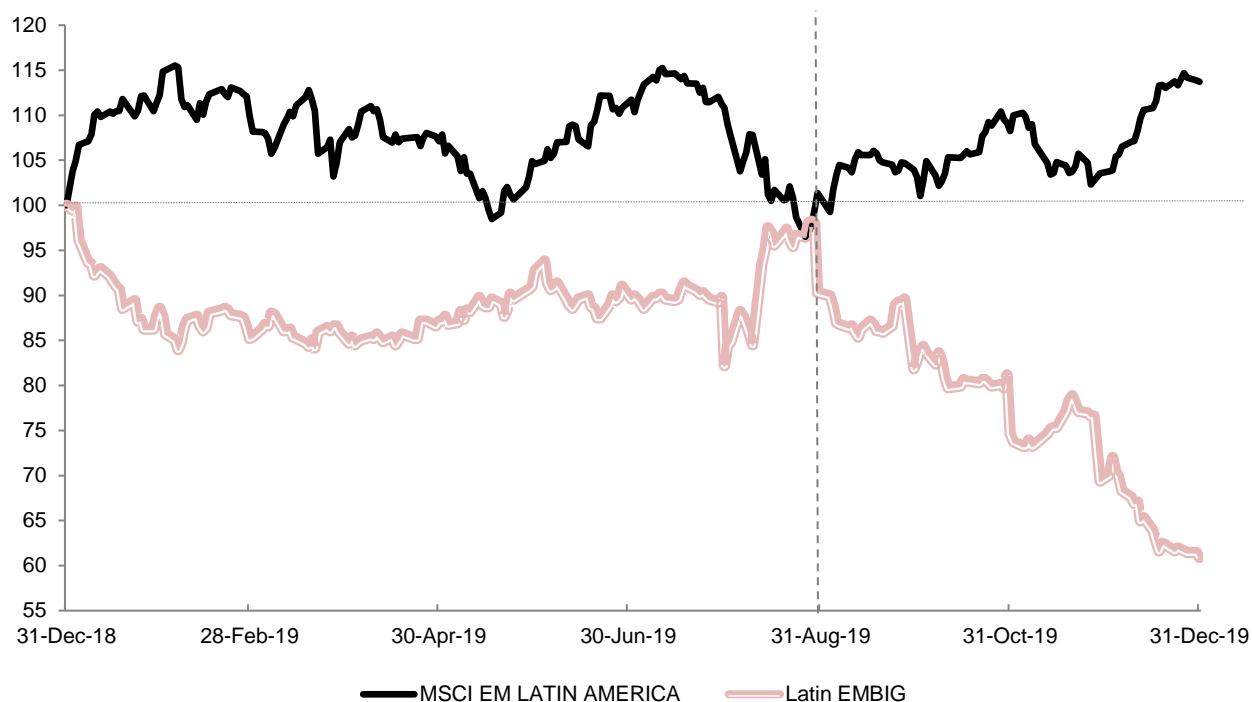
Note: The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. The VXEEM is the CBOE volatility index for emerging markets (conveyed by MSCI Emerging Markets Index fund option prices).

The renewed optimism regarding a trade resolution between the United States and China after August had a positive impact on both Latin American stocks and debt spreads. LAC bond spreads tightened further, while Latin American equity prices widened (chart 3).

Except for Argentina, Venezuela and Ecuador, bond spreads tightened for all Latin American countries in our sample in 2019 (chart 4). Argentina's spreads increased 927 basis points as political uncertainty rose ahead of the general elections in October and access to foreign credit became more difficult, reigniting currency pressures. Venezuela's spreads widened 7,895 basis points against a backdrop of political and economic hardships. Ecuador's spreads did not change.

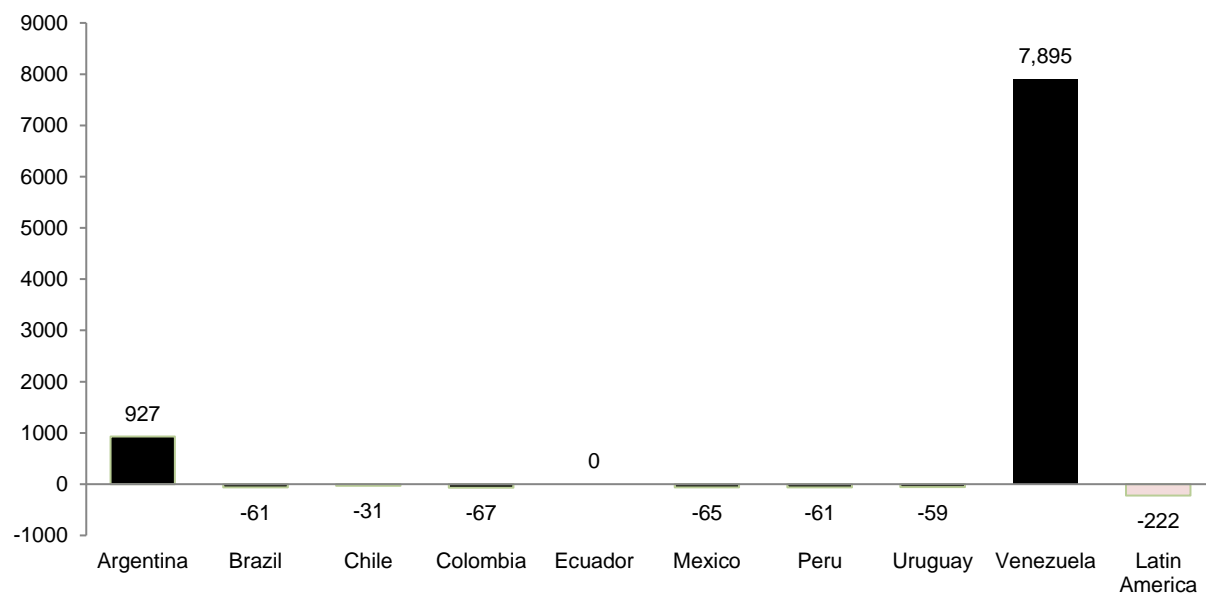
¹ The U.S. Federal Reserve cut interest rates for the first time in July and followed with interest rate cuts in September and October of 2019. At the end of the year its benchmark rate was in a range of 1.5% to 1.75%.

CHART 3:
LATIN AMERICAN EQUITY PRICES VS BOND SPREADS IN 2019
(MCSI and EMBIG indices)



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

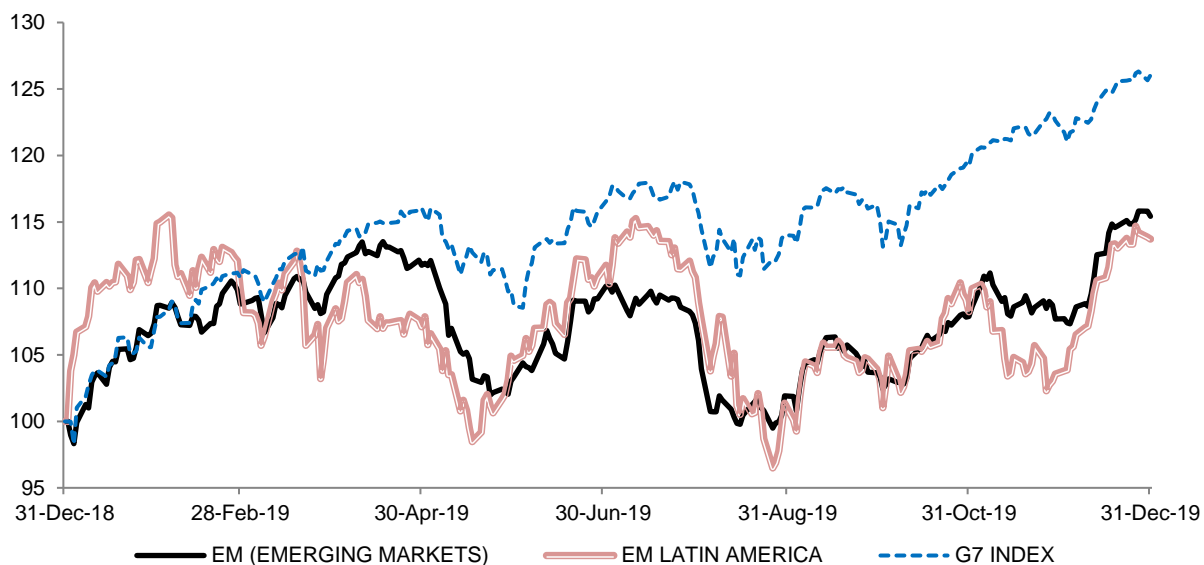
CHART 4:
EMBIG SPREAD DIFFERENTIALS IN 2019
(Basis points)



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

Latin American stocks gained 14% in 2019 according to the MSCI Latin American index, while emerging markets gained 15% and G7 countries 26%, respectively (chart 5). EM and LAC equities underperformed G7 countries, in part due to EM currency depreciation.

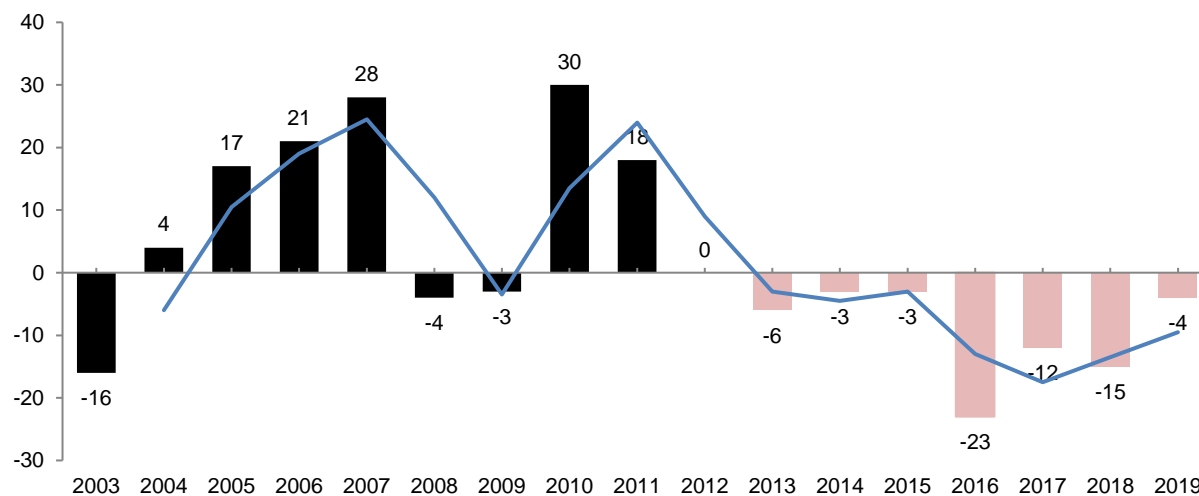
**CHART 5:
MSCI EQUITY PRICE INDEX IN 2019**



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 continued to deteriorate in 2019, although at a slower pace. There were four more negative actions than positive in the region (chart 6). Negative credit rating actions (including downgrades and downward outlook revisions) have outnumbered positive actions in the region for seven years in a row.

**CHART 6:
NET CREDIT RATING ACTIONS IN LAC**
(Number of Actions)

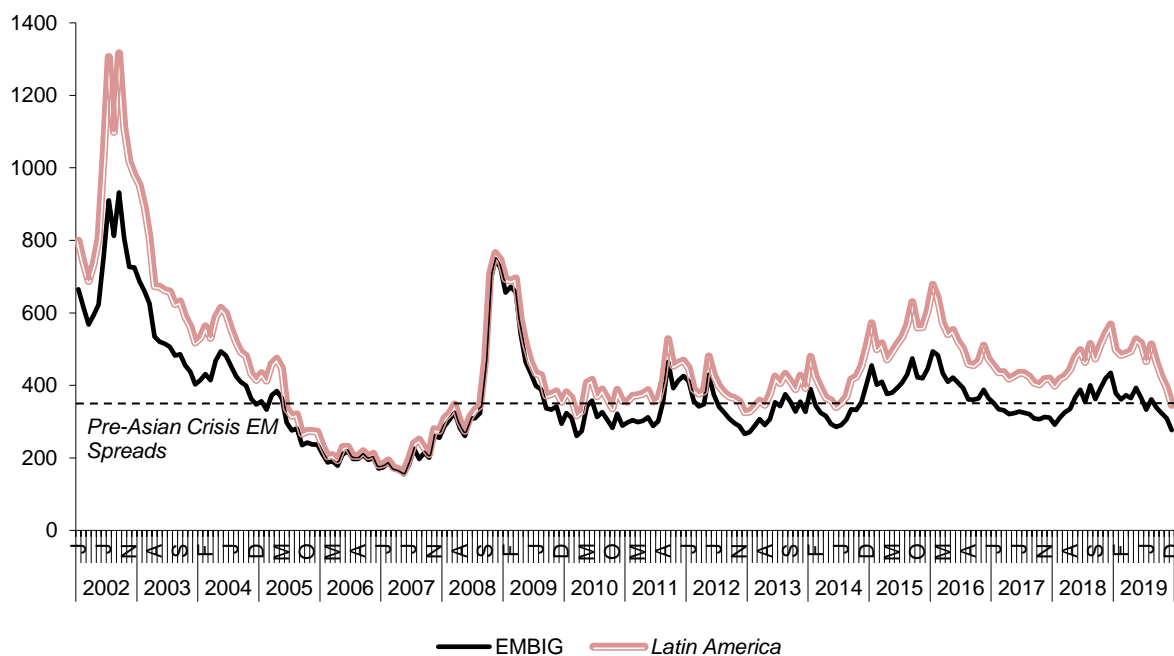


Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch.

I. Bond markets and debt management

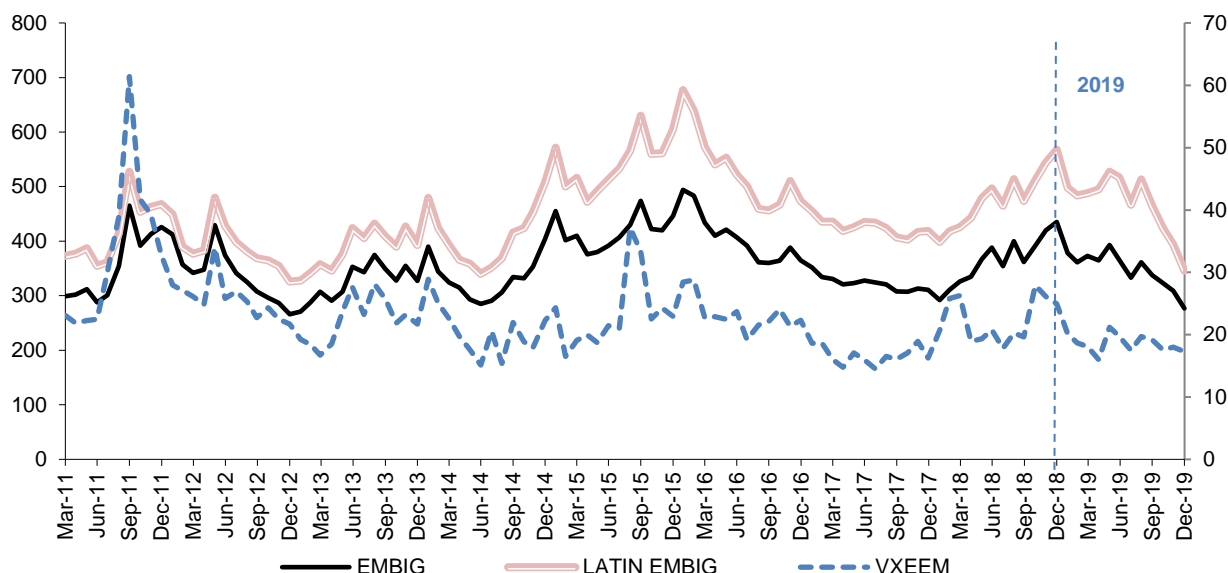
EMBI Global bond spreads tightened 158 basis points while its Latin component tightened 222 basis points in 2019 (chart 7), as a halt in increases in U.S. interest rates called by the Fed, followed by three rate cuts, and a slowdown in volatility and risk perception (chart 8), helped support emerging market assets.

**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
 (Left axis: basis points; right axis: VXEEM close)



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).

Credit quality in the region continued to deteriorate in 2019, with eighteen positive and twenty-two negative sovereign credit rating actions taking place. Among them, there were eleven upgrades and twelve downgrades. Eight of the eleven upgrades took place in the second half of the year (table 1).

In the fourth quarter, there were seven positive actions, more than in the three previous quarters, and five negative actions. They included four upgrades and three downgrades.

Jamaica and Barbados were upgraded in December. Moody's upgraded Jamaica's ratings to B2 from B3 with a stable outlook on December 11, citing strong commitment to fiscal consolidation and structural reforms and improving debt structure. Also on December 11, Standard & Poor's upgraded Barbados credit ratings to B- from selective default (SD) with a stable outlook, following the debt exchange of approximately US\$ 531 million in new 2029 bonds and US\$ 32 million in past due interest bonds to holders of its U.S. dollar bonds that had been in default since 2018.

Other positive rating actions in the fourth quarter included Nicaragua, Brazil and Argentina. On November 8, S&P changed the outlook on Nicaragua's B- rating to stable from negative, citing stabilization of liquidity conditions. On November 22, Fitch changed the outlook on Nicaragua's B- rating to stable from negative, citing the stabilization of central bank reserves and commercial bank deposits, a significant fiscal adjustment and social security reform that have reduced domestic financing needs, and a pronounced external rebalancing that has eased the external financing requirement.

On December 11, S&P changed the outlook on Brazil's BB- rating to positive from stable, citing prospects for an upgrade in the next two years if further progress – prioritization, passage, or execution – on the government's broad fiscal and growth agenda allows for a more rapid reduction of Brazil's fiscal deficits and a stabilization of debt dynamics.

The positive actions regarding Argentina canceled out the negative actions taken against it. On December 20, S&P and Fitch downgraded Argentina's rating to SD from CCC- and to restricted default (RD) from CC, respectively, after the sovereign unilaterally extended, on the previous day, the maturity of short-term U.S. dollar-denominated Treasury bills (Letes), issued under local law and held by private sector creditors.

TABLE 1: SOVEREIGN CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2019

Date	Country	Action	
Q1 2019	4 positive and 4 negative actions		
10-Jan-19	Ecuador	Fitch revises the outlook on Ecuador's B- rating to negative	Negative
15-Jan-19	Costa Rica	Fitch downgrades Costa Rica's rating to B+ from BB with negative outlook	Negative
25-Jan-19	Nicaragua	Moody's changes outlook on Nicaragua's B2 rating to negative	Negative
31-Jan-19	Jamaica	Fitch upgrades Jamaica's rating to B+ from B with a stable outlook	Positive
21-Feb-19	Bahamas	Moody's changes the outlook on The Bahamas' Baa3 rating to stable from negative	Positive
28-Feb-19	Suriname	Moody's changes the outlook on Suriname's B2 rating to stable from negative	Positive
1-Mar-19	Mexico	S&P revises the outlook on Mexico's BBB+ rating to negative	Negative
8-Mar-19	Panama	Moody's upgrades Panama's rating to Baa1 from Baa2 with a stable outlook	Positive
Q2 2019	2 positive and 5 negative actions		
11-Apr-19	Guatemala	Fitch revises outlook on Guatemala's BB rating to negative	Negative
29-Apr-19	Panama	S&P upgrades Panama's rating to BBB+ from BBB with a stable outlook	Positive
23-May-19	Colombia	Moody's changes outlook on Colombia's Baa2 rating to stable from negative	Positive
23-May-19	Colombia	Fitch changes outlook on Colombia's BBB rating to negative from stable	Negative
5-Jun-19	Mexico	Moody's changes outlook on Mexico's A3 rating to negative from stable	Negative
5-Jun-19	Mexico	Fitch downgrades Mexico's rating to BBB (from BBB+) with a stable outlook	Negative
20-Jun-19	Bolivia	Fitch changes outlook on Bolivia's BB- rating to negative from stable	Negative
Q3 2019	5 positive and 8 negative actions		
2-Jul-19	Barbados	Moody's upgrades Barbados's rating to Caa3 (from Caa1) with a stable outlook	Positive
9-Jul-19	T&T	S&P downgrades T&T's rating to BBB (from BBB+) with a stable outlook	Negative
12-Jul-19	Argentina	Moody's changes outlook on Argentina's B2 rating to negative from stable	Negative
16-Aug-19	Argentina	S&P downgrades Argentina's rating to B- (from B) with a negative outlook	Negative
16-Aug-19	Argentina	Fitch downgrades Argentina's rating to CCC from B	Negative
21-Aug-19	Ecuador	Fitch changes its outlook on Ecuador's B- rating to stable from negative	Positive
21-Aug-19	Suriname	Fitch changes its outlook on Suriname's B- rating from stable to negative	Negative
29-Aug-19	Argentina	S&P downgraded its sovereign credit ratings on Argentina to SD from B-	Negative
30-Aug-19	Argentina	S&P upgraded Argentina's rating to CCC- from SD, with a negative outlook	Positive
30-Aug-19	Argentina	Fitch downgrades Argentina's foreign currency bond ratings to CC (from CCC)	Negative
30-Aug-19	Argentina	Moody's downgrades rating to Caa2 from B2. Places it under review for further downgrade	Negative
3-Sep-19	Argentina	Fitch upgrades Argentina's rating to CC from RD	Positive
27-Sep-19	Jamaica	S&P upgrades Jamaica's rating to B+ (from B) with a stable outlook	Positive
Q4 2019	7 positive and 5 negative actions		
8-Nov-19	Nicaragua	S&P changes the outlook on Nicaragua's B- rating to stable from negative	Positive
21-Nov-19	Bolivia	Fitch downgrades Bolivia's rating to B+ from BB-. The rating outlook remains negative.	Negative
22-Nov-19	Nicaragua	Fitch changes the outlook on Nicaragua's B- rating to stable from negative	Positive
5-Dec-19	Bolivia	Moody's places Bolivia's Ba3 rating under review for downgrade	Negative
11-Dec-19	Jamaica	Moody's upgrades Jamaica's ratings to B2 from B3 with a stable outlook	Positive
11-Dec-19	Barbados	S&P upgrades Barbados' rating to B- from SD with a stable outlook	Positive
11-Dec-19	Brazil	S&P changes the outlook on Brazil's BB- rating to positive from stable	Positive
16-Dec-19	Bolivia	S&P changes the outlook on Bolivia's BB- rating to negative from stable	Negative
20-Dec-19	Argentina	S&P downgrades Argentina's rating to SD from CCC-	Negative
20-Dec-19	Argentina	Fitch downgrades Argentina's rating to RD from CC	Negative
23-Dec-19	Argentina	Fitch upgrades Argentina's rating to CC from RD	Positive
30-Dec-19	Argentina	S&P upgrades Argentina's rating to CC from SD. The rating outlook remains negative.	Positive

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. 2019: 18 positive and 22 negative actions.

On December 23, Fitch upgraded Argentina back to CC from RD following the conclusion of the government's unilateral extension of repayment of the short-term dollar-denominated paper (Letes). Finally, on December 30, S&P upgraded Argentina to CC from SD with a negative outlook, after the government conducted two auctions of peso-denominated debt on December 20 and 26 and paid the Bopomo (a locally issued peso-denominated bond: Bono a Tasa de Política Monetaria) due December 23. The negative outlook, the agency said, reflects prospects for a further restructuring of sovereign debt in the coming months.

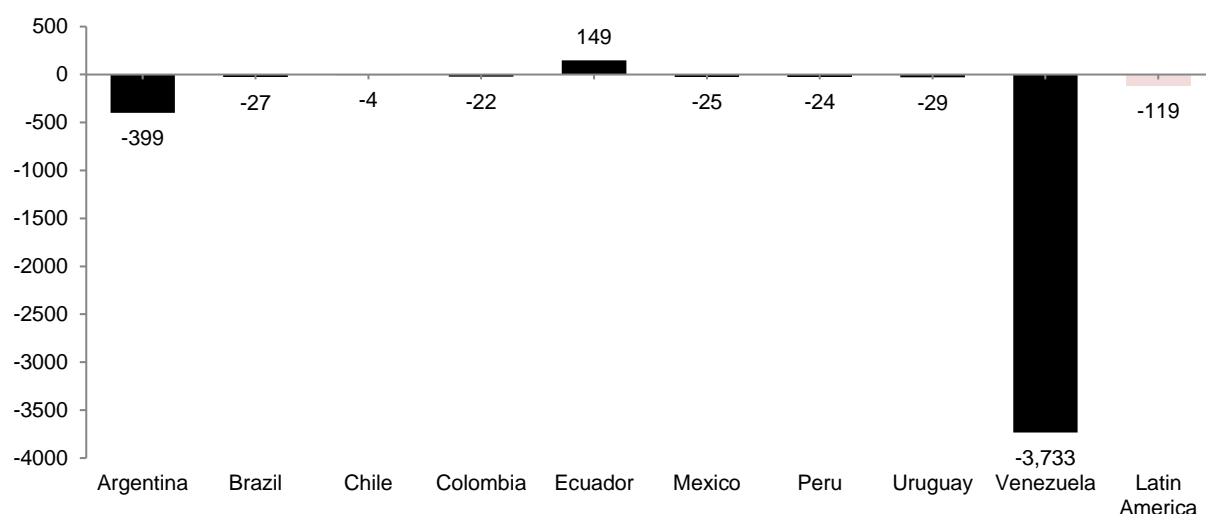
The other negative actions in the fourth quarter were related to Bolivia. On November 21, Fitch downgraded Bolivia's rating to B+ from BB-, keeping a negative outlook. The agency said that the downgrade reflected the rapid and sustained erosion of external buffers and related macroeconomic risks, which had intensified amid recent political and social instability. On December 5, Moody's placed Bolivia's Ba3 rating under review for downgrade, citing heightened political risk and increased policy uncertainty. And on December 16, S&P changed the outlook on Bolivia's BB- rating to negative from stable, on risks to external and debt positions, adding that the negative outlook reflected the at least one-in-three likelihood of a downgrade in the next six to 18 months if continued political uncertainty, poor GDP growth prospects, or further erosion of the government's fiscal metrics contribute to current account deficits that weaken the country's external profile.

As of end of 2019, nine sovereigns were on negative outlook by one or more agencies (Argentina, Bolivia, Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Nicaragua, and Uruguay), and one was on a positive outlook (Brazil). The outlooks show that the balance of risks is towards more negative actions (appendix A, table 1).

A. Sovereign Spreads

The JPMorgan's EMBIG tightened 158 basis points in 2019 – from 435 basis points at the end of December 2018 to 277 at the end of December 2019 – while its Latin component tightened 222 basis points, from 568 to 346 basis points. In the fourth quarter, EMBIG spreads and its Latin component tightened 61 and 119 basis points, respectively. Fourth-quarter spreads tightened for all countries in our sample except for Ecuador, where financing needs for 2020 are anticipated to be large and uncertainty regarding its access to funding sources is high. Volatility in oil prices is also a risk to Ecuador's financing plans (chart 9).

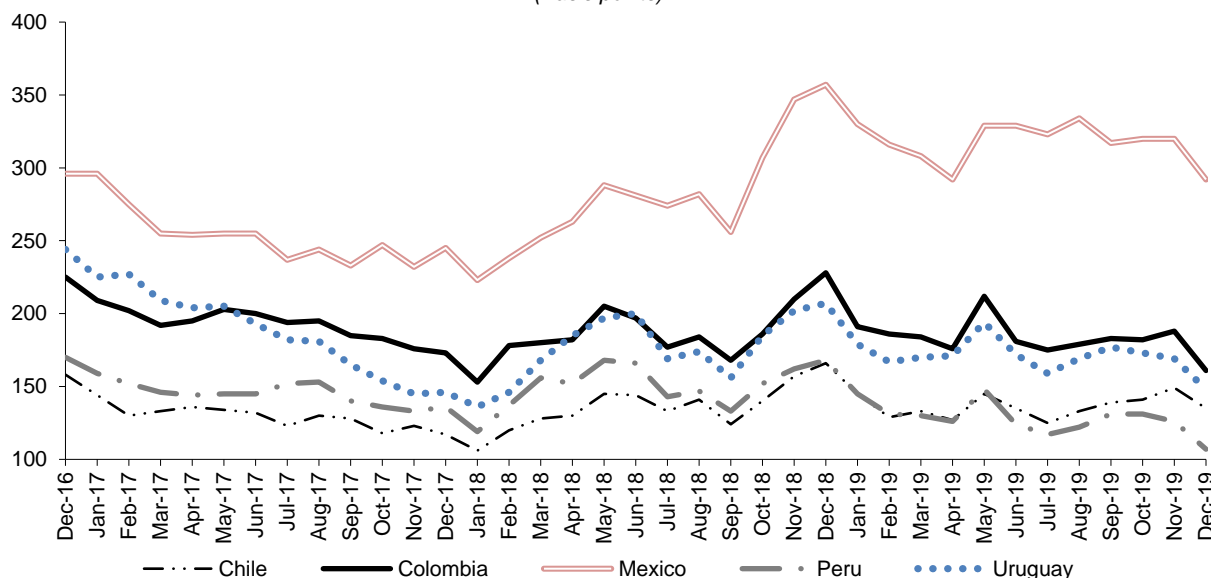
CHART 9:
EMBIG QUARTERLY SPREAD DIFFERENTIALS: Q4 2019
(Basis points)



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

Among investment grade countries, Mexico had the highest spreads – 292 basis points – at the end of December 2019, followed by Colombia with 161 basis points, Uruguay with 148 basis points and Chile with 135 basis points. Peru had the lowest spreads at 107 basis points (chart 10).

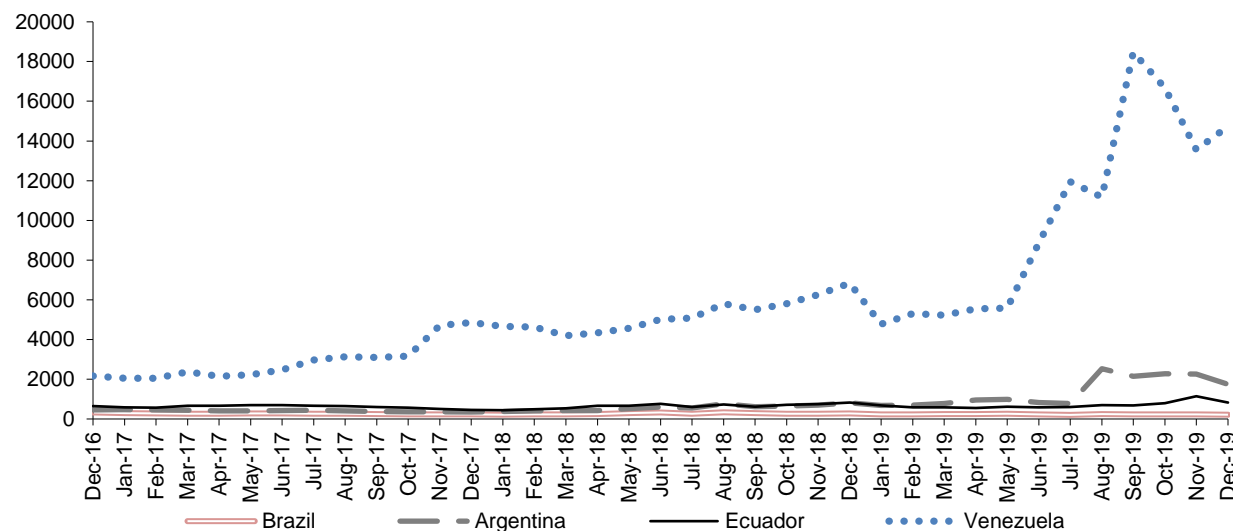
CHART 10:
EMBIG LATIN: INVESTMENT GRADE ISSUERS
(Basis points)



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 11). At 14,740 basis points at the end of December 2019, Venezuela maintained the highest debt spreads of any country in the EMBIG. Spreads for Ecuador and Argentina were at 826 and 1,744 basis points, respectively, and Brazilian spreads were at 212 basis points, lower than Mexican spreads.

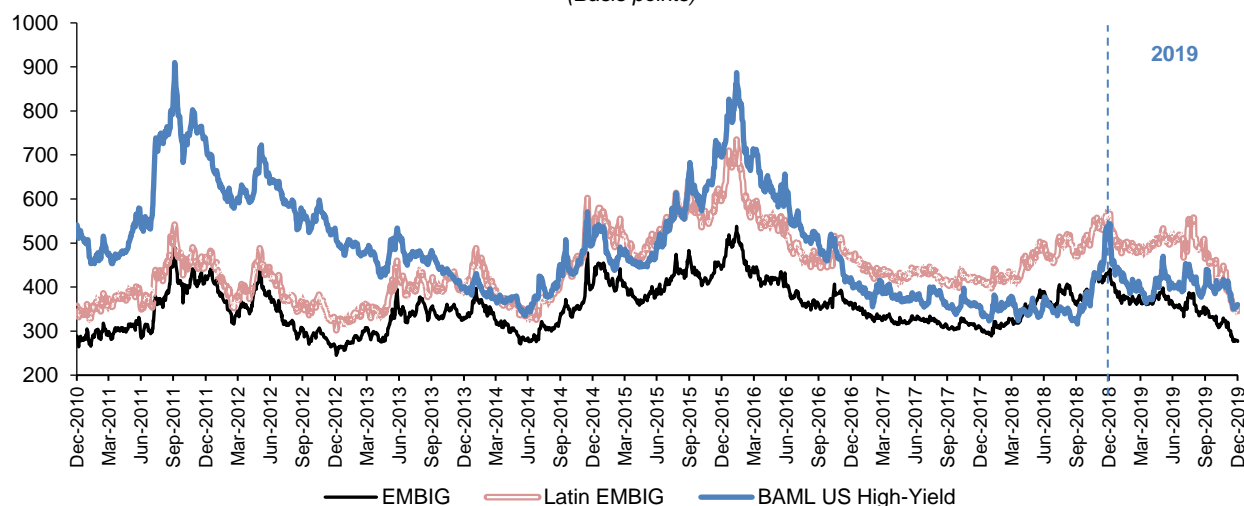
CHART 11:
EMBIG LATIN: NON-INVESTMENT GRADE ISSUERS
(Basis points)



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

Historically, LAC sovereign and corporate credit spreads have tracked U.S. high-yield corporate credit spreads for the most part, especially during 2014-2016, but LAC sovereign spreads decoupled negatively in 2017 and 2018 and did so again for most of 2019. LAC sovereign spreads tightened after August 2019, however, and by the end of December they had closed the gap with the U.S. corporate credit spreads as measured by the Bank of America/Merrill Lynch U.S. High Yield Master II Option-Adjusted Spread (chart 12).

CHART 12:
EMBIG AND EMBIG LATIN VS U.S. HIGH-YIELD SPREADS
(Basis points)

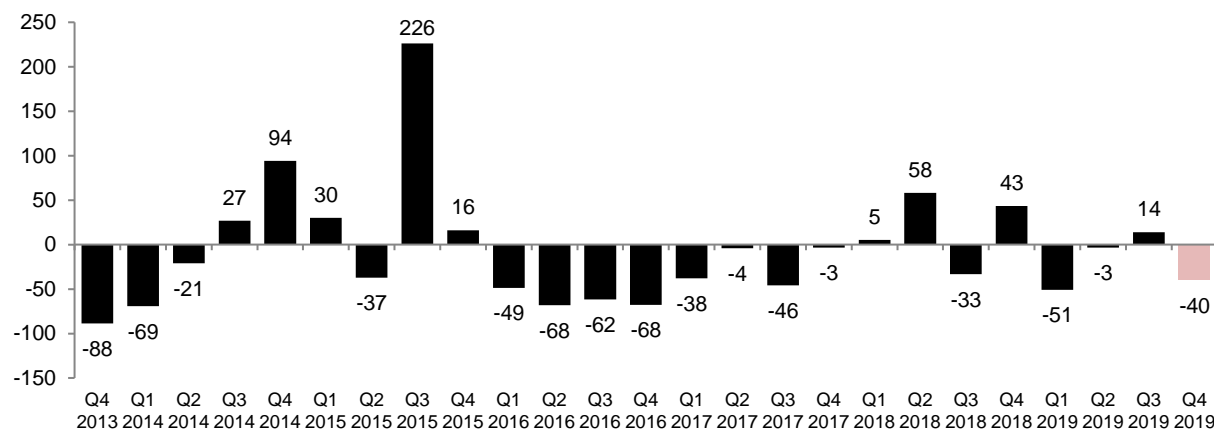


Source: ECLAC Washington Office, based on data from JPMorgan and from the Federal Reserve Bank of St. Louis (ICE BofAML US High Yield Master II Option-Adjusted Spread, Percent, Daily. Not Seasonally Adjusted)

B. Corporate Spreads

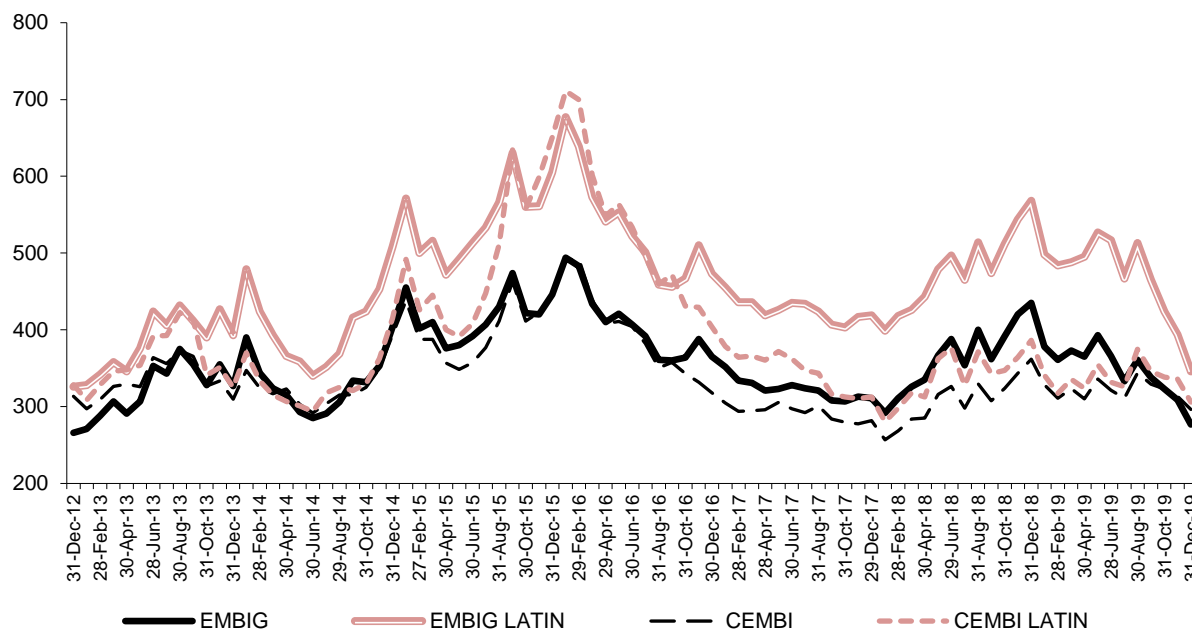
LAC corporate bond tightened 40 basis points in the fourth quarter of 2019 (chart 13), less than their sovereign counterparts, which tightened 119 basis points in the period. In 2019 as a whole, LAC corporate spreads tightened 81 basis points vs 222 basis points for the sovereign counterpart. Latin CEMBI spreads were 40 basis points lower than their sovereign counterpart at the end of 2019 (chart 14).

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



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

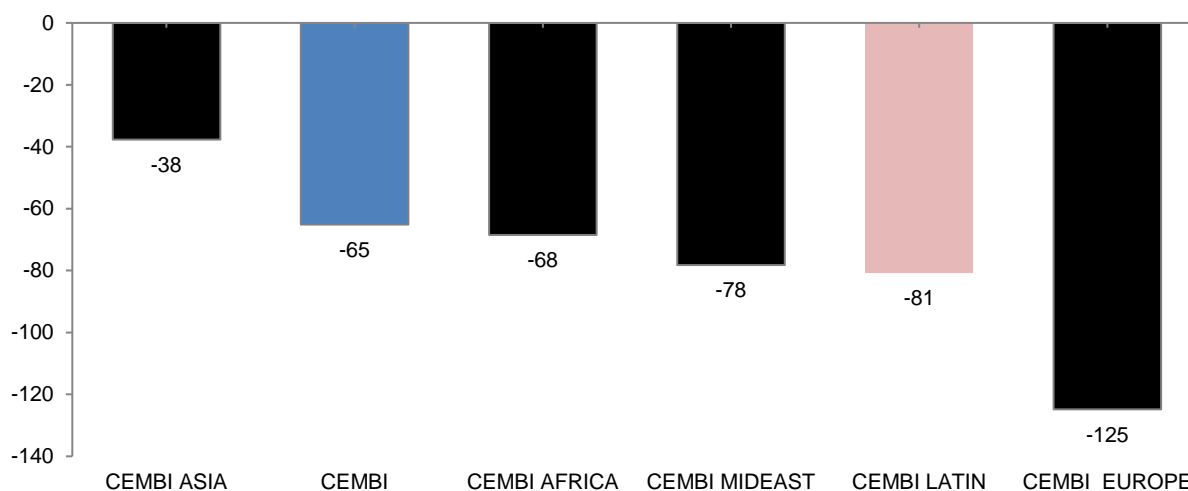
CHART 14:
JPMORGAN EMBIG SPREADS, CORPORATE AND SOVEREIGN
(Basis points)



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

In 2019, CEMBI spreads tightened 65 basis points, less than the Latin component, which tightened 81 basis points. European corporate credit spreads tightened the most (chart 15).

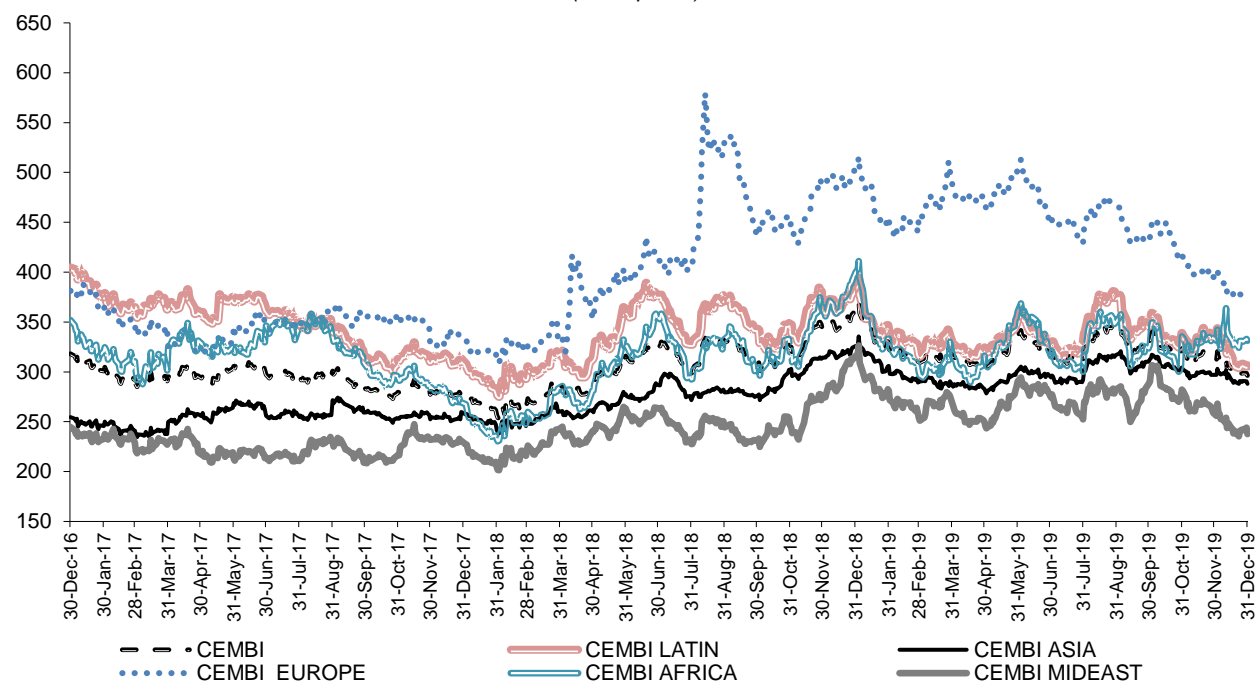
CHART 15:
CEMBI SPREAD DIFFERENTIALS BY REGION IN 2019
(Basis points)



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

Latin American corporate credit spreads are still wider than Asia's and Middle East's corporate spreads, after going through a period of low growth and weak economic fundamentals, but are lower than Emerging Europe and Africa's spreads, following an improved performance in international bond markets in 2019 (chart 16).

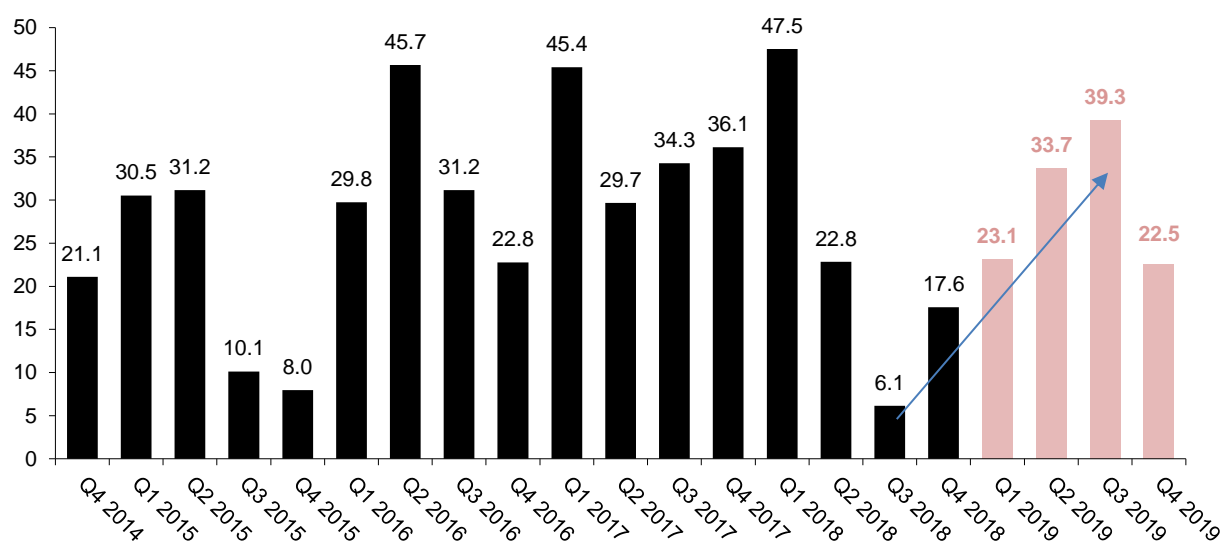
CHART 16:
CEMBI SPREADS BY REGION
(Basis points)



C. New Debt Issuance

Total LAC debt issuance fell slightly in the fourth quarter of 2019, following consecutive increases in the previous five quarters. However, it was 28% higher than in the fourth quarter a year ago (chart 17).

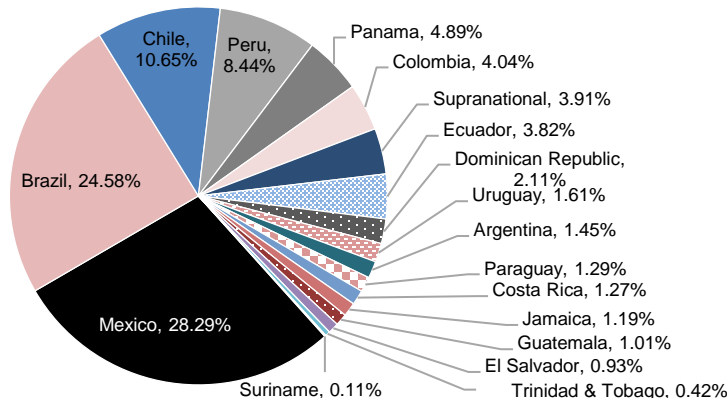
CHART 17:
QUARTERLY LAC DEBT ISSUANCE
(US\$ Billions)



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

Mexico had the largest share of bond issuances in 2019 – sovereign and corporate combined – followed by Brazil and Chile. Mexico, Brazil and Chile issued (sovereign and corporate combined) US\$ 34 billion, US\$ 29 billion, and US\$ 13 billion, respectively. Issuances from the three countries accounted for 64% of the total LAC issuance in the period (chart 18).

CHART 18:
LAC DEBT ISSUANCE IN 2019: COUNTRY BREAKDOWN
(Country shares in percentage)

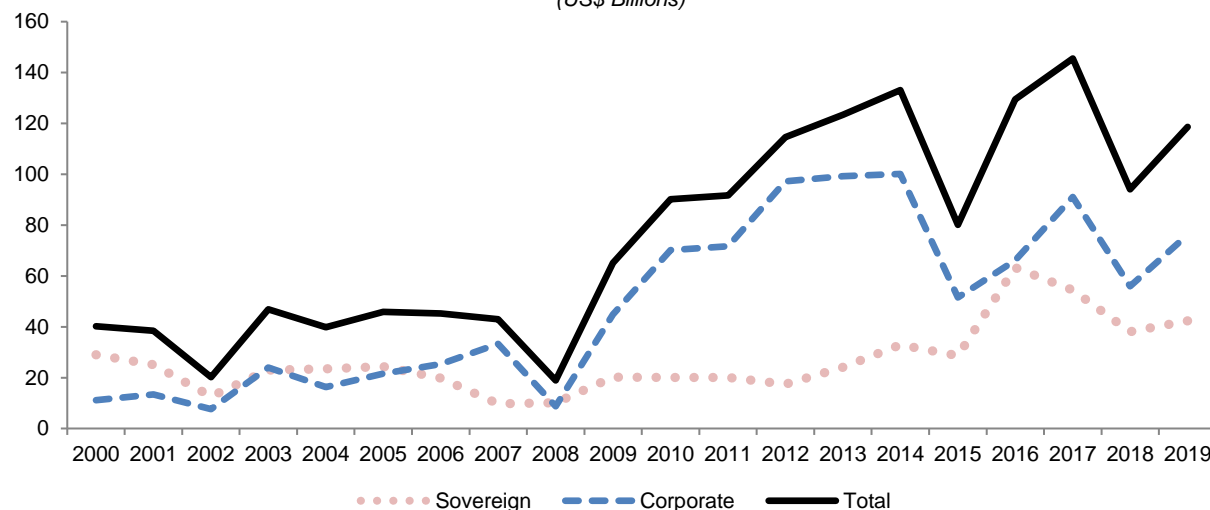


Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.

Some of the largest issuances in the period have come from sovereigns and quasi-sovereigns. Sovereigns, quasi-sovereigns and supranational entities, including regional development banks, accounted for 55% of the total amount issued in 2019. Investment-grade issuers – sovereign and corporate combined – dominated LAC issuance in the period, with a 58% share, while 42% of the total was issued by high-yield issuers.

Since 2008 LAC corporate issuers, including corporates, banks and supranationals, have dominated total bond issuance from the region. In the past five years, however, sovereign issuance has increased at a faster pace. In the five-year period from 2015 to 2019, average LAC sovereign issuance was 98% higher than in the previous five-year period (2010-2014), while corporate issuance was 30% higher (chart 19).

CHART 19:
LAC DEBT SOVEREIGN, CORPORATE AND TOTAL INTERNATIONAL DEBT ISSUANCE
(US\$ Billions)



Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Bloomberg, JPMorgan and Bank of America/Merrill Lynch.

1. Sovereign Issuance

Fifteen sovereigns – Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Suriname and Uruguay – tapped international debt markets in 2019 (appendix C, tables 3 to 6). The top three sovereign issuers were Mexico, Peru and Brazil and together they represented 47% of the total sovereign issuance in the period (table 2).

Mexico had the top share of total sovereign issuance in the region in terms of amount, US\$ 9.9 billion (23.4%), and the bigger number of deals (nine). Mexico issued a 10-year US\$ 2 billion bond in January with a 4.5% coupon, its first international debt sale after President Andrés Manuel López Obrador took office in December and came back in April with a two-part euro-denominated deal for US\$ 2.8 billion. Mexico had last sold euro-denominated notes in January 2018. According to Mexico's finance minister, the three deals together covered all the government's foreign currency debt obligations for 2019. The sovereign came back in June with 3-, 5-, 7- and 10-year Samurai bonds (appendix C, table 4), and in July it issued US\$ 2.1 billion in new 30-year notes and added US\$ 1.46 billion to the 10-year notes that it sold in January (appendix C, table 5).

Peru had the second biggest share of the total, US\$ 5.5 billion (13%) through four deals. It issued a 2030 US\$ 750 million bond with a coupon of 2.844% in June, and a local-currency 2034 bond (US\$ 1.75 billion equivalent) with a 5.4% coupon (appendix C, table 4). In November, Peru reopened this same bond to add US\$ 545 million. It also issued a new 2040 local-currency bond (US\$ 2.5 billion equivalent), with a 5.350% coupon (appendix C, table 6).

Brazil had the third biggest share of the total, US\$ 4.5 billion (11%) through three deals. The sovereign issued a 10-year US\$ 1.5 billion bond with a 4.5% in March (appendix C, table 3) and added US\$ 500 billion to it in November. In November, it also issued a 2050 US\$ 2.5 billion bond with a 4.75% coupon (appendix C, table 6).

TABLE 2:
LAC SOVEREIGN DEBT ISSUANCE IN THE CROSS-BORDER MARKET, 2019

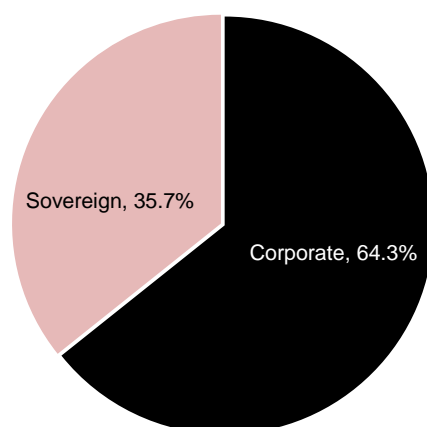
Sovereign Issuer	Total Issuance (US\$ Million)	% of the total sovereign Issuance	Number of Deals
Mexico	9,897	23.4%	9
Peru	5,491	13.0%	4
Brazil	4,500	10.6%	3
Panama	4,300	10.2%	5
Ecuador	4,125	9.7%	4
Dominican Republic	2,500	5.9%	2
Chile	2,399	5.7%	2
Colombia	2,000	4.7%	2
Uruguay	1,905	4.5%	3
Costa Rica	1,500	3.5%	2
Guatemala	1,200	2.8%	2
El Salvador	1,097	2.6%	1
Jamaica	815	1.9%	1
Paraguay	500	1.2%	1
Suriname	125	0.3%	1
Total	42,354	100.00%	42

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

2. Corporate Issuance

The corporate sector (including corporations, banks, quasi-sovereigns and supranational issuers) accounted for 64.3% of total LAC issuance in 2019 (chart 20), higher than the corporate share of 59.5% in 2018.

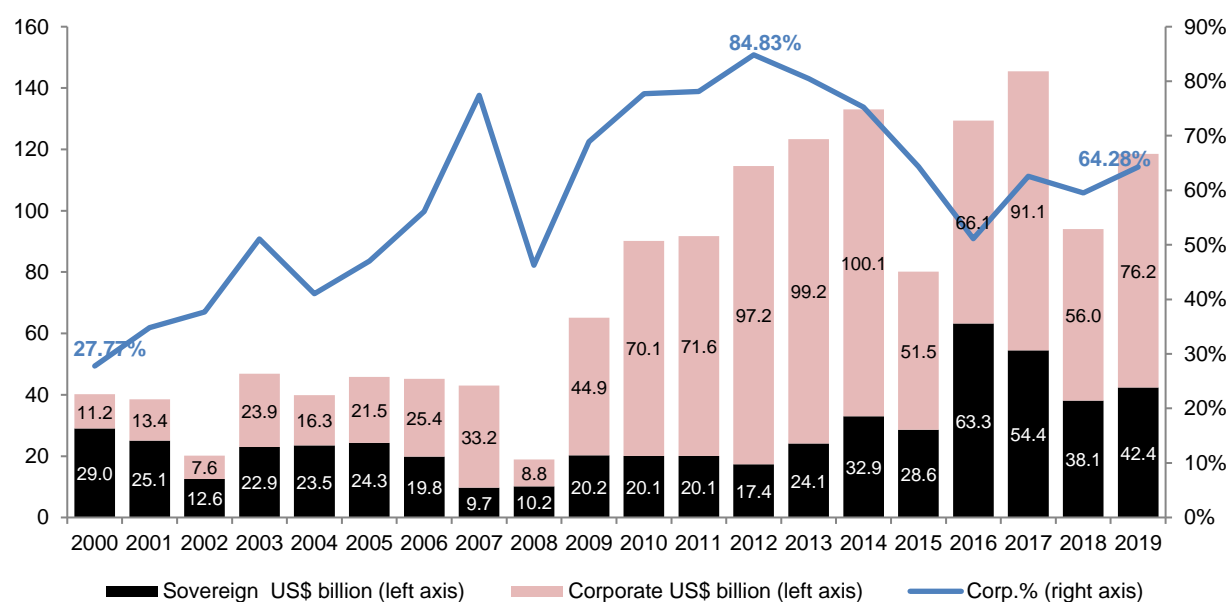
CHART 20:
LAC CORPORATE AND SOVEREIGN ISSUANCE IN 2019
(Percentage)



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

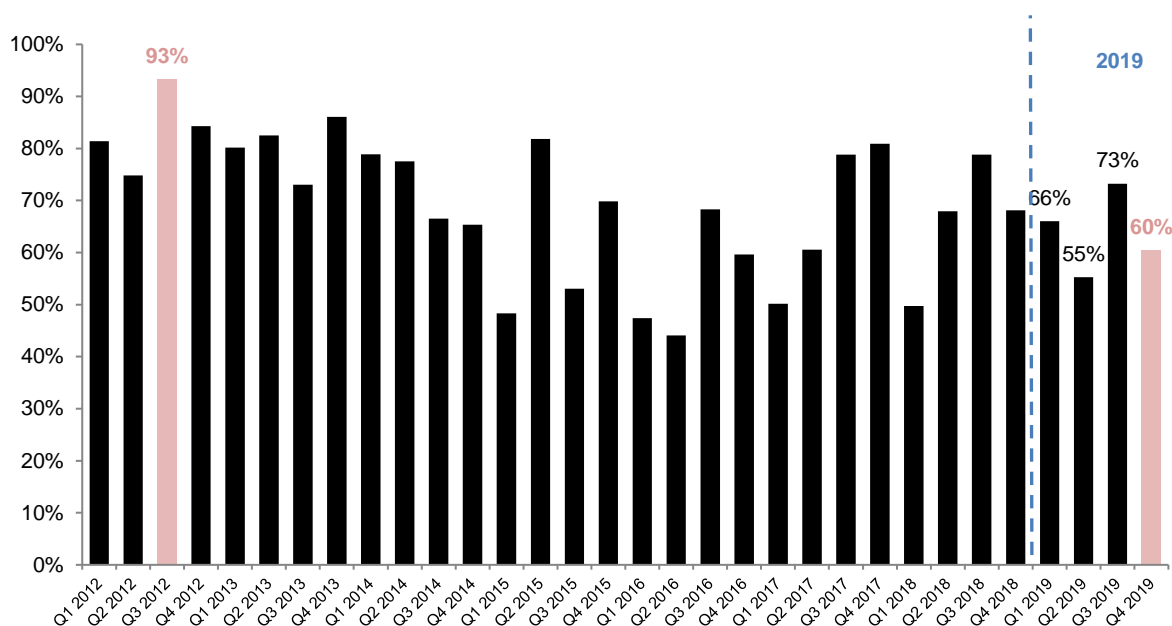
The share of corporate issuance peaked in 2012 at 85% (chart 21). On a quarterly basis, the share of corporate issuance peaked in the third quarter of 2012 (at 93%). In 2019, it increased to 73% in the third quarter from 55% in the second but dropped to 60% in the fourth (chart 22).

CHART 21:
ANNUAL LAC EXTERNAL DEBT ISSUANCE BY ISSUER TYPE
(Left axis: US\$ billion, right axis: percentage)



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

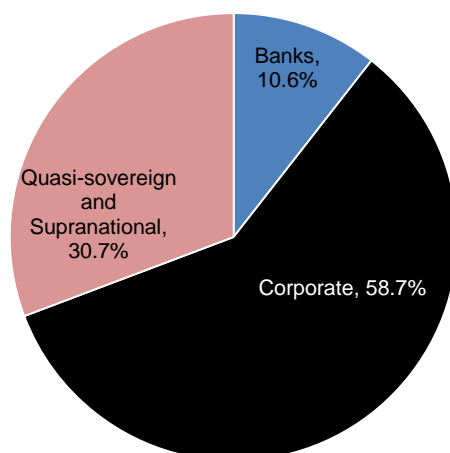
CHART 22:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE AS A SHARE OF THE TOTAL
(Percentage)



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

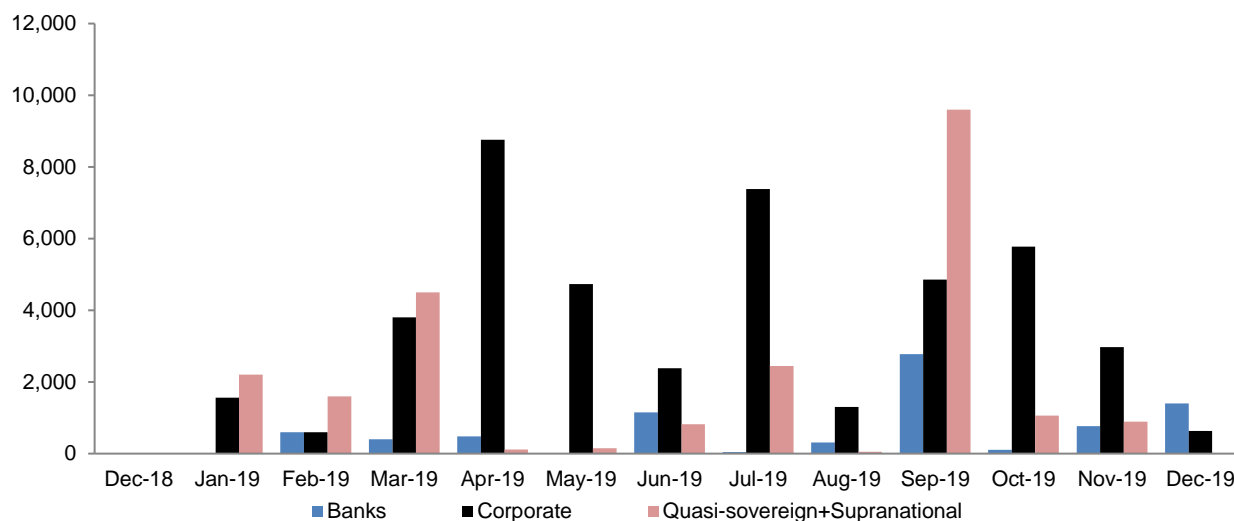
Quasi-sovereign and supranational issuers accounted for 31% of total LAC corporate issuance in international markets in 2019, a decline from the 41% share in 2018 and the 48% share in 2017. Corporations and banks accounted for the other 69% (charts 23 and 24). Excluding sovereign borrowers, 89 corporate issuers (including banks, quasi-sovereign and supranational companies) from the region sold US\$ 76 billion of cross-border bonds in 2019.

CHART 23:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE IN 2019
(Percentage)



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

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

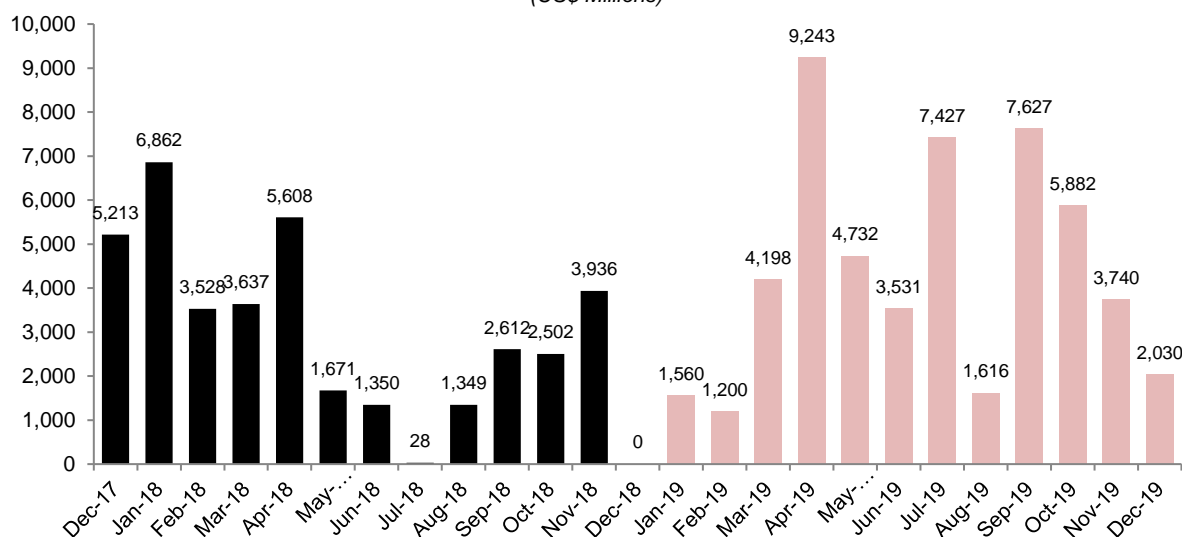


Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.

One of the main highlights of the region's quasi-sovereign and supranational issuance in 2019 was the US\$ 7.5 billion issuance by Mexico's Pemex in September, which was combined with a US\$ 5 billion cash buyback (appendix, table 5). Chile's Codelco issued US\$ 3.3 billion in bonds in January and September, and Brazil's Petrobras issued US\$ 3 billion in March. Together they accounted for 59% of total quasi-sovereign and supranational issuance, 18% of total corporate issuance and 12% of the total (sovereign and corporate combined) LAC volume in 2019.

Issuances from the private corporate sector in 2019, not including quasi-sovereigns and supranationals, reached US\$ 53 billion. The highest monthly activity of the year was in April (US\$ 9 billion), and the lowest in February (chart 25).

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



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

There were four cross-border debut issuances in 2019 amounting to US\$ 2 billion (table 3). They accounted for 2.6% of the total corporate issuance and 1.7% of the total issuance (sovereign and corporate combined) in the period. The total was 45% lower than in 2018.

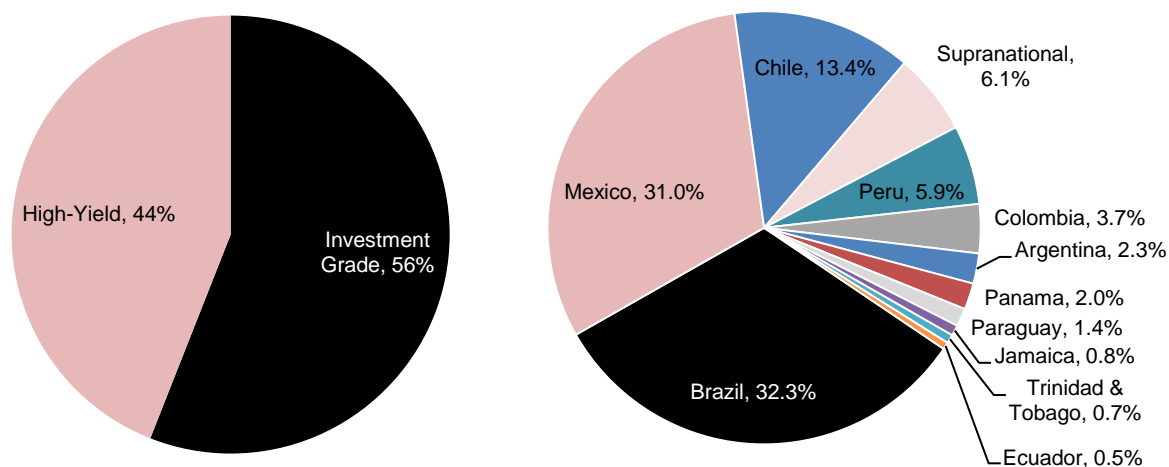
TABLE 3:
CORPORATE DEBUT ISSUANCES IN LATIN AMERICA AND THE CARIBBEAN, 2019

Country	Issuer	Amount (million)	Amount US\$ (million)	Coupon (%)	Maturity	Issue Date
Supranational	Fondo Financiero para el Desarrollo de la Cuenca del Plata - FONPLATA	CHF 150	150	0.578%	2024	11-Feb-19
Panama	Empresa de Transmisión Eléctrica SA- ETESA	USD 500	500	5.125%	2049	25-Apr-19
Chile	WOM - Kenbourne Invest	USD 450	450	6.875%	2024 NC5	21-Nov-19
Mexico	Braskem Idesa SAPI	USD 900	900	7.450%	2029	25-Nov-19
		2,000				

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

Investment grade companies had a 56% share of total corporate issuance in 2019, while the share of corporate high-yield issuance was 44%. Brazilian, Mexican and Chilean companies accounted for 77% of total corporate issuance in the period (chart 26).

CHART 26:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY RATING AND COUNTRY
2019
(Percentage of total)

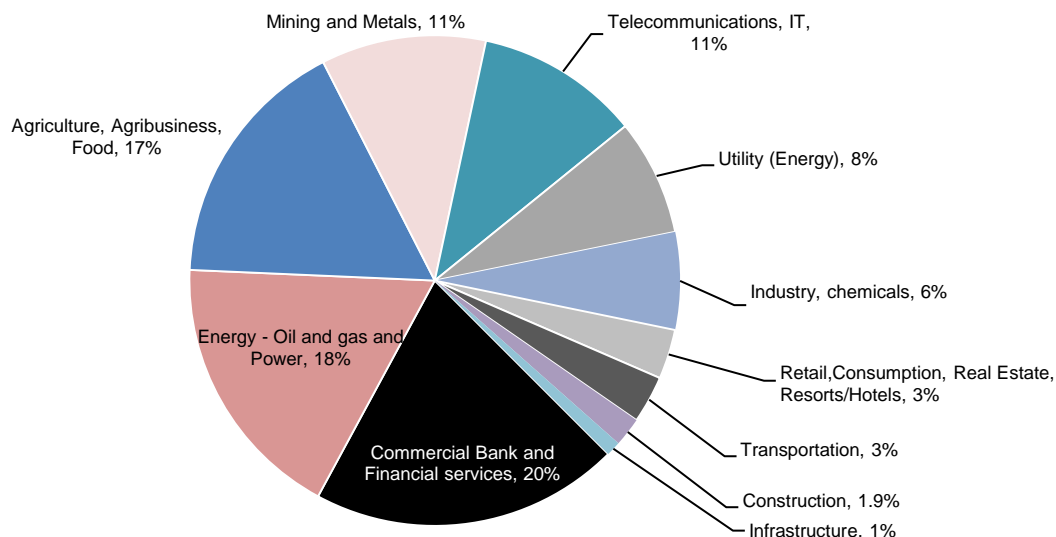


Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.

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

From a sectoral perspective, 20% of LAC corporate debt issuance (including corporate, banks, quasi-sovereigns and supranationals) in 2019 came from the financial sector, which includes commercial banks as well as financial services companies. The energy sector, including oil and gas, and power, followed with an 18% share of the total. The agricultural sector, including agribusiness, food and beverages, accounted for the third largest share, 17% (chart 27).

CHART 27:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY SECTORS, 2019
(Percentage of total)



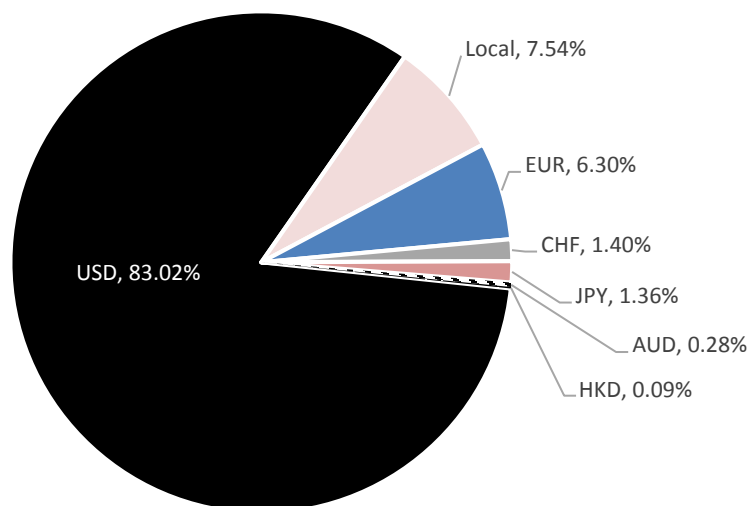
Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.

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

3. Currency Composition

Most of the international debt issuance in the region in 2019 (83%) was denominated in U.S. dollars (chart 26). There was also issuance in local currencies (7.5%), including Peruvian soles, Dominican, Colombian and Uruguayan pesos, Brazilian reais and Trinidad and Tobago dollars; Euros (6.3%); Swiss Francs and Japanese Yens (1.4%); Australian dollars (0.3%); and Hong Kong dollars (0.1%). Peru accounted for 76% of the total issuance in local currency, followed by the Dominican Republic with 11%.

CHART 28:
CURRENCY BREAKDOWN, 2019



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

4. Green Bonds

There were eight cross-border green bond issuances in 2019 totaling US\$ 5.5 billion, representing 4.6% of the total amount issued by LAC issuers. Green bonds issued by corporate issuers in international markets (totaling US\$ 3.1 billion) represented 2.6% of the total LAC cross-border corporate bond issuance in the period, a significant improvement from last year, when issuance of green bonds almost came to a halt. Sovereign green issuance represented 2%.

TABLE 4:
LAC GREEN AND SUSTAINABILITY BOND ISSUANCE IN INTERNATIONAL MARKETS: 2019

Country	Issuer	Amount (million)	Amount in US\$ (million)	Coupon(%)	Maturity	Issue Date
Brazil	Klabin Austria GmbH	USD 500	500	7.000%	2049	27-Mar-19
Peru	Consortio Transmantaro SA	USD 400	400	4.700%	2034	11-Apr-19
Chile	Republic of Chile	USD 1418	1,418	3.500%	2050	17-Jun-19
Chile	Republic of Chile	EUR 861	981	0.830%	2031	25-Jun-19
Brazil	NBM US Holdings Inc (parent organization: Marfrig)	USD 500	500	6.625%	2029	30-Jul-19
Chile	AES Gener SA	USD 450	450	6.350%	2079	2-Oct-19
Supranational	Central American Bank for Economic Integration (CABEI)	USD 375	375	3-mth Libor +85	2024	31-Oct-19
Supranational	CAF Development Bank of Latin America	EUR 750	827	0.625%	2026	13-Nov-19
TOTAL			5,451			

Source: ECLAC Office in Washington D.C., based on several sources, including Dealogic Database, Climate Bonds Initiative and Latin Finance.

At the end of March, Brazil's Klabin, a paper producer, issued a 2049 7% US\$ 500 million green bond (appendix C, table 3). Proceeds are to finance and/or refinance, in whole or in part, existing and new qualifying eligible green projects. On April 11, Peru's Consorcio Transmantaro S.A., the concessionaire of the transmission line Mantaro-Socabaya, issued a 2034 4.7% US\$ 400 million green bond (appendix C, table 4). Proceeds are to refinance outstanding indebtedness initially used to finance eligible green projects and to finance new eligible green projects. Moody's Green Bond Assessment was GB2 (very good).

In June, Chile became the first sovereign in the region to issue green bonds. It sold US\$ 1.42 billion in 2050 notes on June 17, at a historically low coupon of 3.5%. According to the SEC filing, it will use US\$ 523 million from the new issue to fund renewable energy facilities and other projects to protect the environment (including clean transportation, energy efficiency, renewable energy, biodiversity conservation, and sustainable water management), and US\$ 895 million to buy back bonds maturing between 2020 and 2047. Ahead of the transaction, Chile worked with the Inter-American Development Bank (IDB) and the environmental, social and governance (ESG) ratings agency Vigeo Eiris to develop a framework for the green bond. Chile became the second sovereign issuer after the Netherlands to receive certification from the Climate Bonds Initiative, which evaluated the projects that Chile plans to finance with the proceeds from the green bond. On June 25, Chile tapped international markets a second time with another green bond issuance, this time in euros. It issued a EUR 861 million (US\$ 981 million equivalent) 2031 bond with a 0.83% coupon.

In July, Brazil's NBM U.S. Holdings (Inc.), whose parent organization is Marfrig, issued a 10-year US\$ 500 million sustainability bond with a 6.625% coupon to raise money to develop more sustainable ranching practices. It is worth noting that the definition of green bonds has been widening to include a broader range of socially conscious debt labels, such as sustainability and social bonds. Green, Social and Sustainability Bonds are any type of bond instrument where the proceeds will be exclusively applied to eligible environmental and/or social projects.

In October, Chile's AES Gener S.A., a power utility company, issued the first hybrid green bond in Latin America, attracting a mix of investors from green funds to emerging market dedicated funds. The 60-

year bonds with a non-call period of 5.5 years are AES Gener's second hybrid bond but its first with a green component. Hybrid bonds are subordinated bonds from the non-financial segment that share certain characteristics with equity. The yields of hybrid bonds are significantly higher than those paid by the senior bonds from the same issuer.

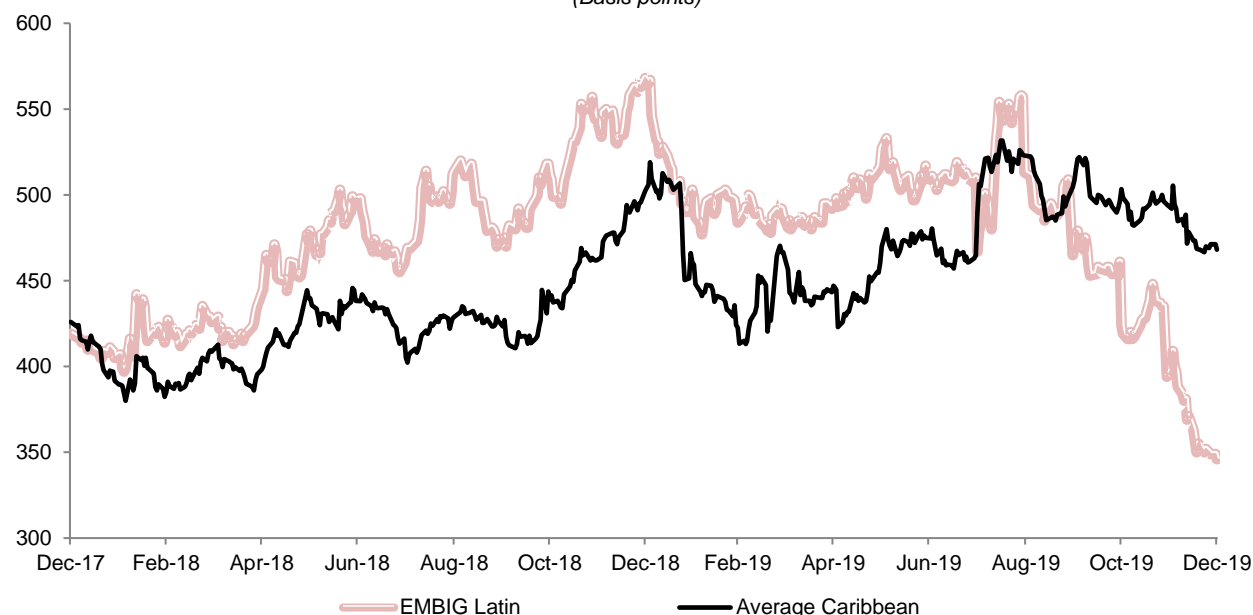
Also, in October, the Central American Bank for Economic Integration (CABEI) issued a US\$ 375 million 2024 green bond, its first global green bond. The net proceeds of the green bond will be used to finance and/or refinance eligible green projects and assets under CABEI's Green Bond Framework, supporting strategic sectors with strong contributions to the Central American region's transition to low-carbon economies, including sustainable land use, renewable energy, sustainable water management and clean transportation, among others. As such, it is important to highlight that the Second Party Opinion (SPO) on CABEI's Green Bond Framework assessed it as robust, credible and in alignment with the four core components of the 2018 Green Bond Principles.

Finally, in November, CAF Development Bank of Latin America issued a EUR 750 million (US\$ 827 million) 2026 green bond with a 0.625% coupon, its first green bond in euros. According to LatinFinance, CAF said it could use the proceeds to lend US\$ 110 million to a wastewater treatment plant in Panama City, US\$ 40 million to the US\$ 179 million Atacama solar power project in Chile and US\$ 20 million to a US\$ 56 million forest development program in Peru. It also listed a US\$ 520 million loan to a metro line in Panama City, a US\$ 332 million loan to a subway line in Quito and US\$ 450 million to a metro line in Lima as eligible projects for green financing.

II. Bond markets and credit management in the Caribbean²

In the first half of the year, Caribbean spreads were lower on average than spreads for the LAC region as a whole. However, since July they have spiked, and by the end of December they were 122 basis points higher than the EMBIG Latin component (chart 29).

CHART 29:
EMBIG SPREADS, CARIBBEAN VERSUS LAC
(Basis points)

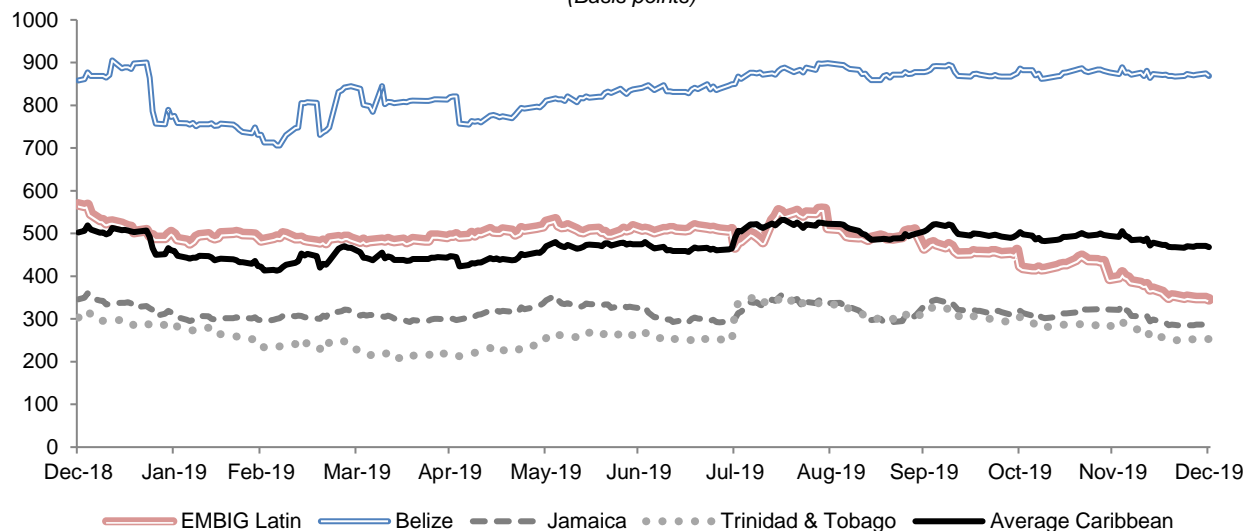


Source: ECLAC Washington Office, based on data from JPMorgan. The Caribbean average includes Belize, Jamaica, and Trinidad and Tobago.

² 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.

While Caribbean average spreads tightened 34 basis point in 2019, the EMBIG Latin component tightened 222 basis points. Both Jamaica's and Trinidad and Tobago's spreads are lower than the Latin American average (chart 30). Spreads for Belize widened 11 basis points in 2019, while Jamaican and Trinidad and Tobago's spreads tightened 64 and 50 basis points, respectively, within the tightening range for countries in the wider region. In Latin America, for example, Colombian spreads tightened the most in 2019, 67 basis points, while Chilean tightened the least, 31 basis points. The behavior of Caribbean spreads reflected developments in sovereign credit quality, discussed in the next section.

CHART 30:
CARIBBEAN COUNTRIES: EMBIG SPREADS, 2019
(Basis points)



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

Credit Rating Actions

There were seven positive and two negative credit rating actions in the Caribbean in 2019 (table 5).

TABLE 5:
SOVEREIGN CREDIT RATING ACTIONS IN THE CARIBBEAN, 2019

Date	Country	Action	
2019	7 positive and 2 negative actions		
Q1 2019	3 positive actions		
31-Jan-19	Jamaica	Fitch upgrades Jamaica's rating to B+ from B with a stable outlook	Positive
21-Feb-19	Bahamas	Moody's changes the outlook on The Bahamas' Baa3 rating to stable from negative	Positive
28-Feb-19	Suriname	Moody's changes the outlook on Suriname's B2 rating to stable from negative	Positive
Q1 2019	No actions		
Q3 2019	2 positive and 2 negative actions		
2-Jul-19	Barbados	Moody's upgrades Barbados's rating to Caa3 (from Caa1) with a stable outlook	Positive
9-Jul-19	Trinidad & Tobago	S&P downgrades T&T's rating to BBB (from BBB+) with a stable outlook	Negative
21-Aug-19	Suriname	Fitch changes its outlook on Suriname's B- rating from stable to negative	Negative
27-Sep-19	Jamaica	S&P upgrades Jamaica's rating to B+ (from B) with a stable outlook	Positive
Q3 2019	2 positive and 0 negative actions		
11-Dec-19	Jamaica	Moody's upgrades Jamaica's ratings to B2 from B3 with a stable outlook	Positive
11-Dec-19	Barbados	S&P upgrades Barbados' rating to B- from SD with a stable outlook	Positive

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

In the first quarter there were three positive actions, which were related to Jamaica, Bahamas and Suriname. On January 31, Fitch upgraded Jamaica's rating to B+ from B with a stable outlook, citing a track record of large primary surpluses that had cut general government debt/GDP significantly. On February 21, Moody's changed the outlook on The Bahamas' Baa3 rating to stable from negative, citing the sovereign's important progress in strengthening its fiscal policy framework and transparency. And on February 28, Moody's changed the outlook on Suriname's B2 rating to stable from negative, saying that liquidity pressures had subsided over the past year and that the scope for financing from domestic and external sources had increased. As of April 2019, Moody's and S&P had a positive outlook on Jamaica, while S&P had a negative outlook on Trinidad and Tobago's BBB+ rating.

In the second quarter there were no credit rating actions in the region, but in the third there were four credit rating actions, two of them were positive and two were negative. The positive actions were related to Barbados and Jamaica. On July 2, Moody's upgraded Barbados's rating to Caa3 (from Caa1) with a stable outlook, citing improvement in fiscal and debt metrics and reduced susceptibility to event risk. On September 27, S&P upgrades Jamaica's rating to B+ (from B) with a stable outlook, citing Jamaica's material progress in achieving macroeconomic stability and strengthening of its external position, improving its ability to withstand external shocks. This positive view was reflected in the tightening of Jamaican spreads in 2019. On July 9, S&P downgraded Trinidad and Tobago's rating to BBB (from BBB+) with a stable outlook, citing lower-than-expected energy production and economic growth, and economic and fiscal stress. This deterioration in credit quality was reflected in an increase in sovereign spreads following the downgrade. On August 21, Fitch changed its outlook on Suriname's B- rating from stable to negative, citing expectation that large government deficits and financing needs, in part reflecting spending pressures related to elections in May 2020, will continue to lead to a rapid increase in government debt/GDP.

In the fourth quarter there were two positive credit rating actions in the Caribbean. They were upgrades for Jamaica and Barbados in December. Moody's upgraded Jamaica's ratings to B2 from B3 with a stable outlook on December 11, citing strong commitment to fiscal consolidation and structural reforms and improving debt structure. Also on December 11, S&P upgraded Barbados credit ratings to B- from selective default (SD) with a stable outlook, following the debt exchange of approximately US\$ 531 million in new 2029 bonds and US\$ 32 million in past due interest bonds to holders of its U.S. dollar bonds that have been in default since 2018, of which approximately US\$ 677 million, plus accrued interest, was outstanding. The stable outlook balances S&P's view of the government's commitment to a fiscal and institutional adjustment with the economic and political challenges of doing so.

Debt issuance

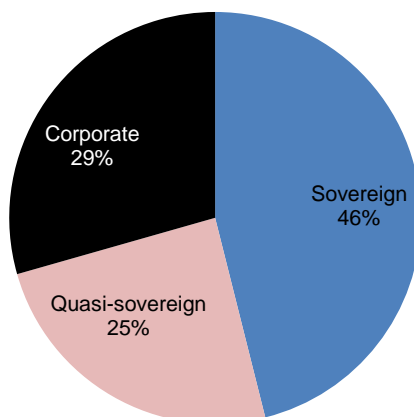
There were five debt issuances from the Caribbean region in 2019, totaling US\$ 2 billion (table 6). Sovereign issuance represented 46% of the total, quasi-sovereign 25% and corporate 29% (chart 31).

TABLE 6:
NEW DEBT ISSUANCE IN THE CARIBBEAN, 2019

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon(%)	Maturity	Issue Date
Jamaica	Digicel International	USD 600	600	8.750%	2024	7-Mar-19
Jamaica	Republic of Jamaica	USD 815	815	7.875%	2045 (r)	11-Sep-19
Trinidad and Tobago	Telecommunications Services of Trinidad and Tobago (TSTT)	USD 400	400	8.875%	2029	18-Oct-19
Trinidad and Tobago	Telecommunications Services of Trinidad and Tobago (TSTT)	TTD 680	100	8.300%	2029	18-Oct-19
Suriname	Republic of Suriname	USD 125	125	9.875%	2023	13-Dec-19
		2,040				

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

CHART 31:
CARIBBEAN INTERNATIONAL DEBT ISSUANCE BY TYPE OF ISSUER, 2019
(Percentage of total)



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

On March 7, Digicel International, with headquarters in Kingston, Jamaica, issued a 2024 8.750% US\$ 600 million bond in a private placement. Saddled with US\$ 6.8 billion in debt, Digicel had completed a bond swap in January, exchanging US\$ 2.92 billion in outstanding notes for an equal amount in new notes.

On September 11, the Republic of Jamaica reopened its 2045 7.875% bond originally issued on 23 July 2015 (US\$ 650 million) to add US\$ 815 million. In August 2017 it had added US\$ 364 million to the notes.

On October 18, Telecommunications Services of Trinidad and Tobago (TSTT), a majority government-owned telecom company, placed a dual-tranche offering including US\$ 300 million 8.875% senior secured notes due 2029 and TT\$ 680 million (US\$ 100 million-equivalent) 8.30% senior secured notes due 2029. Proceeds from the bond issuance will be used to repay existing debt, cover issuance expenses and for working capital and general corporate purposes.

On December 13, the Republic of Suriname issued a 2023 US\$ 125 million bond with a 9.875% coupon to pay for the Afobaka hydroelectric dam owned by U.S. aluminum producer Alcoa.

III. Portfolio equity flows

According to the MSCI Latin American Index, Latin American stocks gained 13.71% in 2019 (table 7), while the broader emerging market index was up 15.42% in dollar terms in the same period. The gains were supported by lower global interest rates – in particular, the U.S. Federal Reserve cut interest rates three times in the second half of the year – that led to easier financial conditions. However, the liquidity provided by the U.S. Federal Reserve and other central banks has also pushed up the value of developed market bonds and the stocks of big tech companies and other global corporations, adversely affecting emerging market stocks. The gain of the MSCI G7 index (26%) was almost double the gain in Latin American stocks.

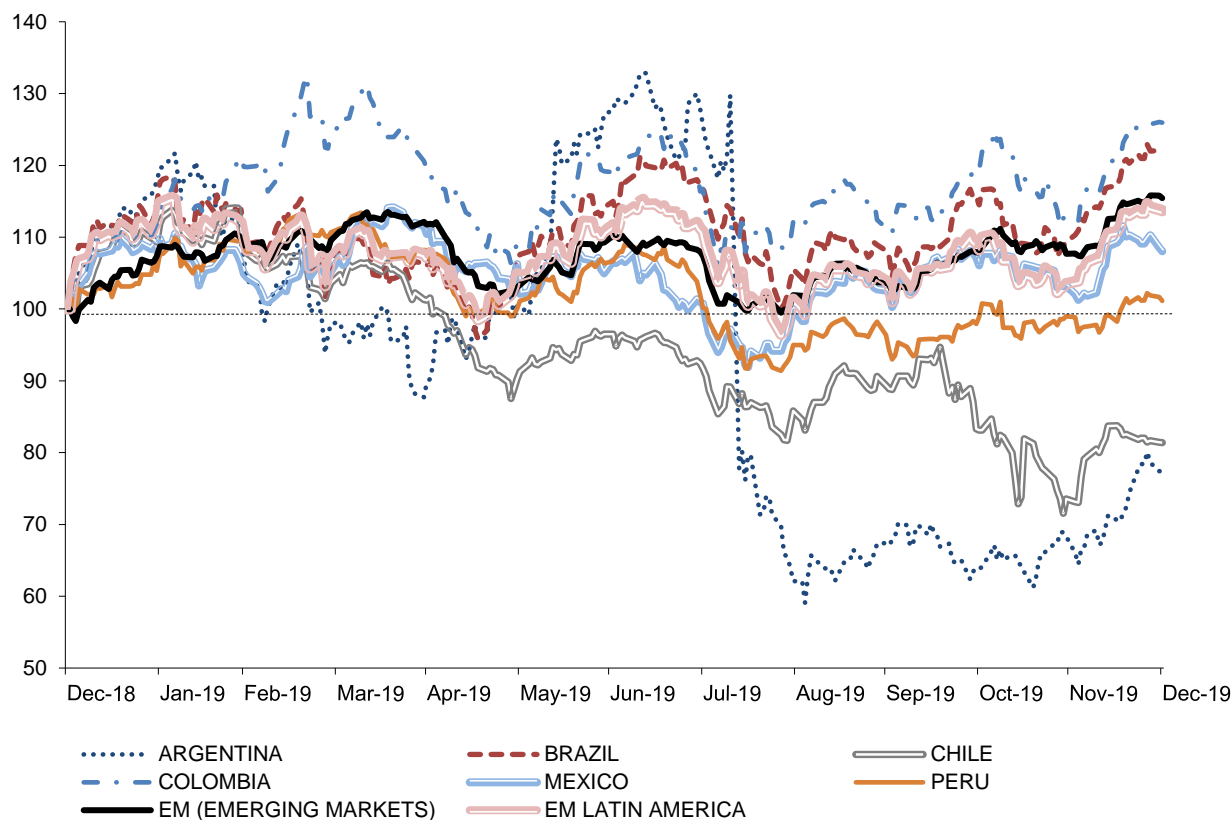
**TABLE 7:
MSCI EQUITY INDICES, 2019**

	Price Index in USD					Variation				
	Dec 31, 2018	Mar 29, 2019	Jun 28, 2019	Sep 30, 2019	Dec 31, 2019	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Emerging markets	965.776	1,058.127	1,054.856	1,000.996	1,114.660	9.56%	-0.31%	-5.11%	11.36%	15.42%
Latin America	2,565.923	2,746.109	2,843.617	2,666.972	2,917.725	7.02%	3.55%	-6.21%	9.40%	13.71%
Argentina	2,054.332	2,013.078	2,612.342	1,384.170	1,589.058	-2.01%	29.77%	-	14.80%	-22.65%
Brazil	1,943.963	2,080.575	2,218.852	2,101.524	2,373.010	7.03%	6.65%	-5.29%	12.92%	22.07%
Chile	1,597.557	1,655.528	1,541.648	1,427.822	1,300.101	3.63%	-6.88%	-7.38%	-8.95%	-18.62%
Colombia	549.306	683.384	654.622	611.263	691.777	24.41%	-4.21%	-6.62%	13.17%	25.94%
Mexico	4,404.032	4,632.662	4,623.277	4,516.049	4,758.127	5.19%	-0.20%	-2.32%	5.36%	8.04%
Peru	1,661.057	1,837.899	1,766.753	1,600.426	1,680.083	10.65%	-3.87%	-9.41%	4.98%	1.15%

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

Colombia and Brazil were the leading performers in Latin America in 2019, with both markets ending the year with double-digit gains: 25.94% and 22.07%, respectively (table 5). They were followed by Mexico and Peru, with gains of 8.04% and 1.15%, respectively. Chile and Argentina had losses of 18.62% and 22.65%, respectively (chart 30). Argentina's losses were mainly concentrated in the second half of the year, when political uncertainty rose ahead of the general elections in October and access to foreign credit became more difficult, reigniting currency pressures and concerns about payments on short-term debt.

CHART 32:
MSCI EQUITY PRICE INDEX, 2019



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

Emerging market bond sales in 2019 were strong, despite an uncertain global backdrop. In Latin America and the Caribbean, issuance stood at US\$ 119 billion, the region's fifth largest annual volume. Corporate issuers led the way, issuing over 64% of the total. Almost 90% of the total debt LAC companies sold in international markets were in U.S. dollars, as they took advantage of low interest rates and investors' appetite for better returns.

The cost of borrowing has diminished for emerging market companies, whose bonds are generally priced in reference to returns generated by the safest assets: U.S. Treasury bonds. The yields on the 10-year U.S. Treasury bonds declined to 1.86% at the end of 2019, from 2.83% at the end of 2018, and with them, the returns demanded by investors on debt from emerging markets also dropped. However, the growing corporate debt leaves companies vulnerable to a sharp appreciation of the U.S. dollar, which would drive up the cost of interest payments.

Businesses are refinancing their existing debt to lock in low rates ahead of any market volatility in the months leading up to the U.S. presidential election, or in case unforeseen events like the coronavirus epidemic roil markets. In January 2020, LAC issuers were active in international debt markets, issuing over US\$ 38 billion, a monthly record for the region. Of this total, about 62% was placed by corporate issuers, while bonds issued by six sovereigns (Chile, Colombia, the Dominican Republic, Ecuador, Mexico and Paraguay) accounted for 38%. The January pace reflected a willingness on the part of investors to take on added risk. Mexico's Pemex, for instance, raised US\$ 5 billion through the sale of its first 40-year bond and of an 11-year bond, that came even as market analysts anticipate a loss of investment grade from Moody's. Another large corporate issuance in January came from Chile's Codelco, which raised US\$ 2 billion through the sale of a 30-year and a 10-year bond.

On the sovereign side, Chile sold € 1.96 billion worth of green bonds in euros and US\$ 1.65 billion in dollars, and Ecuador became the first sovereign issuer to sell social bonds in the international market. It placed US\$ 327 million to raise money for a housing program. These January issuances continued the improving trend for green, social and sustainability bond issuances from the region observed in 2019.

Appendix

A. Credit Rating

TABLE 1:
CREDIT RATINGS IN LATIN AMERICA AND THE CARIBBEAN, 2019

	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	Caa2	-	CC	(-)	CC		Downgrade, under review (-)	30-Aug-19	Upgrade, O/L (-)	30-Dec-19	Upgrade, O/L stable	23-Dec-19
Bahamas	Baa3		BB+				O/L changed to stable from (-)	21-Feb-19	Affirmed, O/L stable	14-Dec-18		
Barbados	Caa1		B-		NR		Upgrade, O/L stable	2-Jul-19	Upgrade, O/L stable	11-Dec-19		
Belize	B3		B-		NR		Affirmed, O/L stable	5-Mar-19	Affirmed, O/L stable	9-Aug-19		
Bolivia	Ba3	-	BB-	(-)	B+		Under review (-)	5-Dec-19	O/L changed to (-)	16-Dec-19	Downgrade, O/L (-)	21-Nov-19
Brazil	Ba2		BB-	(+)	BB-		O/L changed to stable from (-)	9-Apr-18	O/L changed to (+)	11-Dec-19	Affirmed, O/L stable	14-Nov-19
Chile	A1		A+		A		Downgrade, O/L stable	26-Jul-18	Affirmed, O/L stable	14-Jun-19	Affirmed, O/L stable	30-Aug-19
Colombia	Baa2		BBB-		BBB	(-)	O/L changed to stable from (-)	23-May-19	Affirmed, O/L stable	28-Oct-19	Affirmed, O/L (-)	20-Nov-19
Costa Rica*	B1	(-)	B+	(-)	B+	(-)	Downgrade, O/L (-)	5-Dec-18	Affirmed, O/L (-)	27-Dec-19	Affirmed, O/L (-)	30-Oct-19
Cuba	Caa2		NR		NR		Affirmed, O/L stable	13-Sep-19				
Dom. Republic	Ba3		BB-		BB-		Affirmed, O/L stable	27-Feb-19	Affirmed, O/L stable	5-Apr-19	Affirmed, O/L stable	26-Jun-19
Ecuador	B3	(-)	B-		B-		O/L changed to (-)	12-Dec-18	Affirmed, O/L stable	28-Jan-19	O/L changed to stable from (-)	21-Aug-19
El Salvador	B3		B-		B-		Upgrade, O/L stable	23-Feb-18	Affirmed, O/L stable	2-Dec-19	Affirmed, O/L stable	11-Jun-19
Guatemala	Ba1		BB-		BB	(-)	Affirmed, O/L stable	11-Jun-18	Affirmed, O/L stable	3-Dec-19	O/L changed to (-)	11-Apr-19
Honduras	B1		BB-		NR		Affirmed, O/L stable	12-Jun-19	Affirmed, O/L stable	25-Jul-19		
Jamaica	B2		B+		B+		Upgrade, O/L stable	11-Dec-19	Upgrade, O/L stable	27-Sep-19	Upgrade, O/L stable	31-Jan-19
Mexico	A3	(-)	BBB+	(-)	BBB		O/L changed to (-)	5-Jun-19	Affirmed, O/L (-)	19-Dec-19	Downgrade, O/L stable	5-Jun-19
Nicaragua	B2	(-)	B-		B-		O/L changed to (-)	25-Jan-19	O/L changed to stable from (-)	8-Nov-19	O/L changed to stable from (-)	22-Nov-19
Panama	Baa1		BBB+		BBB		Upgrade, O/L stable	8-Mar-19	Upgrade, O/L stable	29-Apr-19	Affirmed, O/L stable	13-Feb-19
Paraguay	Ba1		BB		BB+		Affirmed, O/L stable	21-Jun-18	Affirmed, O/L stable	12-Jun-19	Affirmed, O/L stable	6-Dec-19
Peru	A3		BBB+		BBB+		Affirmed, O/L stable	25-Jun-19	Affirmed, O/L stable	19-Feb-19	Affirmed, O/L stable	25-Sep-19
St Vincent	B3						Affirmed, O/L stable	30-Apr-18				
Suriname	B2		B		B-		O/L changed to stable from (-)	28-Feb-19	Affirmed, O/L stable	18-Apr-19	O/L changed to stable from (-)	21-Aug-19
T&T	Ba1		BBB		NR		Affirmed, O/L stable	26-Jun-19	Downgrade, O/L stable	9-Jul-19		
Uruguay*	Baa2		BBB		BBB-	(-)	Affirmed, O/L stable	6-Aug-19	Affirmed, O/L stable	7-May-19	Affirmed, O/L (-)	27-Jun-19
Venezuela	C		SD	NM	RD		Downgrade, O/L stable	9-Mar-18	Affirmed	22-Feb-19	Affirmed and withdrawn	27-Jun-19
Argentina	Caa2	-	CC	(-)	CC		Downgrade, under review (-)	30-Aug-19	Upgrade, O/L (-)	30-Dec-19	Upgrade, O/L stable	23-Dec-19

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. Changes for 2019 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 – 2019

There have been 18 positive and 22 negative actions in Latin America and the Caribbean in 2019.

Positive Actions: 18 (Bold)*January*

- Ecuador (January 28): S&P affirms Ecuador's B- rating with a stable outlook (*no change*).
- **Jamaica (January 31): Fitch upgrades Jamaica's rating to B+ from B with a stable outlook**, citing a track record of large primary surpluses that have cut general government debt/GDP significantly.

February

- Brazil (February 7): S&P affirms Brazil's BB- rating with a stable outlook (*no change*).
- Panama (February 13): Fitch affirms Panama's BBB rating with a stable outlook (*no change*).
- Peru (February 19): S&P affirms Peru's BBB+ rating with a stable outlook (*no change*).
- **Bahamas (February 21): Moody's changes the outlook on The Bahamas' Baa3 rating to stable from negative**, citing the sovereign's important progress in strengthening its fiscal policy framework and transparency.
- Chile (February 22): Fitch affirms Chile's rating at A with a stable outlook (*no change*).
- Dominican Republic (February 27): Moody's affirms the DR's Ba3 rating with a stable outlook (*no change*).
- **Suriname (February 28): Moody's changes the outlook on Suriname's B2 rating to stable from negative**, saying that liquidity pressures have subsided over the past year and that the scope for financing from domestic and external sources has increased.

March

- Belize (March 5): Moody's affirms Belize's B3 rating with a stable outlook (*no change*).
- **Panama (March 8): Moody's upgrades Panama's rating to Baa1 from Baa2 with a stable outlook**, citing economic growth and fiscal metrics that exceed that of its rating peers, and strengthened fiscal policy framework.
- Peru (March 28): Fitch affirms Peru's BBB+ rating with a stable outlook (*no change*).

April

- Dominican Republic (April 5): S&P's affirms DR's BB- rating with a stable outlook (*no change*).
- Suriname (April 18): S&P affirms Suriname's B rating with a stable outlook (*no change*).
- **Panama (April 29): S&P upgrades Panama's rating to BBB+ from BBB with a stable outlook**, citing many years of rapid growth, above the pace of its rating peers, and economic diversification that have boosted resilience.

May

- Uruguay (May 7): S&P affirms Uruguay's BBB rating with a stable outlook (*no change*).
- Colombia (May 23): **Moody's changes the outlook on Colombia's Baa2 rating to stable from negative**, highlighting recovering economic activity and fiscal consolidation efforts.
- Bolivia (May 17): S&P affirms Bolivia's BB- rating with a stable outlook (*no change*).

June

- El Salvador (June 11): Fitch affirms El Salvador at B- with a stable outlook (*no change*).
- Paraguay (June 12): S&P affirms Paraguay's BB rating with a stable outlook (*no change*).
- Honduras (June 12): Moody's affirms Honduras' B1 rating with a stable outlook (*no change*).
- Chile (June 14): S&P affirms Chile's A+ rating with a stable outlook (*no change*).
- Peru (June 25): Moody's affirms Peru's A3 rating with a stable outlook (*no change*).
- Trinidad and Tobago (June 26): Moody's affirms T&T's Ba1 rating with a stable outlook (*no change*).
- Dominican Republic (June 26): Fitch affirms DR's BB- rating with a stable outlook (*no change*).

July

- Barbados (July 2): **Moody's upgrades Barbados's rating to Caa1 from Caa3 with a stable outlook**, citing improvement in fiscal and debt metrics and reduced susceptibility to event risk.
- Honduras (July 25): S&P affirms Honduras' BB- rating with a stable outlook (*no change*).

August

- Argentina (August 1): S&P affirms Argentina's B rating with a stable outlook (*no change*).
- Uruguay (August 6): Moody's affirms Uruguay's Baa2 rating with a stable outlook (*no change*).
- Belize (August 9): S&P affirms Belize's B- rating with a stable outlook (*no change*).

Box 1– (cont.)

- **Ecuador (August 21): Fitch changes the outlook on Ecuador's B- rating to stable from negative**, citing mitigated near-term risks for sovereign financing (following the IMF program signed in February).
- **Argentina (August 30): S&P upgrades Argentina's rating to CCC- from SD, with a negative outlook**, following amended terms and conditions for the short-term debt which became effective immediately and cured the default.
- Chile (August 30): Fitch affirms Chile's rating at A with a stable outlook (*no change*).

September

- **Argentina (September 3): Fitch upgrades Argentina's rating to CC from RD** following the payment of short-term debt instruments on August 30 under revised terms imposed via presidential decree, which effectively constitutes the conclusion of an exercise that Fitch categorized as a 'distressed debt exchange' (DDE).
- Cuba (September 13): Moody's affirms Cuba's Caa2 rating with a stable outlook (*no change*).
- Peru (September 25): Fitch affirms Peru's BBB+ rating with a stable outlook (*no change*).
- **Jamaica (September 27): S&P upgrades Jamaica's rating to B+ from B with a stable outlook**, citing Jamaica's material progress in achieving macroeconomic stability and strengthening of its external position, improving its ability to withstand external shocks.

October

- Colombia (October 28): S&P affirms Colombia's BBB- rating with a stable outlook (*no change*).
- Guatemala (October 28): S&P affirms Guatemala's BB- rating with a stable outlook (*no change*).

November

- **Nicaragua (November 8): S&P changes the outlook on Nicaragua's B- rating to stable from negative**, citing stabilization of liquidity conditions.
- Brazil (November 14): Fitch affirms Brazil's BB- rating with a stable outlook (*no change*).
- **Nicaragua (November 22): Fitch changes the outlook on Nicaragua's B- rating to stable from negative**, citing the stabilization of central bank reserves and commercial bank deposits, a significant fiscal adjustment and social security reform that have reduced domestic financing needs, and a pronounced external rebalancing that has eased the external financing requirement.

December

- El Salvador (December 2): S&P affirms El Salvador's B- rating with a stable outlook (*no change*).
- Guatemala (December 3): S&P affirms Guatemala's BB- rating with a stable outlook (*no change*).
- Paraguay (December 6): Fitch affirms Paraguay at BB+ with a stable outlook (*no change*).
- **Jamaica (December 11): Moody's upgrades Jamaica's ratings to B2 from B3 with a stable outlook**, citing strong commitment to fiscal consolidation and structural reforms and improving debt structure.
- **Barbados (December 11): S&P upgrades Barbados credit ratings to B- from SD with a stable outlook**, following the debt exchange of approximately US\$ 531 million in new 2029 bonds and US\$ 32 million in past due interest bonds to holders of its U.S. dollar bonds that have been in default since 2018, of which approximately US\$677 million, plus accrued interest, was outstanding. The stable outlook balances S&P's view of the government's commitment to a fiscal and institutional adjustment with the economic and political challenges of doing so.
- **Brazil (December 11): S&P changes the outlook on Brazil's BB- rating to positive from stable**, citing prospects for an upgrade in the next two years if further progress--prioritization, passage, or execution--on the government's broad fiscal and growth agenda allows for a more rapid reduction of Brazil's fiscal deficits and a stabilization of debt dynamics.
- Mexico (December 13): Fitch affirms Mexico at BBB with a stable outlook (*no change*).
- **Argentina (December 23): Fitch upgrades Argentina to CC from RD** following the conclusion of the government's unilateral extension of repayment of short-term dollar-denominated Treasury bills (Letes).
- **Argentina (December 30): S&P upgrades the foreign currency long-term sovereign credit rating on Argentina to CC from SD with a negative outlook**, after the government conducted two auctions of peso-denominated debt on December 20 and 26 and paid the Bopomo (a locally issued peso-denominated bond: Bono a Tasa de Política Monetaria) due December 23. The negative outlook reflects prospects for a further restructuring of sovereign debt in the coming months as the administration holds dialogues with bondholders, financial intermediaries, and official creditors on its policy priorities, economic strategy, and re-profiling plans.

Box 1– (cont.)**Negative Actions: 22 (Bold)***January*

- **Ecuador (January 10): Fitch changes the outlook on Ecuador's B- rating to negative from stable**, because of large financing needs for 2019-2020 and uncertainty regarding its access to funding sources. Volatility in oil prices could also be a risk to Ecuador's financing plans.
- **Costa Rica (January 15): Fitch downgrades Costa Rica's rating to B+ from BB with negative outlook**, citing persistently wide fiscal deficits, high near-term financing due to a steep amortization schedule and budget financing constraints.
- **Nicaragua (January 25): Moody's changes the outlook on Nicaragua's B2 rating to negative**, saying that the prolonged political crisis is weighing on economic and fiscal strengths.

February

- Venezuela (February 22): S&P affirms Venezuela's rating at SD (*no change*).

March

- **Mexico (March 1): S&P changes the outlook on Mexico's BBB+ rating to negative**, citing potential for lower economic growth prospects and economic policy for the energy sector. The "negative outlook indicates an at least one-in-three possibility of a downgrade over the coming year."

April

- **Guatemala (April 11): Fitch changes the outlook on Guatemala's BB rating to negative**, citing heightened political tension and uncertainty, and a steady erosion in the government's already low tax collection.

May

- Argentina (May 14): Fitch affirms Argentina's rating at B with a negative outlook (*no change*).
- **Colombia (May 23): Fitch changes the outlook on Colombia's BBB rating to negative from stable**, citing the risk to fiscal consolidation and trajectory of the government debt, weakening fiscal policy credibility, and increasing risk from external imbalances.

June

- **Mexico (June 5): Moody's changes the outlook on Mexico's A3 rating to negative from stable**, highlighting concerns that the policy framework is weakening in two key respects: unpredictability has increased, undermining investor confidence and medium-term growth prospects; and lower growth, together with changes to energy policy and the role of Pemex introduces risks to medium-term fiscal outlook.
- **Mexico (June 5): Fitch downgrades Mexico's rating to BBB from BBB+ with a stable outlook**, saying the deteriorating credit profile at state oil company Pemex weighs on government finances while the economy is underperforming and the country faces external threats on the trade front.
- **Bolivia (June 20): Fitch changes the outlook on Bolivia's BB- rating to negative from stable**, citing rising macroeconomic vulnerability posed by the rapid erosion of external and fiscal buffers, being driven in part by adverse developments and future uncertainties in the gas sector - a key source of FX and fiscal revenues.
- Uruguay (June 27): Fitch affirms Uruguay at BBB-. Outlook remains negative (*no change*).
- Venezuela (June 27): Fitch affirms and withdraws Venezuela's ratings.

July

- **Trinidad and Tobago (July 9): S&P downgrades T&T's rating to BBB from BBB+ with a stable outlook**, citing lower-than-expected energy production and economic growth, and economic and fiscal stress.
- **Argentina (July 12): Moody's changes outlook on Argentina's B2 rating to negative from stable**, citing greater uncertainty regarding policy continuity and higher risk that weaker sentiment leads to financing pressures.

August

- Venezuela (August 14): Moody's withdraws Venezuela's C rating of the local and foreign currency issuer ratings and the (P) C rating of the medium-term note program of the Government of Venezuela for its own business reasons.
- **Argentina (August 16): S&P downgrades Argentina's rating to B- from B with a negative outlook**, citing market turbulence following the primary elections, which weakens creditworthiness.

Box 1– (conclusion)

- **Argentina (August 16): Fitch downgrades Argentina's rating to CCC from B**, citing elevated policy uncertainty following the Aug. 11 primary elections, a severe tightening of financing conditions, and an expected deterioration in the macroeconomic environment that increase the likelihood of a sovereign default or restructuring of some kind.
- **Suriname (August 21): Fitch changes the outlook on Suriname's B- rating from stable to negative**, citing expectation that large government deficits and financing needs, in part reflecting spending pressures related to elections in May 2020, will continue to lead to a rapid increase in government debt/GDP.
- **Argentina (August 29): S&P downgrades Argentina's rating to SD from B-**, as the Argentine government unilaterally extended the maturity of all short-term paper on Aug. 28, following the continued inability to place short-term paper with private-sector market participants. This constituted a default under the agency's criteria.
- **Argentina (August 30): Fitch downgrades Argentina's rating to RD from CCC**, indicating a high probability of 'distressed debt exchange' (DDE) or traditional payment default on these securities. The downgrade follows the government's unilateral extension of repayment on certain debt obligations effective August 30, specifically short-term T-bill instruments issued under local law and denominated in USD and pesos. In accordance with its criteria, Fitch believes Argentina is in default on its sovereign obligations and that this development constitutes a DDE.
- **Argentina (August 30): Moody's downgrades Argentina's rating to Caa2 from B2 and places it under review for downgrade.** The agency's decision reflects the rising expectation of losses for investors as a consequence of mounting pressures on the government's finances, most recently reflected in the government's August 28 decision to delay repayment on short-term debt and to signal its intent also to restructure portions of Argentina's medium- and long-term debt.

September

- Barbados (September 11): S&P's affirms Barbados' SD rating (*no change*).

October

- Costa Rica (October 30): Fitch affirms Costa Rica at B+ with a negative outlook (*no change*).

November

- Colombia (November 20): Fitch affirms Colombia's rating at BBB with a negative outlook (*no change*).
- **Bolivia (November 21): Fitch downgrades Bolivia's rating to B+ from BB-. The rating outlook remains negative.** The downgrade reflects the rapid and sustained erosion of external buffers and related macroeconomic risks, which have intensified amid recent political and social instability.

December

- **Bolivia (December 5): Moody's places Bolivia's Ba3 rating under review for downgrade** citing heightened political risk and increased policy uncertainty.
- **Bolivia (December 16): S&P changes the outlook on Bolivia's BB- rating to negative from stable**, on risks to external and debt positions. The negative outlook reflects the at least one-in-three likelihood of a downgrade in the next six to 18 months if continued political uncertainty, poor GDP growth prospects, or further erosion of the government's fiscal metrics contributes to current account deficits that weaken the country's external profile.
- Mexico (December 19): S&P affirms Mexico's BBB+ rating with a negative outlook (*no change*).
- **Argentina (December 20): S&P downgrades Argentina's rating to SD from CCC-** after a unilateral extension of the maturity of U.S. dollar-denominated short-term paper (Letes) held by private sector creditors on the previous day.
- **Argentina (December 20): Fitch downgrades Argentina to RD from CC** following the government's unilateral extension on December 19 of repayment of short-term dollar denominated treasury bills (Letes) issued under local law.
- Costa Rica (December 27): S&P affirms Costa Rica's B+ rating with a negative outlook (*no change*).

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

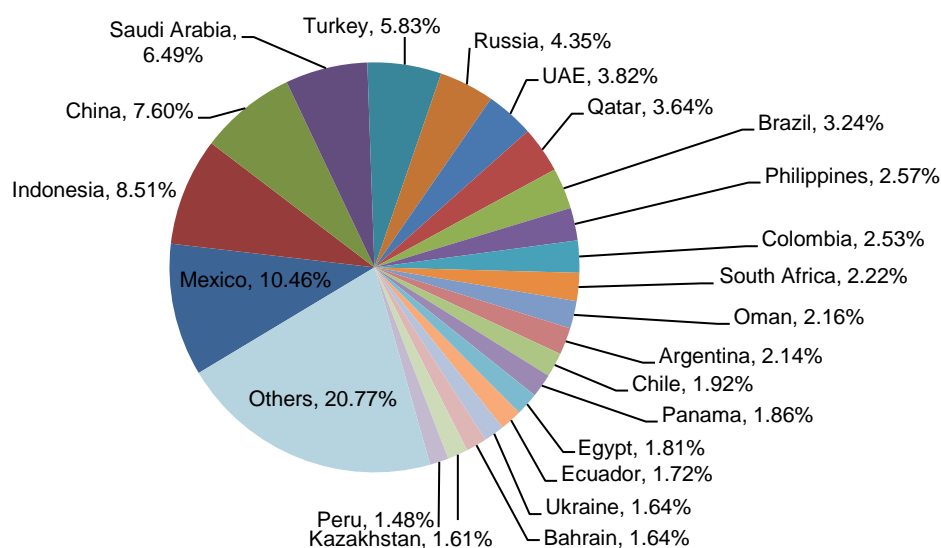
B. Latin American Spreads

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	Bolivia	Paraguay
31-Dec-15	446	438	548	253	317	1266	315	240	280	2807	605	250	338
29-Jan-16	494	502	540	274	378	1509	362	273	317	3560	677	262	364
29-Feb-16	483	465	530	250	368	1391	353	260	309	3255	639	233	370
31-Mar-16	434	444	426	213	295	1058	308	226	279	3108	573	211	335
29-Apr-16	410	544	401	183	278	941	286	198	268	2858	541	190	320
31-May-16	421	500	418	203	297	855	304	213	271	2933	553	152	318
30-Jun-16	407	495	366	202	257	913	293	200	270	2659	522	186	326
29-Jul-16	392	496	346	174	270	877	294	194	262	2510	501	155	299
31-Aug-16	361	455	315	174	232	863	258	162	229	2456	459	140	268
30-Sep-16	360	441	324	180	221	845	294	154	232	2053	456	142	276
31-Oct-16	364	452	316	177	237	743	293	155	230	2316	467	130	268
30-Nov-16	388	515	338	174	252	736	330	173	252	2343	510	82	298
30-Dec-16	365	455	330	158	225	647	296	170	244	2168	473	83	281
31-Jan-17	352	469	291	144	209	590	296	159	225	2056	455	75	274
28-Feb-17	334	458	280	130	202	572	275	152	227	2050	436	58	267
31-Mar-17	331	442	264	133	192	666	255	146	209	2377	436	102	241
30-Apr-17	321	405	259	136	195	667	254	144	204	2151	419	212	241
31-May-17	323	407	282	134	203	694	255	145	205	2228	426	221	236
30-Jun-17	328	432	284	132	200	706	255	145	193	2464	435	211	225
31-Jul-17	324	448	263	123	194	673	237	152	182	2977	434	217	213
31-Aug-17	321	402	265	130	195	643	244	153	181	3125	424	225	220
29-Sep-17	308	377	240	128	185	606	233	140	165	3094	407	217	211
31-Oct-17	307	361	237	118	183	563	247	136	154	3171	403	204	196
30-Nov-17	313	357	234	123	176	507	232	133	145	4717	417	202	194
29-Dec-17	311	351	232	117	173	459	245	136	146	4854	419	203	200
31-Jan-18	292	375	217	106	153	442	223	119	136	4660	399	160	177
28-Feb-18	311	405	226	120	178	490	238	137	146	4625	418	205	191
29-Mar-18	326	420	238	128	180	544	252	156	168	4189	426	209	218
30-Apr-18	335	431	242	130	182	667	263	152	185	4344	443	208	225
31-May-18	367	521	299	145	205	671	288	168	197	4565	479	250	241
29-Jun-18	388	608	326	144	197	761	281	166	200	5011	497	295	245
31-Jul-18	354	556	263	133	177	603	274	143	169	5086	465	244	198
31-Aug-18	400	771	337	141	184	725	282	147	174	5807	514	248	209
28-Sep-18	362	623	289	124	168	622	256	133	156	5499	474	202	214
31-Oct-18	392	652	256	140	186	722	307	152	185	5803	512	275	231
30-Nov-18	420	706	265	157	210	740	347	162	202	6255	544	342	254
31-Dec-18	435	817	273	166	228	826	357	168	207	6845	568	378	260
31-Jan-19	378	676	235	145	191	690	330	145	179	4770	498	309	225
28-Feb-19	361	697	230	129	186	589	316	131	167	5303	484	277	213
29-Mar-19	373	774	248	133	184	592	308	130	170	5224	488	280	222
30-Apr-19	365	950	245	127	176	560	292	126	171	5546	495	268	211
31-May-19	393	985	267	145	212	619	329	148	194	5578	527	282	245
28-Jun-19	366	835	232	135	181	580	329	124	172	8867	517	253	212
31-Jul-19	333	781	206	125	175	603	323	117	159	11945	467	232	202
30-Aug-19	361	2532	241	133	179	705	334	122	169	11179	513	291	233
30-Sep-19	338	2143	239	139	183	677	317	131	177	18473	465	291	237
31-Oct-19	323	2278	233	141	182	789	320	131	173	16671	424	321	229
29-Nov-19	309	2262	236	149	188	1146	320	126	169	13554	394	312	233
31-Dec-19	277	1744	212	135	161	826	292	107	148	14740	346	218	203

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

EMBI Global composition by country (end-December 2019): Mexico, Brazil and Colombia account for 16.23% of the total weighting. EMBI Global composition by region: Latin: 31.30%; Non-Latin: 68.70%.

EMBI GLOBAL COMPOSITION (AS OF DECEMBER 2019)

Others	%
Dominican Rep	1.43%
Uruguay	1.38%
Sri Lanka	1.23%
Malaysia	1.18%
Hungary	1.01%
Poland	0.97%
Nigeria	0.96%
Angola	0.76%
Romania	0.67%
Lebanon	0.64%
Costa Rica	0.63%
El Salvador	0.62%
Ghana	0.61%
Azerbaijan	0.59%
Kenya	0.58%
Jamaica	0.52%
Croatia	0.51%
Pakistan	0.46%
India	0.43%
Kuwait	0.42%
Paraguay	0.39%
Guatemala	0.36%
Iraq	0.33%
Mongolia	0.32%
Ivory Coast	0.30%
Lithuania	0.28%
Jordan	0.28%
Trinidad & Tobago	0.26%
Senegal	0.24%
Belarus	0.24%
Morocco	0.22%
Gabon	0.20%
Zambia	0.19%
Bolivia	0.18%
Serbia	0.15%
Slovakia	0.14%
Honduras	0.12%
Namibia	0.11%
Uzbekistan	0.10%
Georgia	0.10%
Vietnam	0.10%
Armenia	0.09%
Ethiopia	0.09%
Tunisia	0.08%
Mozambique	0.07%
Cameroon	0.07%
Papua New Guinea	0.05%
Suriname	0.04%
Tajikistan	0.04%
Belize	0.03%

C. New LAC Debt Issuance

**TABLE 3:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FIRST QUARTER OF 2019**

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jan-19					
Uruguay	Oriental Republic of Uruguay	USD 850	850	4.375%	2031
Chile	Banco del Estado de Chile (BancoEstado)	EUR 44	50	1.169%	2025
Mexico	United Mexican States	USD 2000	2,000	4.500%	2029
Supranational	CAF Development Bank of Latin America	EUR 750	852	0.625%	2024
Colombia	Republic of Colombia	USD 500	500	4.500%	2029 (r)
Colombia	Republic of Colombia	USD 1500	1,500	5.200%	2049
Colombia	Termocandelaria Power Ltd	USD 410	410	7.875%	2029
Ecuador	Republic of Ecuador	USD 1000	1,000	10.750%	2029
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 1300	1,300	4.375%	2049
Brazil	Suzano Austria GmbH	USD 750	750	6.000%	2029 (r)
Mexico	Crédito Real SAB de CV	USD 400	400	9.500%	2026
			9,613		
Feb-19					
Chile	LATAM Finance Ltd	USD 600	600	7.000%	2026
Paraguay	Republic of Paraguay	USD 500	500	5.400%	2050
Supranational	CAF Development Bank of Latin America	USD 1250	1,250	3.250%	2022
Supranational	Fondo Financiero para el Desarrollo de la Cuenca del Plata - FONPLATA	CHF 150	150	0.578%	2024
Brazil	BTG Pactual	USD 600	600	7.750%	2029
Supranational	Central American Bank for Economic Integration (CABEI)	CHF 200	198	0.200%	2024
			3,298		
Mar-19					
Chile	Tanner Servicios Financieros SA	CHF 125	125	1.000%	2021
Peru	Line One Peru Metro Expansion Co. Ltda.	USD 156.1	156	4.737%	2022
Peru	Line One Peru Metro Expansion Co. Ltda.	USD 117.2	117	4.737%	2022
Jamaica	Digicel International	USD 600	600	8.750%	2024
Ecuador	International Airport Finance SA (Corporación Quiport SA)	USD 400	400	12.000%	2033
Brazil	Petrobras Global Finance BV	USD 750	750	5.750%	2029 (r)
Brazil	Petrobras Global Finance BV	USD 2250	2,250	6.900%	2049
Mexico	Cemex SAB	EUR 400	452	3.125%	2026
Mexico	Banco Mercantil del Norte, S.A. - Banorte	CHF 250	249	1.550%	2022
Chile	Santander Chile	CHF 150	149	0.384%	2024
Brazil	Banco do Brasil SA	USD 750	750	4.750%	2024
Supranational	Millicom International Cellular S.A.	USD 750	750	6.250%	2029
Chile	AES Gener SA	USD 550	550	7.125%	2079
Brazil	Republic of Brazil	USD 1500	1,500	4.500%	2029
Brazil	Atento SA (through subsidiary Atento Luxuco 1)	USD 100	100	6.125%	2022 (r)
Brazil	Klabin Austria GmbH	USD 500	500	5.750%	2029
Brazil	Klabin Austria GmbH	USD 500	500	7.000%	2049 (g)
Paraguay	Telefonica Celular del Paraguay SA - Telecel	USD 300	300	5.875%	2027
			10,198		

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

Notes:

(r): retap.

(g): green.

Q1 2019 Total 23,109

TABLE 4:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
SECOND QUARTER OF 2019

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Apr-19					
Mexico	United Mexican States	EUR 1500	1,683	1.625%	2026
Mexico	United Mexican States	EUR 1000	1,122	2.875%	2039
Brazil	JBS USA Lux SA	USD 1000	1,000	6.500%	2029
Brazil	JBS Investments II GmbH	USD 500	500	7.000%	2026
Peru	Telefonica del Peru SAA	PEN 1700	513	7.375%	2027
Peru	Alicorp SAA	PEN 1640	498	6.875%	2027
Panama	Republic of Panama	USD 1000	1,000	3.750%	2026
Brazil	CSN Resources SA	USD 400	400	7.625%	2023
Brazil	CSN Resources SA	USD 600	600	7.625%	2026
Mexico	Minera y Metalúrgica del Boleo SA de CV - MMB	USD 400	400	3.250%	2024
Peru	Consortio Transmantaro SA	USD 400	400	4.700%	2034
Panama	Global Bank Corp (Panama)	USD 300	300	5.250%	2029
Chile	Banco de Credito e Inversiones - BCI	USD 10	10	3-mth Libor +88	2024
Mexico	America Movil SAB de CV	USD 1000	1,000	3.625%	2029
Mexico	America Movil SAB de CV	USD 1250	1,250	4.375%	2049
Brazil	JBS USA Lux SA	USD 400	400	6.500%	2029
Brazil	JBS USA Lux SA	USD 150	150	5.750%	2025
Brazil	JBS USA Lux SA	USD 150	150	5.875%	2024
Chile	Banco de Credito e Inversiones - BCI	CHF 175	172	0.400%	2024
Brazil	Banco do Brasil (London Branch)	BRL 398	101	9.500%	2026
Panama	Empresa de Transmisión Eléctrica SA- ETESA	USD 500	500	5.125%	2049
Chile	Celulosa Arauco	USD 500	500	4.250%	2029
Chile	Celulosa Arauco	USD 500	500	5.500%	2049
Supranational	CAF Development Bank of Latin America	MXN 225	12	9.600%	2039
			13,161		
May-19					
Chile	Sociedad Química y Minera de Chile SA - SQM	USD 450	450	4.250%	2029
Colombia	Al Candelaria (Spain) SLU	USD 50	50	7.500%	2028
Brazil	Marfrig	USD 1000	1,000	7.000%	2026
Paraguay	Bioceanico Sovereign Certificate Ltd	USD 732	732	0.000%	2034
Chile	Banco del Estado de Chile	CHF 150	149	0.240%	2025
Mexico	Grupo Televisa SAB de CV	USD 750	750	5.250%	2049
Brazil	Suzano Austria GmbH	USD 1000	1,000	5.000%	2030
Brazil	Suzano Austria GmbH	USD 250	250	7.000%	2047
Guatemala	Republic of Guatemala	USD 500	500	4.900%	2030
Guatemala	Republic of Guatemala	USD 700	700	6.125%	2050
Dom. Republic	Dominican Republic	DOP 50523	1,000	9.750%	2026
Dom. Republic	Dominican Republic	USD 1500	1,500	6.400%	2049
Brazil	Ultrapar International SA	USD 500	500	5.250%	2029
			8,581		
Jun-19					
Chile	Banco de Credito e Inversiones - BCI	USD 50	50	3.322%	2029
Ecuador	Republic of Ecuador	USD 1125	1,125	10.750%	2029
Peru	Republic of Peru	USD 750	750	2.844%	2030
Peru	Republic of Peru	PEN 5827.5	1,750	5.400%	2034
Chile	Republic of Chile	USD 1418	1,418	3.500%	2050
Mexico	America Movil SAB de CV	EUR 1000	1,121	0.750%	2027
Mexico	Banco Mercantil del Norte	USD 600	600	6.750%	Perp
Mexico	Banco Mercantil del Norte	USD 500	500	7.500%	Perp
Supranational	Bladex (Foreign Trade Bank of Latin America)	JPY 7400	76	0.520%	2022
Argentina	YPF SA	USD 500	500	8.500%	2029
Mexico	Fibra Uno	USD 400	400	4.869%	2030
Mexico	Fibra Uno	USD 600	600	6.390%	2050
Chile	Banco del Estado de Chile	AUD 285	198	2.620%	2029
Chile	Republic of Chile	EUR 861	981	0.830%	2031
Mexico	Corporacion Inmobiliaria Vesta SAB De CV	USD 70	70	5.180%	2029
Mexico	Corporacion Inmobiliaria Vesta SAB De CV	USD 15	15	5.280%	2031
Mexico	United Mexican States	JPY 65500	609	0.620%	2022
Mexico	United Mexican States	JPY 41200	383	0.830%	2024
Mexico	United Mexican States	JPY 27300	254	1.050%	2026
Mexico	United Mexican States	JPY 31000	288	1.300%	2029
Brazil	CSN Resources SA	USD 175	175	7.625%	2023
Supranational	CABEI	UYU 1759	50	10.900%	2024
			11,912		

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

Notes:

(r): retap.

(g): green.

NC3: only callable after 3 years.

Q2 2019 **33,654**

H1 2019 **56,763**

TABLE 5:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
THIRD QUARTER OF 2019

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jul-19					
Argentina	Pampa Energia SA	USD 300	300	9.125%	2029
Brazil	Klabin Austria GmbH	USD 250	250	5.750%	2029 (r)
Colombia	Empresas Públicas de Medellin ESP - EPM	USD 1000	1,000	4.250%	2029
Colombia	Empresas Públicas de Medellin ESP - EPM	COP 1230000	383	8.375%	2027 (r)
Argentina	Telecom Argentina SA	USD 400	400	8.000%	2026
Mexico	Unifin Financiera SAB de CV SOFOM ENR	USD 450	450	8.375%	2028
Brazil	Usiminas International SARL	USD 750	750	5.875%	2026
Chile	LATAM Finance Ltd	USD 200	200	7.000%	2026 (r)
Mexico	Comisión Federal de Electricidad - CFE	USD 615	615	5.000%	2049
Mexico	Fideicomiso F/00939 - Fibra Terrafina	USD 500	500	4.962%	2029
Mexico	Docuformas SA (Liquid Capital)	USD 300	300	10.250%	2024
Panama	Republic of Panama	USD 1250	1,250	3.160%	2030
Panama	Republic of Panama	USD 750	750	3.870%	2060
Peru	Lima Metro Line 2 Finance Ltd	USD 563.175	563	4.350%	2036
Argentina	YPF Energia Electrica SA	USD 400	400	10.000%	2026
Venezuela	CAF Development Bank of Latin America	UYU 1752	50	10.400%	2024
Chile	Banco de Chile	HKD 372	48	2.900%	2031
Mexico	United Mexican States	USD 1455.664	1,456	4.500%	2029 (r)
Mexico	United Mexican States	USD 2103.527	2,104	4.500%	2050
Brazil	JBS USA Lux SA	USD 1250	1,250	5.500%	2030
Peru	Intercorp Peru Ltd	PEN 300	91	5.781%	2029
Brazil	JBS Investments II GmbH	USD 750	750	5.750%	2028
Peru	Intercorp Peru Ltd	USD 325	325	3.875%	2029
Brazil	Cosan Ltd	USD 750	750	5.500%	2029
El Salvador	Republic of El Salvador	USD1097	1,097	7.125%	2050
Brazil	NBM US Holdings Inc (parent organization: Marfrig)	USD 500	500	6.625%	2029 (g)
			16,531		
Aug-19					
Brazil	MV24 Capital BV	USD 1100	1,100	6.748%	2034
Mexico	Unifin Financiera SAB de CV SOFOM ENR	USD 200	200	7.000%	2028
Mexico	Banco Mercantil del Norte - Banorte	CHF 160	163	0.450%	2023
Supranational	CAF Development Bank of Latin America	UYU 1813	50	10.400%	2024
Chile	Banco de Credito e Inversiones - BCI	CHF 100	102	0.250%	2029
Chile	Banco de Chile	AUD 75	51	3.500%	2039
			1,666		
Sep-19					
Mexico	Grupo Bimbo	USD 600	600	4.000%	2049
Chile	Banco de Chile	PEN 140	41	5.400%	2034
Mexico	Industrias Penoles SAB de CV	USD 550	550	4.150%	2029
Mexico	Industrias Penoles SAB de CV	USD 550	550	5.650%	2049
Peru	Banco de Credito del Peru	USD 700	700	2.700%	2025
Chile	Banco del Estado de Chile	CHF 100	102	0.010%	2027
Chile	Banco de Chile	AUD 50	34	3.130%	2034
Jamaica	Republic of Jamaica	USD 815	815	7.875%	2045 (r)
Mexico	Alpek SAB de CV	USD 500	500	4.250%	2029
Mexico	Petroleos Mexicanos - PEMEX	USD 1250	1,250	6.490%	2027
Mexico	Petroleos Mexicanos - PEMEX	USD 3250	3,250	6.840%	2030
Mexico	Petroleos Mexicanos - PEMEX	USD 3000	3,000	7.690%	2050
Peru	Banco de Credito del Peru	PEN 2500	747	4.650%	2024
Panama	Global Bank Corp (Panama)	USD 100	100	5.250%	2029 (r)
Brazil	Banco Votorantim SA	USD 450	450	4.500%	2024
Brazil	Banco Votorantim SA	USD 400	400	4.000%	2022
Mexico	Minera México SA de CV	USD 1000	1,000	4.500%	2050
Brazil	BRF SA	USD 750	750	4.875%	2030
Chile	Corp. Nacional del Cobre de Chile SA - CODELCO	USD 1100	1,100	3.000%	2029
Chile	Corp. Nacional del Cobre de Chile SA - CODELCO	USD 900	900	3.700%	2050
Ecuador	Republic of Ecuador	USD 1400	1,400	9.500%	2030
Ecuador	Republic of Ecuador	USD 600	600	7.875%	2025
Uruguay	Oriental Republic of Uruguay	USD 838	838	4.975%	2055 (r)
Uruguay	Oriental Republic of Uruguay	USD 217	217	4.375%	2031 (r)
Peru	Banco Internacional del Peru - INTERBANK	USD 400	400	3.250%	2026
Mexico	Crédito Real SAB de CV	EUR 350	384	5.000%	2027
Brazil	Unigel Participações	USD 420	420	8.750%	2026
			21,098		

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

Notes:

(r): retap.

(g): green.

Q3 2019 39,295

TABLE 6:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FOURTH QUARTER OF 2019

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Oct-19					
Chile	AES Gener SA	USD 450	450	6.350%	2079 (g)
Chile	Banco del Estado de Chile	AUD 50	34	2.750%	2034
Colombia	Promigas SA ESP	USD 400	400	3.750%	2029
T&T	Telecommunications Services of T&T (TSTT)	USD 400	400	8.875%	2029
T&T	Telecommunications Services of T&T (TSTT)	TTD 680	100	8.300%	2029
Chile	Banco de Crédito e Inversiones - BCI	CHF 105	107	0.250%	2025
Brazil	Prumo Participações e Investimento SA	USD 350	350	7.500%	2031
Brazil	Banco do Brasil (London Branch)	COP 520000	151	6.500%	2027
Chile	Celulosa Arauco y Constitución SA	USD 500	500	4.200%	2030
Chile	Celulosa Arauco y Constitución SA	USD 500	500	5.150%	2050
Panama	Cable Onda	USD 600	600	4.625%	2030
Brazil	Braskem Netherlands Finance BV	USD 1500	1,500	4.500%	2030
Brazil	Braskem Netherlands Finance BV	USD 750	750	5.875%	2050
Chile	Empresa Eléctrica Cochrane	USD 725	725	5.500%	2027
Supranational	CABEI	USD 375	375	3-mth Libor +85	2024 (g)
			6,941		
Nov-19					
Brazil	Republic of Brazil	USD 500	500	4.500%	2029 (r)
Brazil	Republic of Brazil	USD 2500	2,500	4.750%	2050
Chile	Corp. Nacional del Cobre de Chile SA - CODELCO	HKD 500	64	2.840%	2034
Costa Rica	Republic of Costa Rica	USD 1200	1,200	6.125%	2031
Costa Rica	Republic of Costa Rica	USD 300	300	7.158%	2045 (r)
Mexico	Cemex SAB	USD 1000	1,000	5.450%	2029 NC5
Brazil	Itaú Unibanco Holding SA	USD 750	750	4.500%	2029
Supranational	CAF Development Bank of Latin America	EUR 750	827	0.625%	2026 (g)
Brazil	Gerdau - GUSAP III LP	USD 500	500	4.250%	2030
Argentina	Pan American Energy	USD 1200	120	5.000%	2023
Chile	WOM - Kenbourne Invest	USD 450	450	6.875%	2024 NC5
Panama	Republic of Panama	USD 1000	1,000	4.300%	2053 (r)
Panama	Republic of Panama	USD 300	300	3.160%	2030 (r)
Peru	Republic of Peru	PEN 8261	2,446	5.350%	2040
Peru	Republic of Peru	PEN 1842	545	5.400%	2034 (r)
Mexico	Braskem Idesa SAPI	USD 900	900	7.450%	2029
			13,422		
Dec-19					
Brazil	Banco BTG Pactual SA	USD 500	500	4.500%	2025
Brazil	Banco Daycoval SA	USD 350	350	4.250%	2024
Colombia	Bancolombia SA	USD 550	550	4.625%	2029
Mexico	Cydsa SAB de CV	USD 120	120	6.250%	2027
Suriname	Republic of Suriname	USD 125	125	9.875%	2023
Mexico	Fideicomiso Irrevocable y Traslato de Dominio N° 2400	MXN 7200	379	9.500%	2032
Mexico	Fideicomiso Irrevocable y Traslato de Dominio N° 2400	MXN 600	32	9.900%	2034
Mexico	Fideicomiso Irrevocable y Traslato de Dominio N° 2400	USD 100	100	4.800%	2034
			2,155		

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

Notes:	Q4 2019	22,519
(r): retap	H2 2019	61.813
(g): green	2019	118,576
NC5: only callable after 5 years		

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