ECONOMIC COMMISSION
FOR LATIN AMERICA
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ECLAC Office in Washington, D.C.

# Capital flows to Latin America and the Caribbean

## First half of 2023

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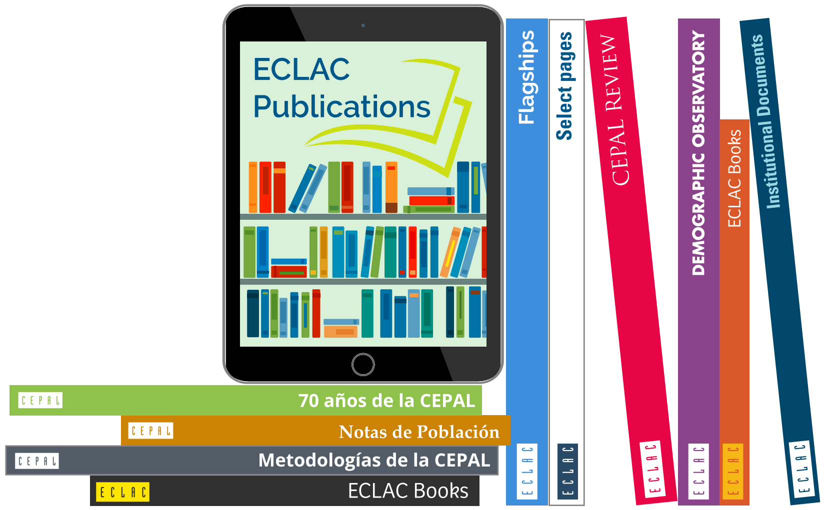


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United Nations publication
LC/WAS/TS.2023/3

Printed at United Nations, Santiago

This publication should be cited as: Economic Commission for Latin America and the Caribbean (ECLAC), *Capital flows to Latin America and the Caribbean: first half of 2023* (LC/WAS/TS.2023/3), Santiago, 2023.

# Contents

**Figures**



**Boxes**

# Highlights

- Total Latin American and Caribbean (LAC) bond issuance in international markets was US$ 50 billion in the first half of 2023. Rebounding from last year's low volumes, this total was 9% higher than in the first half of 2022 and 158% higher than in the second. The region's issuance had a strong start of the year that was not maintained, but made a comeback towards the end of the semester to a solid performance.
- The average coupon in the first six months of 2023 was 0.3% higher than in the second semester of 2022. However, this was a slower pace of growth, at exactly half of the 0.6% average coupon increase that took place in the second half of last year. Average debt maturity was higher, increasing to 11.3 years from 9.5 years in the second half of 2022.
- The region's international debt issuance in the first six months of 2023 was supported by decelerating inflation and currency appreciation. Another contributing factor may have been the Federal Reserve hitting pause on its benchmark interest rate at its 13-14 June meeting after hiking it ten times in a row to cool the U.S. economy and tame inflation. There was a flurry of new bond issuances in the last two weeks of June that continued in July.
- The recovery of issuance volume in the first half of 2023 shows different market sector performances. Sovereign, quasi-sovereign and supranational bond issuers were the top contributors to the market recovery. Year-on-year, LAC quasi-sovereign and supranational international bond issuances increased 71% and 41%, respectively, while sovereign issuances increased 21% in the first six months of the year. The slowdown in the corporate sector continued, however, with issuances from the private non-bank sector declining 44%.
- The region's top three issuers in international markets, corporate and sovereign combined, were Mexico, Brazil, and Chile, in that order. Together they accounted for 58% of the total regional issuance in the first half of 2023. Mexico was the top issuer, with a share of 25.2%, followed by Brazil (17.4%) and Chile (15.4%).
- Mexico and Chile were also the region's top two sovereign issuers. Together they accounted for 46% of all sovereign international debt issuances from the region. Brazil ended an absence of almost two years

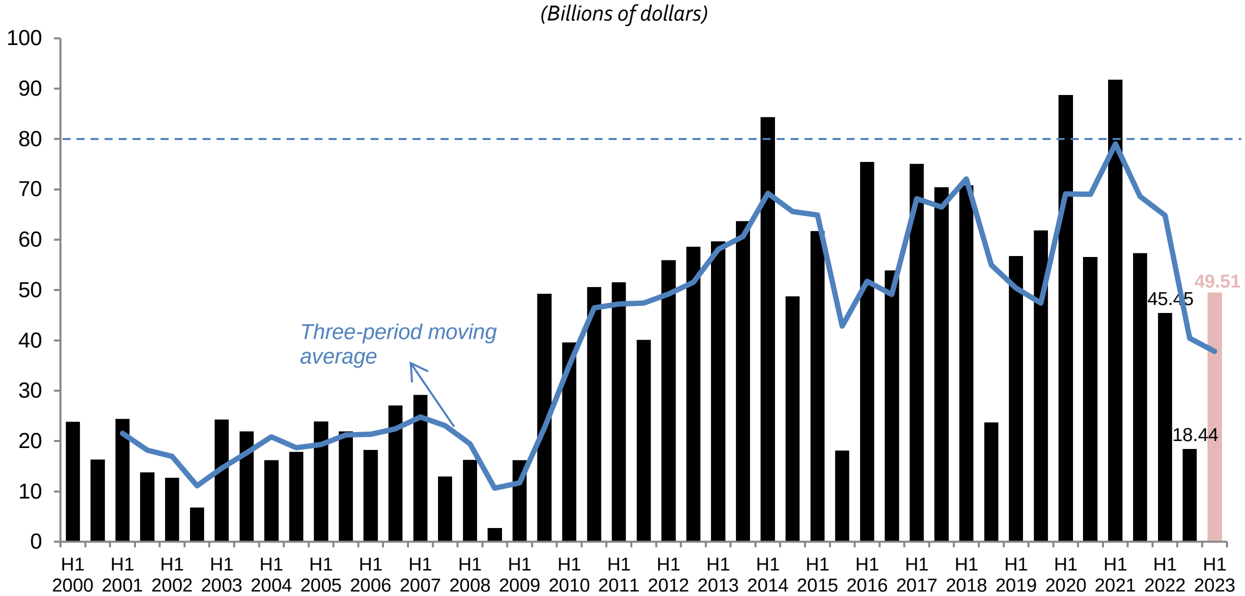
from the international bond market with a sovereign bond issuance in April, a 10-year US$ 2.25 billion bond that was well received by investors.

- The region issued US$ 16.6 billion in international green, social, sustainability and sustainability-linked (GSSS) bonds in the first half of 2023, up 14% from the same period in 2022, but with an average coupon that was 1.2% higher. GSSS international bond issuances represented a 34% share of the region's total amount issued in the first six months of 2023, the highest share on record.
- The public sector has continued to play a larger part in the region's sustainable sector this year so far, with sovereign issuances increasing to 69% of the total regional GSSS bond issuance in international markets from a 57% share in 2022.
- Sustainability bonds were the most used ESG debt instruments by LAC issuers in in the first half of 2023, representing 38% of the region's total GSSS international issuance in the period (US$ 6.2 billion). Sustainability-linked bonds (SLBs), which accounted for 30% (US$ 5 billion) of the total, were the second most used instruments. Chile's sovereign SLB issuances in the last week of June represented 62% of the region's total SLB issuance in the period.
- LAC bond spreads tightened 19 basis points in the first half of 2023. As measured by the global emerging market bond index (EMBIG), LAC bond spreads stood at 421 basis points at the end of June 2023, 49 basis points higher than pre-pandemic levels.
- Latin American equities in U.S. dollar terms performed strongly in the first half of 2023, reflecting currency appreciation that has boosted equity returns in dollar terms. The MSCI Latin American index gained 14.6% in the first six months of the year, outperforming the emerging market index, which gained 3.5%.
- Credit quality improved in the first half of 2023, supported by lower funding needs and greater reliance on local markets. There were 15 positive and 10 negative credit rating actions in the region in the period.

# Overview

Latin American and Caribbean (LAC) bond issuers placed US$ 49.5 billion in international bond markets in the first half of 2023, with an average coupon that was 0.3% higher and an average maturity that was almost two years greater than in the second half of 2022. This total was 9% higher than in the first half of 2022 and 158% higher than in the second (figure 1). Despite the rebound, global financial conditions remain challenging for the region's sovereign and corporate issuers due to higher borrowing costs and tighter lending conditions, adding to their domestic challenges.

**Figure 1**
**Semi-annual LAC international bond issuance, H1 2000–H1 2023**
*(Billions of dollars)*

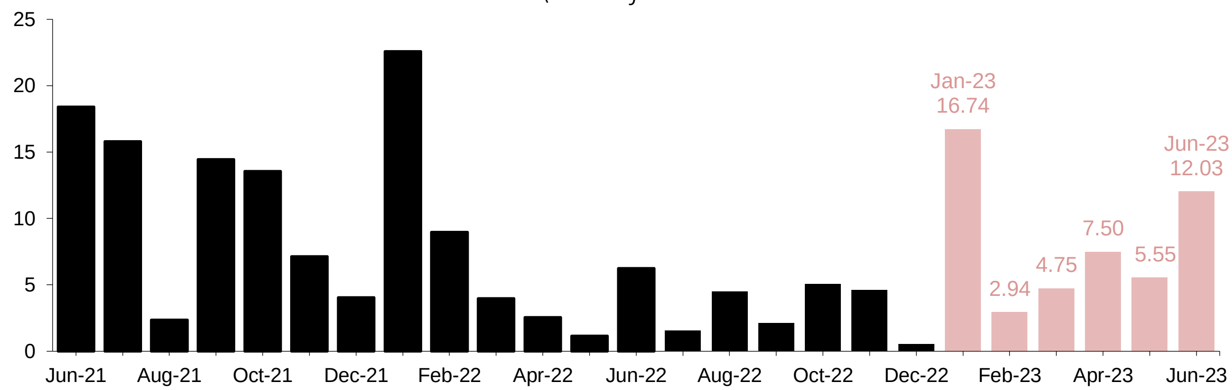



Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg.

The region's international debt issuance in the first six months of 2023 was supported by decelerating inflation and currency appreciation. As Latin American currencies continue to outperform, demand from international investors for local currency-denominated bonds has increased. The local currency share in the first six months of 2023 increased to 14% from 8% in 2022. Latin American central banks were rewarded by foreign exchange (FX) markets in 2022 and in the first half of 2023 for being early inflation fighters. If inflation falls further and Latin American central banks are the first to start easing to support growth, the FX markets may continue to reward them.[1]

On a monthly basis, the highest totals were seen at the beginning and at the end of the semester (figure 2). There was a flurry of new LAC bond issuances in the last two weeks of June, which has continued in July, suggesting a resurgence in the region's bond market activities after a period of lull. Most of the June issuances (79%) took place in the last two weeks of the month, including five sustainability-linked bond issuances totaling US$ 4.6 billion and accounting for almost 40% of the monthly total.

**Figure 2**
**Monthly LAC international bond issuance, June 2021–June 2023**
*(Billions of dollars*



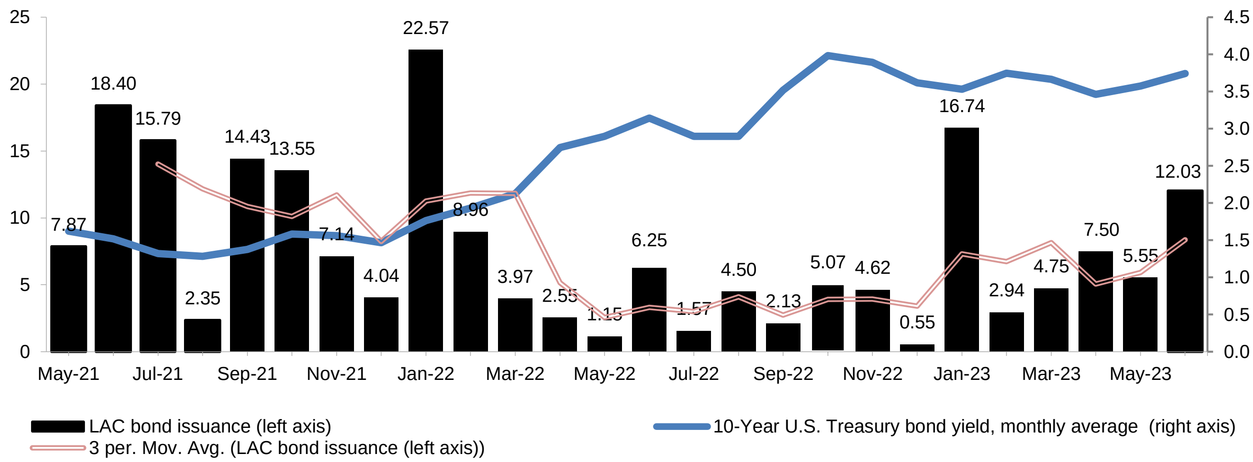

Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Condes and Bloomberg.

The United States Federal Reserve hit pause on its benchmark interest rate at its 13-14 June meeting, after hiking ten times in a row in a battle to cool the U.S. economy and tame inflation. This may have been a contributing factor to the flurry of new LAC bond issuances in the last two weeks of June. The Fed began to slow the pace of tightening in December 2022, and after three 0.25% interest rate increases In January, March and May 2023, it held the target range steady at the June meeting to assess additional information and its implications for monetary policy. However, following the surprising strength of the United States economy in the first half of the year, the Federal Reserve increased interest rates again by 0.25% at its 25-26 July meeting. It remains to be seen what impact this decision will have on bond issuances from the region in the second half.

Indeed, while 10-year Treasury yields came down from their October 2022 peak in the first four months of 2023, improving borrowing conditions for the region's debt issuers, they are now climbing once again. Yields have rebounded as the U.S. economy and markets have powered through a banking sector turmoil and a debt-ceiling fight that raised financial stability concerns. Persistent signs of U.S. economic strength and the easing of stress in the banking sector signal that Treasury yields could go higher still in the months ahead. The 10-year Treasury yield serves as a vital economic benchmark. It influences borrowing costs for consumer and businesses and has big implications for the value of emerging market debt securities. When it moves higher, there is an adverse impact on the bond issuances from Latin America and the Caribbean (figure 3).

[1] When borrowing in U.S. dollars and putting the money into local currency, the combination of high domestic interest rates and an appreciated currency translates into higher returns. This is a carry trade where the investors borrow money in dollars at a lower interest rate and invest in the local currency that has a higher interest rate, making a return that's roughly equivalent to the difference between the two rates.

**Figure 2**
**LAC international bond issuance and 10-year U.S. Treasury yield, December 2020—June 2023**
*(Left axis, billions of dollars; Right axis, percentage)*




Source: ECLAC Washington Office based on data from Dealogic, LatinFinance, Cbonds and Bloomberg for debt issuances, and the United States Federal Reserve for the 10-year U.S. Treasury bond yield.

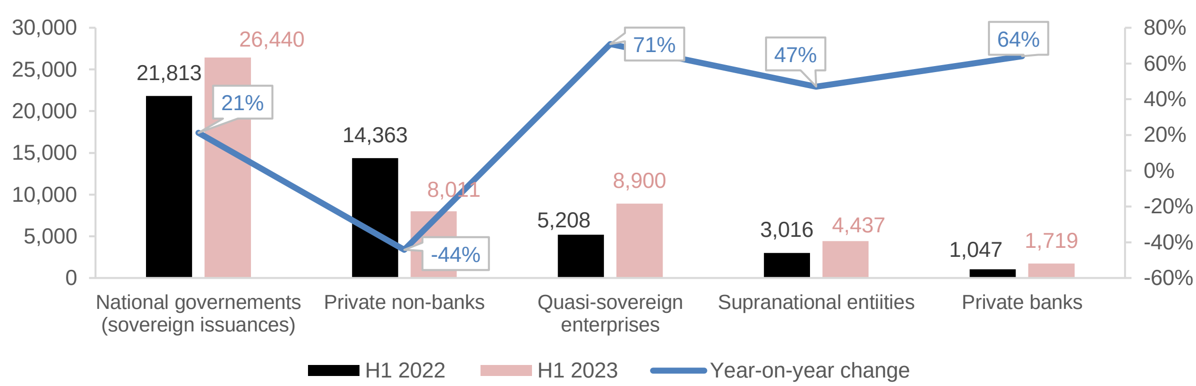
The largest debt issuance rebound in the first half of 2023 was observed in the quasi-sovereign sector, which showed a year-on-year growth of 71%. Issuances from supranational entities and national governments grew 21% and 47%, respectively. On the other hand, bond issuances from the private-non-bank corporate sector, which had been the main driver of the region's international debt issuances since 2009, suffered a 44% decline year-on-year (table 1, figure 4).

**Table 1**
**LAC debt issuances in international markets by sector, H1 2023**
*(Millions of dollars, percentages and number of deals)*

| | Private banks | Private non-banks | Quasi-sovereign enterprises | Supranational entities | National governments (sovereign issuances) | Total |
|---|---|---|---|---|---|---|
| Total H1 2023 | 1,719 | 8,011 | 8,900 | 26,440 | 4,437 | 49,507 |
| Year-on-year growth *(percentages)* | 64% | -44% | 71% | 21% | 47% | 9% |
| Share of Total (*percentages*) | 3% | 16% | 18% | 53% | 9% | 100% |
| Number of deals | 9 | 14 | 8 | 18 | 12 | 61 |
| Deals year-on-year decline | 2 | -11 | 0 | 2 | 1 | -6 |

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

**Figure 3**
**LAC debt issuances in international markets by sector, H1 2022 and H1 2023**
*(Millions of dollars, percentages and number of deals)*




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

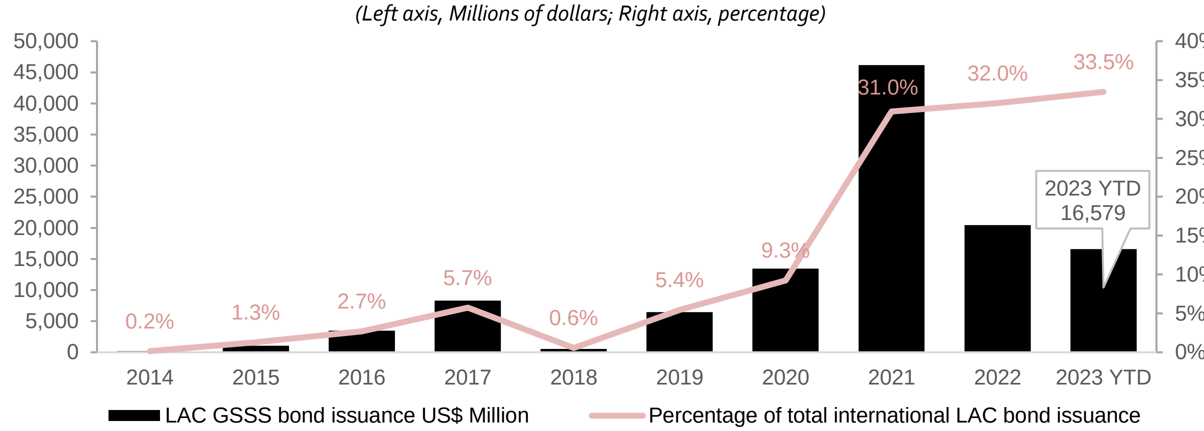
Higher funding costs remained a source of pressure for the non-investment-grade segment of the private non-bank corporate sector. According to Moody's, "as long as interest rates remain high in Latin America, liquidity will remain tight and will deteriorate for companies with the highest exposure to floating rates, increasing the costs of their debt service payments."[2]

The region's top three issuers, corporate and sovereign combined, were Mexico, Brazil, and Chile, in that order, which together accounted for 58% of the total regional issuance. Mexico was the top issuer, accounting for 25.2% of all LAC issuances in the first half of 2023, followed by Brazil (17.4%) and Chile (15.4%). Mexico and Chile were also the region's top two sovereign issuers. Together they accounted for 46% of all sovereign LAC debt issuances. Brazil ended an absence of almost two years from the international bond market with a sovereign bond issuance in April, a 10-year US$ 2.25 billion bond, taking the fourth place after Peru, which took third place after raising US$ 2.5 billion through a sustainability bond in May.

The region's sustainable bond issuances showed resilience in the first half of 2023. Following the broader market trend of a comeback towards the end of the period, 60% of the total sustainable bond issuances took place in May and June. They were up 14% from the first half of 2022 and 180% from the second half. The largest increase in issuances was observed in the sovereign sector. The 78% increase in international green, social, sustainability and sustainability-linked (GSSS) bond issuances from the sovereign sector in the first six months of 2023 from the same period a year ago more than compensated for the decline in private corporate (-37%) and quasi-sovereign plus supranational issuances (-35%).

Overall, the region issued US$ 16.6 billion of international GSSS bonds in the first half of 2023. The region's GSSS bond issuance represented a 33.5% share of the total amount issued in international markets in the period, an increase from the 32% share in 2022 and the highest share on record, highlighting the enduring resilience of these novel instruments in the current international scenario (figure 5).

**Figure 4**
**LAC international GSSS bond issuance, 2014–H1 2023**
*(Left axis, Millions of dollars; Right axis, percentage)*

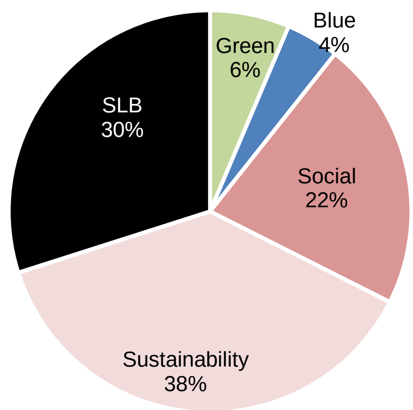



Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. The region's first internaional green bond was issued in December 2014.

Sustainability bonds were the most used ESG debt instruments by LAC issuers in the first half of 2023. They accounted for 38% of the region's total international GSSS bond issuance (US$ 6.2 billion), with the Governments of Mexico and Peru issuing 47% (US$ 2.9 billion) and 40% (US$ 2.5 billion) of the total, respectively, leading to a bump in this category. Sustainability-linked bonds (SLBs) were the second most used ESG debt instrument, representing 30% (US$ 5 billion) of the total (figure 6). Chile' sovereign SLBs (US$ 3.1 billion) accounted for 62% of the SLB total.

[2] Moody's, "High interest rates intensify liquidity risk for companies with debt in floating rates" Corporates-Latin America & Caribbean, Sector In-Depth, 06 June 2023. Contact Information: Roxana Munoz and Marcos Schmidt.

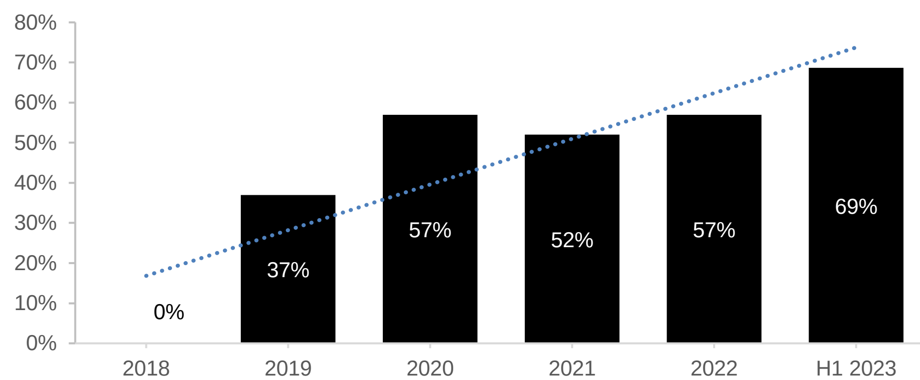
**Figure 5**
**LAC international GSSS bond issuance: types of instruments, H1 2023**
*(Percentage)*




Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. SLB: sustainability-linked bonds.

The larger role national governments are playing in the region's sustainable issuance has been one major trend in the past five years. Until 2019, all LAC GSSS bond issuances originated in the corporate sector. In June 2019, Chile issued the region's first green sovereign bond in international markets. From then to the first half of 2023, seven countries —Chile, Ecuador, Guatemala, Mexico, Peru, Bahamas, and Uruguay— in order of appearance in the international markets, issued sovereign green (or blue), social, sustainability, and sustainability-linked bonds. The sovereign sector accounted for 69% of the region's total international GSSS bond issuance in the first half of 2023 (figure 7).

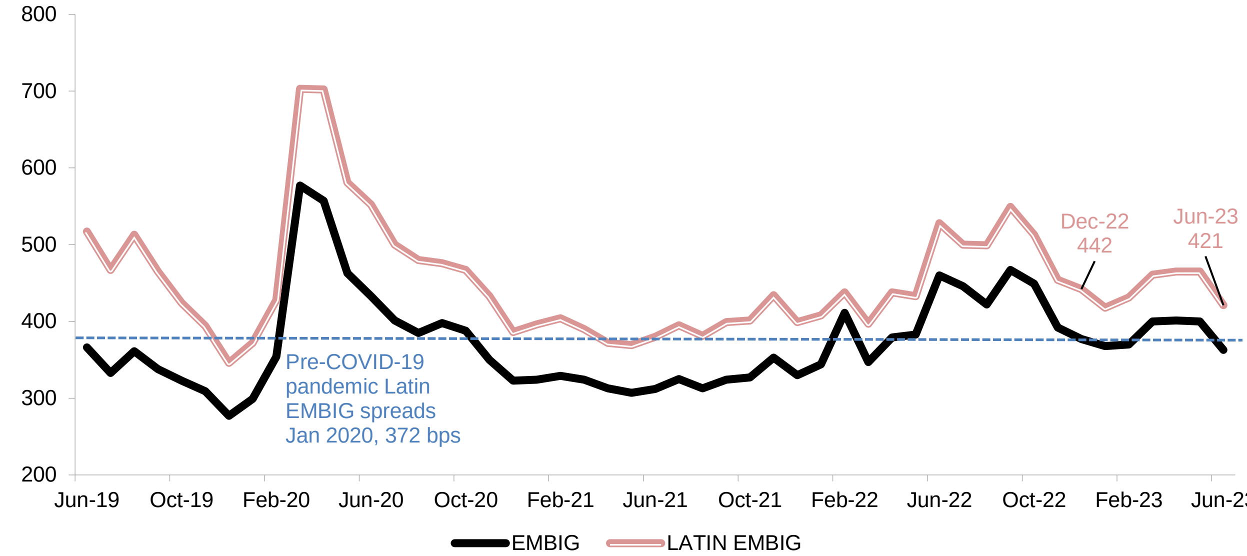
**Figure 6**
**Sovereign bond issuance as a share of LAC GSSS bond issuance, 2018–H1 2023**
*(Percentage)*




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

Borrowing costs for LAC issuers tightened by 19 basis points in the first half of 2023. While the region's bond spreads widened in March, following the collapse of the United States Silicon Valley Bank (SVB) and the banking sector turmoil that followed, they stabilized in April and May as the strains from bank failures subsided, and declined in June. The recent decline in spreads is supported by currency appreciation, the region's progress in the fight against inflation, and expectations that its economies are likely to be the first ones to start easing policy. As measured by the global emerging market bond index (EMBIG), LAC bond spreads stood at 421 basis points at the end of June 2023, 49 basis points higher than pre-pandemic levels (figure 8).

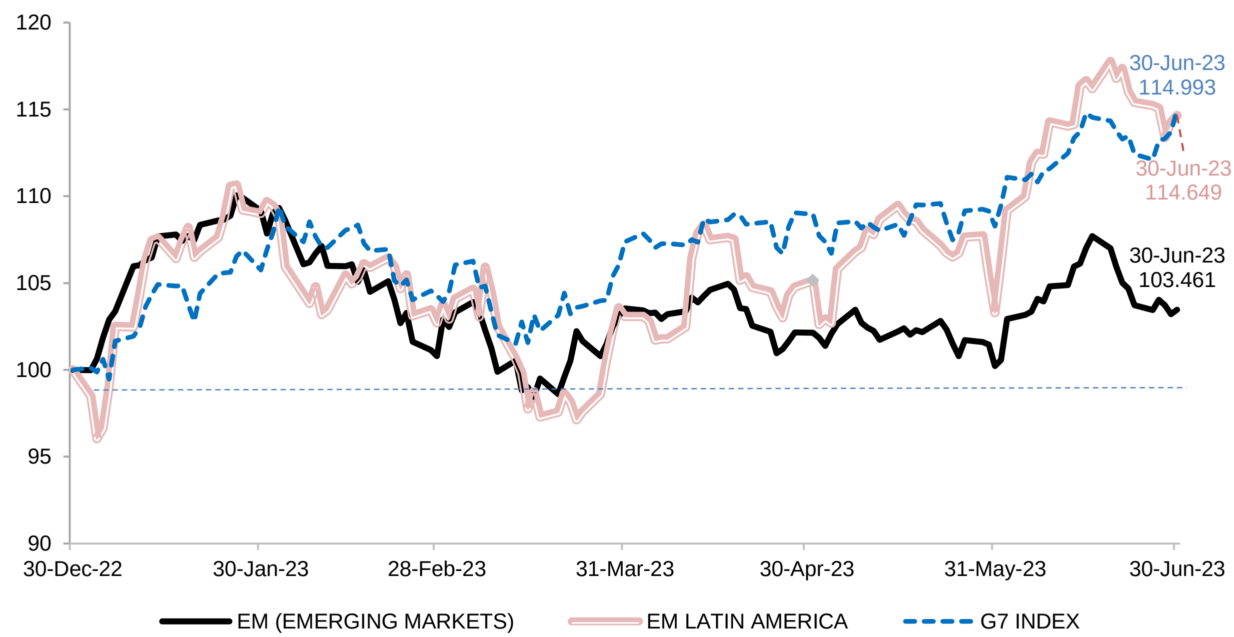
**Figure 7**
**EMBIG and Latin American daily spreads, June 2019–June 2023**
*(Basis points)*




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

Latin American equities in U.S. dollar terms performed strongly in the first half of 2023, reflecting currency appreciation that has boosted equity returns in dollar terms. The MSCI Latin American index gained 14.6% in the first six months of the year, outperforming the emerging market index, which gained 3.5%. The G7 index gained 15% (figure 9).

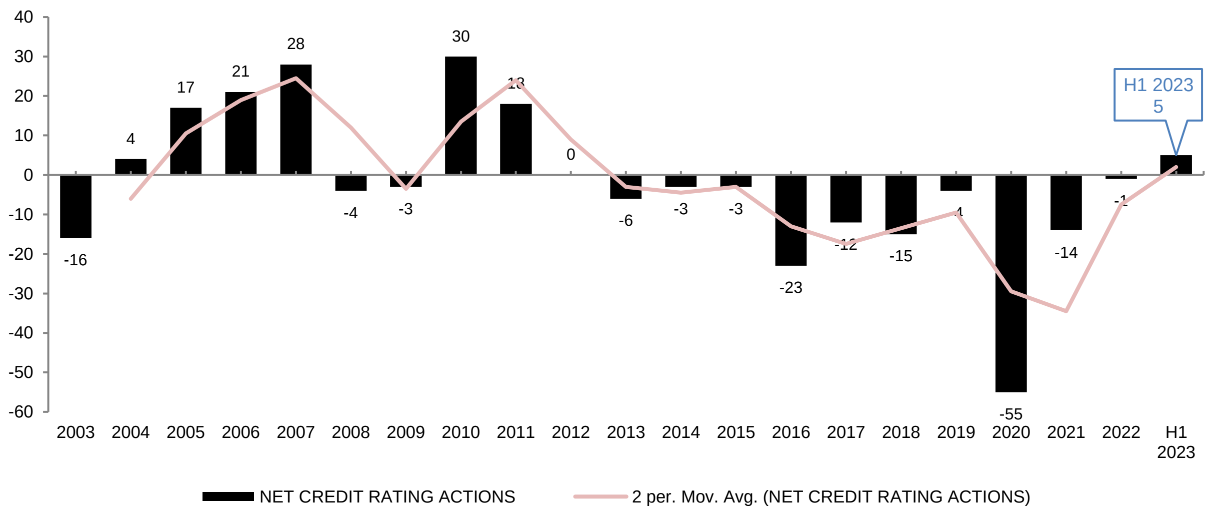
**Figure 8**
**MSCI equity price Index, H1 2023**
*(Index levels)*




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

The region's sovereign credit quality improved in the first half of 2023, supported by lower funding needs and greater reliance on local markets. There were 15 positive and 10 negative credit rating actions in the region in the period. Following ten consecutive years when negative credit rating actions —including upgrade/downgrades and upward/downward outlook revisions— outnumbered positive actions in the region, there were five more positive actions than negative in the first six months of the year. The positive actions included outlook upward revisions and upgrades citing improvements in fiscal positions and external metrics, while the negative actions included outlook downward revisions and downgrades citing financing risks, distressed exchanges and depletion of liquidity buffers (figure 10).

**Figure 9**
**Net credit rating actions in Latin America and the Caribbean, 2003–H1 2023**
*(Number of Actions)*




Source: ECLAC Washington Office, based on data from Moody's, Standard & Poor's, and Fitch. Credit rating actions include upgrade/downgrades and upward/downward outlook revisions. H1: first half.

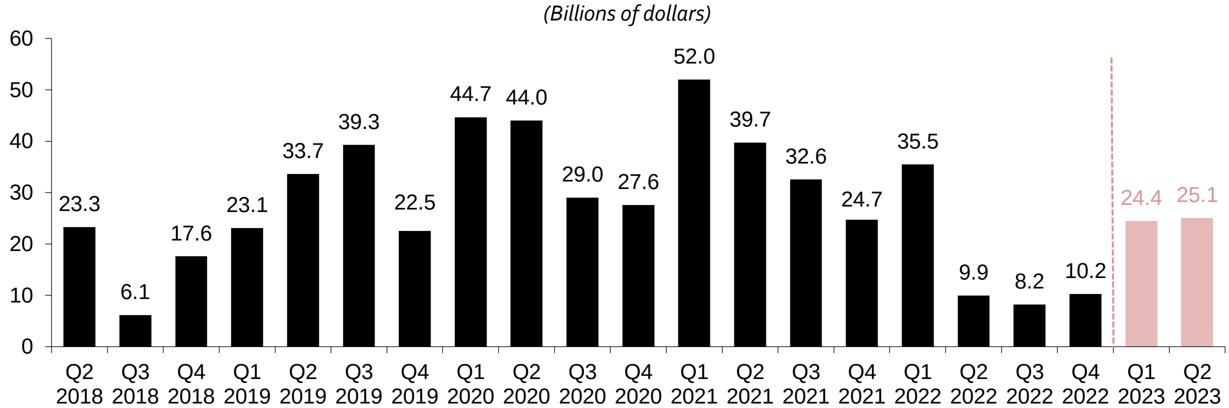
# I. International bond markets and debt management

LAC issuance in international bond markets in the first half of 2023 was an improvement over 2022. It was 9% higher than in the first half of 2022 and 158% higher than in the second. Credit spreads also improved, tightening 19 basis points overall in the first semester of 2023, reflecting progress in slowing inflation at the domestic level, and better market sentiment due to slower monetary tightening pace in the U.S. and China's opening economy. Credit quality also improved in the first half of the year.

## A. New debt issuance

Total LAC bond issuance in international markets was US$ 49.5 billion in the first half of 2023. There was a comeback in issuances from the region in the first half of the year, supported by decelerating inflation, currency appreciation, and the Federal Reserve hitting pause on its benchmark interest rate at its June meeting, after hiking ten times in a row. The amounts issued in the first and second quarters of the year (US$ 24.4 and US$ 25.1 billion, respectively), were the highest quarterly totals since the first quarter of 2022 (figure 11).

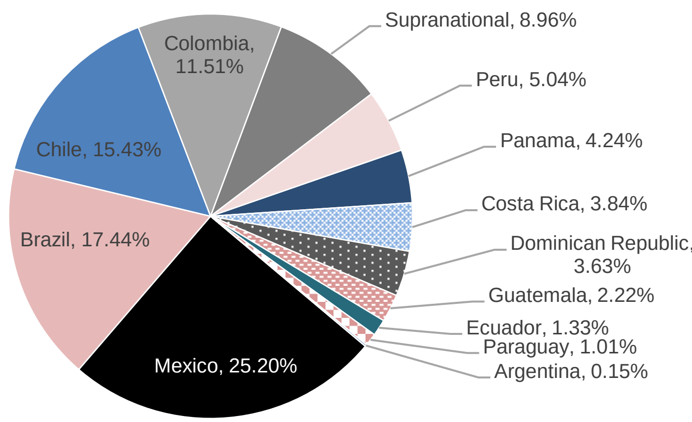
**Figure 10**
**LAC quarterly international bond issuance, Q2 2018–Q2 2023**
*(Billions of dollars)*




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

Mexico had the largest share of bond issuances –sovereign and corporate combined– in the first half of 2023, followed by Brazil and Chile. They issued US$ 12.5 billion (25.2%), US$ 8.6 billion (17.4%), and US$ 7.6 billion (15.4%), respectively. Issuances from the three countries accounted for 58% of the total LAC issuance in the first half of 2023 (figure 12).

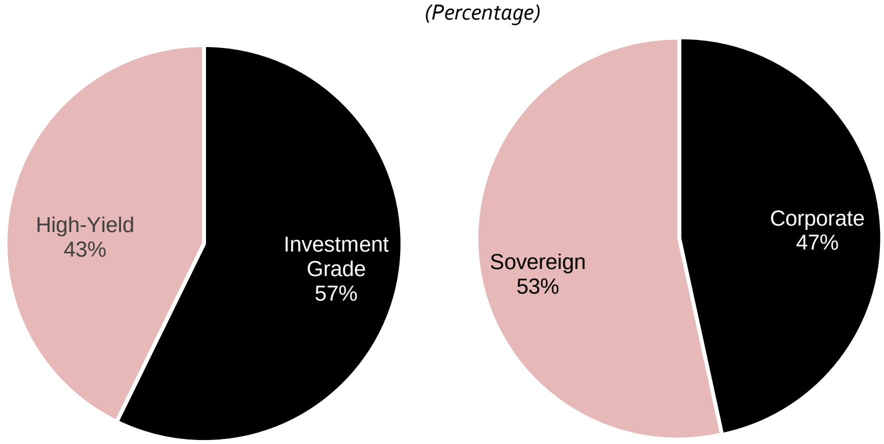
**Figure 11**
**LAC international sovereign and corporate bond issuance, country breakdown, H1 2023**
*(Country shares in percentage)*




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

Investment-grade issuers –sovereign and corporate combined– accounted for 57% of total overall LAC bond issuance in international markets in the first half of 2023, while 43% of the total was issued by high-yield issuers, an increase from the 34% share of high-yield issuers in 2022. The sovereign sector accounted for 53% of the total, while the corporate sector (including corporations, banks, quasi-sovereign and supranational issuers) accounted for 47% (figure 13).

**Figure 12**
**LAC international sovereign and corporate bond issuance by rating and type of issuer, H1 2023**
*(Percentage)*




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

## 1. Sovereign issuance

In first six month of 2023, eleven sovereigns —Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Mexico, Panama, Paraguay, and Peru— tapped the international bond market (annex 1, tables 6 and 7). The top three sovereign issuers were Mexico, Chile, and Peru (table 2). Sovereign issuance of ESG instruments (US$ 11.4 billion) accounted for 43% of the sovereign total.

**Table 2**
**LAC international sovereign bond issuance, H1 2023**
*(Millions of dollars, percentage, number of deals)*

| Sovereign Issuer | Total Issuance *(Millions of dollars)* | % of the total sovereign issuance | Number of Deals |
|---|---|---|---|
| Mexico | 6,941 | 26% | 3 |
| Chile | 5,301 | 20% | 4 |
| Peru | 2,494 | 9% | 1 |
| Brazil | 2,250 | 9% | 1 |
| Colombia | 2,200 | 8% | 1 |
| Panama | 1,800 | 7% | 2 |
| Dominican Republic | 1,798 | 7% | 2 |
| Costa Rica | 1,500 | 6% | 1 |
| Guatemala | 1,000 | 4% | 1 |
| Ecuador | 656 | 2% | 1 |
| Paraguay | 500 | 2% | 1 |
| **Total** | **26,440** | **100.00%** | **18** |

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

Mexico came three times to the international bond markets. In January, it issued a US$ 1.25 billion five-year bond, maturing in 2028 and with a 5.4% coupon. It also issued a US$ 2.75 billion twelve-year bond, maturing in 2035 and with a 6.35% coupon. The proceeds of these two issuances were to be used for general financing purposes. In April, Mexico issued a 2053 US$ 2.94 billion sustainability bond with a 6.338% coupon. Proceeds will be used for clean transportation and access to essential services.

Chile's sovereign issuances were all sustainable bonds. They included a peso-denominated US$ 2.23 billion ten-year social bond with a 6% coupon issued in May, and three sustainability-linked (SLB) bonds issued in June. There was a two-part deal in U.S. dollars adding up to US$2.25 billion —a 2054 US$ 1.1 billion SLB with a 5.33% coupon and a 2036 US$ 1.15 billion SLB with a 4.95% coupon— as part of a planned bond exchange for six series of notes that mature between 2025 and 2047, and a 2034 EUR 750 million SLB with a 4.125% coupon. Proceeds from the euro-denominated bond will be used to fund a buyback of four series of notes that mature between 2025 and 2030.

Peru also issued a sustainability bond in local-currency in May, a ten-year US$ 2.5 billion-equivalent sustainability bond, with a 7.3% coupon, to buy back existing sovereign debt and finance government spending.

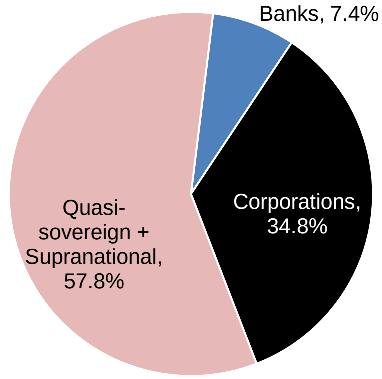
Brazil ranked fourth in terms of sovereign issuances with a ten-year US$ 2.25 billion bond with a 6% coupon in April. The issuance ended and absence of almost two years in the international bond market.

## 2. Corporate issuance

In the first half of 2023, twenty-eight corporate issuers from the region sold US$ 23 billions of international bonds (slightly down from US$ 24 billion in in the same period in 2022) through 43 deals (down from 51 in H1 2022). Quasi-sovereign (state-owned companies) and supranational issuers accounted for 58% of total LAC international corporate issuance, an increase from the 34% share in 2022. Supranational entities, including the Central American Bank for Economic Integration (CABEI), CAF Development Bank of Latin America, and FONPLATA Fondo Financiero para el Desarrollo de la Cuenca del Plata, accounted for 19% of the region's corporate issuance, while quasi-sovereign issuers, inclduing Colombia's Ecopetrol, Chile's Codelco and Enap, Mexico's Pemex, and Brazil's Banco do Brasil and Petrobras, accounted for 39% (figures 14 and 15).

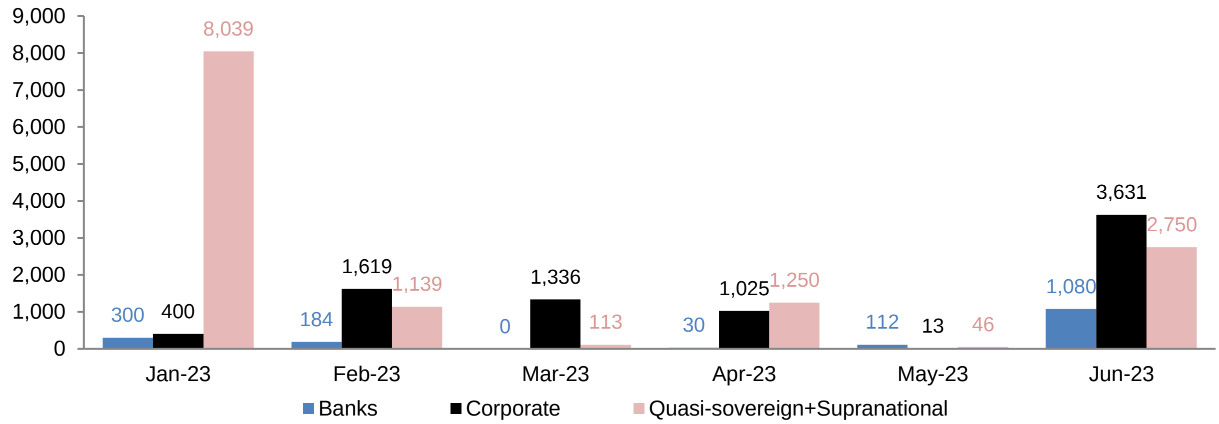
Issuances from the private corporate sector (private bank and non-bank entities) not including quasi-sovereign and supranational issuers, totaled US$ 9.7 billion (42% of the overall corporate sector's total) in the first half of 2023, through 23 deals, with 35% coming from private non-bank corporates. They surged in June (figure 16).

**Figure 13**
**LAC international corporate bond issuance by type, H1 2023**
*(Percentage)*



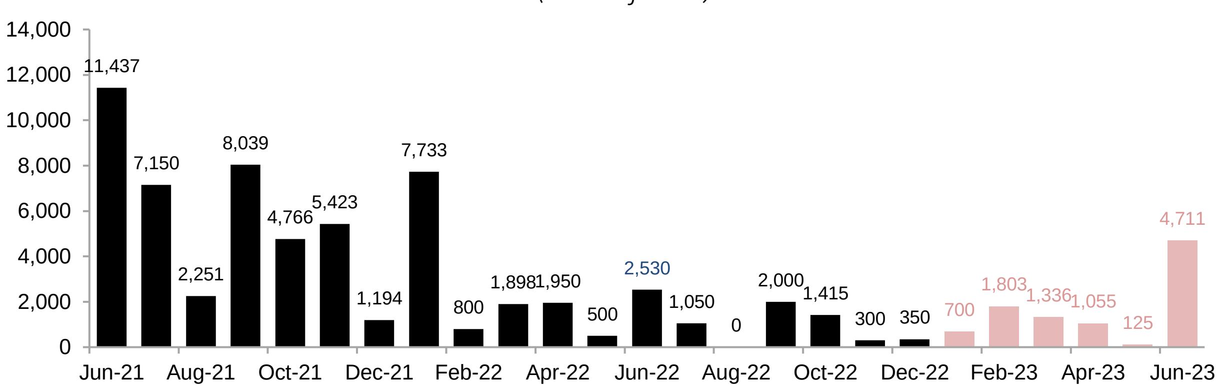

Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.

**Figure 14**
**LAC international corporate bond issuance by type, H1 2023**
*(Millions of dollars)*




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

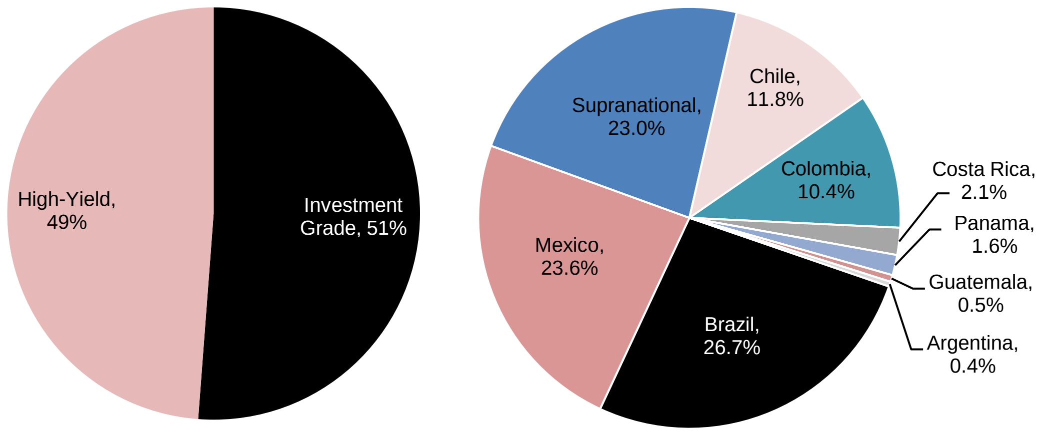
**Figure 15**
**LAC monthly international private corporate sector bond issuance, H1 2023**
*(Millions of dollars)*




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

Investment grade companies accounted for a 51% share of total LAC international corporate bond issuances in the first half of 2023 down from a share of 64% in 2022. Brazilian companies accounted for 27% of the corporate total. Together with Mexican companies and supranational entities, they accounted for 73% of all the region's international corporate issuances in the first six months (figure 17).

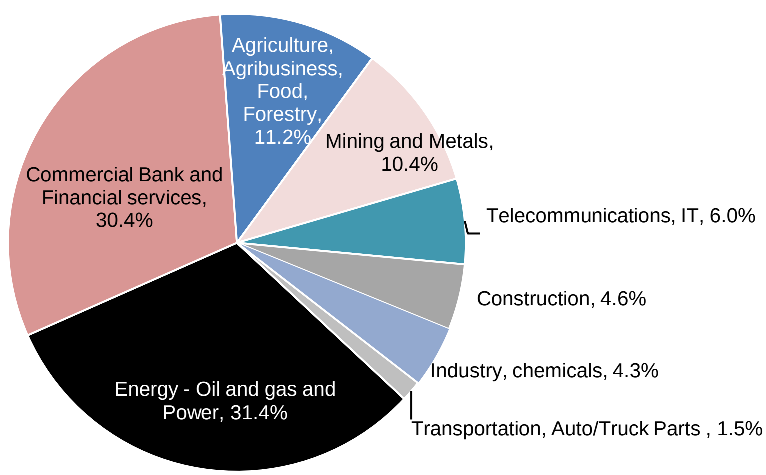
**Figure 16**
**LAC international corporate bond issuance by rating and country, H1 2023**
*(Percentage of total)*




Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Note: corporate issuance includes corporations, banks, quasi-sovereign and supranational entities.

From a sectoral perspective, the top three sectors in terms of corporate debt issuance (including private corporations, banks, quasi-sovereign and supranational issuers) in international debt markets in the first half of 2023 were: 1. Energy, including Oil & Gas and Power (31.4%); 2. the financial sector, including commercial banks as well as financial services companies and finance development banks/multilateral agencies (30.4%), and 3. the agricultural sector, including agribusiness, food and beverages, and forestry (11.2%) (figure 18).

**Figure 17**
**LAC international corporate bond issuance by sector, H1 2023**
*(Percentage of total)*

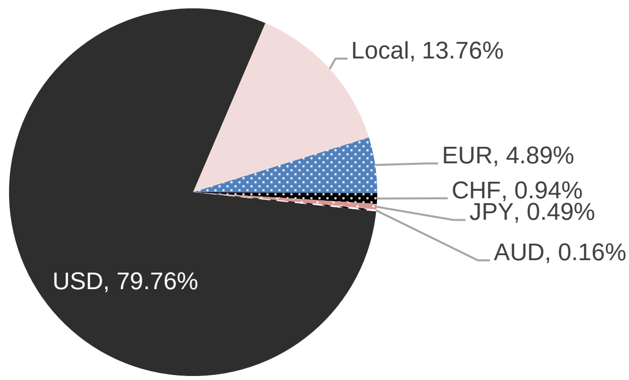



Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Note: corporate issuance includes corporations, banks, quasi-sovereign and supranational entities.

## 3. Currency composition

Most of the international debt issuance in the region in the first six months of 2023 was denominated in United States dollars (79.76%). The U.S. dollar has always been the predominant currency for the region's debt issuances in international markets, having accounted for over 80% of the total in the past five years (figure 19).

**Figure 18**
**Currency breakdown of LAC international bond issuances, H1 2023**
*(Percentage of total)*




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

In the first half of 2023 there were also issuances in local currencies (13.76%) —including Chilean, Dominican and Mexican pesos, and Peruvian soles— euros (4.89%), Swiss francs (0.94%), Japanese yen (0.49%), and Australian dollars (0.16%).

As Latin American currencies continue to outperform, demand from international investors for local currency-denominated bonds has increased. The local currency share in the first six months of 2023 increased to 14% from 8% in 2022. As Latin American issuers are also looking for innovative ways to raise capital at a time of tight and expensive financing, by selling bonds in local currency they are able to remove currency risk, and in the case of local-currency sustainable bonds, link the interest rate to sustainability goals.

## 4. GSSS bond issuance

There were 18 green, social, sustainability and sustainability-linked (GSSS) bond issuances from LAC issuers in international markets, totaling US$ 16.6 billion and representing 33.5% of the total LAC international bond issuance in the first six months of 2023, the highest share since the region started issuing these instruments. This amount is 14% higher than in the same period in 2022. Most of the issuances took place in the second quarter (US$ 13.6 billion), as GSSS bond sales make a comeback to end the first half of 2023 on a stronger foot (table 3).

LAC international GSSS issuances in the first half of 2023 came from six countries —Brazil, Chile, Costa Rica, Ecuador, Mexico, and Peru— and three supranational entities (figure 20). Corporate, and quasi-sovereign and supranational issuers represented 17% and 14% of the total GSSS bond issuance in the first six months of the year, respectively, while sovereign issuers led the international GSSS bond volumes in the period with a share of 69%.[3] There were two local-currency sovereign bonds, a peso-denominated US$ 2.23 billion ten-year social bond with a 6% coupon issued in May by Chile, and a sustainability bond in local-currency issued by Peru in May (a ten-year US$ 2.5 billion-equivalent sustainability bond, with a 7.3% coupon), to buy back existing sovereign debt and finance government spending.

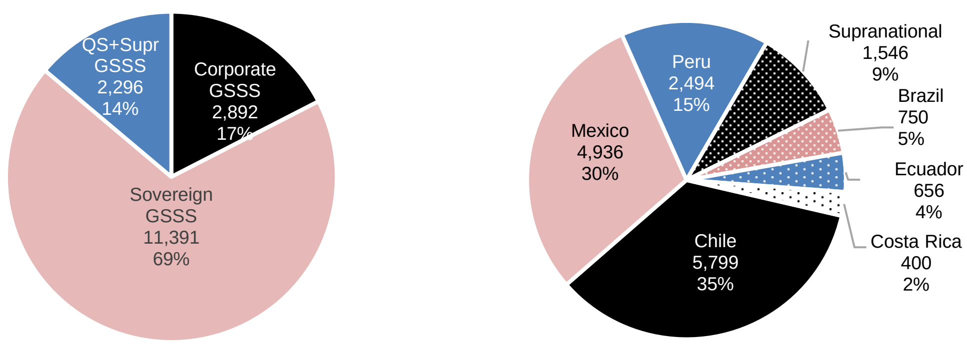
[3] As a share of the total LAC International bond issuance (including all instruments and not only GSSS bonds), sovereign GSSS bond issuances accounted for 23%, corporate for 5.8%, and quasi-sovereign and supranational entities for 4.6%, adding up to a 33.5% share.

**Table 3**
**LAC international GSSS bond issuances, H1 2023**
*(Millions, Millions of dollars, Percentage)*

| Country | Issuer | Amount *(Millions)* | Amount *(Millions of US dollars)* | Coupon (%) | Maturity | Issue Date |
|---|---|---|---|---|---|---|
| Costa Rica | Liberty Costa Rica Senior Secured Finance | USD 400 | 400 | 10.875% | 2031 (SLB) | 11-Jan-23 |
| Supranational | CABEI Central American Bank for Economic Integration | USD 130 | 130 | 4.900% | 2033 (soc) | 11-Jan-23 |
| Supranational | CABEI Central American Bank for Economic Integration | JPY 7000 | 53 | 1.265% | 2033 (blue) | 13-Jan-23 |
| Supranational | CABEI Central American Bank for Economic Integration | USD 1250 | 1,250 | 5.000% | 2026 (soc) | 31-Jan-23 |
| Mexico | Cemex | USD 1000 | 1,000 | 9.125% | Perp (g) | 9-Mar-23 |
| Supranational | FONPLATA | JPY 3000 | 23 | 1.210% | 2028 (sust) | 17-Mar-23 |
| Supranational | FONPLATA | JPY 4200 | 32 | 1.300% | 2029 (sust) | 17-Mar-23 |
| Supranational | CAF Development Bank of Latin America | USD 50 | 59 | 3-mth Sofr +115 | 2028 (g) | 24-Mar-23 |
| Brazil | Banco do Brasil SA | USD 750 | 750 | 6.250% | 2030 (sust) | 11-Apr-23 |
| Mexico | United Mexican States | USD 2941 | 2,941 | 6.338% | 2053 (sust) | 20-Apr-23 |
| Ecuador | Republic of Ecuador | USD 656 | 656 | 5.645% | 2041 (blue) | 4-May-23 |
| Chile | Republic of Chile | CLP 1751200 | 2,230 | 6.000% | 2033 (soc) | 16-May-23 |
| Peru | Republic of Peru | PEN 9185 | 2,494 | 7.300% | 2033 (sust) | 31-May-23 |
| Chile | Inversiones CMPC SA | USD 500 | 500 | 6.125% | 2033 (SLB) | 20-Jun-23 |
| Mexico | America Movil SAB de CV | MXP 17000 | 992 | 9.500% | 2031 (SLB) | 27-Jun-23 |
| Chile | Republic of Chile | USD 1100 | 1,100 | 5.330% | 2054 (SLB) | 27-Jun-23 |
| Chile | Republic of Chile | USD 1150 | 1,150 | 4.950% | 2036 (SLB) | 27-Jun-23 |
| Chile | Republic of Chile | EUR 750 | 819 | 4.125% | 2034 (SLB) | 28-Jun-23 |
| | | TOTAL | 16,579 | AVG 5.602% | | 18 Deals |

Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Note: (g) green bond; (blue) blue bond, (soc) social bond; (sust) sustainability bond; (SLB) sustainability-linked bond.

**Figure 19**
**LAC international GSSS bond issuances by type of issuer and by country, H1 2023**
*(Millions of dollars, percentage)*




Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. QS+Supr: issuance from quasi-sovereign (state-owned) and supranational entities.

Chile was the top GSSS issuer in the region with a share of 35% (figure 20). In addition to the local-currency sovereign social bond issued in May, it also issued three sovereign sustainability-linked (SLB) bonds in June. They included a two-part deal in U.S. dollars as part of a planned bond exchange, US$ 2.25 billion worth of SLBs (a 2054 US$ 1.1 billion SLB with a 5.33% coupon and a 2036 US$ 1.15 billion SLB with a 4.95% coupon). Chile offered to pay step-up rates of 25 or 50 basis points on the 2036 bond and 5 or 10 basis points on the 2054 bond if it does not reduce greenhouse gas emissions (GHG) to 95 metric tons of carbon dioxide (mtCO2e) and achieve a GHG budget of 1,100 metric tons of carbon dioxide to reach reduction targets by December 2030. It will also pay step-up rates on the notes if women do not occupy at least 40% of company board positions by December 2031.

There was only one corporate issuance form Chile, a US$ 500 million ten-year SLB with a 6.125% coupon issued by Inversiones CMPC. The company offered to pay a step-up rate of 60 basis points if it does not lower greenhouse gas emissions by 50% by December 2030. It plans to use the proceeds to fund green projects and refinance debt, according to Moody's and S&P.

Mexico had the second highest share of International GSSS bond issuances in the first half of 2023 (30%). It issued a US$ 2.9 billion sovereign sustainability bond in April, assigning the proceeds to clean transportation and access to essential services. On the corporate side, Cemex issued US$ 1 billion in perpetual green bonds and America Movil issued a 2031 peso-denominated US$ 992 million SLB, tying the interest rate to targets to reduce carbon emissions by 52% "from energy and fuel consumption" and by 14% "generated by the goods and services" it buys from suppliers by 2030, according to Moody's.

Peru accounted for the third highest share of the total (15%) with its sovereign local-currency bond mentioned above. Supranational entities, which included the CABEI Central American Bank for Economic Integration, Fondo Financière para el Desarrollo de la Cuenca del Plata - FONPLATA and CAF Development Bank of Latin America, accounted for the fourth highest share (9%).

## B. Credit risk outlook

Credit quality improved in the region in the first half of 2023, following years of deterioration. The balance for the first half of 2023 was five more positive credit rating actions than negative, the best balance since 2011. There were fifteen positive actions in the first half of 2023 —seven upward outlook revisions and eight upgrades— and ten negative actions, seven of them downgrades (table 6).

**Table 4**
**Sovereign credit rating actions in Latin America and the Caribbean, H1 2023**
*(Number of actions; as of 30 December 2022)*

| Date | Country | Action | |
|---|---|---|---|
| H1 2023 | 15 positive and 10 negative actions | | |
| Q1 2022 | 6 positive and 5 negative actions | | |
| 31-Jan-23 | Peru | Moody's revises the outlook on Peru's Baa1 rating to negative from stable | Negative |
| 3-Feb-23 | El Salvador | Moody's revises the outlook on El Salvador's Caa3 rating to stable from negative | Positive |
| 16-Feb-23 | Guatemala | Fitch upgrades Guatemala's rating to BB from BB- with a stable outlook | Positive |
| 17-Feb-23 | Suriname | Moody's revises Suriname's Caa3 rating's outlook to stable from negative | Positive |
| 23-Feb-23 | Costa Rica | S&P upgrades Costa Rica's rating to B+ from B with a stable outlook | Positive |
| 2-Mar-23 | Costa Rica | Fitch upgrades Costa Rica's rating to BB- from B with a stable outlook | Positive |
| 7-Mar-23 | Jamaica | Fitch revises the outlook on Jamaica's B+ rating to positive from stable | Positive |
| 14-Mar-23 | Bolivia | Fitch downgrades Bolivia's rating to B- from B with a negative outlook | Negative |
| 24-Mar-23 | Bolivia | Moody's downgrades Bolivia's ratings to Caa1 from B2; places them on review for downgrade | Negative |
| 24-Mar-23 | Argentina | Fitch downgrades Argentina's rating to C from CCC | Negative |
| 29-Mar-23 | Argentina | S&P downgrades Argentina's rating to CCC- from CCC+ with a negative outlook | Negative |
| Q2 2022 | 9 positive and 5 negative actions | | |
| 11-Apr-23 | Guatemala | S&P upgrades Guatemala's rating to BB from BB- with a stable outlook | Positive |
| 19-Apr-23 | Bolivia | S&P downgrades Bolivia's rating to B- from B with a negative outlook | Negative |
| 26-Apr-23 | Uruguay | Moody's revises the outlook on Uruguay's Baa2 ratings to positive from stable | Positive |
| 5-May-23 | El Salvador | Fitch downgrades El Salvador's rating to RD from CC | Negative |
| 5-May-23 | El Salvador | Fitch upgrades El Salvador's rating to CCC+ from RD | Positive |
| 9-May-23 | El Salvador | S&P downgrades El Salvador's rating to SD from CCC+ | Negative |
| 10-May-23 | El Salvador | S&P upgrades El Salvador's rating to CCC+ from SD with a stable outlook | Positive |
| 17-May-23 | Uruguay | Moody's revises the outlook on Uruguay's Baa2 ratings to positive from stable | Positive |
| 23-May-23 | Ecuador | Fitch revises the outlook on Ecuador's B- rating to negative from stable | Negative |
| 5-Jun-23 | Nicaragua | Fitch revises the outlook on Nicaragua's B- rating to positive from stable | Positive |
| 7-Jun-23 | Uruguay | Fitch upgrades Uruguay's rating to BBB from BBB- with a stable outlook | Positive |
| 13-Jun-23 | Argentina | Fitch upgrades Argentina's rating to CC from C | Positive |
| 14-Jun-23 | Brazil | S&P revises the outlook on Brazil's BB- rating to positive from stable | Positive |
| 30-Jun-23 | Bolivia | Moody's revises the outlook on Bolivia's Caa1 rating to negative from ratings under review | Negative |

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. H1: first half.

Six countries saw upward revisions to their credit outlook, including El Salvador, Suriname, Jamaica, Uruguay, Nicaragua and Brazil, in chronological order. Five countries —Guatemala, Costa Rica, El Salvador. Uruguay and Argentina— were upgraded. Some of the positive actions involved countries that had completed distressed exchanges or debt restructurings, such as El Salvador and Suriname. The other positive actions cited better economic conditions and resilient fiscal performances.

Three countries were downgraded in the first half of 2023 —Bolivia, Argentina, and El Salvador— while Peru, Ecuador and Bolivia saw downward revisions to their outlooks (annex 2, box 1). Negative risks often cited heightened risks and vulnerability, depletion of external liquidity buffers, and in some cases political uncertainty.

As of 30 June 2023, six sovereigns were on negative outlook by one or more agencies (Argentina, Bolivia, Ecuador, Honduras, Panama, and Peru). Two sovereigns — Brazil (from S&P), Jamaica (from Fitch), Nicaragua (from Fitch), Paraguay (from Moody's) and Uruguay (from Moody's)— had positive outlooks. The balance of risks for the first time in eleven years is tilted to the upside (annex 2, table 8).

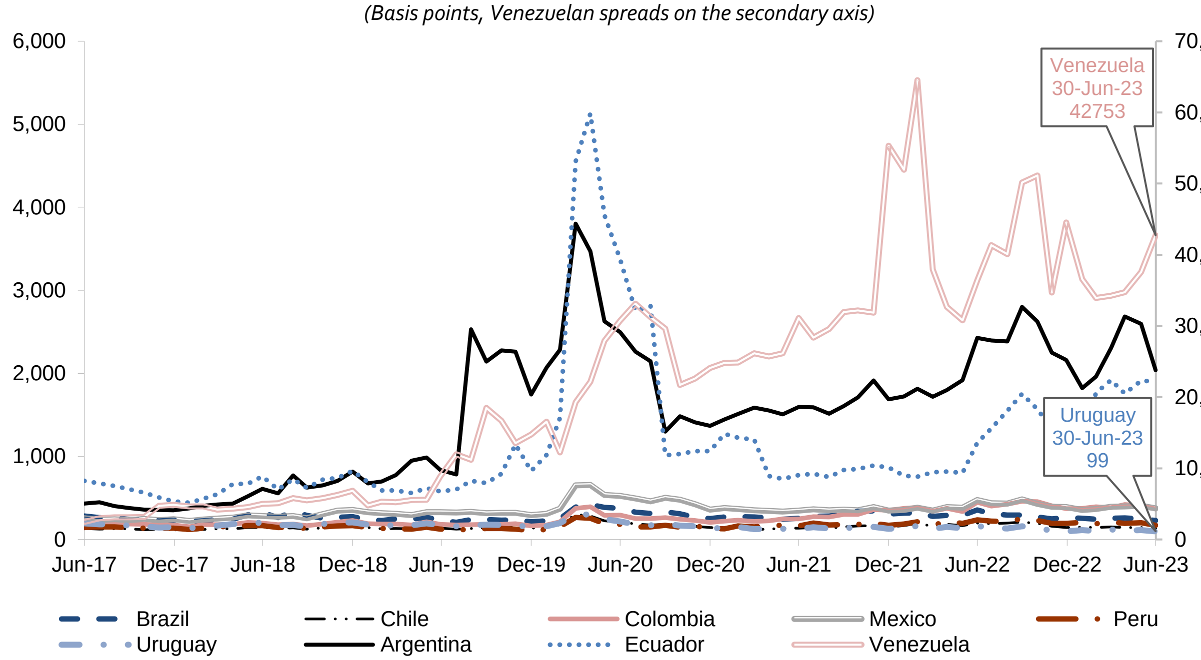
## C. Bond spreads

Emerging markets bond spreads as measured by the JPMorgan Emerging Market Bond Index Global (EMBIG) tightened 11 basis points in 2022, while Latin American spreads tightened 19 basis points. LAC credit spreads narrowed 40 basis points in the second quarter after widening 21 basis points in the first.

### 1. Sovereign spreads

The EMBIG fell from 374 basis points at the end of December 2022 to 363 basis points at the end of June 2023, while its Latin American component fell from 440 to 421 basis points. Venezuela had the region's highest spreads at the end of the first half of 2023 and was the only to show an increase in spreads in the second quarter. Uruguay had the lowest spreads in the region (figure 21).

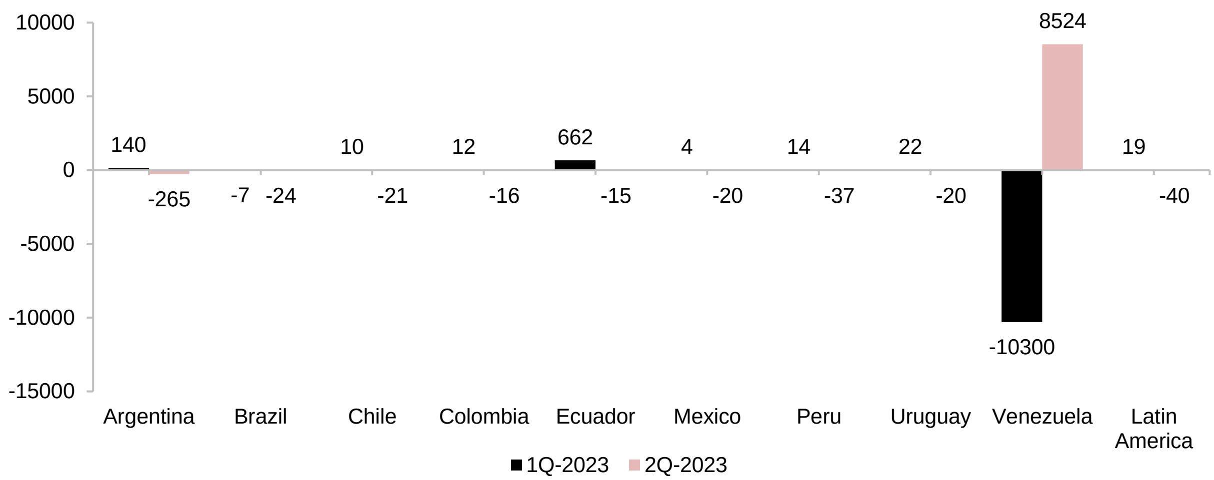
**Figure 20**
**Latin American EMBIG spreads by country, June 2017–June 2023**
*(Basis points, Venezuelan spreads on the secondary axis)*




Source: ECLAC Washington Office, based on data from JPMorgan. Note: due to the difference in magnitude, the series with Venezuelan spreads is shown on the secondary axis.

At 42,753 basis points at the end of June, Venezuela has the highest debt spreads of any country in the EMBIG. Spreads for Argentina, Ecuador, Mexico, Colombia, Brazil, Peru, Chile, and Uruguay were at 2,037, 1,902, 373, 366, 230, 172, 132 and 99 basis points, respectively, at the end of June 2023. LAC debt spreads widened for most countries in our sample in the firs quarter, except for Brazil and Venezuela, and tightened for all countries except Venezuela in the second quarter (figure 22).

**Figure 21**
**Latin American EMBIG spreads by country: quarterly differential, H1 2023**
*(Basis points)*

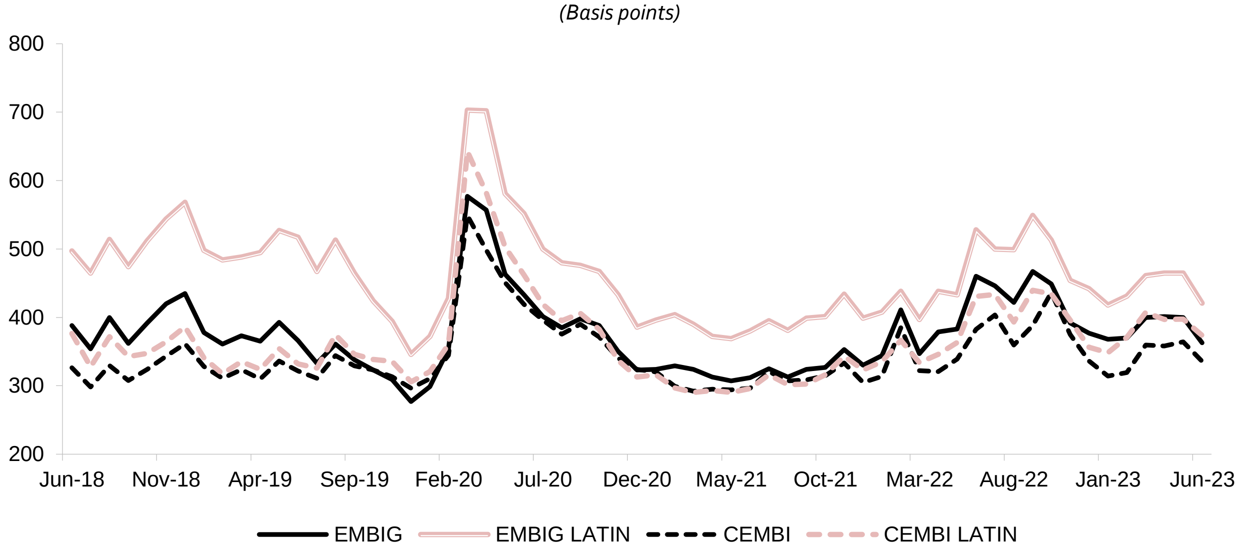



Source: ECLAC Washington Office, based on data from JPMorgan.

## 2. Corporate spreads

LAC corporate bond spreads widened 17 basis points in the first half of 2023 according to the JPMorgan Latin American Corporate Emerging Markets Bond Index (CEMBI). Despite this widening, the Latin CEMBI at the end of June 2023, (at 374 basis points) was 47 basis points lower than its sovereign counterpart, the Latin EMBIG (figure 23).

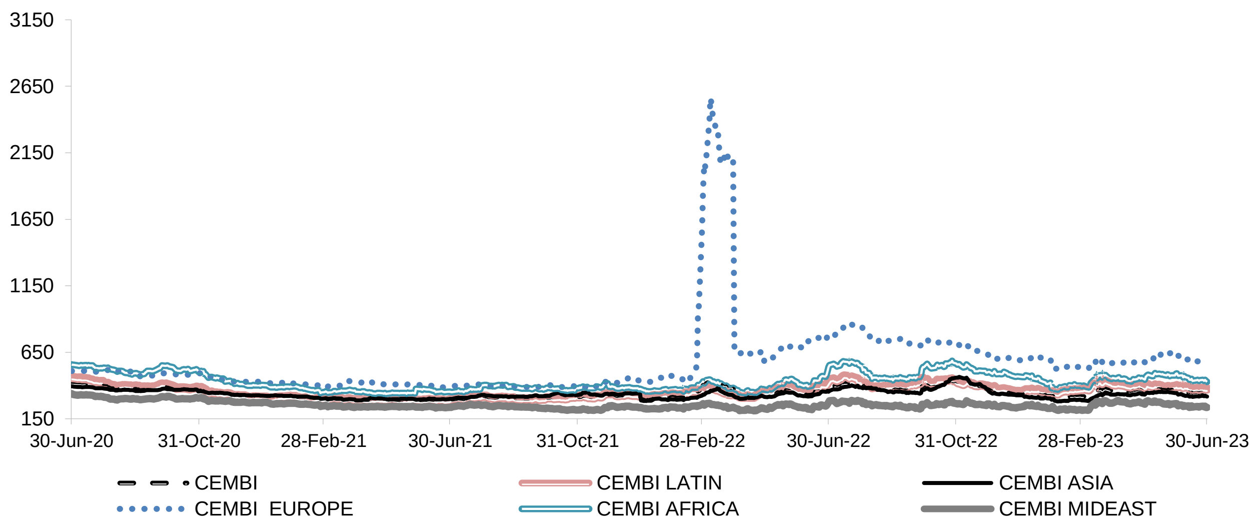
**Figure 22**
**EMBIG spreads, corporate and sovereign, December 2017–December 2022**
*(Basis points)*




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

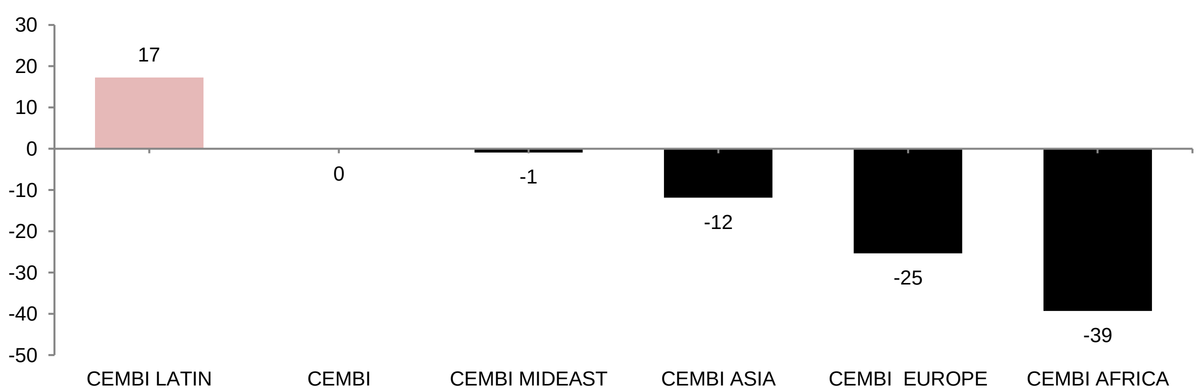
LAC corporate bond spreads ranks third in terms of spread levels when compared with other emerging market regions (figures 24). In the first half of 2023, it was the only emerging market region to show an increase in corporate spreads (figure 25). Although the region led the rally in the second quarter, it still lagged other regions in the first half due to the significant underperformance in the first quarter. The region's corporate defaults reached 2.6% in the first six months of the year according to J.P. Morgan, a number that includes the credit events from Brazil's Oi and the Caribbean's Digicel in the technology, media and telecom space, Mexico's Docufilm's in the non-banking financial segment, Brazil's Lojas Americanas surprise default, the suspension of payments from Light, a Brazilian utility company, and finally the distressed exchange from Brazilian airlines GOL, Argentina's Raghsa in real estate, and Chile's power company Guacolda.[4]

**Figure 23**
**CEMBI spreads by region, June 2020–June 2023**
*(Basis points)*




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

**Figure 24**
**CEMBI spread differentials by region, H1 2023**
*(Basis points)*




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

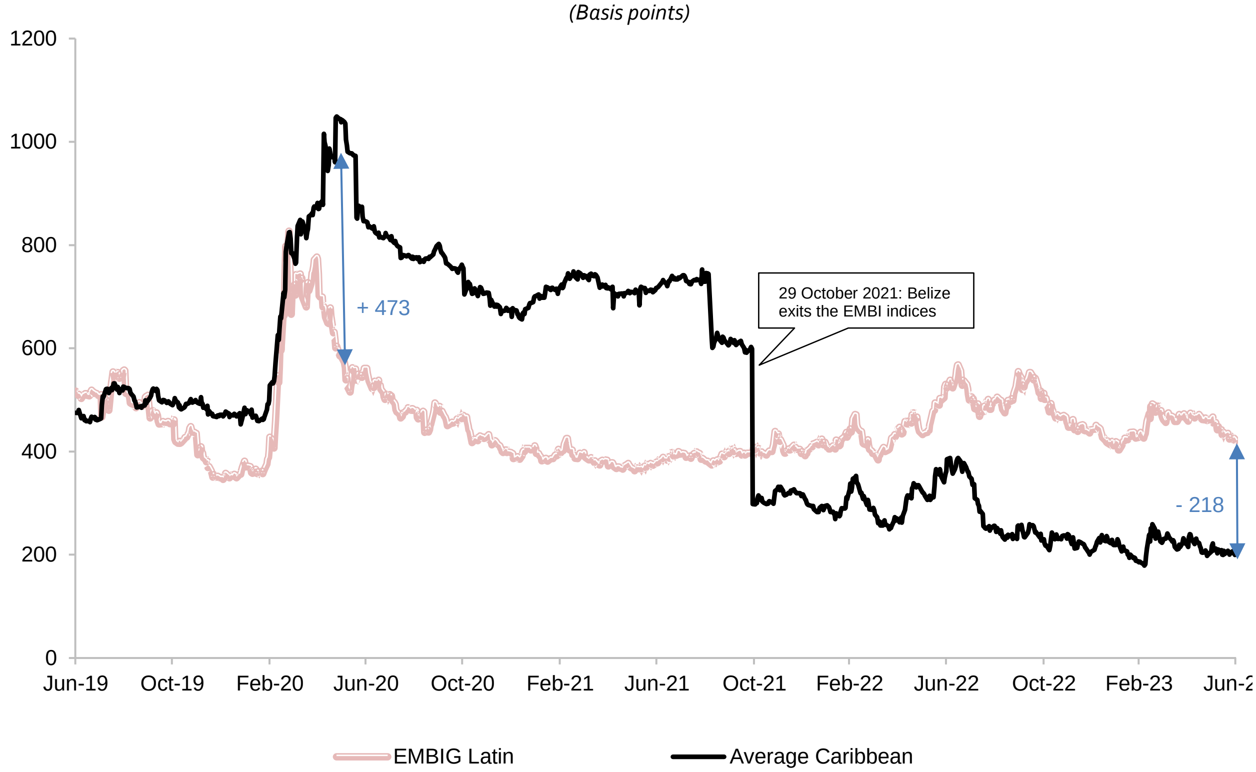
[4] See J.P. Morgan, "Latin America Corporates, 2Q23 Review: Sunnier outlook ahead, but don't forget your sunscreen", Latin America Corporate Research & Strategy, July 2023.

## D. The Caribbean[5]: a closer look

There were two credit rating actions in the Caribbean in the first half of 2023, both positive. On 17 February 2023, Moody's revised Suriname's Caa3 rating's outlook to stable from negative, citing expectations that the losses as a result of the ongoing debt restructuring will be consistent with a Caa3 rating. On 7 March 2023, Fitch revised the outlook on Jamaica's B+ rating to positive from stable, citing significant progress with debt reduction despite the pandemic shock, its stability-oriented institutional framework and favorable financing conditions, reinforced by the new IMF facilities

At the end of June 2023, Caribbean spreads were 218 basis points lower than the EMBIG Latin component, with the gap reverting from a peak of 473 basis points higher on 2 June 2020. Belize exited the EMBI indices on 29 October 2021, as its step-up sovereign bond due 2034 (the "super bond") fell below the US$ 500 million notional requirement following its restructuring[6]. Since then, the gap has reversed (figure 26).

**Figure 25**
**EMBIG Spreads, Caribbean versus LAC, December 2018–December 2022**
*(Basis points)*



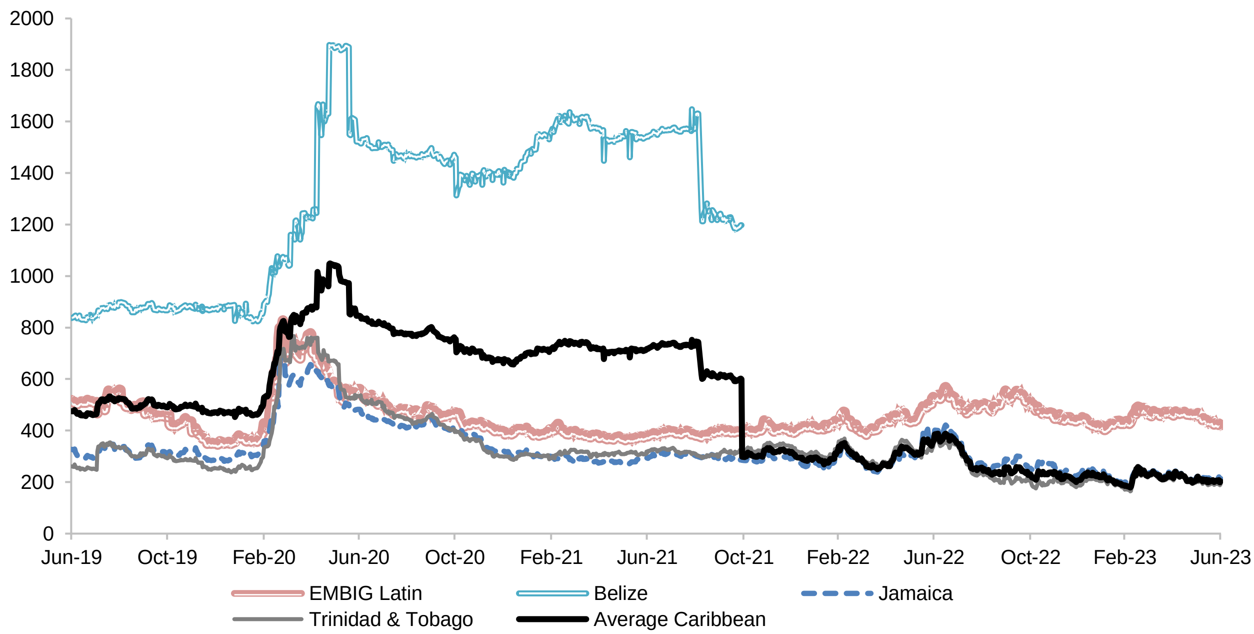

Source: ECLAC Washington Office, based on data from JPMorgan. The Caribbean average includes Belize, Jamaica, and Trinidad and Tobago.

[5] 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.

[6] On 5 November 2021, the Government of Belize announced the settlement of the offer to purchase its U.S. dollar bond due 2034, redeeming all notes that had not yet been tendered. This operation was financed with funding provided by a subsidiary of The Nature Conservancy (TNC) as part of TNC's Blue Bonds for Ocean Conservation program, which uses private capital to refinance public debt of participating countries in order to support durable marine conservation efforts and sustainable marine-based economic activity. For a more detailed discussion see Economic Commission for Latin America and the Caribbean (ECLAC), [Capital flows to Latin America and the Caribbean: first nine months of 2021] (LC/WAS/TS.2021/9), p. 30-31, Santiago, 2021.

Caribbean average spreads tightened 3 basis points in 2023, to 203 basis points at the end of June 2023 (figure 27).[7] Trinidad and Tobago's spreads widened 6 basis points to 192 basis points and Jamaica's spreads tightened 11 basis points to 214 basis ponts. Suriname's spreads, which are not included in the chart below since no daily data is available, tightened 45 basis points in the first half of the year, from 1,657 basis points at the end of December 2022 to 1,612 at end of June 2023.

**Figure 26**
**Caribbean countries: EMBIG Spreads, June 2019–June 2023**
*(Basis points)*




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

Finally, there were no international bond issuances from the Caribbean in the first six months of 2023.

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[7] The Caribbean average was based on daily data available for Belize, Jamaica and Trinidad and Tobago until October 2021. Now it is based on daily data available for Jamaica and Trinidad and Tobago. No daily data is available for Suriname, which was added to the EMBIG index following its cross-border debut in October 2016 with the issuance of a US$ 550 million 2026 sovereign bond with a 6.25% coupon.

# II. Portfolio equity flows

Equity prices and flows to the region showed resilience in the first half of 2023, with the MSCI Latin American index outperforming the emerging markets index in the first six months of 2023 (figure 9 on p.12). On a quarterly basis, Latin America posted larger gains in the second quarter. Latin American equity gains in the half-year period were led by Mexico and Brazil, the largest markets in the region. Mexico and the Mexican peso have benefited from nearshoring, while Brazil has been helped by a stronger currency and the increased likelihood of policy rate cuts as inflation continues to moderate (table 8).

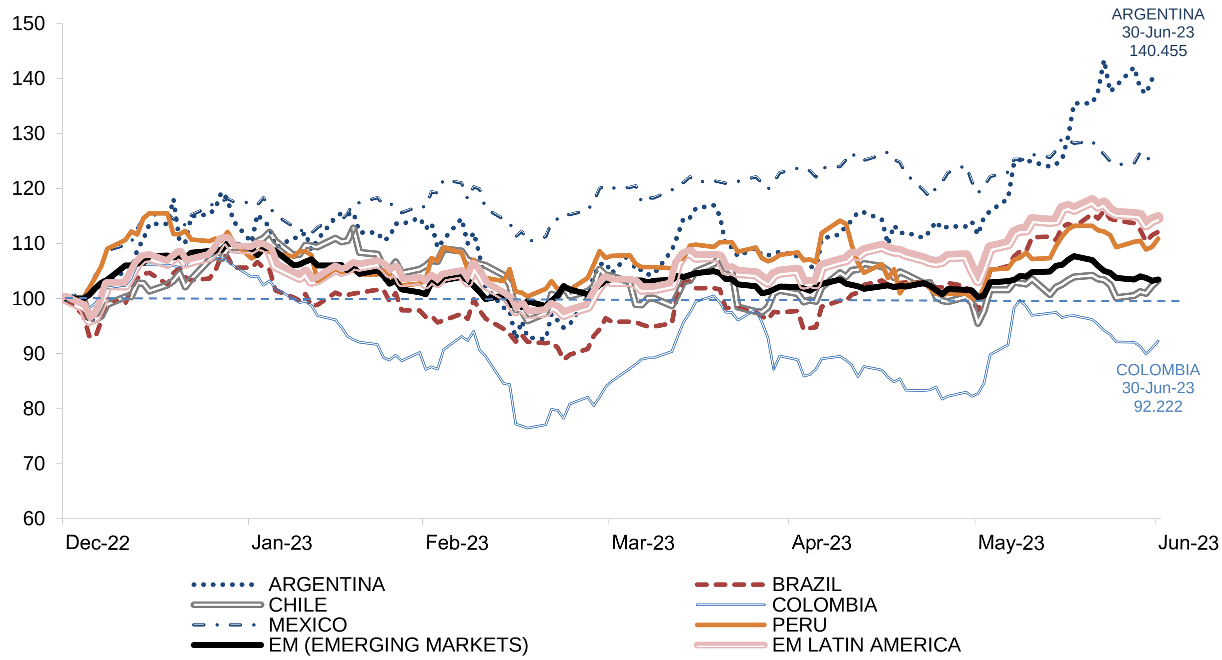
**Table 5**
**MSCI equity indices, H1 2023**
*(Dollars, percentage)*

| | Price Index in USD | | | Variation | | |
|---|---|---|---|---|---|---|
| | 30-Dec-22 | 31-Mar-23 | 30-Jun-23 | Q1 2022 | Q2 2022 | H1 2023 |
| *Emerging markets* | 956.38 | 990.28 | 989.475 | 3.55% | -0.08% | 3.46% |
| *Latin America* | 2,128.29 | 2,193.97 | 2,440.05 | 3.09% | 11.22% | 14.65% |
| *Argentina* | 2,853.07 | 2,982.71 | 4,007.28 | 4.54% | 34.35% | 40.45% |
| *Brazil* | 1,458.71 | 1,397.06 | 1,635.55 | -4.23% | 17.07% | 12.12% |
| *Chile* | 1,111.21 | 1,156.54 | 1,147.94 | 4.08% | -0.74% | 3.31% |
| *Colombia* | 394.103 | 334.84 | 363.45 | -15.04% | 8.54% | -7.78% |
| *Mexico* | 5,176.69 | 6,216.39 | 6,478.29 | 20.08% | 4.21% | 25.14% |
| *Peru* | 1,256.78 | 1,353.95 | 1,393.21 | 7.73% | 2.90% | 10.86% |

Source: ECLAC Washington Office, based on data from MSCI Equity Indices, http://www.msci.com/equity/index2.html. H1: first half.

Argentina, Mexico and Brazil recorded the largest cumulative gains in the first half of 2023 —40.5%, 25.1% and 12.1%, respectively— followed by Peru (10.9%) and Chile (3.3%). Colombian equity prices recorded the steepest cumulative losses (-7.8%) (figure 28). While part of Argentina's gains reflected its high inflation rate, Mexico's and Brazil's, as mentioned above, were driven by currency strength and favorable economic conditions.

**Figure 27**
**MSCI equity price index, H1 2023**
*(Index levels)*




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

# III. Prospects

Latin American and Caribbean (LAC) bond activity in international markets made a comeback towards the end of the first half of 2023. The recovery followed the collapse in bond demand and supply in 2022 and during part of the first quarter of 2023, due to a combination of higher global interest rates and borrowing costs with lower financing needs. Decelerating inflation and currency appreciation supported the recovery in bond activity. The Federal Reserve pausing its increases in its benchmark interest rate at its 13-14 June meeting, after hiking it ten times in a row to cool the U.S. economy and tame inflation, may have contributed as well, as there was a flurry of new bond issuances in the last two weeks of June that continued in July.

Of note, the region's issuances during the month of July included the first sovereign sustainability-linked bond in pesos issued in the international market by Chile on 20 July, equivalent to US$ 2.15 billion, with a 14-year maturity and a 5.3% coupon, and a 10-year peso-denominated global bond issued by Uruguay on 11 July, the equivalent of US$ 1.26 billion with a 9.75% coupon. Looking for innovative ways to raise capital at a time of tight and expensive financing, these Latin American issuers sold bonds in local currency, which can remove currency risk, and in the case of Chile's SLB, link the interest rate to sustainability goals. Another issuance of note was Brazilian airline Azul's US$ 800 million five-year bond with a 11.93% coupon, which marked an opening for a higher-yield issuer. Azul is a highly leveraged airline and it relied on high-yield investors in the U.S. market.

The region's sovereign issuers increased their overall share of debt issuance in international markets in the first half of 2023 (to 53% from 51% in 2022). Quasi-sovereign (state-owned companies) and supranational issuers also increased their share in the region's total international corporate issuance (to 58% from 34% in 2022). Private corporate issuers, which had been the main driver of the region's international debt issuances since 2009, continued to see a decline in their share, however. Higher funding costs remained a source of pressure for Latin America's non-investment-grade segment of the private non-bank corporate sector. In addition, corporate defaults had an impact on the volume and cost of borrowing in international markets in the first half of the year, particularly in the first quarter.

Like the broader debt market, the sustainable debt market also saw a rebound in bond activity in the first half of 2023, with sustainable bond sales making a comeback to a strong performance. The issuance of green, social, sustainability and sustainability-linked (GSSS) bonds showed resilience, increasing its share of the region's total amount of international debt issuances to 33.5% —the highest share on record— from 32% in 2022. Market participants expect global sustainable debt issuance to continue to rebound in the second half of 2023 as positive climate policy developments are expected to continue to support supply and demand fundamentals.

# Annexes

# Annex 1 New LAC bond issuances

**Table 6 (Annex 1)**
**LAC international bond issuances in the first quarter of 2023**

| Country | Issuer | Amount (million) | Amount US$ (mm) | Coupon (%) | Maturity |
|---|---|---|---|---|---|
| | | | **Jan-23** | | |
| Mexico | United Mexican States | USD 1250 | 1,250 | 5.400% | 2028 |
| Mexico | United Mexican States | USD 2750 | 2,750 | 6.350% | 2035 |
| Colombia | Ecopetrol SA | USD 2000 | 2,000 | 8.875% | 2033 |
| Costa Rica | Liberty Costa Rica Senior Secured Finance (Liberty Servicios Fijos) | USD 400 | 400 | 10.875% | 2031 (SLB) |
| Supranational | CABEI Central American Bank for Economic Integration | USD 130 | 130 | 4.900% | 2033 (soc) |
| Supranational | CABEI Central American Bank for Economic Integration | JPY 7000 | 53 | 1.265% | 2033 (blue) |
| Supranational | CAF Development Bank of Latin America | USD 1500 | 1,500 | 4.750% | 2026 |
| Colombia | Republic of Colombia | USD 2200 | 2,200 | 7.500% | 2034 |
| Supranational | CAF Development Bank of Latin America | CHF 190 | 206 | 2.428% | 2030 |
| Panama | Multibank | USD 300 | 300 | 7.750% | 2028 |
| Chile | Corporación Nacional del Cobre de Chile SA - CODELCO | USD 900 | 900 | 5.125% | 2033 |
| Supranational | CABEI Central American Bank for Economic Integration | USD 1250 | 1,250 | 5.000% | 2026 (soc) |
| Dominican Republic | Dominican Republic | USD 700 | 700 | 7.050% | 2031 |
| Dominican Republic | Dominican Republic | DOP 62283 | 1,098 | 13.625% | 2033 |
| Mexico | Petroleos Mexicanos - PEMEX | USD 2000 | 2,000 | 10.000% | 2033 |
| | | | **16,737** | | |
| | | | **Feb-23** | | |
| Supranational | CAF Development Bank of Latin America | USD 50 | 50 | Sofr +97 | 2026 |
| Brazil | Braskem Netherlands Finance BV | USD 1000 | 1,000 | 7.250% | 2033 |
| Guatemala | IDC Overseas | USD 75 | 75 | 9.000% | 2026 |
| Chile | Banco de Crédito e Inversiones - BCI | CHF 135 | 147 | 2.893% | 2028 |
| Supranational | CAF Development Bank of Latin America | AUD 45 | 31 | 5.000% | 2033 |
| Mexico | FEMSA | EUR 500 | 544 | 2.625% | 2026 |
| Chile | Scotiabank Chile SA | JPY 5000 | 37 | 0.900% | 2027 |
| Supranational | CAF Development Bank of Latin America | EUR 1000 | 1,057 | 4.500% | 2028 |
| | | | **2,942** | | |
| | | | **Mar-23** | | |
| Brazil | Abra Global Finance | USD 335.5 | 336 | 6.000% | 2028 |
| Mexico | Cemex | USD 1000 | 1,000 | 9.125% | Perp (g) |
| Supranational | Fondo Financiero para el Desarrollo de la Cuenca del Plata - FONPLATA | JPY 3000 | 23 | 1.210% | 2028 (sust) |
| Supranational | Fondo Financiero para el Desarrollo de la Cuenca del Plata - FONPLATA | JPY 4200 | 32 | 1.300% | 2029 (sust) |
| Panama | Republic of Panama | USD 800 | 800 | 6.400% | 2035 (r) |
| Panama | Republic of Panama | USD 1000 | 1,000 | 6.853% | 2054 |
| Supranational | CAF Development Bank of Latin America | USD 59 | 59 | 3-mth Sofr +115 | 2028 (g) |
| Costa Rica | Republic of Costa Rica | USD 1500 | 1,500 | 6.550% | 2034 |
| | | | **4,749** | | |
| | | **Q1 2023** | **24,427** | | |

Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Notes:
(r): retap, (g) green, (blue) blue, (soc) social, (sust) sustainability, (SLB) sustainability-linked.

**Table 7 (Annex 1)**
**LAC international bond issuances in the second quarter of 2023**

| Country | Issuer | Amount (million) | Amount US$ (mm) | Coupon (%) | Maturity |
|---|---|---|---|---|---|
| | | **Apr-23** | | | |
| Brazil | Pilgrim's Pride Corp | USD 1000 | 1,000 | 6.250% | 2033 |
| Brazil | República Federativa do Brasil | USD 2250 | 2,250 | 6.000% | 2033 |
| Brazil | Banco do Brasil SA | USD 750 | 750 | 6.250% | 2030 (sust) |
| Chile | Banco Santander Chile | USD 30 | 30 | 5.837% | 2024 |
| Mexico | United Mexican States | USD 2941 | 2,941 | 6.338% | 2053 (sust) |
| Guatemala | IDC Overseas | USD 25 | 25 | 9.000% | 2026 (r) |
| Chile | Empresa Nacional del Petróleo (ENAP) | USD 500 | 500 | 6.150% | 2033 |
| | | | **7,496** | | |
| | | **May-23** | | | |
| Chile | Scotiabank Chile SA | CHF 100 | 112 | 2.783% | 2025 |
| Ecuador | Republic of Ecuador | USD 656 | 656 | 5.645% | 2041 (blue) |
| Chile | Scotiabank Chile SA | USD 13 | 13 | 5.094% | 2025 |
| Chile | Republic of Chile | CLP 1751200 | 2,230 | 6.000% | 2033 (soc) |
| Supranational | CAF Development Bank of Latin America | AUD 70 | 46 | 4.500% | 2033 |
| Peru | Republic of Peru | PEN 9185 | 2,494 | 7.300% | 2033 (sust) |
| | | | **5,551** | | |
| | | **Jun-23** | | | |
| Guatemala | Republic of Guatemala | USD 1000 | 1,000 | 6.600% | 2036 |
| Brazil | Vale Overseas Ltd | USD 1500 | 1,500 | 6.125% | 2033 |
| Chile | Banco de Chile | JPY 6300 | 45 | 0.750% | 2025 |
| Chile | Cooperativa del Personal de la Universidad de Chile Ltda. - Coopeuch | JPY 2500 | 18 | NA | 2024 |
| Chile | Inversiones CMPC SA | USD 500 | 500 | 6.125% | 2033 (SLB) |
| Argentina | Loma Negra CIASA | USD 72 | 72 | 6.500% | 2025 |
| Brazil | Cosan SA | USD 550 | 550 | 7.500% | 2030 (NC3) |
| Mexico | BBVA Mexico SA | USD 1000 | 1,000 | 8.450% | 2038 |
| Brazil | Petrobras Global Finance BV | USD 1250 | 1,250 | 6.500% | 2033 |
| Mexico | America Movil SAB de CV | MXP 17000 | 992 | 9.500% | 2031 (SLB) |
| Chile | Republic of Chile | USD 1100 | 1,100 | 5.330% | 2054 (SLB) |
| Chile | Republic of Chile | USD 1150 | 1,150 | 4.950% | 2036 (SLB) |
| Chile | Republic of Chile | EUR 750 | 821 | 4.125% | 2034 (SLB) |
| Paraguay | Republic of Paraguay | USD 500 | 500 | 5.850% | 2033 |
| Colombia | Ecopetrol SA | USD 1200 | 1,200 | 8.725% | 2029 |
| Colombia | Ecopetrol SA | USD 300 | 300 | 8.875% | 2033 (r) |
| Chile | Scotiabank Chile SA | JPY 5000 | 35 | 0.750% | 2025 |
| | | | **12,032** | | |

Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Notes:
(r): retap, (g) green, (blue) blue, (soc) social, (sust) sustainability,
(SLB) sustainability-linked.

| | |
|---|---|
| **Q2 2023** | **25,080** |
| **H1 2023** | **49,507** |

# Annex 2 LAC credit ratings

**Table 8 (Annex 2)**
**Credit ratings In Latin America and the Caribbean, H1 2023** (as of 30 June 2023)

| | 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 | Ca | | CCC- | (-) | CC | No O/L | Affirmed, O/L stable | 27-Sep-22 | Downgrade, O/L (-) | 29-Mar-23 | Upgrade, No outlook | 13-Jun-23 |
| Bahamas | B1 | | B+ | | NR | | Downgrade, O/L stable | 6-Oct-22 | Downgrade, O/L stable | 12-Nov-21 | | |
| Barbados | Caa1 | | B- | | B | | Upgrade, O/L stable | 2-Jul-19 | Affirmed, O/L stable | 21-Nov-22 | Assigned | 20-Oct-22 |
| Belize | Caa2 | | B- | | NR | | Upgrade, O/L stable | 16-Nov-22 | Upgrade, O/L stable | 9-Nov-21 | | |
| Bolivia | Caa1 | - | B- | (-) | B- | (-) | Downgrade, on review for downgrade | 24-Mar-23 | Downgrade, O/L (-) | 19-Apr-23 | Downgrade, O/L (-) | 14-Mar-23 |
| Brazil | Ba2 | | BB- | (+) | BB- | | Affirmed, O/L stable | 9-Nov-22 | O/L changed to (+) from stable | 14-Jun-23 | Affirmed, O/L stable | 20-Dec-22 |
| Chile | A2 | | A | | A- | | Downgrade, O/L stable | 15-Sep-22 | Downgrade, O/L stable | 24-Mar-21 | Affirmed, O/L stable | 8-Dec-22 |
| Colombia | Baa2 | | BB+ | | BB+ | | Affirmed, O/L stable | 8-Jun-23 | Affirmed, O/L stable | 20-Jan-23 | Affirmed, O/L stable | 15-Dec-22 |
| Costa Rica* | B2 | | B+ | | BB- | | Upgrade, O/L stable | 23-Feb-23 | O/L changed to stable from (-) | 17-Mar-22 | Upgrade, O/L stable | 2-Mar-23 |
| Cuba | Ca | | NR | | NR | | Downgrade, O/L stable | 18-Nov-21 | | | | |
| Dom. Rep. | Ba3 | | BB | | BB- | | Affirmed, O/L stable | 26-Mar-21 | Upgrade, O/L stable | 19-Dec-22 | Affirmed, O/L stable | 6-Dec-22 |
| Ecuador | Caa3 | | B- | | B- | (-) | Affirmed, O/L stable | 27-Feb-23 | Affirmed, O/L stable | 12-May-23 | O/L changed to (-) from stable | 23-May-23 |
| El Salvador | Caa3 | | CCC+ | | RD | No O/L | O/L changed to stable from (-) | 3-Feb-23 | Upgrade from SD (a day after downgrade), O/L stable | 10-May-23 | Downgrade, No outlook | 5-May-23 |
| Guatemala | Ba1 | | BB | | BB | | O/L changed to stable from (-) | 15-Jun-22 | Upgrade, O/L stable | 11-Apr-23 | Upgrade, O/L stable | 16-Feb-23 |
| Honduras | B1 | | BB- | (-) | NR | | Affirmed, O/L stable | 12-Jun-19 | O/L changed to (-) from stable | 21-Jul-22 | | |
| Jamaica | B2 | | B+ | | B+ | (+) | Upgrade, O/L stable | 11-Dec-19 | O/L changed to stable from (-) | 4-Oct-21 | O/L changed to (+) from stable | 7-Mar-23 |
| Mexico | Baa2 | | BBB | | BBB- | | Downgrade, O/L stable | 8-Jul-22 | O/L changed to stable from (-) | 6-Jul-22 | Affirmed, O/L stable | 16-Jun-23 |
| Nicaragua | B3 | | B | | B- | (+) | Affirmed, O/L stable | 30-Mar-22 | Upgrade, O/L stable | 25-Oct-22 | O/L changed to (+) from stable | 5-Jun-23 |
| Panama | Baa2 | (-) | BBB | (-) | BBB- | | O/L changed to (-) from stable | 25-Oct-22 | Affirmed, O/L (-) | 10-Aug-22 | Affirmed, O/L stable | 4-Oct-22 |
| Paraguay | Ba1 | (+) | BB | | BB+ | | O/L changed to (+) from stable | 22-Jul-22 | Affirmed, O/L stable | 18-May-22 | Affirmed, O/L stable | 22-Nov-22 |
| Peru | Baa1 | (-) | BBB | (-) | BBB | (-) | O/L changed to (-) from stable | 31-Jan-23 | O/L changed to (-) from stable | 12-Dec-22 | O/L changed to (-) from stable | 20-Oct-22 |
| St Vincent | B3 | | NR | | NR | | Affirmed, O/L stable | 1-Mar-22 | | | | |
| Suriname | Caa3 | | CCC | | RD | | O/L changed to stable from (-) | 17-Feb-23 | Upgrade, O/L stable | 16-Sep-20 | Affirmed, rate withdrawn | 15-Jan-22 |
| T & T | Ba2 | | BBB- | | NR | | Downgrade, O/L stable | 19-Nov-21 | O/L changed to stable from (-) | 21-Jul-22 | | |
| Uruguay* | Baa2 | (+) | BBB+ | | BBB | | O/L changed to (+) from stable | 17-May-23 | Upgrade, O/L stable | 26-Apr-23 | Upgrade, O/L stable | 7-Jun-23 |
| Venezuela | C | | NR | | RD | | Downgrade, O/L stable | 9-Mar-18 | Rating withdrawn | 20-Sep-21 | Affirmed and withdrawn | 27-Jun-19 |

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. Changes for H1 2023 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. No O/L: no outlook; Fitch does not assign Outlooks to sovereigns with a rating of 'CCC+' or below.

**Box 1 (Annex 2)**
**Credit rating actions in Latin America and the Caribbean –H1 2023**

There were 15 positive and 10 negative actions in Latin America and the Caribbean from January to June 2023.

### *Positive Actions: 15 (Bold)*

*January*

- Colombia (20 January): S&P affirms Colombia's BB+ long-term foreign currency rating with a stable outlook (no change).

*February*

- El Salvador (02 February): Fitch affirms El Salvador at CC (no change). Fitch does not assign Outlooks to sovereigns with a rating of CCC+ or below.
- **El Salvador (03 February): Moody's revises the outlook on El Salvador's Caa3 rating to stable from negative**, citing a decreased risk of a credit event in the near term, following the distressed exchange in 2022 and the recent repayment of the 2023 international bond.
- **Guatemala (16 February): Fitch upgrades Guatemala's rating to BB from BB- with a stable outlook**, citing very strong fiscal and economic recovery and further improved external metrics.
- **Suriname (17 February): Moody's revises Suriname's Caa3 rating's outlook to stable from negative**, as the agency expects that the losses as a result of the ongoing debt restructuring will be consistent with a Caa3 rating.
- **Costa Rica (23 February): S&P upgrades Costa Rica's rating to B+ from B with a stable outlook**, on solid fiscal results.
- Ecuador (27 February): Moody's affirms Ecuador's Caa3 rating with a stable outlook (no change).

*March*

- **Costa Rica (02 March): Fitch upgrades Costa Rica's rating to BB- from B with a stable outlook**, citing the sharp structural improvement of its fiscal position and easing of government constraints to finance its budget.
- **Jamaica (07 March): Fitch revises the outlook on Jamaica's B+ rating to positive from stable**, citing significant progress with debt reduction despite the pandemic shock, its stability-oriented institutional framework and favorable financing conditions, reinforced by the new IMF facilities.

*April*

- **Guatemala (11 April): S&P upgrades Guatemala's rating to BB from BB- with a stable outlook** on economic resilience, citing cautious fiscal and monetary policies that have stabilized the economy.
- **Uruguay (26 April): S&P upgrades Uruguay's ratings to BBB+ from BBB with a stable outlook** on stronger fiscal policy.

*May*

- **El Salvador (05 May): Fitch upgrades El Salvador's rating to CCC+ from RD** on completion of debt exchange, right after downgrade. Fitch does not assign Outlooks to sovereigns with a rating of CCC+ or below.
- **El Salvador (10 May): S&P upgrades El Salvador's rating to CCC+ from SD with a stable outlook** on cured distressed debt exchange, one day after downgrade.
- Ecuador (12 May): S&P affirms Ecuador's rating at B- with a stable outlook on debt-for-nature transaction (no change).
- **Uruguay (17 May): Moody's revises the outlook on Uruguay's Baa2 ratings to positive from stable**, saying strong institutions and governance delivered effective policy response to shocks, strengthening policy frameworks and providing track record of successful fiscal policy implementation.

*June*

- **Nicaragua (05 June): Fitch revises the outlook on Nicaragua's B- rating to positive from stable**, citing prudent policy mix that has strengthened fiscal and external buffers.
- **Uruguay (07 June): Fitch upgrades Uruguay's rating to BBB from BBB- with a stable outlook**, citing resilient fiscal performance in absorbing the COVID-19 pandemic shock coupled with its record of compliance with its modified fiscal framework, which has enhanced fiscal credibility.
- Colombia (08 June): Moody's affirms Colombia's ratings at Baa2 with a stable outlook (no change).
- **Argentina (13 June): Fitch upgrades Argentina's rating to CC from C**, saying the agency no longer deems a default-like process to have begun, as the authorities have not signaled a clear intention to follow through with

an intra-public debt swap announced in March. Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below.

- **Brazil (14 June): S&P revises the outlook on Brazil's BB- rating to positive from stable** on expectations for policy pragmatism. The positive outlook is based on the prospect that continued steps to tackle economic and fiscal rigidities could reduce risks to monetary flexibility and net external position.
- Mexico (16 June): Fitch affirms Mexico's rating at BBB- with a stable outlook (no change).

### *Negative Actions: 10 (Bold)*

*January*

- **Peru (31 January): Moody's revises the outlook on Peru's Baa1 rating to negative from stable**, citing increasing social and political risks that could threaten institutional cohesion and governability.

*February*

*March*

- **Bolivia (14 March): Fitch downgrades Bolivia's rating to B- from B with a negative outlook**, citing the depletion of its external liquidity buffers, which, in light of a de facto currency peg, has greatly heightened near-term uncertainty and risks to macroeconomic stability.
- **Bolivia (24 March): Moody's downgrades Bolivia's ratings to Caa1 from B2 and places them on review for downgrade,** saying that a range of factors related to weak governance have contributed to dwindling availability of hard currency and raised external liquidity.
- **Argentina (24 March): Fitch downgrades Argentina's rating to C from CCC,** reflecting the agency's view that a default is imminent following an executive decree that forces public-sector entities into operations involving their holdings of sovereign debt securities, which would involve unilateral exchanges and forced currency conversion that constitute default events under Fitch's criteria.
- **Argentina (29 March): S&P downgrades Argentina's rating to CCC- from CCC+ with a negative outlook,** on heightened risks and vulnerability surrounding repayment of foreign currency commercial debt.

*April*

- **Bolivia (19 April): S&P downgrades Bolivia's rating to B- from B with a negative outlook** on worsening external liquidity.
- Peru (28 April): Fitch affirms Peru's rating at BBB with a negative outlook (no change).

*May*

- **El Salvador (05 May): Fitch downgrades El Salvador's rating to RD from CC** following the execution of an exchange of domestic pension-related debt, which the agency considered a default event according to its criteria.
- **El Salvador (09 May): S&P downgrades El Salvador's rating to SD from CCC+** citing its April 28 pension debt exchange, which the agency considered to be a distressed transaction.
- **Ecuador (23 May): Fitch revises the outlook on Ecuador's B- rating to negative from stable**, citing downside elevated credit risks amid prolonged political uncertainty.

*June*

- **Bolivia (30 June): Moody's revises the outlook on Bolivia's Caa1 rating to negative from ratings under review**, concluding the review for downgrade that was initiated on 24 March 2023.

Source: ECLAC Washington Office based on information from credit rating agencies and other market sources.

# Annex 3 Latin American bond spreads

**Table 9 (Annex 3)**
**EMBI Global index and Latin American composites, June 2019—June 2023**
*(Basis Points)*

| | EMBI Global | Argentina | Brazil | Chile | Colombia | Ecuador | Mexico | Peru | Uruguay | Venezuela | Latin America | Bolivia | Paraguay |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 31-Jan-20 | 299 | 2068 | 224 | 149 | 176 | 1018 | 308 | 122 | 159 | 16553 | 372 | 296 | 231 |
| 28-Feb-20 | 354 | 2283 | 251 | 180 | 212 | 1466 | 372 | 156 | 196 | 12246 | 428 | 341 | 253 |
| 31-Mar-20 | 577 | 3803 | 389 | 301 | 376 | 4553 | 653 | 265 | 298 | 19270 | 703 | 645 | 429 |
| 30-Apr-20 | 557 | 3472 | 420 | 284 | 392 | 5129 | 656 | 257 | 301 | 22140 | 702 | 698 | 401 |
| 29-May-20 | 463 | 2627 | 388 | 226 | 288 | 3907 | 536 | 191 | 243 | 27907 | 581 | 614 | 339 |
| 30-Jun-20 | 433 | 2495 | 373 | 211 | 293 | 3373 | 526 | 182 | 215 | 30757 | 552 | 630 | 312 |
| 31-Jul-20 | 401 | 2263 | 328 | 185 | 253 | 2755 | 493 | 150 | 183 | 33118 | 500 | 575 | 275 |
| 31-Aug-20 | 385 | 2147 | 314 | 175 | 250 | 2813 | 459 | 151 | 170 | 31216 | 480 | 577 | 246 |
| 30-Sep-20 | 398 | 1300 | 334 | 183 | 262 | 1015 | 501 | 170 | 186 | 29608 | 476 | 622 | 267 |
| 30-Oct-20 | 388 | 1482 | 309 | 174 | 244 | 1029 | 477 | 149 | 165 | 21698 | 467 | 601 | 247 |
| 30-Nov-20 | 350 | 1410 | 268 | 157 | 228 | 1065 | 426 | 161 | 157 | 22610 | 433 | 523 | 233 |
| 31-Dec-20 | 323 | 1368 | 250 | 144 | 206 | 1062 | 361 | 132 | 135 | 24099 | 386 | 461 | 213 |
| 29-Jan-21 | 324 | 1445 | 270 | 138 | 219 | 1273 | 378 | 128 | 135 | 24830 | 396 | 481 | 205 |
| 26-Feb-21 | 329 | 1511 | 275 | 142 | 232 | 1226 | 368 | 164 | 150 | 24846 | 404 | 479 | 226 |
| 31-Mar-21 | 324 | 1589 | 272 | 122 | 216 | 1201 | 351 | 152 | 125 | 26168 | 390 | 501 | 212 |
| 30-Apr-21 | 313 | 1551 | 260 | 126 | 226 | 764 | 342 | 165 | 130 | 25722 | 372 | 454 | 224 |
| 28-May-21 | 307 | 1508 | 245 | 135 | 248 | 730 | 335 | 169 | 127 | 26138 | 369 | 463 | 218 |
| 30-Jun-21 | 312 | 1596 | 256 | 135 | 247 | 776 | 348 | 163 | 129 | 31091 | 380 | 481 | 216 |
| 30-Jul-21 | 325 | 1591 | 280 | 145 | 276 | 790 | 362 | 197 | 148 | 28364 | 395 | 498 | 236 |
| 31-Aug-21 | 313 | 1513 | 282 | 136 | 272 | 751 | 352 | 175 | 132 | 29568 | 381 | 471 | 223 |
| 30-Sep-21 | 324 | 1607 | 304 | 150 | 301 | 835 | 360 | 180 | 140 | 31941 | 399 | 472 | 230 |
| 29-Oct-21 | 327 | 1712 | 338 | 161 | 302 | 847 | 353 | 181 | 138 | 32198 | 401 | 472 | 245 |
| 30-Nov-21 | 353 | 1914 | 344 | 166 | 359 | 891 | 389 | 194 | 150 | 31857 | 434 | 487 | 267 |
| 31-Dec-21 | 330 | 1688 | 306 | 153 | 353 | 869 | 347 | 170 | 127 | 55310 | 399 | 412 | 229 |
| 31-Jan-22 | 344 | 1723 | 316 | 167 | 374 | 768 | 356 | 186 | 140 | 51959 | 408 | 474 | 242 |
| 28-Feb-22 | 411 | 1816 | 321 | 195 | 385 | 755 | 382 | 213 | 161 | 64523 | 438 | 466 | 300 |
| 31-Mar-22 | 347 | 1718 | 280 | 158 | 338 | 810 | 349 | 171 | 127 | 37945 | 397 | 509 | 239 |
| 29-Apr-22 | 379 | 1801 | 291 | 182 | 375 | 816 | 391 | 218 | 151 | 32691 | 438 | 487 | 278 |
| 31-May-22 | 383 | 1918 | 291 | 166 | 337 | 802 | 382 | 194 | 137 | 30795 | 433 | 595 | 294 |
| 30-Jun-22 | 460 | 2428 | 357 | 196 | 446 | 1165 | 473 | 235 | 162 | 36398 | 528 | 666 | 357 |
| 29-Jul-22 | 446 | 2398 | 309 | 189 | 403 | 1336 | 437 | 219 | 141 | 41342 | 500 | 641 | 282 |
| 31-Aug-22 | 422 | 2385 | 295 | 198 | 424 | 1550 | 432 | 218 | 132 | 40090 | 499 | 622 | 282 |
| 30-Sep-22 | 467 | 2801 | 295 | 208 | 460 | 1753 | 483 | 246 | 158 | 50130 | 549 | 576 | 330 |
| 31-Oct-22 | 449 | 2624 | 269 | 193 | 456 | 1570 | 428 | 228 | 141 | 51157 | 514 | 597 | 268 |
| 30-Nov-22 | 392 | 2248 | 249 | 157 | 404 | 1333 | 392 | 193 | 106 | 34698 | 454 | 673 | 233 |
| 30-Dec-22 | 374 | 2196 | 258 | 140 | 369 | 1250 | 386 | 194 | 91 | 44840 | 440 | 563 | 200 |
| 31-Jan-23 | 368 | 1822 | 257 | 146 | 376 | 1216 | 357 | 206 | 111 | 36587 | 418 | 337 | 684 |
| 28-Feb-23 | 370 | 1960 | 244 | 145 | 393 | 1765 | 368 | 191 | 103 | 33951 | 431 | 332 | 742 |
| 31-Mar-23 | 400 | 2302 | 254 | 153 | 382 | 1917 | 393 | 209 | 119 | 34229 | 461 | 362 | 1561 |
| 28-Apr-23 | 401 | 2684 | 258 | 143 | 422 | 1757 | 396 | 193 | 105 | 34739 | 465 | 362 | 1425 |
| 31-May-23 | 400 | 2595 | 248 | 145 | 406 | 1911 | 406 | 200 | 111 | 37552 | 465 | 360 | 1295 |
| 30-Jun-23 | 363 | 2037 | 230 | 132 | 366 | 1902 | 373 | 172 | 99 | 42753 | 421 | 328 | 1100 |

Source: JPMorgan, EMBI Global, "Emerging Markets Bond Index Monitor".

EMBI Global composition by country (end-June 2023): Mexico, Brazil and Chile account for 16.99% of the total weighting.
EMBI Global composition by region: Latin: 32.61%; Non-Latin: 67.39%.

Latin American and Caribbean bond activity in international markets recovered strongly towards the end of the first half of 2023, with a total of US$ 50 billion placed in the period. This figure was 9% higher than in the year-earlier period and 158% higher than in the second half of 2022. Decelerating inflation and currency appreciation supported the upturn in bond activity, as did the pause in increases in the benchmark interest rate decided by the United States Federal Reserve at its meeting on 13 and 14 June following 10 consecutive hikes. There was a flurry of new bond issuances in the last two weeks of June that continued in July.

The region's issuance of green, social, sustainability and sustainability-linked bonds in international markets followed the broader market trend, with 60% of such bonds issued in May and June. These bonds totalled US$ 16.6 billion in the first half of 2023, up 14% from the first half of 2022 and 180% from the second half, representing a record 33.5% of the total amount issued in international markets in the period.

*Capital Flows to Latin America and the Caribbean: first half of 2023* presents and analyses the main trends and developments concerning capital flows to Latin America and the Caribbean in the first six months of the year. This report is published by ECLAC three times a year and provides an overview of the region's new international bond issuances, bond spreads and credit ratings.

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LC/WAS/TS.2023/3