UNITED NATIONS

ECONOMIC COMMISSION FOR
LATIN AMERICA AND THE CARIBBEAN
ECLAC Washington Office

Distr.
RESTRICTED
LC/WAS/R.10
16 March 2001

ORIGINAL: ENGLISH

CAPITAL FLOWS TO LATIN AMERICA
FOURTH QUARTER 2000

CAPITAL FLOWS TO LATIN AMERICA
4th Quarter of 2000

During the fourth quarter of 2000, investors' expectations of a slowdown in the U.S. economy and of lower potential earnings of the technology, media and telecommunications sector contributed to an increase in risk aversion, a halt in new debt issuance, a widening of bond spreads and further declines in already weak equity markets. As Latin American spreads widened significantly, investors' attention continued to focus on Argentina's vulnerability.

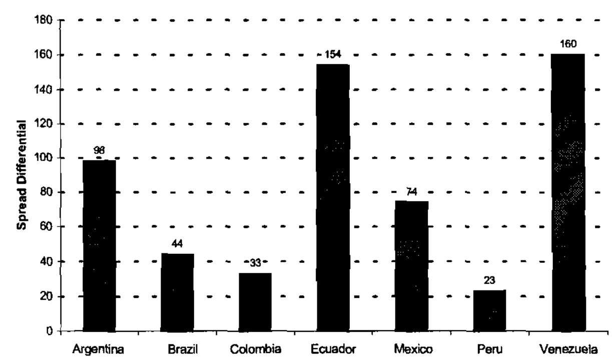
Following the announcement of a multilateral support package for Argentina in December 2000, investors concerns eased, and spreads tightened as a result. In addition, a surprise 50 basis points cut in interest rates by the U.S. Federal Reserve on January 3, followed by a further 50 basis points cut on January 31, buoyed both the equity and bond markets, at least temporarily, and the easing of credit conditions revived Latin American debt issuance in early 2001.

Underlining country differences, Brazil was awarded a credit-rating upgrade by Moody's on October 17[1], while Peru, which started the quarter facing a legal wrangling with one of its U.S. creditors, and a political crisis, had its local and foreign currency credit rating downgraded by the Standard & Poor's on November 1, and its outlook revised from negative to stable. Argentina followed suit, having its local and foreign currency credit rating downgraded by Standard & Poor's on November 13.

I. Bond Markets and Debt Management

In the fourth quarter of 2000, borrowing costs increased and new debt issuance came to a halt. Average emerging market spreads, as measured by the benchmark JP Morgan's EMBI+, closed the fourth quarter wider by 79 basis points and the EMBI+ Latin component by 72 basis points. Spreads widened for all Latin American countries in the Latin composite in the fourth quarter, as a result of increased risk aversion caused by worries over Argentina and over the fate of the U.S. economy (Chart 1).

Chart 1
Spread Differentials Q4 2000



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

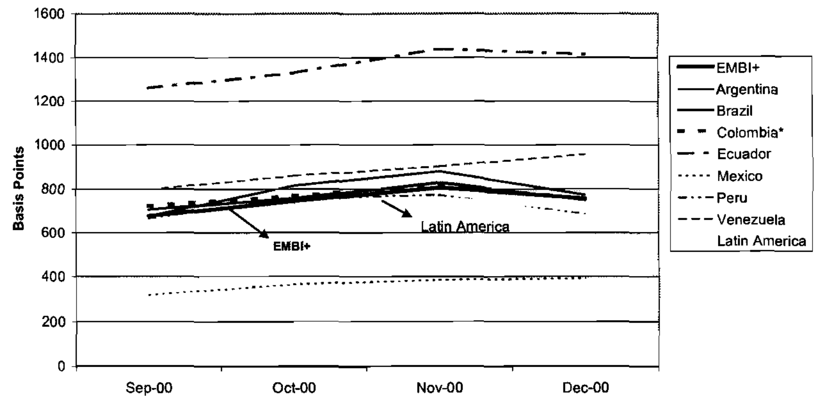
After an impressive recovery in the third quarter, Latin American issuers placed only US$2.85 billion in international capital markets in the fourth quarter, the lowest amount

[1] The upgrade restored Brazil to the rating it had before the turbulent 1999 devaluation.

of the year on a quarterly basis. Concerns about a hard landing in the U.S. contributed to a deterioration in the terms of borrowing, although most Latin American countries had already met the bulk of their 2000 financing needs earlier in the year.

A. Spreads

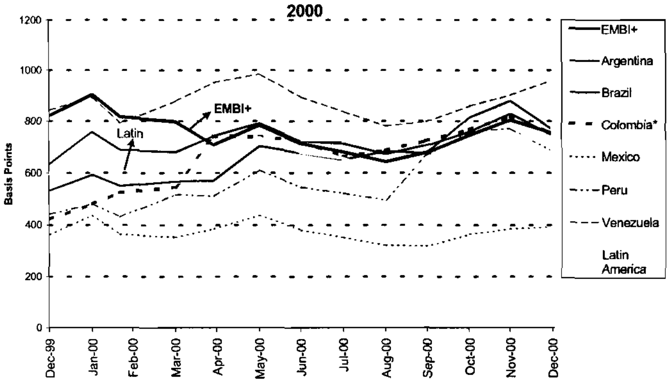
Chart 2:
Spreads on JP Morgan EMBI+ and Latin American Composites
Q4 2000



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

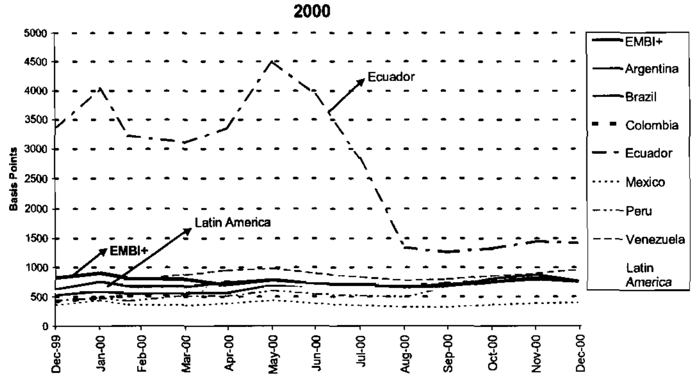
Spreads widened for all Latin American countries in October and November, as worries with respect to Argentina and fears of a U.S. hard landing heightened. However, following the announcement of a multilateral financing package for Argentina led by the International Monetary Fund in December[2], spreads tightened for most Latin American countries (with the exception of Mexico and Venezuela), despite the volatility in global equity markets. The EMBI+ rose from 677 basis points at the end of September to 756 basis points at the end of December (Chart 2). For 2000 as a whole, Latin American spreads finished 109 basis points wider, rising to 706 basis points in December 2000, from 597 basis points in December 1999. Spreads in 2000 narrowed only for Ecuador, as it successfully restructured its debt and as it benefited from higher oil prices (Chart 3).

Chart 3a:
Spreads on JP Morgan EMBI+ and Latin American Composites
(excluding Ecuador)
2000



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

Chart 3b:
Spreads on JP Morgan EMBI+ and Latin American Composites
2000



Source: "Emerging Markets Bond Index Monitor", JP Morgan.

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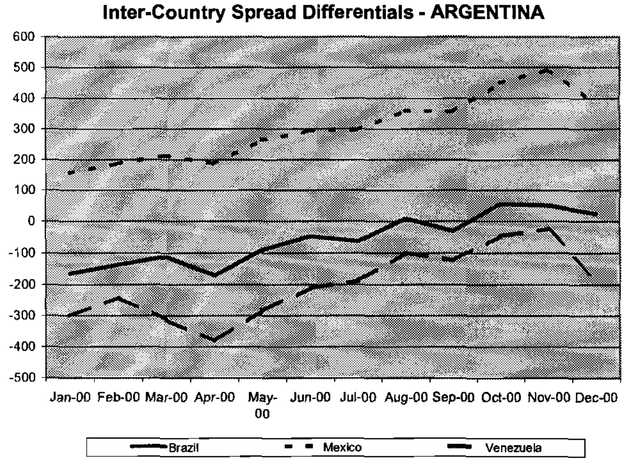
[2] The International Monetary Fund and private banks promised as much as US$39.7 billion on December 18 to help Argentina reduce its growing debt burden, stimulate its economy and stem a crisis of confidence.

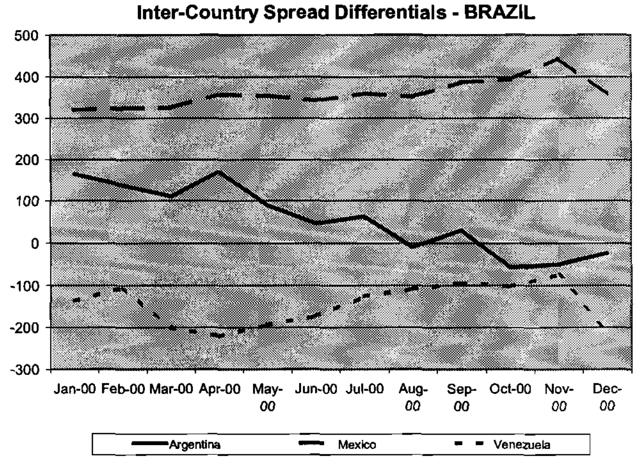
There was a significant change in relative spreads on Latin American bonds in 2000 (see Charts 4 to 7). Spreads on Argentine bonds increased significantly relative to those on Brazilian bonds in face of growing concerns about Argentina's fiscal position, the slow pace of economic recovery and increasing political difficulties, alongside growing confidence in Brazil's economic performance. In the fourth quarter of 2000 Argentina's spreads, measured by the J.P. Morgan EMBI+, surpassed those of Brazil.

Chart 4
Inter-Country Spread Differentials - ARGENTINA



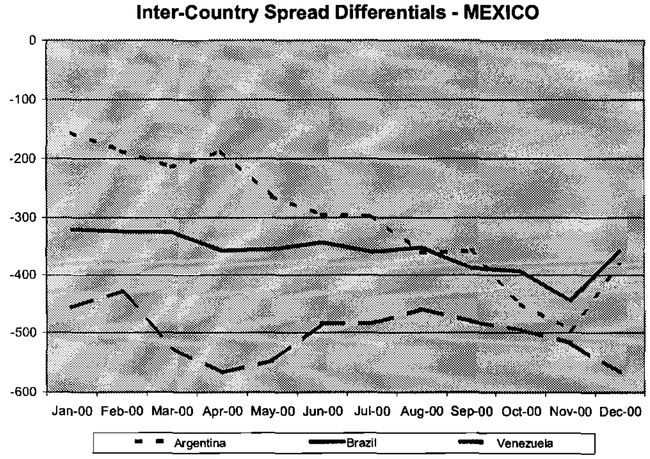
Source: ECLAC, on the basis of data from JP Morgan.
Note: EMBI+ country composite spreads at the end of the month.

Chart 5
Inter-Country Spread Differentials - BRAZIL



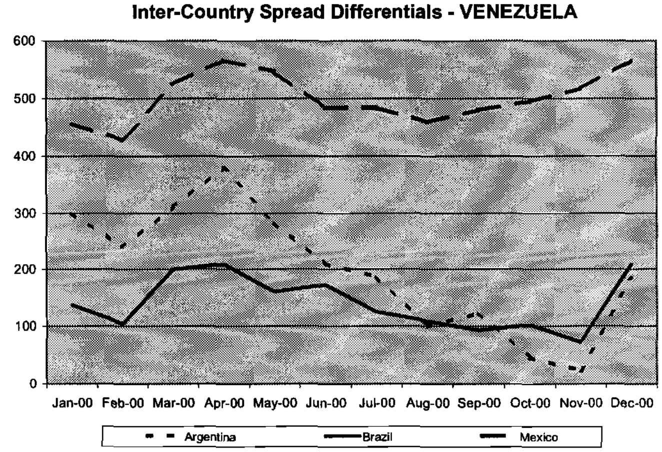
Source: ECLAC, on the basis of data from JP Morgan.
Note: EMBI+ country composite spreads at the end of the month.

Chart 6
Inter-Country Spread Differentials - MEXICO



Source: ECLAC, on the basis of data from JP Morgan.
Note: EMBI+ country composite spreads at the end of the month.

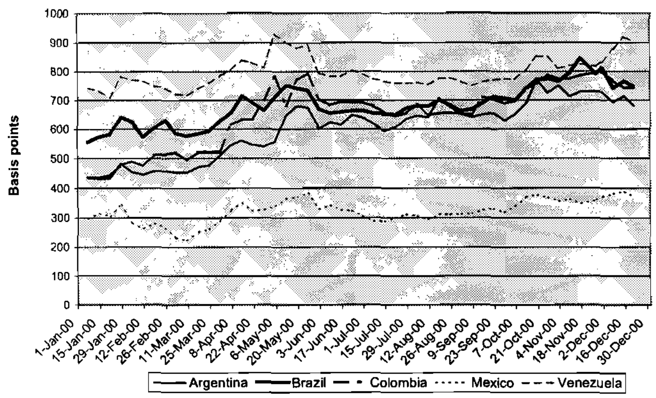
Chart 7
Inter-Country Spread Differentials - VENEZUELA



Source: ECLAC, on the basis of data from JP Morgan.
Note: EMBI+ country composite spreads at the end of the month.

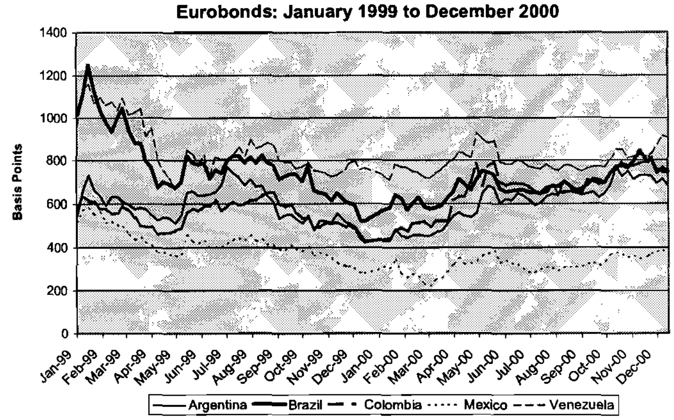
From a little over 500 basis points at the beginning of the year, the spread on the Argentine EMBI+ component increased to almost 900 basis points by the end of November, before gradually falling after the official assistance package was announced, heading off what financial markets saw as a potential liquidity crisis (appendix, Table1). Spreads on Argentina's global and Eurobonds widened for all maturities throughout the year. By the end of 2000 they had returned to levels prevailing during the Brazilian devaluation crisis in January 1999 (Charts 9, 10, 11 and 12).

Chart 8
Weekly Spreads on 30-year* Benchmark Latin Global bonds and Eurobonds: 2000



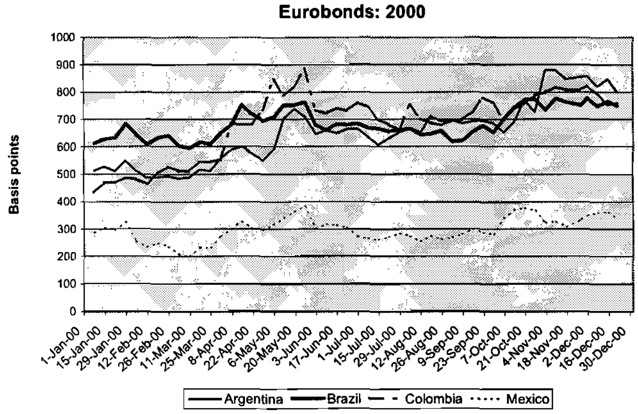
*Maturing in 2026 and 2027
Source: ECLAC, on the basis of data from "Emerging Markets Daily", Merrill Lynch.

Chart 9
Weekly Spreads on 30-year Benchmark Latin Global bonds and Eurobonds: January 1999 to December 2000



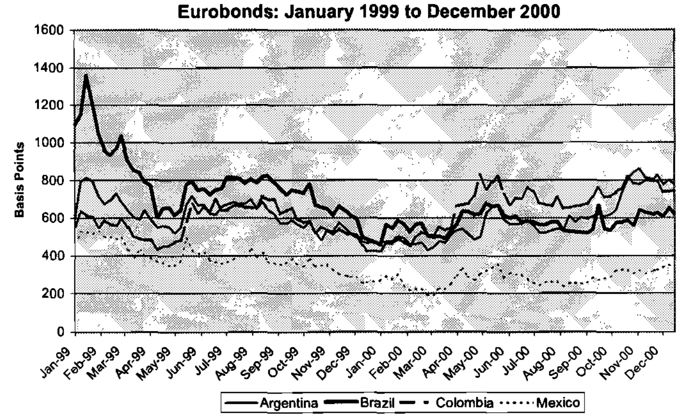
Source: ECLAC, on the basis of data from "Emerging Markets Daily", Merrill Lynch.

Chart 10
Weekly Spreads on 10-year * Benchmark Latin Global bonds and Eurobonds: 2000



* Maturing in 2009
Source: ECLAC, on the basis of data from "Emerging Markets Daily", Merrill

Chart 11
Weekly Spreads on 10-year* Benchmark Latin Global bonds and Eurobonds: January 1999 to December 2000



* Maturing in 2006, 2007 and 2008.
Source: ECLAC, on the basis of data from "Emerging Markets Daily", Merrill Lynch.

Spreads on Brazilian debt also widened in 2000, despite a generally strong performance. In the fourth quarter spreads widened in response to the general increase in investors' risk aversion, as well as to concerns about Argentina.

Spreads on Mexican debt rose substantially in the final quarter of the year, as concerns mounted over prospects for the U.S. economy, on which Mexican exports are highly dependent, and as oil prices moderated. In December, while spreads tightened for most Latin American countries, Mexican spreads continued to increase, although not as much as in October and November (Chart 2). From a little over 300 basis points at the end of the third quarter, the spread on the 30-year Mexican Eurobond almost reached 400 basis points in mid-December. The same trend is observed for the spread on Mexico's 10-year Eurobond, which rose from less than 300 basis points at the end of the third quarter to above 350 basis points in mid-December.

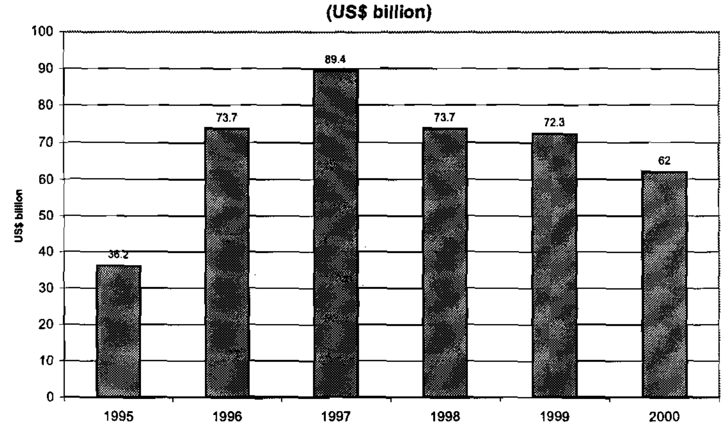
The moderation in oil prices, in addition to increased risk aversion, also adversely affected bond spreads in Colombia, Ecuador and Venezuela. Spreads in Colombia and Ecuador widened in the first two months of the fourth quarter of 2000, but moderated in December, following the announcement of the financial package for Argentina. In the case of Venezuela, spreads widened for every month of the fourth quarter, including December, as investors held some fears that the government would fix the exchange rate in its December's board meeting of the Central Bank. The foreign exchange band structure was maintained, however. For its part, Peruvian spreads also increased sharply in October and November, before tightening in December, due to political uncertainty and doubts about the future direction of economic policy.

B. Issuance

Emerging markets placed less than US$4 billion in the international capital markets in the fourth quarter of 2000 according to Merrill Lynch. The weak showing for the final quarter reflected in part the absence of Argentina and Turkey from the market for much of the quarter, as a result of their respective crisis. They had been among the major issuers earlier in the year. The fourth quarter figure brought full-year issuance to US$62 billion, the lowest level since the Mexican crisis in 1995 (Chart 12).

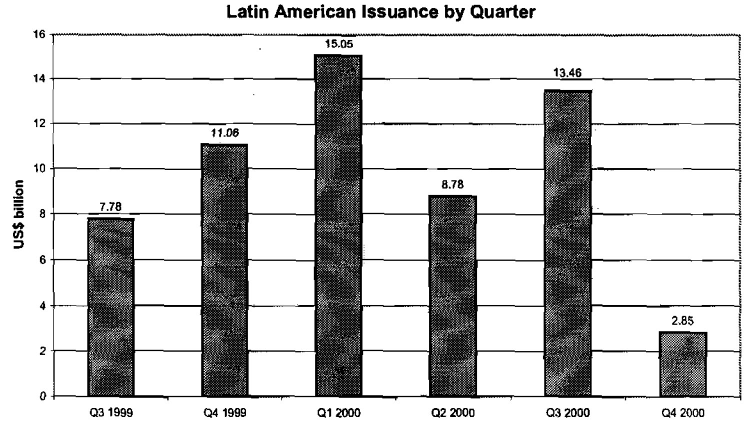
Latin America accounted for 71% of total emerging market debt issuance in the fourth quarter, having placed US$2.85 billion of new issues in global capital markets (Chart 13). Latin America placed US$40 billion of new issues in 2000, increasing its share of the total to 65% from 60% in 1999 (Chart 14).

Chart 12
Emerging Markets Debt Issuance: 1995-2000
(US$ billion)



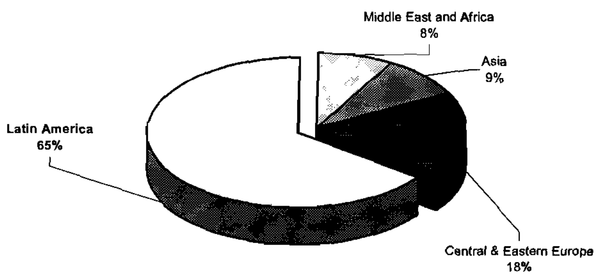
Source: Merrill Lynch.

Chart 13
Latin American Issuance by Quarter



Source: ECLAC, on the basis of data from Merrill Lynch.

Chart 14
Emerging Markets Debt Issuance:
Regional Breakdown
2000



Source: ECLAC, on the basis of data from Merrill Lynch.

Argentina's debt continued to dominate emerging markets issuance with US$13.4 billion or 32% of the total in 2000. Brazil placed second with US$12.1 billion in new debt. Unlike in Argentina and Mexico, Brazilian corporate issuers represented a significant portion of the country's total, accounting for US$4.9 billion, or 40% of the country's total. Mexico completed the list of top country issuers, placing US$9.8 billion in 2000 (Table 1).

Table 1
Top 5 Issuers
in Emerging Markets*
2000

Country	Amount (US$bn)
Argentina	13.4
Brazil	12.1
Mexico	9.8
Turkey	7.6
South Korea	2.4

Source: Merrill Lynch.
* Sovereign and Corporate Combined

Much of the issuance of the fourth quarter of 2000 was relatively short-dated paper issued by Brazilian financial institutions. As a result, corporate issuance increased from a share of 29% in the third quarter to 45% in the fourth quarter (Table 2). Besides Brazil, Argentina and Mexico, Colombia and Uruguay also tapped the international capital markets in the fourth quarter (appendix, tables 6,7 and 8).

Table 2
Issuer Type Breakdown
(% of Latin America's Total)

Issuer Type	Q3 2000	Q4 2000
Sovereign	71	55
Corporate*	29	45

Source: ECLAC, on the basis of data from Merrill Lynch.
*Also includes bank issuance.

Uruguay became the first Latin American sovereign to issue bonds in one of its neighbors' currencies when it sold US$144 million-worth of inflation-linked bonds denominated in Chilean pesos. Uruguay, one of the few countries in the region with an investment-grade credit rating, managed to raise the money during a time when international capital markets were reticent to provide funding, opening a new door to Latin American countries in bond issuance.

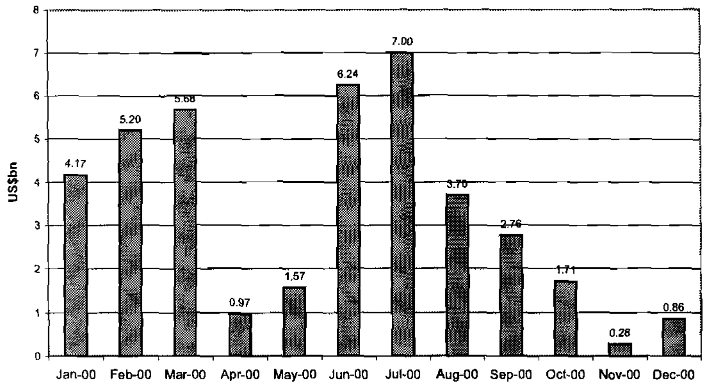
Table 3
Currency Breakdown
(% of Latin America's Total)

Currency	Q3 2000	Q4 2000
Dollar	67	42
Euro	23	34
JPY	10	19
CLP	-	5

Source: ECLAC, on the basis data from Merrill Lynch.

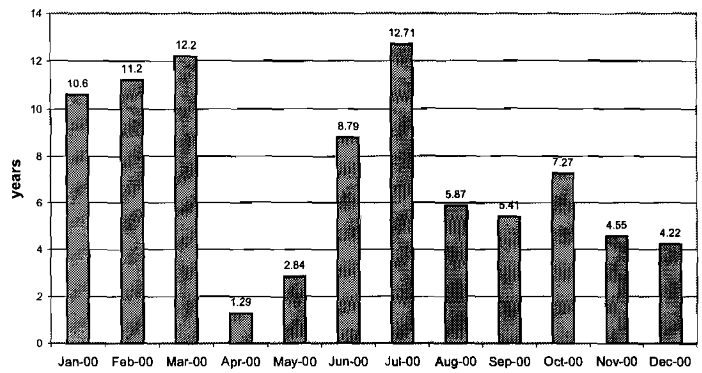
The U.S. dollar remained the favored currency for Latin American debt issuers in the fourth quarter, although its share declined from 67% to 42%. Euro-denominated new issuance accounted for 34%, an increase from its third quarter share of 23%. The share of new issues denominated in Japanese yen increased to 19%, from 10% in the third quarter, and 5% of Latin America's issuance in the fourth quarter was in Chilean pesos (Table 3).

Chart 15
New Latin American Debt Issuance
2000



Source: ECLAC, on the basis of data from Merrill Lynch.

Chart 16
New Latin American Debt Issuance: Average Maturity
2000



Source: ECLAC, on the basis of information from Merrill Lynch.

New Latin American issuance continued to be dominated by sovereign bonds, which accounted for 55% of total issuance in the region in the fourth quarter. However,

By month, new debt issuance in Latin America reached its highest level of the year in July and slowed significantly after that, as a result of deterioration in global and local conditions (Chart 15). Average maturity also reached its highest level year-to-date in July, deteriorating after that (Chart 16).

There has been a recovery in Latin American issuance in early 2001, however, following the U.S. Federal Reserve's interest rate cut in early January. In the first two months of the year Brazil raised US$1.5 billion through a five-year global bond and EUR1 billion through a ten-year Eurobond. Mexico also issued a US$1.5 billion ten-year global bond. Colombia issued EUR400 million through a 7-year Eurobond and EUR200 million through a 4-year Eurobond. Argentina, despite its recent difficulties, was able to raise US$500 million through a 30-year global bond and EUR500 million through a 6-year Eurobond. Jamaica and Panama also tapped the international capital markets, through a 3-year Eurobond (EUR175 million) and 10-year global bond (US$750 million), respectively. Sovereign issuance was followed by some large corporate issuance from Telmex and Pemex (US$1 billion each).

Latin America's return to capital markets in early 2001 proves the adage that companies and countries issue debt when they can, and not when they need. The rush to the market was driven not only by higher demand in the wake of the Federal Reserve's rate cut, but also by fears throughout the emerging markets that a slowdown in the U.S. economy - or an unforeseen crisis anywhere else - could shut their window of opportunity to raise cash they may need later on in the year.

II. Portfolio Equity Flows into Latin America

Table 4

Portfolio equity flows into Latin America

(millions of US dollars)

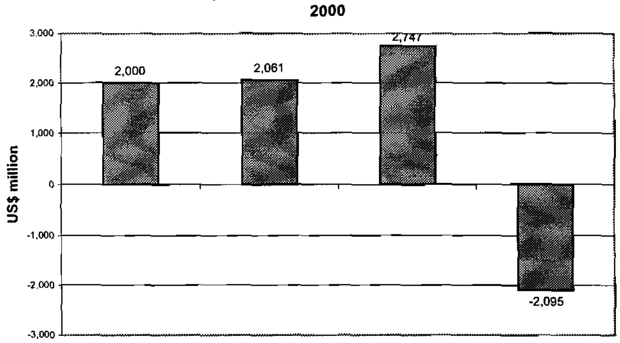
	Total	Brazil	Chile	Mexico
1996	13,542	6,118	676	3,158
1997	14,668	6,415	1,711	3,215
1998	2,198	1,861	629	-665
1999	8,385	2,826	471	4,508
2000	4,713	3,319	-231	1,626
Q1 2000	**2,000**	**624**	**-352**	**1,728**
January	1,854	320	-60	1,594
February	246	34	-110	322
March	-100	270	-182	-188
Q2 2000	**2,061**	**320**	**-142**	**1,883**
April	2,086	-854	-77	3,017
May	-409	132	-32	-509
June	384	1,042	-33	-625
Q3 2000	**2,747**	**2,996**	**329**	**-576**
July	-28	793	95	-915
August	3,168	2,467	306	396
September	-393	-264	-72	-57
Q4 2000	**-2,095**	**-621**	**-67**	**-1,408**
October	-1,172	-110	-22	-1,041
November	-778	-296	60	-542
December	-145	-215	-105	175

Source: Goldman Sachs, "Portfolio Startegy, Global Emerging Markets", March 8, 2001. based on data from Local Stock Exchanges and Central Banks.

There was a portfolio equity outflow of US$2.1 billion from Latin America in the fourth quarter of 2000 (Chart 17). Outflows were bigger for Mexico, followed by Brazil (Table 4). There was an inflow of US$4.7 billion in 2000 as a whole, a fall from US$8.3 billion in 1999. Brazil received the biggest share, with US$2.6 billion from the sale of the government's remaining stake in Petrobras, the Brazilian state oil company.

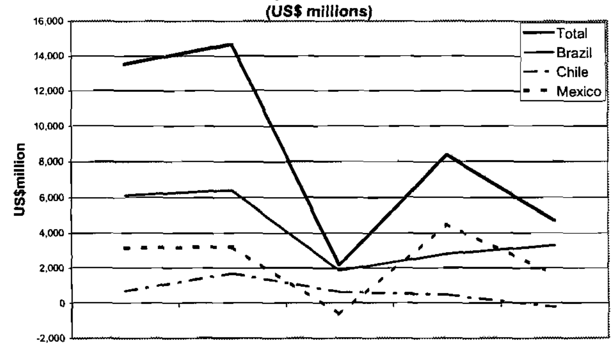
Portfolio investment in Mexico fell from 1999, reflecting net outflows in the third and fourth quarters. Although 1999 showed a recovery compared to 1998, the performance in 2000 did not follow suit. The poor performance in 2000 was a result of the volatility in international markets (interest hikes in industrialized countries, and increased pessimism over earnings in the technology, media and telecommunications (TMT) sector) and the perceived vulnerability of Latin American markets to a global economic slowdown (Chart 18).

Chart 17
Quarterly portfolio equity flows into Latin America
2000



Source: Glodman Sachs, "Portfolio Strategy, Global Emerging Markets", March 8, 2001, based on data from Local Central Banks and Stock Exchanges.

Chart 18
Portfolio equity flows into Latin America
(US$ millions)



Source: Glodman Sachs, "Portfolio Strategy, Global Emerging Markets", March 8, 2001, based on data from Local Central Banks and Stock Exchanges.

Linkages between global financial markets have increased in recent years, with strong correlations between industrial country equity markets and those in emerging markets.

In particular, given the increasing importance of the TMT sector and similar risk and volatility characteristics, the daily correlation between emerging markets indexes and the technology-led Nasdaq was strong in 2000. However, in the fourth quarter the correlation between Latin America's equity returns with the Nasdaq declined sharply, pointing to the increasing importance of other factors besides the global downgrading of the TMT sector and its impact on returns, particularly the perceived vulnerability of emerging markets to a global slowdown, combined with negative news about domestic fundamentals in some countries.

III. Bank Lending

The Bank for International Settlements' (BIS) consolidated international bank statistics for end-September 2000, the latest data available, shows that consolidated claims on Latin American countries increased by 1.4% in the first three quarters of the year, but decreased by 0.6% in the third quarter (see Table 5).

Table 5

Consolidated International Claims of BIS Reporting Banks on Latin America & Caribbean

Positions at end of period	Claims on contractual basis*	Distribution by maturity**		Distribution by sector		
		Up to and including one year	Over one year	Banks	Public sector	Non-bank private sector
	(US$bn)	As percentage of total contractual claims				
Latin America & Caribbean						
1999 H2	277.1	48.3	43.4	18.5	20.6	60.4
2000 Q1	278.7	48.3	42.9	18.1	20.6	61.0
2000 Q2	282.5	49.0	42.1	18.4	20.4	60.8
2000 Q3	280.9	49.2	43.0	18.0	20.7	60.9
Argentina						
1999 H2	66.9	52.5	38.4	17.5	22.0	60.5
2000 Q1	65.4	52.9	38.2	16.4	23.8	59.7
2000 Q2	68.5	52.6	37.5	15.4	24.2	60.4
2000 Q3	69.8	54.3	36.8	15.8	24.0	60.0
Brazil						
1999 H2	63.6	54.1	38.3	26.8	19.2	53.8
2000 Q1	64.9	51.3	37.9	25.8	19.1	54.9
2000 Q2	67.1	53.6	36.0	26.8	19.4	53.6
2000 Q3	63.7	52.1	38.2	27.5	19.7	52.5
Chile						
1999 H2	20.7	32.8	65.0	9.0	6.9	84.1
2000 Q1	22.4	37.0	61.1	8.8	7.4	83.7
2000 Q2	22.3	38.3	60.0	8.9	7.0	83.7
2000 Q3	22.7	42.2	55.9	7.9	6.7	85.2
Mexico						
1999 H2	61.0	38.2	47.9	14.6	26.6	58.7
2000 Q1	59.4	38.1	49.0	14.1	25.4	60.5
2000 Q2	59.4	38.1	50.1	15.5	24.5	59.9
2000 Q3	61.7	36.0	54.6	13.4	26.7	59.8
Peru						
1999 H2	10.2	62.5	34.4	26.5	8.9	64.6
2000 Q1	12.4	67.6	27.7	30.6	7.4	62.0
2000 Q2	13.1	67.3	27.7	31.2	7.4	61.3
2000 Q3	13.1	72.7	22.5	31.8	7.0	61.2
Venezuela						
1999 H2	13.6	33.4	59.2	5.6	30.9	63.1
2000 Q1	13.7	32.4	59.6	5.2	30.6	63.7
2000 Q2	14.2	38.2	54.7	5.4	27.5	66.6
2000 Q3	13.2	36.5	56.0	6.0	28.2	65.3
Other						
1999 H2	41.2	56.3	38.7	20.5	18.2	59.1
2000 Q1	40.5	56.9	38.2	20.0	19.1	59.5
2000 Q2	38.0	55.7	38.5	19.2	18.5	60.1
2000 Q3	36.8	56.9	38.2	19.0	17.2	62.1

Source: BIS

* On-balance sheet financial claims, also known as lending to the "immediate borrower".

** *Owing to the ommission of the unallocated item, the percentage shares do not total 100.*

The third quarter saw a large flow of funds from oil-exporting countries and other developing countries to commercial banks in the Bank of International Settlements' reporting area. According to the Bank's statistics, outflows in the third quarter arose from a surge in deposits rather than a reduction of claims.

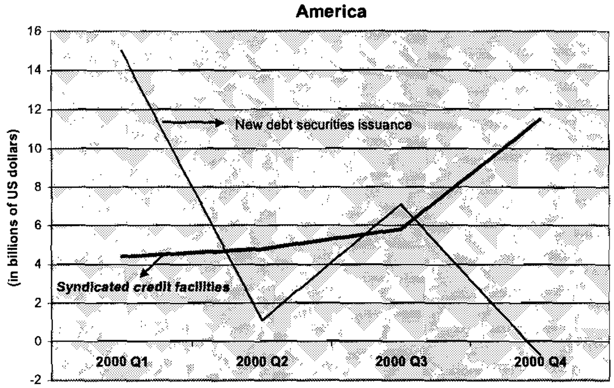
Overall exposure to Argentina increased by 4.3% in the first three quarters of 2000, to Brazil by 0.2%, to Chile by 9.7%, to Mexico by 1.1%, and to Peru by 28.4%. Overall exposure to Venezuela, on the other hand, fell by 2.9%. With the acquisition of a bank in Mexico, Spanish banks continued their five-year expansion in Latin America, decisively replacing U.S banks as the largest lenders in the region. Italian and Spanish banks provided Argentina with an additional US$1.2 billion of short-term loans during the third quarter.

Compared to one year ago, with the exception of Brazil and Mexico, the countries in our sample show a reduction in the average maturities' length of the loans received. In the case of Chile and Peru, their short-term claims increased significantly. There were no striking changes in the sectoral distribution, although it reveals a slight reduction in inter-bank transactions, and a mild increasing share of credit to the non-bank private sector.

According to BIS statistics, Brazil (US$3.1 billion) and Argentina (US$2.1 billion) received the bulk of new credit extended to Latin America by banks in the reporting area during the third quarter of 2000.

Announced syndicated loan commitments to Latin America strengthened significantly in the fourth quarter of 2000, in the context of Argentina and Turkey-related concerns, and of uncertainty in U.S. financial markets. The poor performance of Latin American equities and bonds in the fourth quarter may have prompted firms to turn from stock and debt markets to the syndicated loan market for financing. While Latin American countries have relied on debt securities for their financing needs since the third quarter of 1999, in the second quarter and now in the fourth quarter of 2000 as well, new debt securities issuance decreased sharply. The amount of announced syndicated lending increased steadily throughout the year and exceeded that of new debt issuance in the fourth quarter, according to the Bank of International Settlements (Chart 19).

Chart 19
Announced Syndicated Lending and Securities Issuance in Latin America



* Net Issuance: Gross Issues - Repayments

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

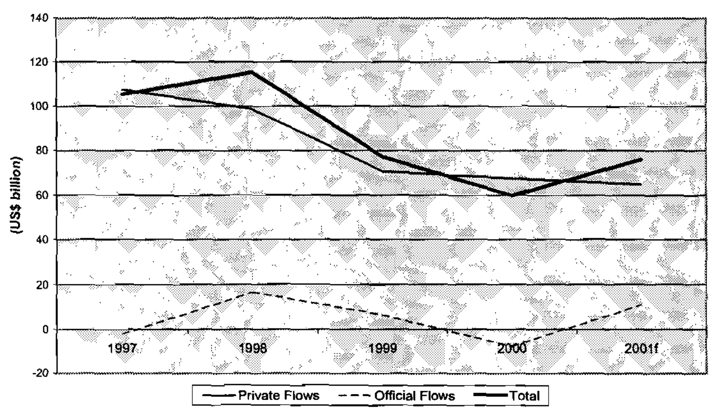
IV. Prospects

In the fourth quarter of 2000 investors in Latin American markets focused their concerns on the U.S. economic slowdown, the downfall of the technology, media and telecommunications stocks, and the economic and political vulnerability of Argentina. Latin American debt delivered a weak performance, with new debt issuance reaching its lowest level for the year in November, while spreads widened significantly in October and November. Conditions in Latin American markets began to improve with the announcement of a multilateral package for Argentina led by the IMF with spreads tightening after that, and with the surprising cut in U.S. interest rates in early January contributing to a recovery in debt issuance. Equity markets also delivered a poor performance in the fourth quarter, registering significant outflows, but there was a strengthening of new syndicated bank lending over the same period.

For the year as a whole, Latin American financial markets showed a good performance, reflecting improved economic policies in many countries, supported by countries' enhanced liability management, a generally benign external environment, and the IMF's rapid and massive emergency support for Argentina. A growing number of countries, led by Brazil and Mexico, conducted liability management operations in 2000, which resulted in net present value gains and improved maturity profiles. Mexico's success in buying back Brady bonds resulted in lower borrowing costs and large fiscal savings. Moreover, positive rating announcements by credit rating agencies such as Moody's and Standard & Poor's outweighed negative ones in 2000. Liability management operations have continued in the early months of 2001, and an upgrade of Mexico by Standard & Poor's in the first half of 2001 is widely expected. The upgrade will provide further impetus for the rotation out of Mexican assets by dedicated emerging market investors, freeing up capital to the benefit of the remainder of the emerging markets.

According to the Institute of International Finance, however, net private capital flows to Latin America moderated slightly to US$68 billion in 2000, compared with US$71 billion in 1999 and nearly US$100 billion in 1998. Sharply weaker private capital flows to Argentina and Mexico last year more than offset a recovery in flows to Brazil after its exchange rate crisis. A further easing in private capital flows to US$ 65 billion is projected for 2001, as flows to Argentina are assumed to fall substantially further (Chart 20).

Chart 20: Capital Flows to Latin America, 1997 to 2001



Source: ECLAC, on the basis of data from the Institute of International Finance, Inc., January 2001.
f = IIF forecast

Latin America's asset's performance in the first half of 2001 will be influenced by developments in U.S. and global markets, as it remains closely linked to industrial country financial markets, the behavior of oil prices, and the uncertainty and volatility surrounding Argentina. After the recent demise of the Turkish lira, experts immediately refocused their attention on Argentina's vulnerability, which is highlighted by the fact that after receiving a jumbo IMF-led package in December, Argentina hasn't shown decisive signs of economic recovery yet.

APPENDIX

A. Latin American Spreads

B. New Latin American Debt Issuance

A. Latin American Spreads

Table 1:
Sovereign Spreads on JP Morgan EMBI+ and Latin American Composites

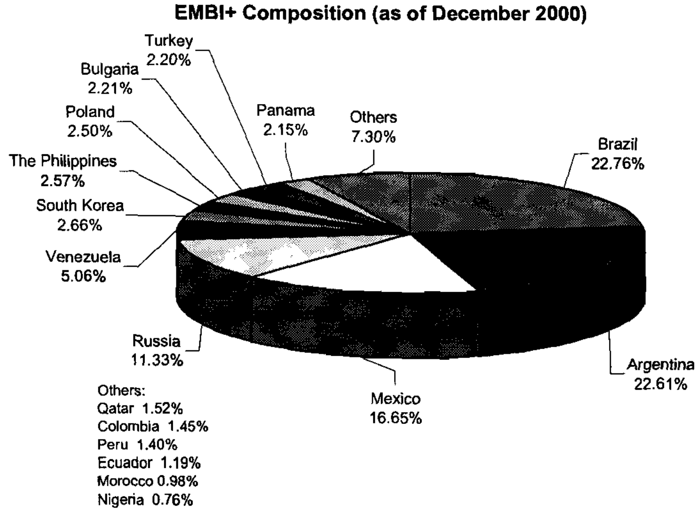
	EMBI+	*Argentina*	*Brazil*	*Colombia**	*Ecuador*	*Mexico*	*Peru*	*Venezuela*	*Latin America*
31-Jul-98	633	454	608	n.a.	1371	461	515	829	554
31-Aug-98	1524	1278	1421	n.a.	2077	941	941	2575	1328
30-Sep-98	1330	904	1326	n.a.	1903	911	911	1558	1111
31-Oct-98	1190	779	1192	n.a.	1484	819	755	1372	980
30-Nov-98	1070	664	975	n.a.	1221	737	610	1612	858
31-Dec-98	1151	707	1231	n.a.	1631	741	612	1283	941
31-Jan-99	1288	858	1507	n.a.	2055	801	743	1463	1106
28-Feb-99	1330	794	1376	n.a.	2405	722	663	1393	1028
31-Mar-99	1171	683	1041	n.a.	1973	600	562	1121	839
30-Apr-99	1010	596	873	n.a.	1553	532	396	789	709
28-May-99	1157	786	1066	671	1862	647	603	1108	880
30-Jun-99	1070	758	957	667	2113	623	609	896	832
30-Jul-99	1147	853	1053	691	2473	677	610	1024	919
31-Aug-99	1166	776	1124	700	3402	644	700	1174	931
30-Sep-99	1098	663	984	613	4764	596	635	925	823
29-Oct-99	1010	635	851	505	3705	535	613	836	743
30-Nov-99	927	650	806	549	3093	449	526	940	715
31-Dec-99	824	533	636	423	3353	363	443	844	597
31-Jan-00	904	594	758	482	4033	438	482	894	682
20-Feb-00	816	551	688	524	3227	364	432	792	616
31-Mar-00	798	568	679	547	3111	354	518	879	623
28-Apr-00	708	572	742	740	3350	385	512	952	654
31-May-00	784	702	792	739	4499	438	611	985	737
30-Jun-00	712	676	722	722	3926	381	546	895	679
31-Jul-00	680	650	712	662	2846	353	522	837	654
31-Aug-00	643	681	672	686	1340	321	496	780	618
29-Sep-00	677	675	705	722	1261	318	664	798	634
31-Oct-00	745	815	758	768	1331	365	759	860	707
30-Nov-00	805	879	829	818	1441	385	772	902	759
29-Dec-00	756	773	749	755	1415	392	687	958	706
31-Jan-01	674	663	677	697	1230	363	674	838	631
28-Feb-01	748	803	753	646	1268	428	637	850	710

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

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

EMBI+ composition by market sector (end-Dec. 2000): Brady, 42.47%; Benchmark Eurobonds, 50.28%; Argentine Domestic, 6.27%; Loans, 0.98%.
by country: Argentina, Brazil and Mexico account for 62% of the total weighting.
by region: Latin: 73.27%; Non-Latin: 26.73%.

EMBI+ Composition (as of December 2000)



Tables 2, 3, and 4:
Benchmark Sovereign Eurobonds for selected Latin American Countries

Table 2:

Weekly Spreads on 30-year Benchmark Latin Eurobonds: 2000

Country	Argentina	Brazil	Colombia	Mexico	Venezuela
Coupon	9.750	10.125	8.375	11.500	9.250
Maturity	9/19/27	5/15/27	2/15/27	5/15/26	9/15/27
			(Basis points)		
7-Jan-00	435	555	435	297	743
14-Jan-00	432	573	436	315	732
21-Jan-00	433	582	443	305	709
28-Jan-00	483	641	478	344	782
4-Feb-00	455	624	490	282	771
11-Feb-00	445	573	475	262	767
18-Feb-00	458	603	511	281	750
25-Feb-00	459	630	514	267	744
3-Mar-00	453	586	520	232	722
10-Mar-00	454	576	494	223	718
17-Mar-00	471	584	521	252	740
24-Mar-00	477	593	521	261	760
31-Mar-00	510	628	521	290	784
7-Apr-00	545	656	615	325	806
14-Apr-00	560	715	633	352	839
20-Apr-00	547	694	634	324	831
28-Apr-00	540	665	700	327	812
5-May-00	558	713	783	340	929
12-May-00	648	752	682	364	903
19-May-00	680	742	770	370	880
26-May-00	674	734	793	383	892
2-Jun-00	601	669	704	329	794
9-Jun-00	623	655	683	343	783
16-Jun-00	614	659	695	326	782
23-Jun-00	648	663	693	324	804
30-Jun-00	639	665	692	306	792
7-Jul-00	618	654	679	287	773
14-Jul-00	593	652	658	287	766
21-Jul-00	606	649	644	300	758
28-Jul-00	634	673	655	311	784
4-Aug-00	646	680	685	306	762
11-Aug-00	639	679	647	293	753
18-Aug-00	707	701	654	310	776
25-Aug-00	676	683	657	310	778
1-Sep-00	651	662	652	311	764
8-Sep-00	641	668	651	313	749
15-Sep-00	649	690	711	325	763
22-Sep-00	655	713	704	331	770
29-Sep-00	629	707	688	318	774
6-Oct-00	652	700	699	339	773
13-Oct-00	690	743	737	370	805
20-Oct-00	771	773	760	377	853
27-Oct-00	726	775	789	368	850
3-Nov-00	751	765	774	356	810
10-Nov-00	713	794	774	362	819
17-Nov-00	730	846	786	348	825
27-Nov-00	730	792	794	360	817
1-Dec-00	728	812	800	371	833
8-Dec-00	693	742	768	380	877
15-Dec-00	714	766	742	388	918
21-Dec-00	681	748	742	371	904

Source: "Emerging Markets Debt Daily", Merrill Lynch.

Table 3:

Weekly Spreads on 10-year Benchmark Latin Eurobonds: 2000				
Country	Argentina	Brazil	Colombia	Mexico
Coupon	11.750	14.500	9.750	10.375
Maturity	4/7/09	10/15/09	4/23/09	2/17/09
	(Basis Points)			
7-Jan-00	513	613	434	287
14-Jan-00	528	628	469	307
21-Jan-00	512	632	469	297
28-Jan-00	551	684	488	326
4-Feb-00	514	645	482	256
11-Feb-00	486	608	465	233
18-Feb-00	490	634	503	249
25-Feb-00	493	641	529	237
3-Mar-00	484	604	513	208
10-Mar-00	487	595	511	199
17-Mar-00	517	617	547	232
24-Mar-00	513	610	545	231
31-Mar-00	555	650	554	273
7-Apr-00	590	680	685	300
14-Apr-00	601	753	680	330
20-Apr-00	579	721	681	305
28-Apr-00	551	695	734	296
5-May-00	591	708	848	316
12-May-00	705	752	787	341
19-May-00	739	753	823	363
26-May-00	709	764	887	385
2-Jun-00	647	679	734	302
9-Jun-00	658	660	721	318
16-Jun-00	649	682	740	314
23-Jun-00	664	679	731	306
30-Jun-00	666	685	761	274
7-Jul-00	636	668	745	265
14-Jul-00	607	666	700	261
21-Jul-00	631	656	681	271
28-Jul-00	652	661	661	284
4-Aug-00	667	666	754	275
11-Aug-00	652	644	702	254
18-Aug-00	712	647	687	275
25-Aug-00	693	657	678	262
1-Sep-00	696	619	695	270
8-Sep-00	685	622	699	281
15-Sep-00	692	653	727	301
22-Sep-00	695	677	781	287
29-Sep-00	686	652	760	281
6-Oct-00	694	651	732	309
13-Oct-00	742	697	785	344
20-Oct-00	771	732	792	353
27-Oct-00	855	753	831	342
3-Nov-00	881	734	800	323
10-Nov-00	880	777	818	328
17-Nov-00	848	763	809	308
27-Nov-00	856	752	810	335
1-Dec-00	859	780	825	349
8-Dec-00	822	749	791	359
15-Dec-00	848	766	753	363
21-Dec-00	801	750	760	340

Source: "Emerging Markets Debt Daily", Merrill Lynch.

Table 4:

Weekly Spreads on 3-year Benchmark Latin Eurobonds: 2000			
Country	Argentina	Brazil	Mexico
Coupon	9.250	8.875	9.750
Maturity	2/23/01	11/5/01	2/6/01
	(Basis Points)		
7-Jan-00	351	242	83
14-Jan-00	288	232	90
21-Jan-00	326	262	85
28-Jan-00	330	254	117
4-Feb-00	308	219	4
11-Feb-00	309	213	50
18-Feb-00	244	229	42
25-Feb-00	235	244	45
3-Mar-00	232	204	37
10-Mar-00	253	199	51
17-Mar-00	257	203	44
24-Mar-00	152	187	26
31-Mar-00	129	186	17
7-Apr-00	163	202	85
14-Apr-00	217	222	64
20-Apr-00	207	196	39
28-Apr-00	169	169	9
5-May-00	213	186	51
12-May-00	304	196	34
19-May-00	236	161	29
26-May-00	156	178	35
2-Jun-00	220	187	-17
9-Jun-00	242	182	32
16-Jun-00	217	198	-22
23-Jun-00	248	166	-39
30-Jun-00	252	177	-45
7-Jul-00	234	181	-50
14-Jul-00	206	175	-69
21-Jul-00	211	180	-52
28-Jul-00	207	179	-68
4-Aug-00	206	163	-82
11-Aug-00	125	156	-103
18-Aug-00	200	155	-122
25-Aug-00	199	155	-109
1-Sep-00	171	166	-123
8-Sep-00	195	144	-135
15-Sep-00	235	145	-163
25-Sep-00	209	192	-205
29-Sep-00	205	163	-231
6-Oct-00	229	159	-266
13-Oct-00	203	170	-97
20-Oct-00	549	167	n.a
27-Oct-00	468	151	n.a
3-Nov-00	651	158	n.a
10-Nov-00	559	167	n.a
17-Nov-00	501	128	n.a
27-Nov-00	525	126	n.a
1-Dec-00	536	137	n.a
8-Dec-00	431	122	n.a
15-Dec-00	379	124	n.a
21-Dec-00	189	139	n.a

Source: "Emerging Markets Debt Daily", Merrill Lynch.

B. New Latin American Debt Issuance:

Table 5:

New Latin American Debt Issuance
Fourth Quarter of 2000
October 2000

Country	Issuer	Amount (million)	Maturity
Argentina	Banco Hipotecario	EUR100	10/18/02
Brazil	HSBC Bank Brazil	US$50	10/5/05
Brazil	Cosipa Overseas	US$175	10/23/07
Brazil	Republic of Brazil	EUR750	10/5/07
Colombia	Republic of Colombia	EUR300	10/12/05
Mexico	PEMEX	US$500	10/13/10
Total		**US$ 1.7bn**	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".
*Rate of exchange between U.S. Dollars and Euros - average for October 2000:
US$/Euro=0.855 (Source: ECB Monthly Bulletin).

Table 6:

New Latin American Debt Issuance
Fourth Quarter of 2000
November 2000

Country	Issuer	Amount (million)	Maturity
Brazil	Banco ABN AMRO Real	US$100	11/29/02
Brazil	Caiu Serviços de Eletricidade	US$40	11/29/02
Uruguay	Republic of Uruguay	CLP82000	5/29/07
Total		**US$ 284mn**	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".
*Rate of exchange between U.S. Dollars and Chilean Pesos (CLP) - average for November 2000:
CLP/US=567.84 (Source: Chile's Central Bank).

Table 7:

New Latin American Debt Issuance
Fourth Quarter of 2000
December 2000

Country	Issuer	Amount (million)	Maturity
Brazil	Banco BBA Creditanstalt	US$75	12/20/02
Brazil	Banco Safra	US$125	12/20/01
Brazil	Brascan Brazil Limited	US$25	12/20/02
Brazil	Republic of Brazil	JPY60,000	3/22/06
Brazil	Banco Itaú	US$100	12/28/01
Total		***US$ 860 million***	

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".
*Rate of exchange between U.S. Dollars and Japanese Yens (JPY) - average for December 2000:
JPY/US$=112.21 (Source: Bank of Japan).