

Capital flows to Latin America and the Caribbean

First 10 months of 2024



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This document was prepared by Helvia Velloso, Economic Affairs Officer, under the supervision of Andrés Valenciano, Acting Chief of the Economic Commission for Latin America and the Caribbean (ECLAC) office in Washington, D.C.

The report has been prepared on the basis of market views and developments. All data and information are from market sources, unless otherwise noted. Unless otherwise indicated, the cut-off date for the information used to prepare this report is 31 October 2024.

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Contents

Highlights	5
Overview	7
I. International bond markets and debt management	15
A. New debt issuance	15
1. Sovereign issuance.....	17
2. Corporate issuance.....	17
3. Currency composition	20
4. GSSS bond issuance.....	20
B. Credit risk outlook.....	23
C. Bond spreads	25
1. Sovereign spreads.....	25
2. Corporate spreads.....	26
D. The Caribbean: a closer look	26
II. Portfolio equity flows	31
III. Prospects	33
Annexes	35
Annex 1 New LAC bond issuances	36
Annex 2 LAC credit ratings	41
Annex 3 Latin American bond spreads	45
Tables	
Table 1 LAC debt issuances in international markets by sector, January–October 2024	9
Table 2 LAC international sovereign bond issuances, January–April 2024	17
Table 3 LAC international GSSS bond issuances, January–October 2024	21
Table 4 Currency breakdown of LAC international GSSS bond issuances, January–October 2024.....	22
Table 5 Sovereign credit rating actions in Latin America and the Caribbean, January–October 2024	24
Table 6 Caribbean sovereign credit rating actions, January–October 2024.....	27
Table 7 MSCI equity indices, January–October 2024	31

Table 8 (Annex 1)	LAC international bond issuances in the first quarter of 2024	36
Table 9 (Annex 1)	LAC international bond issuances in the second quarter of 2024	38
Table 10 (Annex 1)	LAC international bond issuances in the third quarter of 2024	39
Table 11 (Annex 1)	LAC international bond issuances in the fourth quarter of 2024	40
Table 12 (Annex 2)	Credit ratings in Latin America and the Caribbean, January–October 2024	41
Table 13 (Annex 3)	EMBI Global index and Latin American composites, October 2020–October 2024.....	45

Figures

Figure 1	Annual LAC international bond issuance, 1990–2024 YTD.....	7
Figure 2	Monthly LAC international bond issuance and ten-year U.S. Treasury yield, Apr 2021–Oct 2024 ...	8
Figure 3	LAC debt issuances in international markets by type of issuer, Jan to Oct 2023–Jan to Oct 2024....	9
Figure 4	LAC international GSSS bond issuance, 2014–2024 YTD.....	10
Figure 5	LAC international GSSS bond issuance by types of instruments, January–October 2024.....	10
Figure 6	Sovereign bond issuance as a share of LAC international GSSS bond issuance, 2018–2024 YTD .	11
Figure 7	Sovereign net credit rating actions in LAC, 2004–2024 YTD	12
Figure 8	Sovereign net credit rating upgrades and downgrades in LAC, 2004–2024 YTD	12
Figure 9	EMBIG and Latin American monthly spreads, October 2019–October 2024	13
Figure 10	MSCI equity price Index, January–October 2024.....	13
Figure 11	LAC quarterly international bond issuance, 2015–2024 YTD.....	15
Figure 12	LAC international sovereign and corporate bond issuance, country breakdown, Jan–Oct 2024 .	16
Figure 13	LAC international bond issuance by rating and type of issuer, January–October 2024	16
Figure 14	LAC international corporate bond issuance by type, January–October 2024.....	18
Figure 15	LAC monthly international corporate bond issuance by type, January–October 2024	18
Figure 16	LAC international corporate bond issuance by rating and country, January–October 2024	19
Figure 17	LAC international corporate bond issuance by sector, January–October 2024	19
Figure 18	Currency breakdown of LAC international bond issuances, January–October 2024.....	20
Figure 19	Currency breakdown of LAC international GSSS bond issuances, January–October 2024.....	22
Figure 20	LAC international GSSS bond issuances by type of issuer and by country, Jan–Oct 2024.....	23
Figure 21	Latin American EMBIG spread differential, January–October 2024.....	25
Figure 22	Latin American and the Caribbean EMBIG spreads on 18 November 2024.....	25
Figure 23	EMBIG spreads, corporate and sovereign, October 2019–October 2024.....	26
Figure 24	EMBIG Spreads on 18 November 2024, Caribbean versus LAC	28
Figure 25	MSCI equity price index, January–October 2024.....	32

Boxes

Box 1	The Bahamas' debt-for-nature swap.....	27
Box 2 (Annex 2)	Credit rating actions in Latin America and the Caribbean – January to October 2024	42

Highlights

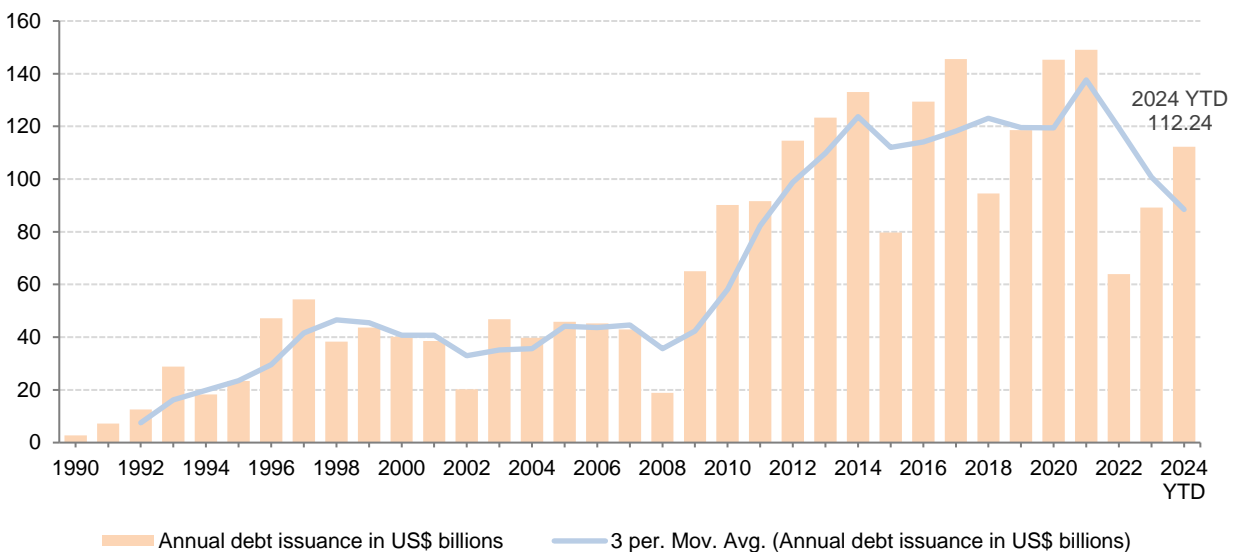
- In the first ten months of 2024, Latin America and Caribbean (LAC) issuers placed US\$ 112 billion of bonds in international markets. Rebounding from the same period last year, this total is 40% higher than in January-October 2023 and 26% higher than the 2023 annual volume.
- Volumes increased as the global monetary policy tightening cycle reached a peak and in anticipation of monetary easing, particularly in the United States. The U.S. Federal Reserve cut interest rates twice this year, in September and November.
- The average coupon in the first ten months of 2024 stayed high at 6.93%, the same as in January-October 2023, suggesting that global financial conditions remain tight. The market remained open to high-yield issuers from the region, but most of the region's issuances (58%) came from the investment grade sector.
- Corporate bond issuances (including private bank and non-bank, state-owned enterprises, and supranational entities) are rebounding, after being deeply impacted by rising global interest rates in the past two years. They accounted for 57% of the total in the first ten months of 2024, following two consecutive years in which sovereign issuances accounted for more than 50% of the total.
- The region's top three issuers, corporate and sovereign combined, were Brazil, Mexico, and Chile, in that order. Together they accounted for 58% of the total regional issuance in the first ten months of 2024. Brazil was the top issuer with a share of 20%, followed by Mexico (19%) and Chile (18%).
- They were also the region's top three sovereign issuers, together accounting for 56% of all international sovereign issuances from the region. Mexico was the top sovereign issuer with a share of 24%, followed by Chile (18%) and Brazil (15%).
- The region's issuance of international green, social, sustainability and sustainability-linked (GSSS) bonds totalled US\$ 29 billion in the first ten months of 2024, up 19% from the same period in 2023. They represented a 26% share of the region's total international bond issuance, down from 31% in the same period in 2023, and from the record 35% annual share in 2023.

- The sovereign sector accounted for 54% of the region's GSSS international bond issuances in the first ten months of 2024, continuing a four-year trend in which the sovereign share of GSSS bond issuances has been above 50%. The private corporate sector's share was 33%, while quasi-sovereign and supranational issuers accounted for 13%.
- Social bonds were the region's most used sustainable debt instrument in the period with a share of 36%. The Governments of Chile and Colombia, with shares of 74% and 13%, respectively, represented 87% of the total amount of social bonds placed in international markets. Green bonds ranked second (32%), with the private corporate sector representing 90% of the total, followed by sustainability bonds in third (30%).
- Credit quality momentum was a net positive in the first ten months of 2024. Overall, twenty-eight credit rating actions took place from January to October 2024, with a balance of ten more positive credit rating actions than negative.
- Despite an improvement in credit quality, LAC bond spreads widened eighty-eight basis points in the first ten months of 2024. In contrast, the overall EMBIG tightened fourteen basis points. The region's sensitivity to currency volatility may explain why the Latin EMBIG experienced widening spreads while the overall EMBIG did not. As measured by the JPMorgan Emerging Markets Bond Index Global (EMBIG), LAC bond spreads stood at 471 basis points at the end of October 2024.
- After a robust performance in 2023, Latin American equities in U.S. dollar terms have weakened since the beginning of 2024, as the strong U.S. dollar has negatively impacted Latin American economies and markets. The MSCI Latin American index lost 20% in the first ten months of 2024, underperforming the emerging market and G7 indices, which gained 9% and 16%, respectively.
- Latin American debt issuers are facing the prospect of higher funding costs next year after the results of the U.S. presidential elections. The expected policies of the new incoming administration include higher tariffs and lower taxes, which may strengthen the dollar and push inflation and government borrowing higher, leading to higher U.S. Treasury yields and pressuring the Federal Reserve to moderate its plans to keep cutting interest rates next year.

Overview

Latin American and Caribbean (LAC) issuers placed US\$ 112.24 billion of bonds in international markets in the first ten months of 2024 (figure 1). This total was 40% higher than in the same period in 2023. The average coupon rate, at 6.93%, was the same as in January-October 2023, indicating that financing costs continue to be high. The market remained open to high-yield issuers, but most of the region’s issuances (58%) came from the investment grade sector.

Figure 1
Annual LAC international bond issuance, 1990–2024 YTD
(Billions of dollars)

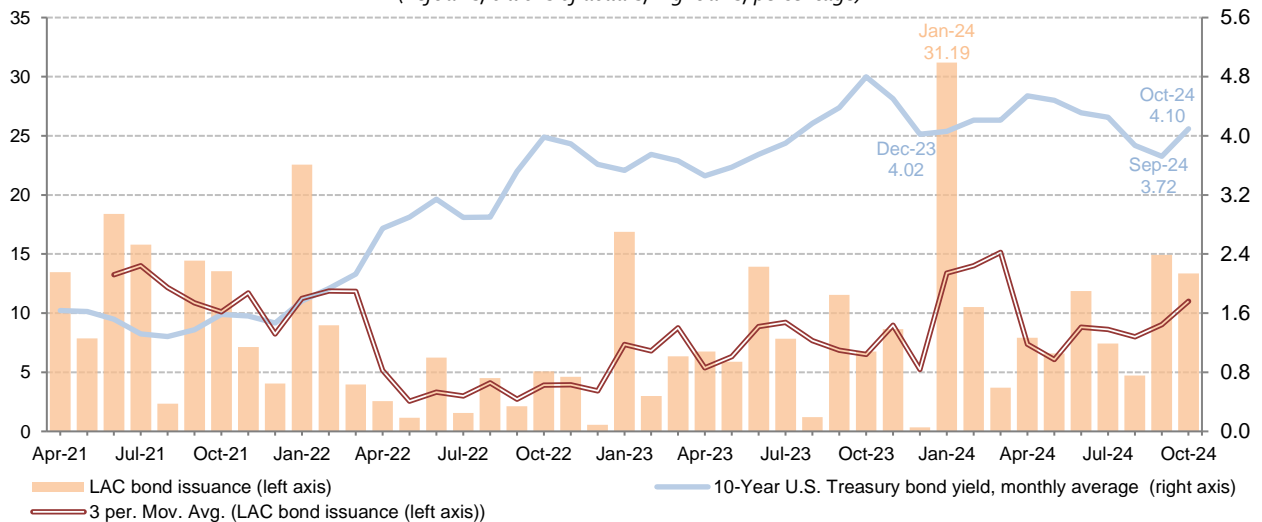


Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg. YTD=year-to-date as of 31 October 2024.

In 2023, LAC international debt issuances began to rebound from their 2022 low levels in anticipation of the end to the U.S. tightening monetary policy cycle, which reached a peak in July 2023. The Federal Reserve kept the federal funds rate on hold at the 5.25%-5.50% range from July 2023 to August 2024. It began to ease monetary policy in mid-September, cutting the federal funds rate by 75 basis points since then –50 basis points in September and another 25 basis points in November. Over that same period, the ten-year Treasury yield increased by 79 basis points –including 21 basis points as U.S. presidential election results came in.

The election results point to a shift in U.S. economic policy, which complicates the monetary policy outlook going forward. The expected policies of the new incoming administration include higher tariffs and lower taxes, which may strengthen the dollar and push inflation and government borrowing higher, leading to higher U.S. Treasury yields and pressuring the Federal Reserve to moderate its plans to keep cutting interest rates next year. The U.S. ten-year yield climbed to as high as 4.5% on 15 November, from as low as 3.6% in mid-September. Higher Treasury yields can curb investors' appetite for emerging market and LAC assets by tightening financial conditions and siphoning funds away from them, leading to an adverse impact on the region's international debt issuances (figure 2).

Figure 2
Monthly LAC international bond issuance and ten-year U.S. Treasury yield, April 2021–October 2024
(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 monthly 10-year U.S. Treasury bond yield.

Corporate sector participation rebounded in the first ten months of 2024, following two consecutive years in which the region's sovereign debt issuances surpassed the 50%-mark. Bond issuances from the private corporate sector were an important driver of LAC international debt issuances from 2009 to 2021 but suffered a decline in 2022 and in the first half of 2023 as global interest rates rapidly increased to fight inflation. They have since started to recover, reflecting a slow but steady trend towards the normalization of financial conditions.

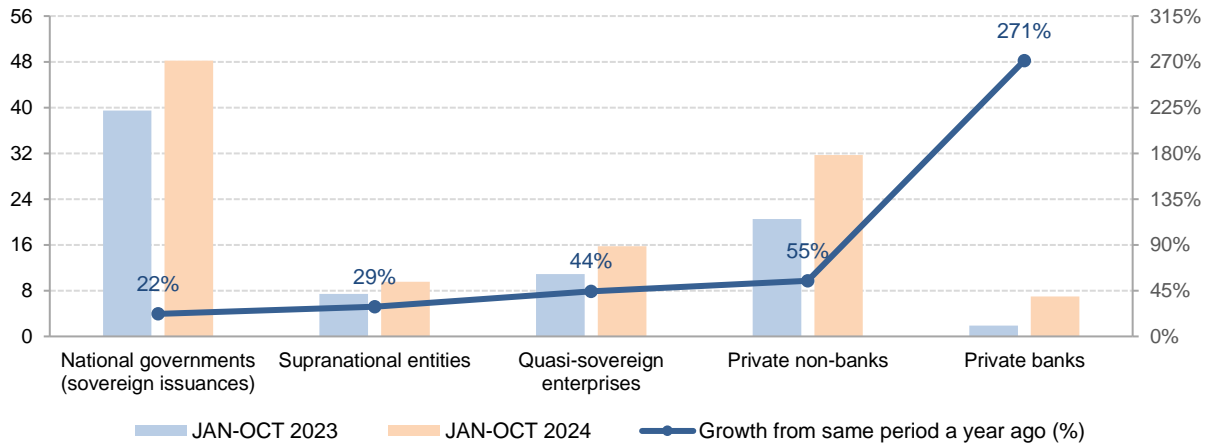
Corporate bond issuances (including private banks and non-banks, state-owned enterprises, and supranational entities) accounted for 57% of the total from January to October 2024, while sovereign issuances accounted for 43%. Private bank and non-bank debt issuances showed the largest increase relative to the same period in 2023 (table 1, figure 3). However, rising U.S. Treasury yields and a strengthening dollar could dampen investor appetite for higher-yielding assets in Latin America and the Caribbean and other emerging markets. Uncertainty about the U.S. monetary policy outlook going forward, which has been complicated by the expected shift in economic policy next year, could also weigh on the market and on the corporate sector.

Table 1
LAC debt issuances in international markets by sector, January–October 2024
(Billions of dollars, percentages and number of deals)

	Private banks	Private non-banks	Quasi-sovereign enterprises	National governments (sovereign issuances)	Supranational entities	Total
Total JAN-OCT 2024 (millions of dollars)	6.99	31.72	15.74	48.21	9.58	112.24
Growth from JAN-OCT 2023 (%)	271%	55%	44%	22%	29%	40%
Growth from annual 2023 total (%)	268%	41%	44%	4%	25%	26%
Share of Total (%)	6%	28%	14%	43%	9%	100%
Number of deals	20	56	22	40	29	167
Change from JAN-OCT 2023 (# of deals)	7	4	12	9	-6	26

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

Figure 3
LAC debt issuances in international markets by type of issuer, January to October 2023–January to October 2024
(Billions of dollars and percentages)



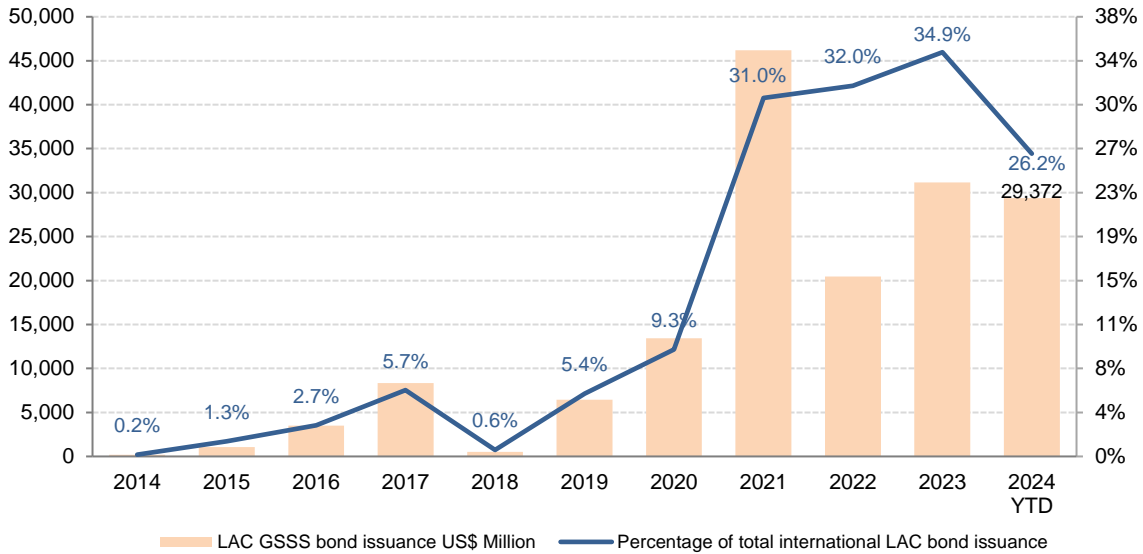
Source: ECLAC Washington Office based on data from Dealogic, LatinFinance, Cbonds and Bloomberg.

The region's top three issuers in the first ten months of 2024, corporate and sovereign combined, were Brazil, Mexico, and Chile, in that order, which together accounted for 58% of the total regional debt issuance in the first ten months of 2024. Brazil was the top issuer, with a share of 20.3%, followed by Mexico (19.2%) and Chile (18.3%). The three were also the region's top three sovereign issuers. Together they accounted for 56% of all sovereign LAC debt issuances, with Mexico issuing 24.1%, Chile 17.5% and Brazil 14.6% of the total.

The region issued US\$ 29 billion of international green, social, sustainability and sustainability-linked (GSSS) bonds in the first ten months of the year, up 19% from the same period in 2023. This total represented a 26% share of the region's total international bond issuance, down from 31% in the same period in 2023 and from the record 35% annual share in 2023 (figure 4). It is early to speculate the reasons behind this decrease, but the steep decline in the share of sustainability-linked bond (SLB) issuances year-to-date—to 2.7% (figure 5) from 36% in 2023—as scrutiny regarding their credibility and impact rises, may offer a partial explanation. According to an April report by Fitch, the SLB structure has faced scrutiny and criticism due to credibility concerns, including lack of aggressive green improvements made after they are issued, leading investors to refocus on green bonds.¹

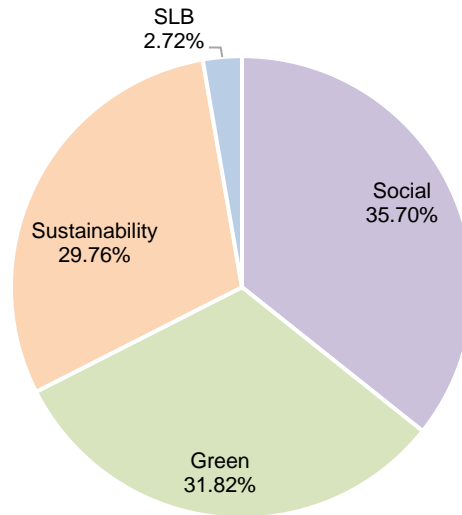
¹ Sustainable Fitch, "Enel's Missed Targets Could Support Maturing SLB Market" 29 April 2024 [online]. In April, the Italian energy company Enel, which issued the inaugural SLB in global markets, announced it had failed to meet one of its sustainability performance targets, a 2023 goal to cut emissions by more than a third compared with 2022. This triggered a 25 basis points step-up in the affected bonds, posing a new test for the SLB market, which, according to Fitch, may help it to mature by refocusing attention on credible aims and incentives.

Figure 4
LAC international GSSS bond issuance, 2014–2024 YTD
(Left axis, Millions of dollars; Right axis, percentage)



Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg. The region’s first international green bond was issued in December 2014. Note: Year-to-date (YTD) = January to October 2024.

Figure 5
LAC international GSSS bond issuance by types of instruments, January–October 2024
(Percentage)



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

Social bonds were LAC issuers’ most used sustainable debt instruments in the first ten months of 2024. They accounted for 36% (US\$ 10.5 billion) of the region’s total international GSSS bond issuance, with most issuances (87%) coming from the sovereign sector. They included five new issuances and one reopening from the Government of Chile, four of them of over US\$ 1 billion, for a total of US\$ 7.8 billion (74% of the total) and the reopening of the Government of Colombia’s 2035 and 2053 social bonds issued in November 2023, totalling US\$ 1.3 billion (13%).

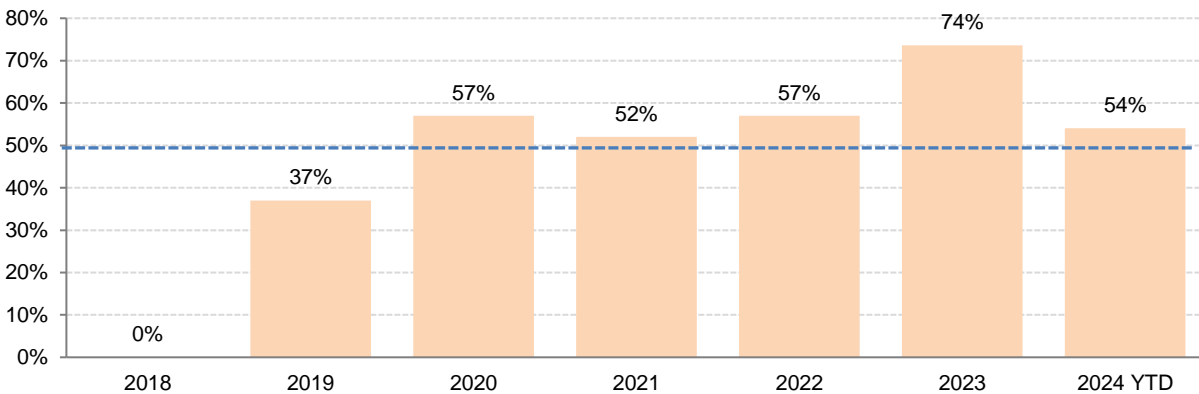
Green bonds were the second most used instrument with a 31.8% share (US\$ 9.3 billion). The private corporate sector issued 90% of all international green bond issuances from January to October 2024, with only one sovereign green issuance from the Dominican Republic and one quasi-sovereign issuance from Chile's Empresa de Transporte de Pasajeros Metro S.A. (Empresa Metro). Sustainability bonds came in third place, with 99% of these instruments being issued by sovereigns, quasi-sovereigns, and supranational issuers. SLBs came in last, with volumes declining drastically from 2023, when it captured the highest share – 36% of the total.

The distribution of the region's international GSSS bond issuances by type of instruments since the Covid-19 pandemic suggests a departure from global trends, which show a larger share of green bonds.² In the four-year period from 2020 to 2023, the region's preferred instruments were SLBs with a 32% share, followed by sustainability (26%) and social bonds (25%). Green bonds represented 15% of the four-year total. Although the distribution in the first ten months of 2024 is more in line with the global data, the share of sustainability and social instruments is still comparatively higher, while the share of green bonds is comparatively lower. According to Moody's, the share of green bonds at the global level was 60% in the third quarter of 2024, followed by sustainability bonds (19%), social bonds (17%) and SLBs (3%).³

The predominance of sustainability and social bonds over the green label and the region's unique level of SLB issuances in the past four years may be attributed to two key factors, according to Sustainable Fitch. One is the region's elevated level of poverty and inequality and the need for a combined social and green focus to address these structural problems. Another is the "critical role played by natural resources and the agribusiness sector, where the link between the environmental and social dimension is intrinsically strong."⁴

The data for the first ten months of 2024 suggests that the larger role played by national governments in the region's sustainable bond issuances in the past four years may have been another factor at play, as the increase in the green bonds' share in the first ten months of 2024 has been accompanied by a doubling of the private corporate sector participation in the region's total GSSS issuance from last year. The region's sovereign international GSSS bond issuances have surpassed the 50%-mark for four consecutive years. While sovereign participation in the first ten months of 2024 is still above this threshold this year (54%), it has fallen considerably from the 74% participation in 2023 (figure 6).

Figure 6
Sovereign bond issuance as a share of LAC international GSSS bond issuance, 2018–2024 YTD
(Percentage)



Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. The region's first sovereign international GSSS bond, a green bond, was issued by the Government of Chile in June 2019.

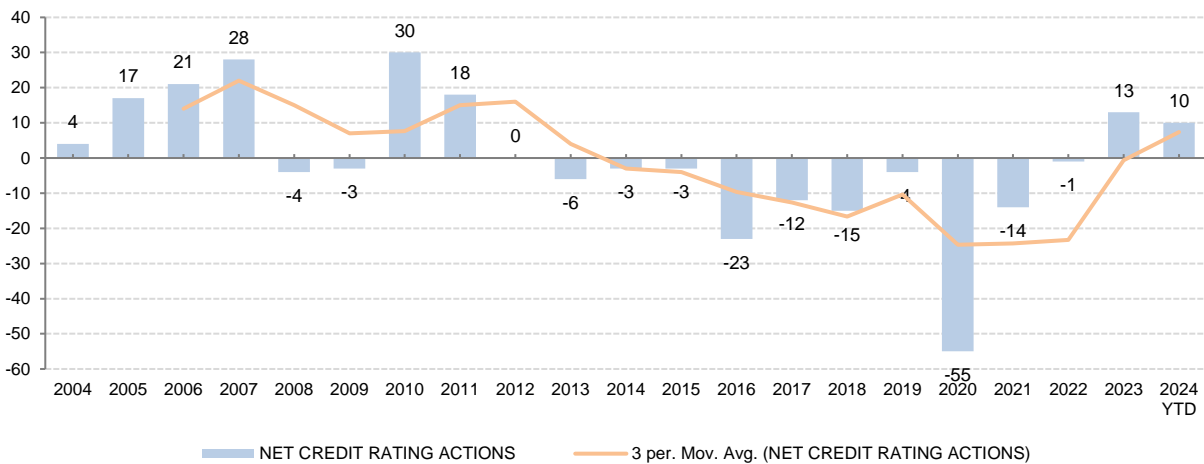
² See Moody's, "Sustainable bond issuance to hold steady in 2024 amid moderating economic growth," 24 January 2024, Exhibit 1, and Environmental Finance Data, "Sustainable Bond Roundup: Q4 (October-December) 2023," Presentation slides, 7 February 2024.

³ Moody's Ratings, *Sustainable Finance Update*, May 2024.

⁴ Sustainable Fitch, "Latin America Sustainable Finance Snapshot" by Tamara Tisminetzky, 30 November 2023, p.3.

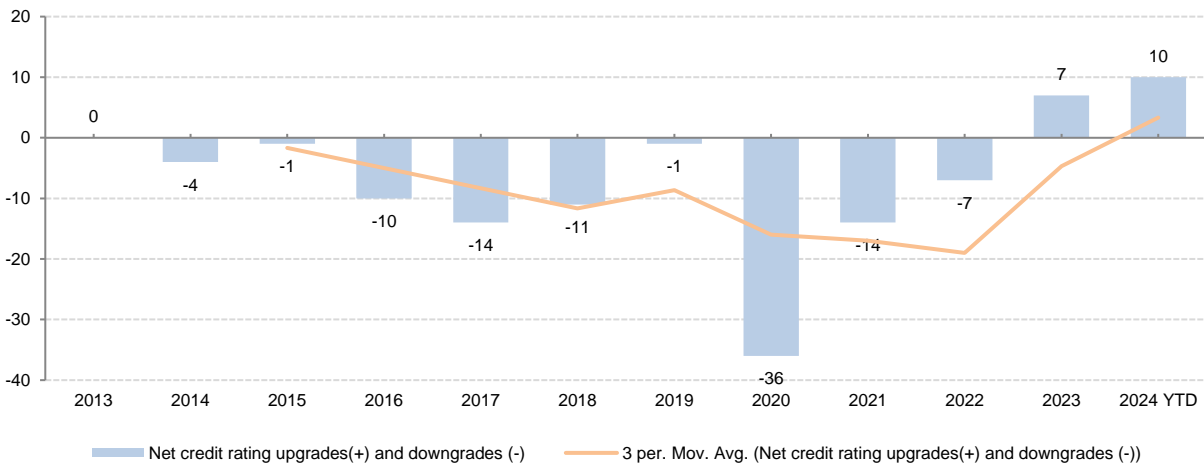
Sovereign credit rating actions in the region over the first ten months of 2024 were a net positive, continuing the positive trend that began in 2023. Overall, twenty-eight actions took place, with a balance of ten more positive credit rating actions than negative (figure 7). Upgrades have outpaced downgrades for LAC sovereigns year-to-date. There were ten more upgrades than downgrades in the first ten months of 2024, an improvement on last year’s annual balance of seven (figure 8).

Figure 7
Sovereign net credit rating actions in Latin America and the Caribbean, 2004–2024 YTD
(Net balance of positive and negative 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. Note: Year-to-date (YTD) = January to October 2024.

Figure 8
Sovereign net credit rating upgrades and downgrades in Latin America and the Caribbean, 2004–2024 YTD
(Net balance of positive and negative actions)

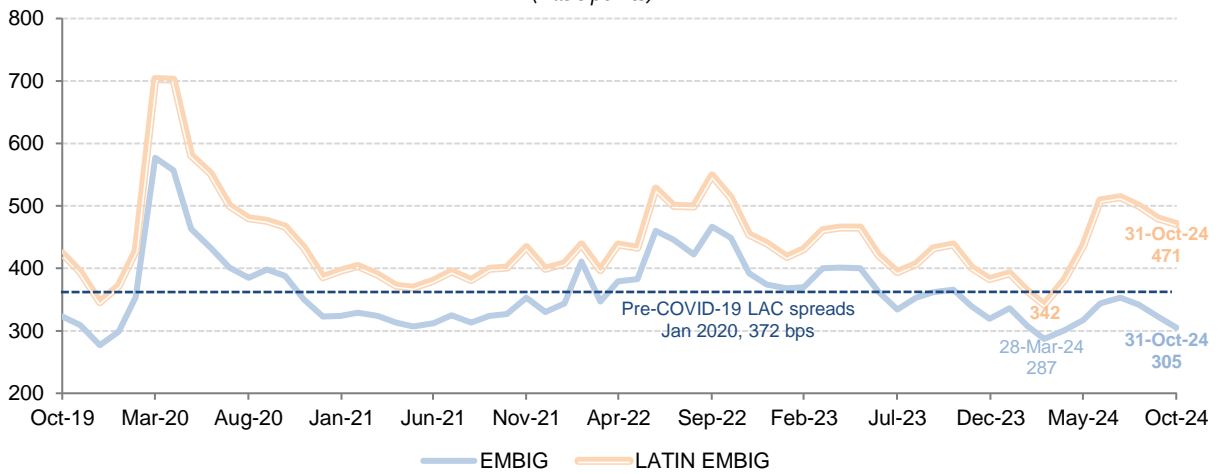


Source: ECLAC Washington Office, based on data from Moody’s, Standard & Poor’s, and Fitch. Note: Year-to-date (YTD) = January to October 2024.

Credit conditions in the region have been supported by the more favourable macroeconomic environment for emerging markets driven by U.S. monetary policy, with the tightening cycle reaching a peak last year and the beginning of interest rate cuts this year. Although the region’s prospects are improving with moderate growth and relaxing credit conditions, LAC issuers continue to face the credit implications from high U.S. interest rates and the prospect of higher U.S. Treasury yields.

Borrowing costs for LAC issuers as measured by the JPMorgan Emerging Markets Bond Index Global (EMBIG) widened by eighty-eight basis points in the first ten months of 2024, while the overall EMBIG tightened by fourteen. Spreads started to widen after a jump in U.S. Treasury yields following a higher-than-expected U.S. Consumer Prices Index (CPI) report in March, and kept widening until July. They have been tightening since then, but in the case of LAC spreads, not enough to compensate for the increase between March and July. Latin American bonds' sensitiveness to currency volatility may explain why the Latin EMBIG experienced widening spreads while the overall EMBIG did not. LAC bond spreads stood at 471 basis points at the end of October 2024, while the EMBIG stood at 305 basis points (figure 9).

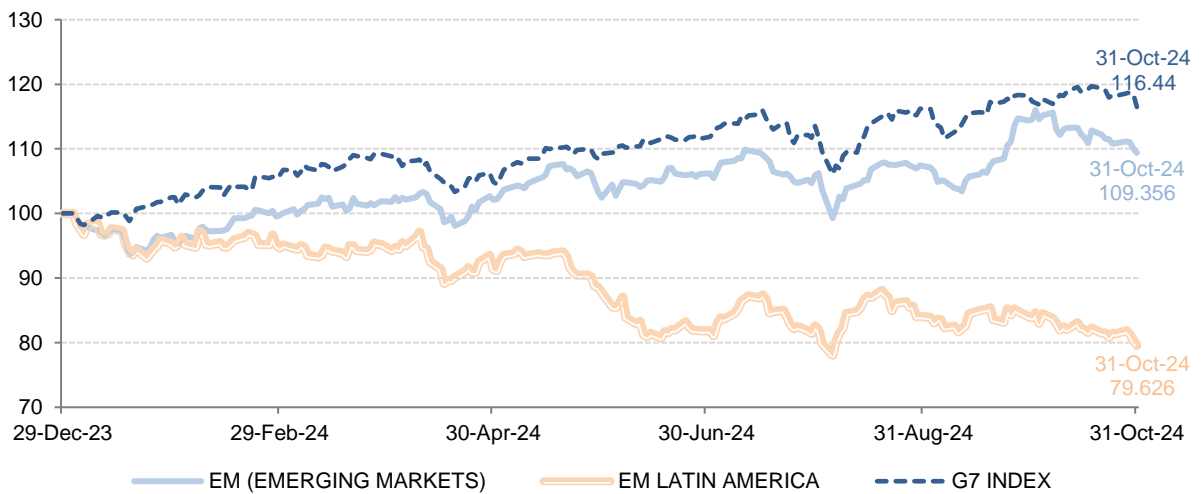
Figure 9
EMBIG and Latin American monthly spreads, October 2019–October 2024
(Basis points)



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

Latin American equities in U.S. dollar terms weakened in the first ten months of 2024 after a robust performance in 2023, as the strong U.S. dollar have negatively impacted Latin American economies and markets. The MSCI Latin American index lost 20% in the first ten months of 2024, underperforming the emerging market and G7 indices, which gained 9% and 16%, respectively (figure 10).

Figure 10
MSCI equity price Index, January–October 2024
(Index levels)



Source: ECLAC Washington Office based on MSCI Equity Indices. Prices at the end of the month.

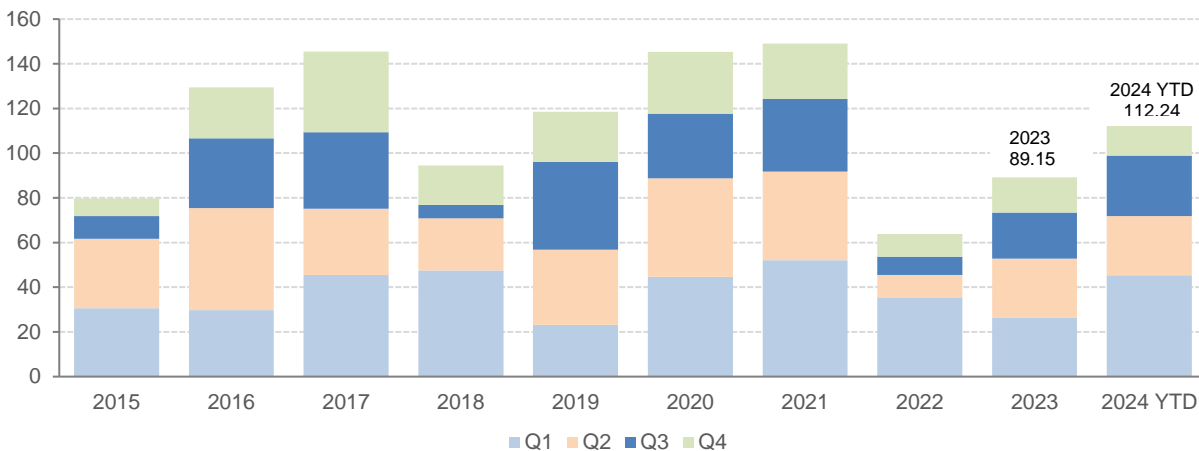
I. International bond markets and debt management

LAC issuance in international bond markets from January to October 2024 improved over the same period in 2023. Sovereign credit quality also improved, but credit spreads widened. The U.S. election results have renewed uncertainty about the outlook for U.S. monetary policy and the 10-year Treasury yields next year, posing a challenge for debt issuers in the region.

A. New debt issuance

Total LAC bond issuance in international markets was US\$ 112.24 billion in the first ten months of 2024, 40% higher than in January-October 2023 and 26% higher than the 2023 annual volume, as financial conditions slowly moved towards normalization. The first quarter volume was the fifth highest quarterly issuance in the region (figure 11).

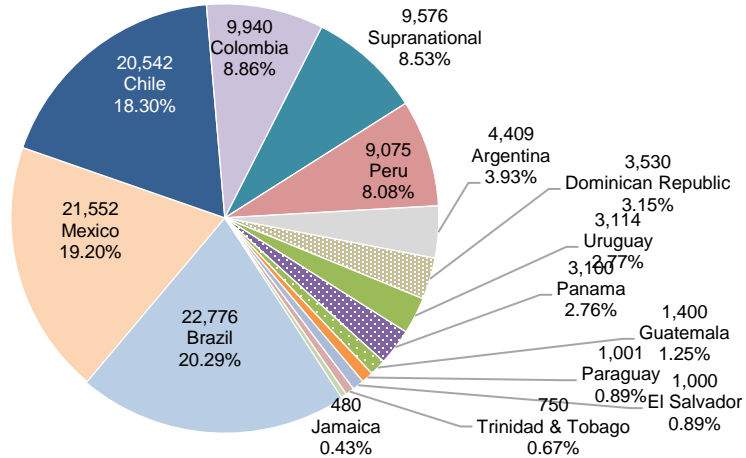
Figure 11
LAC quarterly international bond issuance, 2015–2024 YTD
(Billions of dollars)



Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg. Year-to-date (YTD) = January to October 2024.

Brazil had the largest share of international bond issuances—sovereign and corporate combined— followed by Mexico and Chile. They issued US\$ 22.8 billion (20.3%), US\$ 21.5 billion (19.2%), and US\$ 20.5 billion (18.3%), respectively. Issuances from the three countries accounted for 58% of the total international LAC bond issuances in the period (figure 12). Argentina’s participation in the total has increased from 0.6% in 2023 to 3.9% in the first ten months of 2024. According to LatinFinance, the government’s offer of tax amnesty, which ran through 8 November, succeeded in fuelling a recent surge in corporate bond issuances.⁵

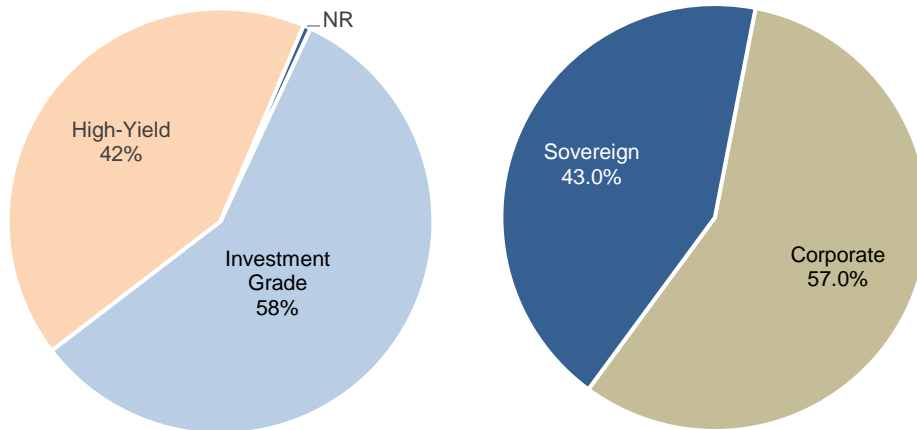
Figure 12
LAC international sovereign and corporate bond issuance, country breakdown, January–October 2024
(Country totals in Millions of dollars and country shares in percentage)



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

Investment-grade issuers—sovereign and corporate combined—accounted for 58% of the total overall LAC bond issuance in international markets in the first ten months of 2024, while 42% was issued by high-yield issuers, higher than the 38% share in 2023. The sovereign sector accounted for 43% of the total, while the corporate sector (including non-bank, bank, quasi-sovereign, and supranational issuers) accounted for 57% (figure 13).

Figure 13
LAC international bond issuance by rating and type of issuer, January–October 2024
(Percentage)



Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg. NR: Not Rated.

⁵ LatinFinance Daily Brief, “Argentina extends tax amnesty as dollars flood in” by Charles Newbery, 1 November 2024.

1. Sovereign issuance

In the first ten months of 2024, twelve sovereigns —Brazil, Chile, Colombia, Dominica Republic, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, and Uruguay— tapped the international bond market (annex 1, tables 8 to 11). The top three sovereign issuers were Mexico, Chile and Brazil (table 2), representing 52% of the region’s total sovereign issuance. GSSS sovereign bonds (US\$ 15.9 billion) accounted for 33% of the total.

Table 2
LAC international sovereign bond issuances, January–April 2024
(Millions of dollars, percentage, number of deals)

Sovereign Issuer	Total Issuance (Millions of dollars)	% of the total sovereign issuance	Number of Deals
Mexico	10,720	22%	9
Chile	7,805	16%	6
Brazil	6,500	13%	3
Colombia	4,940	10%	4
Peru	4,855	10%	3
Uruguay	3,114	6%	3
Panama	3,100	6%	3
Dominican Republic	3,030	6%	3
Guatemala	1,400	3%	2
Paraguay	1,001	2%	2
El Salvador	1,000	2%	1
Trinidad and Tobago	750	2%	1
Total	48,214	100.00%	40

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

Mexico got international bond markets off to a strong start when it placed a three-part sovereign bond deal totalling US\$ 7.5 billion, its largest ever cross-border issuance on 2 January. The sovereign issued US\$ 1 billion in five-year bonds, US\$ 4 billion in 12-year bonds and US\$ 2.5 billion in 30-year notes. Also in January, Mexico issued a EUR 2 billion sustainability bond maturing in 2032. In August, Mexico raised the equivalent of US\$ 1.05 billion in a five-part sale of samurai sustainability bonds, with proceeds to be used to fund budgetary programs that qualify as eligible expenditures under Mexico’s SDG sovereign bond framework.

Chile’s sovereign bonds were all social bonds, whose proceeds the government plans to use to fund eligible social projects under its sustainable bond framework, such as providing access to education, healthcare services, affordable housing and food security. In January, Chile raised US\$ 1.7 billion in five-year social bonds. In May, Chile reopened its 2033 peso-denominated social bond originally issued in May 2023 to add US\$ 1.4 billion and issued a new 2040 peso-denominated social bond equivalent to US\$ 742 million. In July, Chile issued a euro-denominated 2031 social bond raising US\$ 1.7 billion, and two peso-denominated social bonds totalling US\$ 2.2 billion.

Brazil placed a two-part bond deal totalling US\$ 4.5 billion on 22 January, its largest sovereign issuance of the past four years according to market sources. The sovereign issued US\$ 2.25 billion in 10-year and US\$ 2.25 billion in 30-year bonds. In June, it placed its second sustainability bond in international markets (Brazil’s first international sustainability bond was issued on 13 November 2023), a US\$ 2 billion 2032 bond with a 6.125% coupon. The government will use the proceeds to repay federal public debt and fund green and social investments.

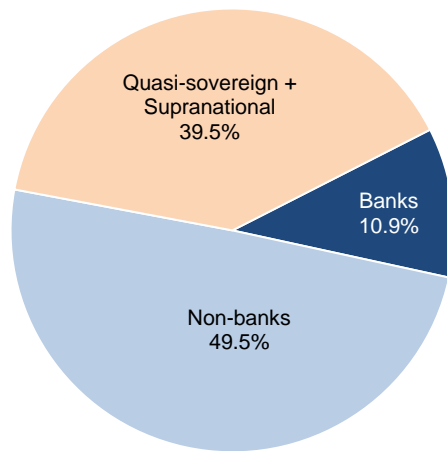
2. Corporate issuance

From January to October 2024, seventy-nine corporate issuers from the region sold a total of US\$ 64 billion of bonds in international markets —57% higher than in the same period in 2023— through 127 deals (up from 110). Quasi-sovereign (state-owned companies) and supranational issuers represented 40% of the total, while banks and private non-bank corporations represented 60%.

Supranational entities, including the Central American Bank for Economic Integration (CABEI), CAF Development Bank of Latin America, Fondo Financiero para el Desarrollo de la Cuenca del Plata (FONPLATA) and the Banco Latinoamericano de Comercio Exterior (BLADEX), accounted for 15% of the region’s corporate issuances, while quasi-sovereign issuers, including Argentina’s YPF, Brazil’s Banco do Brasil, Colombia’s Ecopetrol, Chile’s Codelco, ENAP, Empresa Metro and BancoEstado, Mexico’s CFE, FIEMEX and Grupo Aeromexico, and Peru’s Cofide, accounted for 25%.

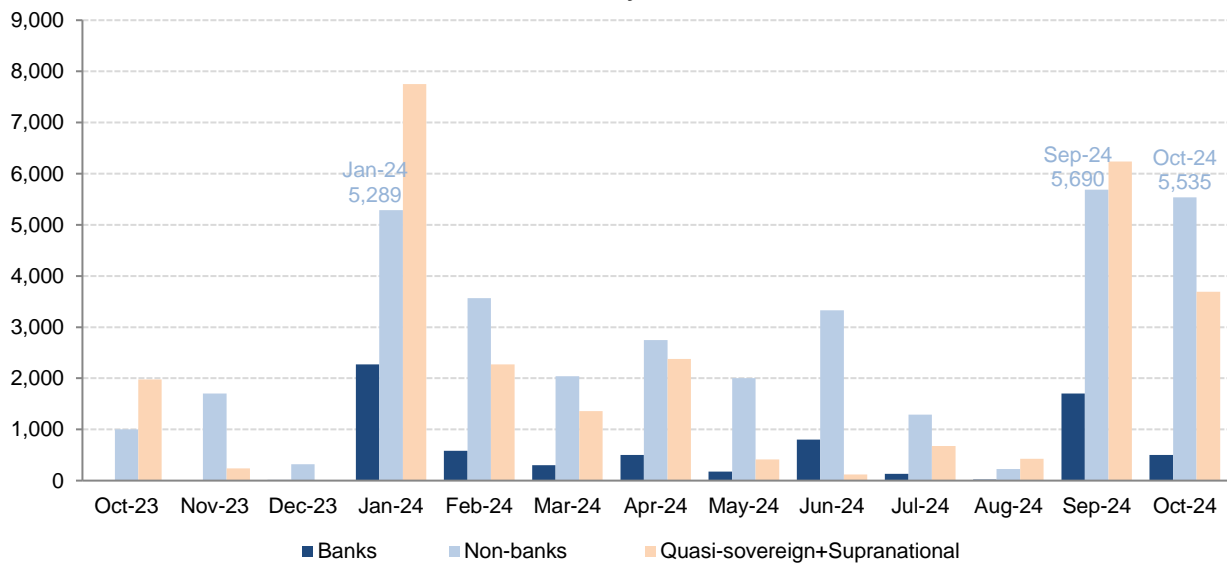
Issuances from the private corporate sector (private bank and non-bank entities) not including quasi-sovereign and supranational issuers, totalled US\$ 38.7 billion (60% of the overall corporate sector’s total), through 76 deals, with 49.5% coming from private non-bank corporates and 10.9% from banks (figure 14). The highest monthly volume of the ten-month period for private non-bank issuers was in September (figure 15).

Figure 14
LAC international corporate bond issuance by type, January–October 2024
(Percentage)



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

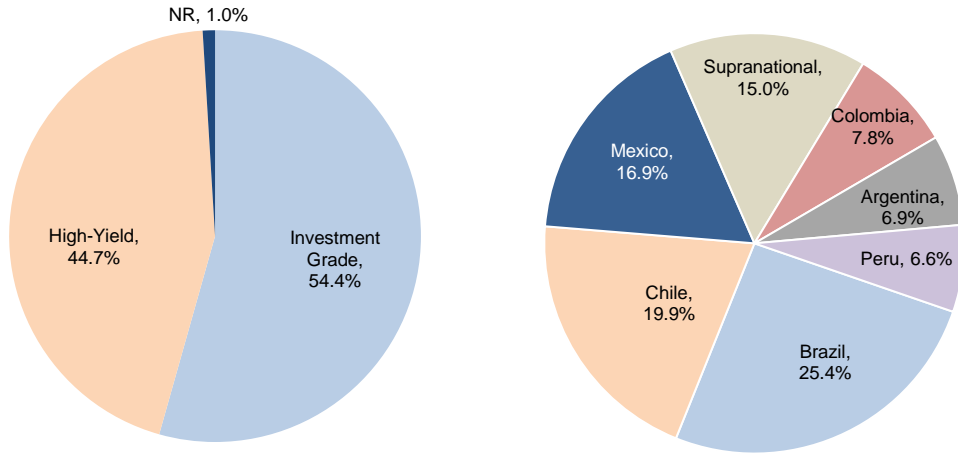
Figure 15
LAC monthly international corporate bond issuance by type, January–October 2024
(Millions of dollars)



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

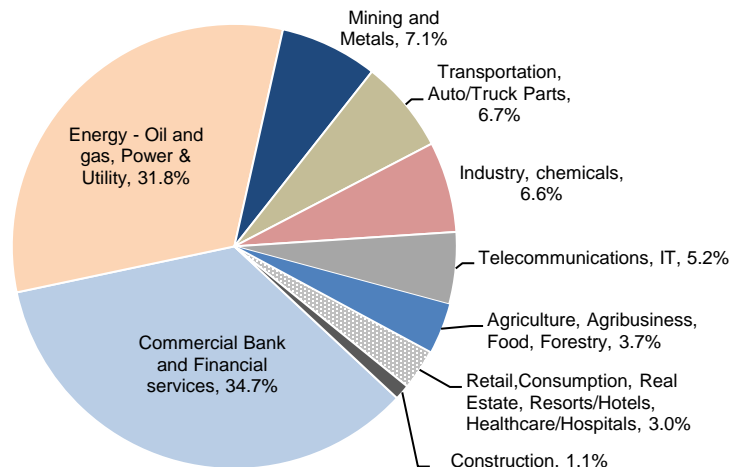
Investment grade companies represented 54.4% of total LAC international corporate bond issuances in the first ten months of 2024, slightly lower than the 54.8% annual share in 2023. Here again the top three issuers were Brazil, Chile and Mexico, in the order. Brazilian companies represented 25.4% of the region’s corporate total, while Chilean and Mexican companies accounted for 19.9% and 16.9%, respectively. The top three together represented 62.2% of the region’s total international corporate issuances in the first ten months of 2024 (figure 16).

Figure 16
LAC international corporate bond issuance by rating and country, January–October 2024
(Percentage of total)



Source: ECLAC Washington office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg.
Note: corporate issuance includes banks, non-banks, quasi-sovereign, and supranational entities. NR: Not Rated.

Figure 17
LAC international corporate bond issuance by sector, January–October 2024
(Percentage of total)



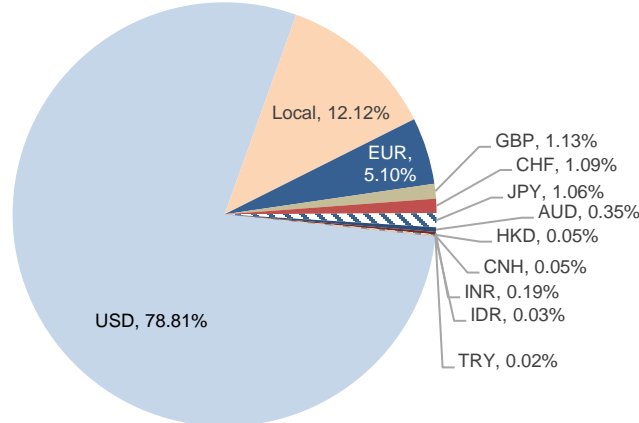
Source: ECLAC Washington Office, based on data from Dealogic, LatinFinance, Cbonds and Bloomberg.
Note: corporate issuance includes banks, non-banks, quasi-sovereign, and supranational entities.

From a sectoral perspective, the top three sectors in terms of international corporate debt issuance (including private (non-bank) corporations, banks, quasi-sovereign and supranational issuers) in the first ten months of 2024 were: 1. the financial sector, including commercial banks as well as financial services companies, and development banks/multilateral agencies (34.7%); 2. energy, including oil and gas, power, and energy utilities (31.8%); and 3. Mining and Metals (7.1%). Together the top three sectors represented 74% of the region's total corporate issuances in international markets in the first ten months of 2024 (figure 17). Breaking from latest trends, the agricultural sector including agribusiness, food and beverages, and forestry, which on an annual basis was one of the top three sectors in 2021 and 2023, and the top sector in 2022, came in seventh place.

3. Currency composition

Most of the region's international debt issuances from January to October 2024 was denominated in United States dollars (figure 18). The U.S. dollar has accounted for over 80% of the total in the past five years, but in the first ten months of 2024, it has fallen below this threshold, as currency diversification increased.

Figure 18
Currency breakdown of LAC international bond issuances, January–October 2024
(Percentage of total)



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

The share of issuances in local currencies—including Mexican pesos, Peruvian soles, Paraguayan guaraní, and Chilean, Dominican Republic and Uruguayan pesos— was the second highest (12.12%). There were also issuances in euros (5.1%), British pound sterling (1.13%), Swiss franc (1.09%), Japanese yen (1.06%), Australian dollars (0.35%), Hong Kong dollars (0.05%), Chinese yuan (0.05%), Indian rupee (0.19%) Indonesia rupiah (0.03%) and Turkish lira (0.02%).

4. GSSS bond issuance

There were 49 green, social, sustainability and sustainability-linked (GSSS) bond issuances from LAC issuers in international markets in the first ten months of 2024, totalling US\$ 29.37 billion (table 3). This amount is 18.5% higher than in the first ten months of 2023 but 6% lower than the 2023 annual volume. It accounts for 26.2% of the total LAC international bond issuance from January to October 2024, down from 31% in the same period in 2023 and from the record 35% annual share in 2023. The average coupon was 5.7%, 0.4% lower than in the same period in 2023, with 72% of the issuances coming from investment grade issuers. Although most of the region's GSSS issuances in the period were denominated in U.S. dollars (59%), there were issuances in other six currencies, including two local currencies – Chilean and Mexican pesos. Chilean pesos accounted for the second highest share of the GSSS issuances in the period (table 4, figure 19).

Table 3
LAC international GSSS bond issuances, January–October 2024
(Millions, Millions of dollars, Percentage)

Country	Issuer	Amount (Millions)	Amount (Millions of US dollars)	Coupon (%)	Maturity	Issue Date
Chile	Republic of Chile	USD 1700	1,700	4.850%	2029 (soc)	17-Jan-24
Mexico	United Mexican States	EUR 2000	2,174	4.490%	2032 (sust)	18-Jan-24
Mexico	America Movil SAB de CV	MXP 20000	1,159	10.300%	2034 (g)	24-Jan-24
Brazil	Ambipar Participações e Empreendimentos SA	USD 750	750	9.875%	2031 (g)	30-Jan-24
Brazil	FS Bioenergia	USD 500	500	8.875%	2031 (g)	30-Jan-24
Mexico	Fibra Uno	USD 600	600	7.375%	2034 (g)	7-Feb-24
Chile	Inversiones CMPC SA	USD 500	500	6.125%	2034 (g)	21-Feb-24
Brazil	Raizen Fuels Finance SA	USD 1000	1,000	6.450%	2034 (g)	28-Feb-24
Brazil	Raizen Fuels Finance SA	USD 500	500	6.950%	2054 (g)	28-Feb-24
Chile	AES Andes SA	USD 500	500	6.300%	2029 (g)	6-Mar-24
Brazil	Banco do Brasil SA	USD 750	750	6.000%	2031 (sust)	11-Mar-24
Brazil	St Mary's Cement Inc (Votorantim Cimentos)	USD 500	500	5.750%	2034 (SLB)	27-Mar-24
Colombia	Republic of Colombia	USD 650	650	8.000%	2035 (soc)(r)	3-Apr-24
Colombia	Republic of Colombia	USD 650	650	8.750%	2053 (soc)(r)	3-Apr-24
Chile	Engie Energia Chile SA	USD 500	500	6.375%	2034 (g)	10-Apr-24
Supranational	FONPLATA	CHF 145	159	2.592%	2027 (sust)	24-Apr-24
Chile	Aguas Andinas SA	CHF 100	110	2.098%	2029 (sust)	15-May-24
Supranational	CABEI Central American Bank for Economic Integration	MXP 3400	204	1-mth Other +19	2028 (soc)	24-May-24
Supranational	CABEI Central American Bank for Economic Integration	MXP 1600	96	10.300%	2034 (soc)	24-May-24
Chile	Republic of Chile	CLP 13000000	1,441	6.000%	2033 (soc)(r)	30-May-24
Chile	Republic of Chile	CLP 6700000	742	6.200%	2040 (soc)	30-May-24
Chile	AES Andes SA	USD 530	530	8.150%	2055 (g)	5-Jun-24
Supranational	FONPLATA	JPY 6300	40	1.600%	2027 (sust)	13-Jun-24
Supranational	FONPLATA	JPY1100	7	1.790%	2029 (sust)	13-Jun-24
Brazil	Aegea Finance Sarl	USD 300	300	9.000%	2031 (SLB)(r)	17-Jun-24
Brazil	Republic of Brazil	USD 2000	2,000	6.125%	2032 (sust)	20-Jun-24
Dom. Republic	Dominican Republic	USD 750	750	6.600%	2036 (g)	25-Jun-24
Chile	Republic of Chile	EUR 1600	1,719	3.875%	2031 (soc)	2-Jul-24
Chile	Caja de Compensación de Asignación Familiar de Los Andes	USD 300	300	7.000%	2029 (soc)	23-Jul-24
Guatemala	Republic of Guatemala	USD 800	800	6.550%	2037 (sust)	29-Jul-24
Chile	Republic of Chile	CLP 1300	1,363	5.800%	2029 (soc)	30-Jul-24
Chile	Republic of Chile	CLP 800	839	6.000%	2033 (soc)	30-Jul-24
Chile	BTG Pactual Chile	USD 20	20	5.430%	2029 (soc)	1-Aug-24
Supranational	CABEI Central American Bank for Economic Integration	MXP 6600	352	1-mth Other +19	2028 (soc)	16-Aug-24
Supranational	CABEI Central American Bank for Economic Integration	MXP 1400	75	10.300%	2034 (soc)	16-Aug-24
Mexico	United Mexican States	JPY 97100	667	1.430%	2027 (sust)	22-Aug-24
Mexico	United Mexican States	JPY 32200	221	1.720%	2029 (sust)	22-Aug-24
Mexico	United Mexican States	JPY 10000	69	1.880%	2031 (sust)	22-Aug-24
Mexico	United Mexican States	JPY 8300	57	2.270%	2034 (sust)	22-Aug-24
Mexico	United Mexican States	JPY 4600	32	2.930%	2044 (sust)	22-Aug-24
Chile	Engie Energia Chile SA	CHF 190	225	2.127%	2029 (g)	29-Aug-24
Brazil	Raizen Energia SA	USD 1000	1,000	5.700%	2035 (g)	12-Sep-24
Mexico	Comisión Federal de Electricidad - CFE	USD 500	500	5.700%	2030 (sust)	17-Sep-24
Mexico	Comisión Federal de Electricidad - CFE	USD 1000	1,000	6.450%	2035 (sust)	17-Sep-24
Brazil	LD Celulose International GmbH	USD 650	650	7.950%	2032 (g)	26-Sep-24
Chile	Empresa de Transporte de Pasajeros Metro S.A.	CHF 155	181	1.693%	2031(g)	2-Oct-24
Supranational	FONPLATA	CHF 130	153	2.072%	2029 (sust)	3-Oct-24
Supranational	CABEI Central American Bank for Economic Integration	IDR 555000	36	6.750%	2031 (soc)	15-Oct-24
		TOTAL	29,372	AVG 5.666%		49 Deals

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

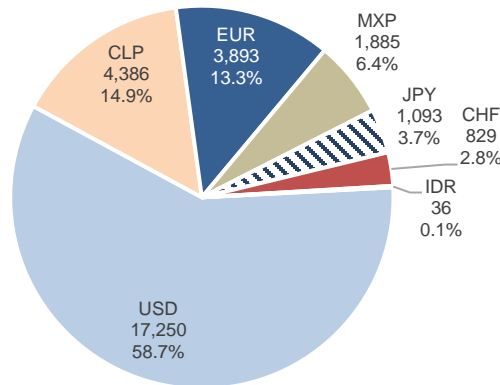
Note: (g) green bond; (blue) blue bond, (soc) social bond; (sust) sustainability bond; (SLB) sustainability-linked bond.

Table 4
Currency breakdown of LAC international GSSS bond issuances, January–October 2024
(Millions of dollars, Percentage, Number of deals)

Currencies	Amount (millions of dollars)	Share of the total (%)	Number of deals
USD	17,250	58.7%	25
CLP	4,386	14.9%	4
EUR	3,893	13.3%	2
MXP	1,885	6.4%	5
JPY	1,093	3.7%	7
CHF	829	2.8%	5
IDR	36	0.1%	1
TOTAL	29,372	100.0%	49

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

Figure 19
Currency breakdown of LAC international GSSS bond issuances, January–October 2024
(Percentage of total)



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

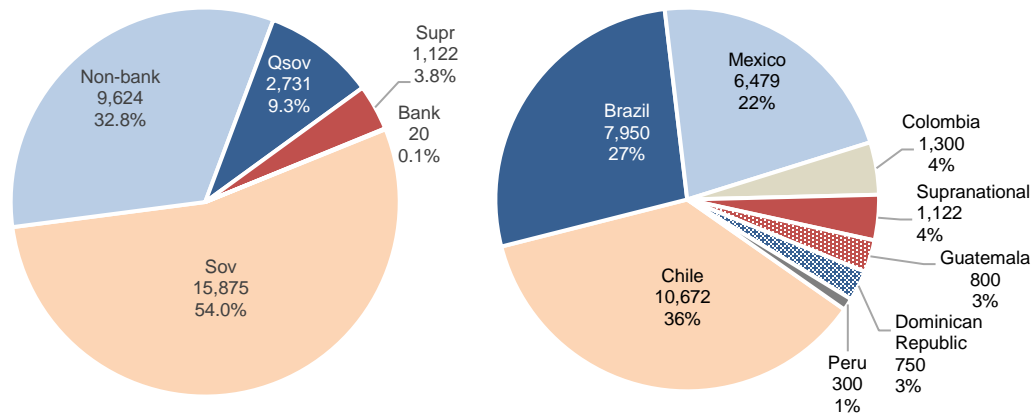
The region's international GSSS issuances in the first ten months of 2024 came from seven countries — Brazil, Chile, Colombia, Dominican Republic, Guatemala, Mexico and Peru— and two supranational entities (the regional development bank for the Río de la Plata basin in South America (FONPLATA), and the Central American Bank for Economic Integration (CABEI)). Corporate (private banks and non-banks), and quasi-sovereign and supranational issuers represented 33% and 13% of the total GSSS bond issuance, respectively, while sovereign issuers led the international GSSS bond volumes in the period with a share of 54% (figure 20).⁶

The private corporate sector participation in the region's international GSSS issuance in the first ten months of 2024 was almost double the 17% share of the same period in 2023. It came in tandem with a rise in the green bonds' share of the total. Since the region's first sovereign green bond issuance in the international market in June 2019 by Chile, the sovereign sector has issued a total of US\$ 81 billion in international GSSS bonds. Social bonds have been the preferred instrument, with a share of 39%, followed by sustainability bonds (34%) and SLBs (15%). Green bonds are fourth, with a share of 10%.

Chile accounted for the largest share of the GSSS total (36%). The sovereign sector represented 73% of Chile's GSSS total with the issuance of five social bonds and the reopening of another social bond, previously issued in May 2023. The corporate sector issued six green, two social and one sustainability bond, for a total of nine deals. Seven of them came from private corporate (non-bank) issuers, one from a bank and another from the state-owned Empresa de Transporte de Pasajeros Metro S.A.

⁶ As a share of the total LAC International bond issuance (including all instruments and not only GSSS bonds), sovereign GSSS bond issuances accounted for 14.1%, corporate for 8.6%, and quasi-sovereign and supranational entities for 3.4%, adding up to a 26.2% share.

Figure 20
LAC international GSSS bond issuances by type of issuer and by country, January–October 2024
(Millions of dollars, percentage)



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

Brazil had the second largest share of the region's international GSSS bond issuances (27%). The sovereign sector represented 25% of the total, with the Government of Brazil issuing its second international sustainability in June, a US\$ 2 billion 2032 sustainability bond, to repay federal public debt and fund green and social investments. The private corporate sector accounted for 65%, while 9% came from the state-owned Banco do Brasil, which issued a seven-year sustainability bond of US\$ 750 million in March.

Mexico had the third largest share of the region's international GSSS bond issuances (22%). Half of them came from the sovereign sector. In August, Mexico raised the equivalent of US\$ 1.05 billion in a five-part sale of samurai sustainability bonds, with proceeds to be used to fund budgetary programs that qualify as eligible expenditures under Mexico's SDG sovereign bond framework. The framework aims to integrate achievement of the SDGs into Mexico's national planning and budgetary and fiscal policies.

B. Credit risk outlook

The region's positive credit quality trend, which started in 2023 after years of deterioration, continued in the first ten months of 2024. According to Moody's, emerging markets' credit conditions "continued to gradually improve with more supportive macroeconomic conditions, including U.S. interest-rate cuts, China's measures to curb slowing GDP growth and emerging market central banks' gradual shift toward dovish policies."⁷ The ten-month net positive balance for the region was 10 more positive credit rating actions than negative. There were 19 positive actions in the period—5 upward outlook revisions and 14 upgrades—and 9 negative actions, 4 of them downgrades (table 4).

Twelve countries were upgraded from January to October 2024—Paraguay, Costa Rica, Jamaica, Argentina, Nicaragua, Uruguay, El Salvador, Paraguay, Brazil, Barbados, Belize and Suriname—in chronological order, with agencies citing economic resilience, improving fiscal conditions and presence of fiscal and external buffers, and in some cases, progress in debt reduction (see annex 2, box 1).

⁷ Moody's, "Macroeconomic and financing conditions continue to improve gradually" by Vittoria Zoli, Colin Ellis and Abhishek Agarwal, Credit Conditions Monitor – Emerging Markets, Moody's Ratings, 16 October 2024.

Three countries were downgraded —Bolivia, Panama and Peru— with Bolivia being downgrade twice, by Fitch and Moody's. The agencies cited negative risks including depletion of external liquidity buffers, fiscal and governance challenges, and political uncertainty.

At the end of October 2024, four sovereigns were on positive outlook by one or more agencies (Brazil, Costa Rica, Dominican Republic, and Jamaica). Six sovereigns —Bolivia, Colombia, Ecuador, Honduras, Panama, and Peru— had negative outlooks (annex 2, table 12). Following the many upgrades this year so far, the positive/negative outlooks suggest that the balance of risks is currently tilted to the downside.

In November, Moody's changed the outlook on Mexico's Baa2 rating to negative from stable citing a weakening in the policymaking and institutional settings that risks undermining fiscal and economic outcomes, but the positive credit trend seems to be still on. On 5 November, Barbados was upgraded to B from B- by S&P with a positive outlook, with the agency saying it could upgrade it again in the next 12 months. Fitch revised the outlook on Peru's BBB rating to stable from negative on the same day, citing sound policymaking, and upgraded Argentina to CCC on 15 November, citing increased confidence in the authorities' ability to make upcoming foreign-currency bond payments.

Table 5
Sovereign credit rating actions in Latin America and the Caribbean, January–October 2024
(Number of actions)

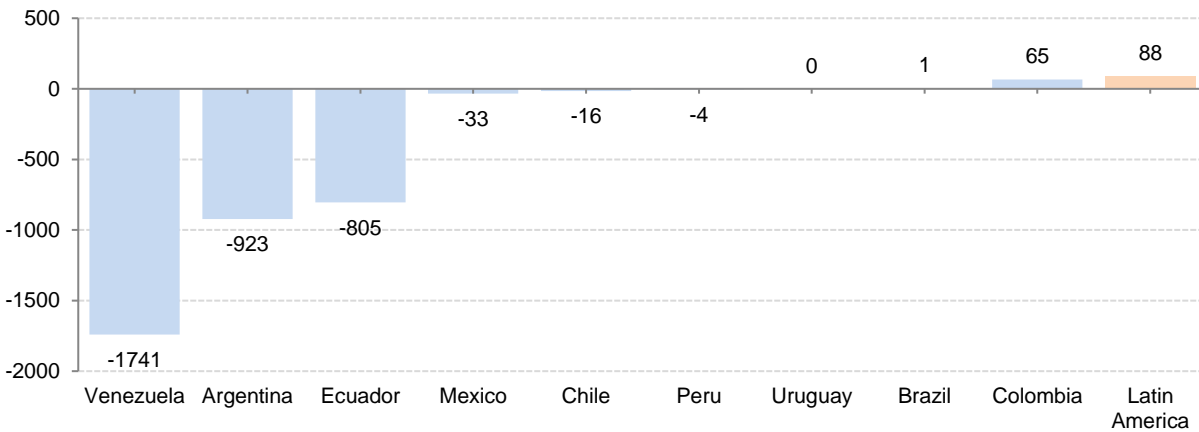
Date	Country	Action	
2024 YTD	19 positive and 9 negative actions		
Q1 2024	6 positive and 4 negative actions		
11-Jan-24	Ecuador	S&P revises the outlook on Ecuador's B- rating to negative from stable	Negative
18-Jan-24	Colombia	S&P revises the outlook on Colombia's BB+ rating to negative from stable	Negative
1-Feb-24	Paraguay	S&P upgrades Paraguay's rating to BB+ from BB with a stable outlook	Positive
6-Feb-24	Bolivia	Fitch downgrades Bolivia's rating to CCC from B- with no outlook	Negative
28-Feb-24	Costa Rica	Fitch upgrades Costa Rica's rating to BB from BB- with a stable outlook	Positive
5-Mar-24	Jamaica	Fitch upgrades Jamaica's rating to BB- from B+ rating with a positive outlook	Positive
15-Mar-24	Argentina	S&P upgrades Argentina's rating to CCC with a stable outlook	Positive
15-Mar-24	Nicaragua	Moody's upgrades Nicaragua's rating to B2 from B3 with a stable outlook	Positive
15-Mar-24	Uruguay	Moody's upgrades Uruguay's rating to Baa1 from Baa2 with a positive outlook	Positive
28-Mar-24	Panama	Fitch downgrades Panama's rating to BB+ from BBB- with a stable outlook	Negative
Q2 2024	4 positive and 4 negative actions		
18-Apr-24	Guatemala	S&P revises the outlook on Guatemala's BB rating to positive from stable	Positive
25-Apr-24	Peru	S&P downgrades Peru's rating to BBB- from BBB with a stable outlook	Negative
26-Apr-24	Bolivia	Moody's downgrades Bolivia's ratings to Caa3 from Caa1 with a stable outlook	Negative
1-May-24	Brazil	Moody's revises the outlook on Brazil's Ba2 rating to positive from stable	Positive
23-May-24	El Salvador	Moody's upgraded El Salvador's rating to Caa1 from Caa3 with a stable outlook	Positive
30-May-24	Nicaragua	Fitch upgrades Nicaragua's rating to B from B- with a stable outlook	Positive
14-Jun-24	Trinidad and Tobago	Moody's revises the outlook on Trinidad and Tobago's Ba2 rating to stable from positive	Negative
27-Jun-24	Colombia	Moody's revises the outlook on Colombia's Baa2 rating to negative from stable	Negative
Q3 2024	4 positive and 1 negative actions		
26-Jul-24	Paraguay	Moody's upgrades Paraguay's rating to Baa3 from Ba1 and revises outlook to stable from (+)	Positive
18-Sep-24	Costa Rica	Moody's upgrades Costa Rica's rating to Ba3 from B1 with a positive outlook	Positive
20-Sep-24	Honduras	S&P revises the outlook on Honduras' BB- rating to negative from stable	Negative
20-Sep-24	Peru	Moody's revises the outlook on Peru's Baa1 rating to stable from negative	Positive
24-Sep-24	Jamaica	S&P revises the outlook on Jamaica's BB- rating to positive from stable	Positive
Q4 2024	5 positive and 0 negative actions		
1-Oct-24	Brazil	Moody's upgrades Brazil's rating to Ba1 from Ba2 with a positive outlook	Positive
15-Oct-24	Barbados	Fitch upgrades Barbados' rating to B+ from B with a stable outlook	Positive
15-Oct-24	Belize	Moody's upgrades Belize's rating to Caa1 from Caa2 with a stable outlook	Positive
15-Oct-24	Chile	S&P revises the outlook on Chile's A rating to stable from negative	Positive
22-Oct-24	Suriname	Moody's upgrades Suriname's rating to Caa1 from Caa3 with a positive outlook	Positive

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

C. Bond spreads

Emerging markets bond spreads as measured by the JPMorgan Emerging Market Bond Index Global (EMBIG) tightened 14 basis points in the first ten months of 2024, while Latin American spreads widened 88 basis points, as the Federal Reserve's higher interest rates and the strong U.S. dollar have negatively impacted Latin American economies and markets. Latin American bonds' spreads are sensitive to currency volatility, and the strong dollar has had an impact on them. Spreads tightened the most for Venezuela, Argentina and Ecuador, which have some of the highest spreads in the region, but widened for Colombia (figure 21).

Figure 21
Latin American EMBIG spread differential, January–October 2024
(Basis points)

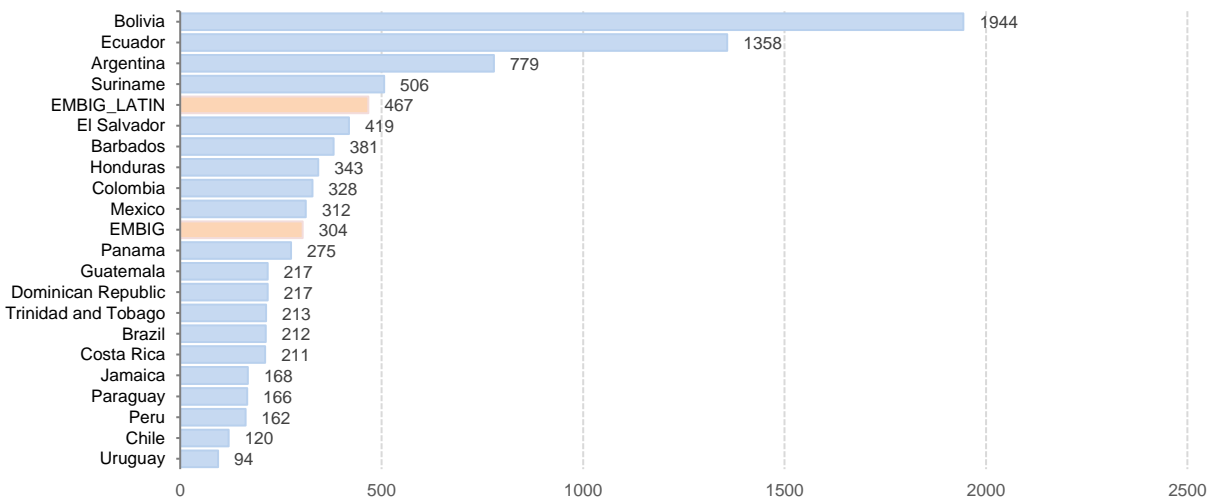


Source: ECLAC Washington Office, based on data from JPMorgan.

1. Sovereign spreads

EMBIG spreads are a measure of country risk. Uruguay, Chile and Peru have the lowest spreads in the region, while Venezuela, Bolivia, and Ecuador have the highest (figure 22). Venezuela's spreads were at 20,577 on 18 November 2024 as measured by the EMBIG, the highest in the world.

Figure 22
Latin American and the Caribbean EMBIG spreads on 18 November 2024
(Basis points)



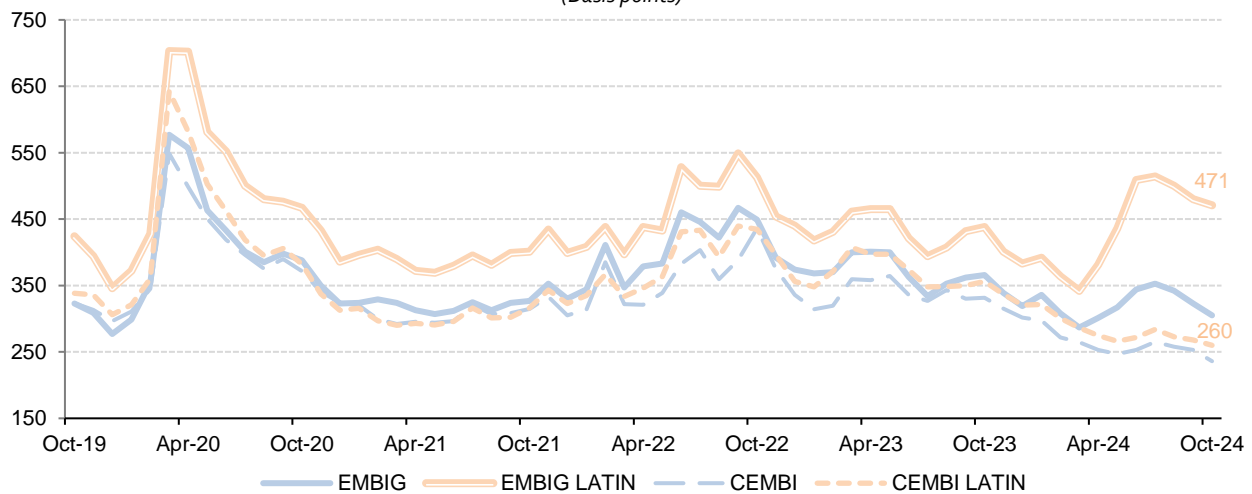
Source: JPMorgan. Venezuela's spreads not included.

Spreads that are too high can keep issuers away from international debt markets due to steep borrowing costs. Higher than 1,000 basis points bond spreads are seen as a critical level by market participants in this context. In Latin America and the Caribbean, there are three countries whose EMBIG spreads were higher than 1,000 basis points at the end of October 2024 (table 3, annex 3) —Venezuela, Bolivia, and Ecuador— suggesting higher vulnerability to liquidity stress, as debt affordability is likely to remain challenging for these countries. Argentina’s spreads, which for most of the year were above this threshold, have fallen to 779 basis points on 18 November 2024 as government officials focus on fiscal consolidation, with most of the tightening taking place in the third quarter.

2. Corporate spreads

LAC corporate bond spreads tightened 61 basis points from January to October 2024 according to the JPMorgan Latin American Corporate Emerging Markets Bond Index (CEMBI). The Latin CEMBI, at 260 basis points at the end of October, was 211 basis points lower than its sovereign counterpart, the Latin EMBIG (figure 23). According to JPMorgan, resilient credit markets have kept emerging market corporate spreads anchored. The U.S. shift in monetary policy towards easing is a positive development for the corporate sector in the region.

Figure 23
EMBIG spreads, corporate and sovereign, October 2019–October 2024
(Basis points)



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

D. The Caribbean⁸: a closer look

There were two international bond issuances from the Caribbean in the first ten months of 2024, totalling US\$ 1.23 billion and representing only 1.1% of the total LAC international issuance in the period. In June, Trinidad and Tobago issued a sovereign US\$ 750 million 10-year bond whose proceeds it will use to fund the budget deficit. In September, Jamaica’s Kingston Airport Revenue Finance Limited (King Air) issued a US\$ 450 million 2036 bond to fund the concession of the Norman Manley International Airport (NMIA) in Kingston, Jamaica. The issuer is a special purpose vehicle which is assigned the Airports Authority of Jamaica (AAJ)’s economic right to receive 53.22% of the gross revenues of NMIA. The AAJ owns both NMIA and Sangster International Airport, which are operated by Mexico’s Grupo Aeroportuario del Pacífico, SAB de CV (Pacific Airport Group) under separate concession agreements.

⁸ 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.

On a separate note, The Bahamas took out a US\$ 300 million loan funded by Standard Chartered to repurchase a portion of its foreign debt as part of a debt-for-nature swap that is expected to free up US\$ 124 million for marine conservation, according to The Nature Conservancy (TNC). The Inter-American Development Bank (IDB) provided a US\$ 200 million guarantee for the refinancing, environment-focused venture capital firm Builders Vision granted a US\$ 70 million collateralized guarantee and AXA XL issued US\$ 30 million in credit insurance, TNC said in a news release on 22 November (box 1).

Box 1
The Bahamas' debt-for-nature swap

According to TNC, "The Bahamas debt conversion project is a project of firsts. It is the first time that a private investor, Builders Vision (an impact platform founded by Lukas Walton), is providing a co-guarantee alongside a multilateral development bank (MDB). Also, it is the first time a private insurer, AXA XL, is providing credit insurance alongside an MDB in support of a sustainable issuance for nature and climate. In addition, the project marks the first time that climate-smart MPA commitments are included explicitly in the conservation outcomes to support climate mitigation and adaptation goals" (TNC press release, 22 November 2024)

By buying back US\$ 300 million of its external commercial debt using proceeds from a new competitively priced US\$ 300 million loan funded by Standard Chartered, The Bahamas will unlock an expected US\$ 124 million of new cash funding (plus an additional estimated US\$ 8 million of endowment investment returns) for marine conservation over the next 15 years without adding to the country's debt.

The Bahamas is taking a page from similar nature swaps by Barbados and Belize. TNC, working alongside Credit Suisse, CIBC and the IDB, arranged a blue loan package for Barbados in September 2022, when the country restructured US\$ 150 million in bonds and pledged to protect 30% of its ocean by 2030 as part of the transaction. The U.S.-based organization previously arranged a similar deal for Belize in November 2021, working with Credit Suisse and the U.S. International Development Finance Corporation to help the country restructure US\$ 553 million in bonds.

Source: The Nature Conservancy, [The Nature Conservancy Announces Innovative Nature Bonds project](#), 22 November 2024; LatinFinance, [Bahamas finalizes nature swap - LatinFinance](#), by Hernán Goicochea, 23 November 2024 and Inter-American Development Bank, [IDB | The Bahamas Launches Debt for Ocean Conservation Swap with the support of IDB](#), 22 November 2024.

Credit quality in the Caribbean has improved, with five of the six credit rating actions that took place from January to October 2024 being positive. They included four upgrades and one positive outlook revision, citing fiscal and institutional strength. There were no downgrades in the period, and the only negative action was a negative outlook revision citing external vulnerability risks (table 6).

Table 6
Caribbean sovereign credit rating actions, January–October 2024
(Number of actions)

Date	Country	Action	
2024 YTD	5 positive and 1 negative actions		
Q1 2024	1 positive and 0 negative actions		
5-Mar-24	Jamaica	Fitch upgrades Jamaica's rating to BB- from B+ rating with a positive outlook	Positive
Q2 2024	0 positive and 1 negative actions		
14-Jun-24	Trinidad and Tobago	Moody's revises the outlook on Trinidad and Tobago's Ba2 rating to stable from positive	Negative
Q3 2024	1 positive and 0 negative actions		
24-Sep-24	Jamaica	S&P revises the outlook on Jamaica's BB- rating to positive from stable	Positive
Q4 2024	3 positive and 0 negative actions		
15-Oct-24	Barbados	Fitch upgrades Barbados' rating to B+ from B with a stable outlook	Positive
15-Oct-24	Belize	Moody's upgrades Belize's rating to Caa1 from Caa2 with a stable outlook	Positive
22-Oct-24	Suriname	Moody's upgrades Suriname's rating to Caa1 from Caa3 with a positive outlook	Positive

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

In March, Fitch upgraded Jamaica’s rating to BB- from B+ with a positive outlook, citing significant progress with debt reduction backed by a sound fiscal framework and a strong political commitment to deliver large primary surpluses.

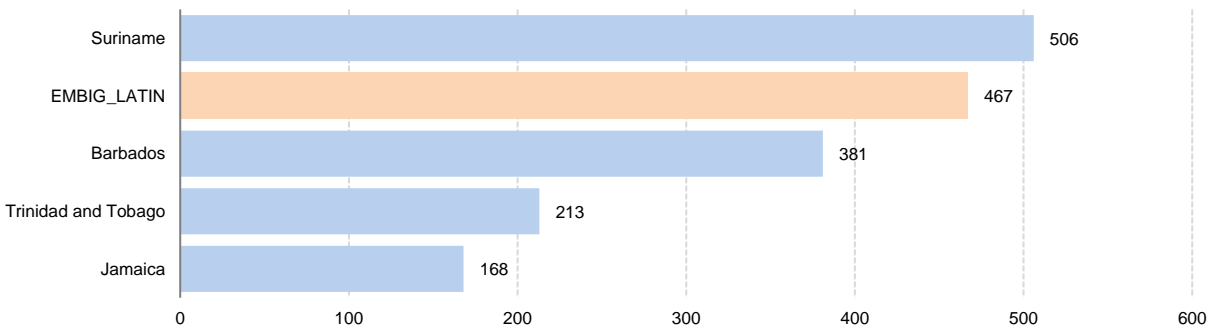
In June, Moody’s revised the outlook on Trinidad and Tobago’s Baa2 rating to stable from positive, citing increasing external vulnerability risks as highlighted by the accelerated pace of liquid foreign exchange reserves drawdown observed over the first four months of 2024. According to the agency, “the drawdown is the result of declining energy receipts owing to declining gas prices and significant capital outflows, indicating higher than previously anticipated macroeconomic and fiscal adjustment costs for the next two years, until large new natural gas developments are projected to come onstream starting 2026 or 2027.”⁹

In September, S&P revised the outlook on Jamaica’s BB- rating to positive from stable on institutional strength.

In October, there were three upgrades in the Caribbean. On 15 October, Moody’s upgraded Belize’s rating to Caa1 from Caa2 with a stable outlook, citing the significant reduction in the post-restructuring debt burden, aided by a stronger-than-expected post-pandemic recovery and an improvement in the primary balance. On the same day, Fitch upgraded Barbados’ rating to B+ from B with a stable outlook, citing continued large primary surpluses, which are quickly reducing the debt-to-GDP ratio, though it remains high. On 22 October, Moody’s upgraded Suriname’s rating to Caa1 from Caa3 with a positive outlook, citing the anticipated impact on the sovereign’s credit profile of major economic and fiscal windfalls associated to a major oil project. The positive outlook reflects the potential for additional improvement in Suriname’s economic and fiscal strength driven by continued economic reforms and favourable investment projects.

Reflecting the improvement in Caribbean’s credit quality and lower credit risk, debt spreads tightened 32 basis points in the first ten months of 2024.¹⁰ At the end of October 2024, Caribbean average spreads were 164 basis points lower than the EMBIG Latin component. The Caribbean average is based on data available for Barbados, Jamaica, Suriname and Trinidad and Tobago. With exception of Suriname, the spreads for the other three Caribbean countries are below the spreads for the EMBI Latin component (figure 24).

Figure 24
EMBIG Spreads, Caribbean versus LAC on 18 November 2024
(Basis points)



Source: JPMorgan.

From January to October 2024, Suriname’s spreads tightened 157 basis points. Spreads have continued to decline since May 2023, when a deal with creditors to restructure US\$ 675 million worth of the principal outstanding on two series of defaulted bonds took place. The October upgrade in Suriname’s credit rating reflects its improved fiscal and macroeconomic conditions.

⁹ Moody’s, [Moody’s Ratings changes outlook on Trinidad & Tobago to stable, affirms Baa2 ratings | Rating Action | Moody’s](#), 14 June 2024.

¹⁰ The Caribbean average was based on data available for Barbados, Jamaica, Suriname and Trinidad and Tobago.

Barbados's spreads tightened 7 basis points, and its credit rating was also upgraded in October on a declining debt-to-GDP ratio and improved economic conditions.

Jamaican spreads have not moved much, tightening 1 basis point in the first ten months of 2024. Jamaica has been upgraded by Fitch this year and S&P currently has a positive outlook on Jamaica's rating, suggesting that there is a high likelihood of it being upgraded in the near future.

Finally, Trinidad and Tobago's spreads widened 35 basis points from January to October 2024. The widening may be explained by higher-than-anticipated fiscal adjustment costs for the next two years, the same reason given by Moody's when it revised the outlook on the sovereign's credit rating to stable from positive.

II. Portfolio equity flows

Latin American equities in U.S. dollar terms have weakened since the beginning of 2024 after a robust performance in 2023, as the strong U.S. dollar have adversely impacted Latin American markets. The MSCI Latin American index lost 20.4% in the first ten months of 2024 (table 6).

Table 7
MSCI equity indices, January–October 2024
(Dollars, percentage)

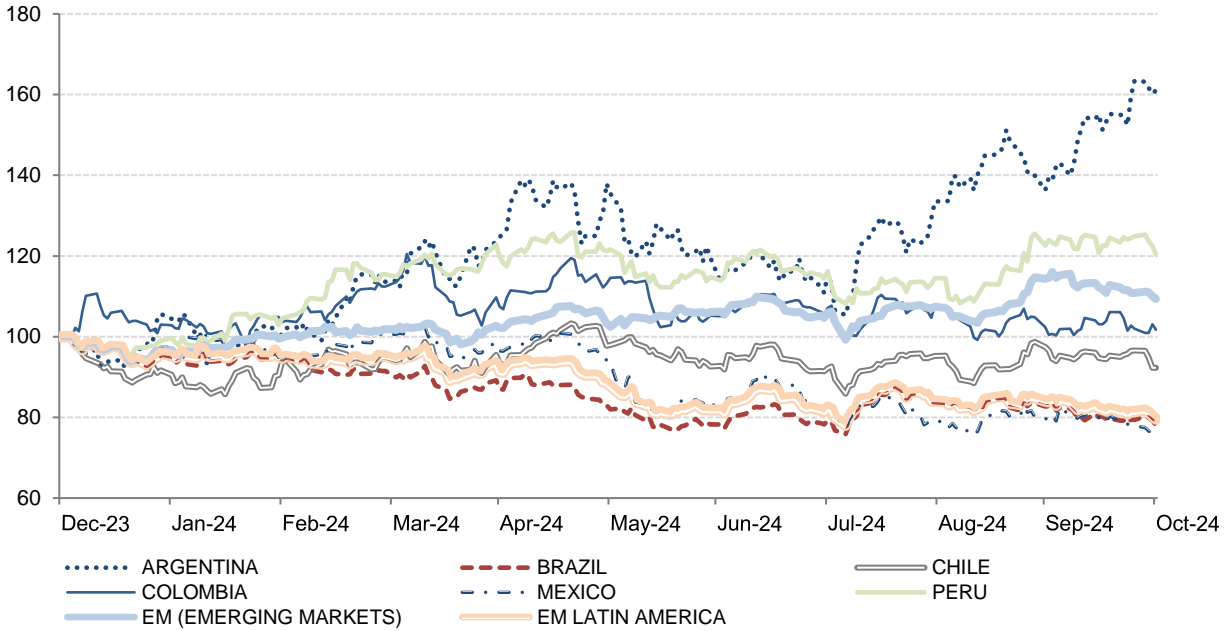
	Price Index in USD					Variation			
	29-Dec-23	29-Mar-24	28-Jun-24	30-Sep-24	30-Oct-24	Q1 2024	Q2 2024	Q3 2024	2024 YTD
<i>Emerging markets</i>	1,023.74	1,043.20	1,086.25	1,170.85	1,119.52	1.90%	4.13%	7.79%	9.36%
<i>Latin America</i>	2,662.81	2,534.75	2,179.09	2,237.43	2,120.28	-4.81%	-14.03%	2.68%	-20.37%
<i>Argentina</i>	4,608.17	5,235.53	5,512.17	6,281.48	7,421.14	13.61%	5.28%	13.96%	61.04%
<i>Brazil</i>	1,799.86	1,646.40	1,408.32	1,489.01	1,406.30	-8.53%	-14.46%	5.73%	-21.87%
<i>Chile</i>	1,098.07	1,039.44	1,016.68	1,070.23	1,013.74	-5.34%	-2.19%	5.27%	-7.68%
<i>Colombia</i>	403.059	453.247	424.082	412.44	410.122	12.45%	-6.43%	-2.75%	1.75%
<i>Mexico</i>	7,051.78	7,076.72	5,856.81	5,626.42	5,335.42	0.35%	-17.24%	-3.93%	-24.34%
<i>Peru</i>	1,635.71	1,888.51	1,877.90	2,004.88	1,968.55	15.46%	-0.56%	6.76%	20.35%

Source: ECLAC Washington Office, based on data from MSCI Equity Indices, <http://www.msci.com/equity/index2.html>. YTD=year-to-date as of 31 October 2024.

Argentina, Peru and Colombia recorded the largest cumulative gains in the first ten months of 2024 — 61.04%, 20.35% and 1.75%, respectively (figure 25). Part of Argentina's gains reflected its high inflation rate, but Argentina's hard currency assets have gained from January to October as the government makes progress in bringing down inflation and slowly increasing foreign exchange reserves. Peru's performance was aided by currency and monetary policy easing measures. The Colombian index also benefited from monetary policy developments as the central bank lowered interest rates in January and March. Mexican equity prices recorded the largest cumulative losses in the period (-24.34%), followed by Brazil (-21.87%) and Chile (-7.68%).

Uncertainty regarding the future path of the U.S. monetary policy has risen with the results of the November elections. How the policies of the new incoming administration will affect the U.S. dollar and the Federal Reserve’s interest rate plans next year, due to their outside impact on global capital flows, will be critical for the region’s portfolio equity flows.

Figure 25
MSCI equity price index, January–October 2024
(Index levels)



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

III. Prospects

In the first ten months of 2024, Latin American and Caribbean (LAC) bond activity in international markets rebounded from the same period last year. Issuers placed US\$ 112 billion of bonds in international markets, a total that was 40% higher than in January-October 2023. Of this amount, US\$ 29 billion (26%) corresponded to green, social, sustainability and sustainability-linked (GSSS) bonds.

Market participants largely believe that the results of the U.S. elections in November will lead to major shifts in U.S. economic policies, which are expected to have an impact on its fiscal position and economic growth, and on the direction of global markets. The incoming administration has proposed tax cuts and deregulation. Fiscal stimulus and tariffs in turn may push inflation higher, complicating the Federal Reserve's rate policy decisions. In addition, elevated geopolitical uncertainty and trade tensions may increase financial volatility and widen risk premiums.

In this scenario, Latin American and Caribbean issuers could face higher financing costs, currency volatility and economic uncertainty next year. Rising U.S. Treasury bond yields and a stronger dollar could reduce the attractiveness of riskier, higher-yielding assets in the region, and increase borrowing costs, which would negatively impact international bond issuance volumes. Market participants are likely expecting more clarity on U.S. policies, however, thus uncertainty will remain until these policies are in place.

What impact the expected shifts in U.S. policies could have on the region's sustainable bond issuance volumes is also unclear. There has been a great push in the region toward sustainable bond issuances in the past five years, driven by the sovereign sector. However, given the magnitude of the investment needed to address the costs posed by climate change, higher private sector participation is crucial. High financing costs is one of the obstacles to attracting investment flows to the region, meaning that projects that would be profitable in a developed country, could struggle to generate returns in the region. Moreover, changes in U.S. climate policy could have an impact on multilateral development banks' lending strategies, posing another challenge to the region's push towards sustainability.

Moving forward, regardless of the global backdrop it will face, the region will likely need to look for a larger variety of financing alternatives and increase the diversity of financial instruments it uses. In November, Brazil's Suzano S.A. became the first Latin American corporate to issue a green bond in the Chinese market, a three-year "panda bond" that raised RMB 1.2 billion (US\$ 165 million) at a 2.8% yield. According to the company, after swapping the proceeds into dollars, the equivalent yield is 4.7%, lower than if it were to be issued in dollars. The company called the deal a milestone for expanding its funding sources, adding the proceeds will go toward developing a eucalyptus forest plantation in Brazil.¹¹

¹¹ See Suzano, [Suzano becomes the first non-financial corporation from the Americas to issue Panda Bonds in China](#), Valor, [Panda bonds emerge as alternative funding source in China](#) | Markets | [valorinternational](#), and LatinFinance, [Suzano sells green Panda bonds - LatinFinance](#) by Charles Newbery, November 2024.

Annexes

Annex 1 New LAC bond issuances

Table 8 (Annex 1)
LAC international bond issuances in the first quarter of 2024

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jan-24					
Mexico	United Mexican States	USD 1000	1,000	5.000%	2029
Mexico	United Mexican States	USD 4000	4,000	6.000%	2036
Mexico	United Mexican States	USD 2500	2,500	6.400%	2054
Mexico	BBVA Mexico SA	USD 900	900	8.125%	2039
Mexico	Bimbo Bakeries Inc	USD 450	450	6.050%	2029 (r)
Mexico	Bimbo Bakeries Inc	USD 800	800	5.375%	2036
Peru	Banco de Crédito del Peru	USD 500	500	5.850%	2029
Peru	Banco de Crédito del Peru	PEN 1150	310	7.850%	2029
Colombia	Ecopetrol SA	USD 1850	1,850	8.375%	2036
Peru	Banco Internacional del Peru - INTERBANK	USD 300	300	7.625%	2034
Argentina	YPF SA	USD 800	800	9.500%	2031
Chile	Banco Santander Chile	CHF 225	264	2.445%	2027
Supranational	CAF Development Bank of Latin America	USD 1750	1,750	5.000%	2029
Mexico	Buffalo Energy Mexico Holdings SA de CV	USD 530	530	7.875%	2039
Chile	Republic of Chile	USD 1700	1,700	4.850%	2029 (soc)
Mexico	United Mexican States	EUR 2000	2,174	4.490%	2032 (sust)
Supranational	CABEI Central American Bank for Economic Integration	USD 1350	1,350	5.000%	2027
Brazil	República Federativa do Brasil	USD 2250	2,250	6.125%	2034
Brazil	República Federativa do Brasil	USD 2250	2,250	7.125%	2054
Brazil	Cosan SA	USD 600	600	7.250%	2031
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 1500	1,500	6.440%	2036
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 500	500	6.300%	2053 (r)
Mexico	America Movil SAB de CV	MXP 20000	1,159	10.300%	2034 (g)
Brazil	3R Lux	USD 500	500	9.750%	2031
Brazil	Ambipar Participações e Empreendimentos SA	USD 750	750	9.875%	2031 (g)
Brazil	FS Bioenergia	USD 500	500	8.875%	2031 (g)
			31,187		
Feb-24					
Chile	Banco de Crédito e Inversiones - BCI	USD 500	500	8.750%	Perp
Chile	Banco de Crédito e Inversiones - BCI	USD 10	10	3-mth Sofr +155	2029
Chile	Banco de Crédito e Inversiones - BCI	USD 10	10	3-mth Sofr +153	2029
Chile	Banco de Chile	HKD 433	55	4.220%	2034
Paraguay	Republic of Paraguay	USD 500	500	6.000%	2036
Paraguay	Republic of Paraguay	PYG 3643.235	501	7.900%	2031
Brazil	Azul Secured Finance LLP	USD 148.7	149	11.930%	2028 (r)
Supranational	CAF Development Bank of Latin America	EUR 1500	1,613	3.625%	2030
Chile	Banco de Crédito e Inversiones - BCI	USD 10	10	3-mth Sofr +130	2028
Supranational	CAF Development Bank of Latin America	AUD 500	325	5.300%	2029
Mexico	Fibra Uno	USD 600	600	7.375%	2034 (g)
Supranational	CAF Development Bank of Latin America	EUR 200	215	2.375%	2027
Chile	Banco del Estado de Chile	JPY 10000	68	0.250%	2026
Brazil	CSN Resources SA	USD 200	200	8.875%	2030 (r)
Brazil	Ethos Ergon Global Holdings Pte Ltd	USD 617	617	na	2034
Chile	Inversiones CMPC SA	USD 500	500	6.125%	2034 (g)
Supranational	CAF Development Bank of Latin America	INR 4200	51	7.675%	2031
Panama	Republic of Panama	USD 1100	1,100	7.500%	2031
Panama	Republic of Panama	USD 1250	1,250	8.000%	2038
Panama	Republic of Panama	USD 750	750	7.875%	2057
Brazil	Raizen Fuels Finance SA	USD 1000	1,000	6.450%	2034 (g)
Brazil	Raizen Fuels Finance SA	USD 500	500	6.950%	2054 (g)
			10,524		

Mar-24					
Supranational	CAF Development Bank of Latin America	AUD 100	65	na	2040
Peru	Banco BBVA Peru SA	USD 300	300	6.200%	2034
Chile	AES Andes SA	USD 500	500	6.300%	2029 (g)
Chile	Banco del Estado de Chile	JPY 5000	34	na	2027
Brazil	Banco do Brasil SA	USD 750	750	6.000%	2031 (sust)
Supranational	Bladex - Banco Latinoamericano de Comercio Exterior	USD 5	5	na	2026
Mexico	America Movil SAB de CV	MXP17500	1,043	10.125%	2029
Supranational	Millicom International Cellular SA	USD 450	450	7.375%	2032
Brazil	St Mary's Cement Inc (Votorantim Cimentos)	USD 500	500	5.750%	2034 (SLB)
Supranational	CAF Development Bank of Latin America	INR 4500	54	7.500%	2030
			3,701		

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. (na): not available.

Q1 2024

45,412

Table 9 (Annex 1)
LAC international bond issuances in the second quarter of 2024

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Apr-24					
Colombia	Republic of Colombia	USD 650	650	8.000%	2035 (soc)(r)
Colombia	Republic of Colombia	USD 650	650	8.750%	2053 (soc)(r)
Brazil	Nexa Resources SA	USD 600	600	6.750%	2034
Brazil	BTG Pactual	USD 500	500	6.250%	2029
Brazil	Movida Participações SA	USD 500	500	7.850%	2029
Supranational	CAF Development Bank of Latin America	GBP 1000	1,264	4.750%	2029
Chile	Engie Energia Chile SA	USD 500	500	6.375%	2034 (g)
El Salvador	Republic of El Salvador	USD 1000	1,000	9.250%	2030
Peru	COFIDE	USD 300	300	5.950%	2029
Supranational	FONPLATA	CHF 145	159	2.592%	2027 (sust)
Chile	Banco del Estado de Chile	USD 600	600	7.950%	Perp (NC5)
Argentina	Pan American Energy Group SL	USD 400	400	8.500%	2032
Chile	Antofagasta plc	USD 750	750	6.250%	2034
7,873					
May-24					
Supranational	CAF Development Bank of Latin America	INR 5000	60	7.650%	2031 (r)
Colombia	Banco de Occidente SA	USD 175	175	10.875%	2034
Uruguay	Oriental Republic of Uruguay	UYU 11555	302	9.750%	2033 (r)
Uruguay	Oriental Republic of Uruguay	UYU 57809	1,513	3.400%	2045
Peru	Aenza SAA	USD 210	210	12.000%	2029
Chile	Aguas Andinas SA	CHF 100	110	2.098%	2029 (sust)
Chile	Cencosud SA	USD 650	650	5.950%	2031
Supranational	CABEI Central American Bank for Economic Integration	MXP 3400	204	1-mth Other +19	2028 (soc)
Supranational	CABEI Central American Bank for Economic Integration	MXP 1600	96	10.300%	2034 (soc)
Brazil	Yinson Boronia Production BV	USD 1035	1,035	8.947%	2042
Chile	Republic of Chile	CLP 13000000	1,441	6.000%	2033 (soc)(r)
Chile	Republic of Chile	CLP 670000	742	6.200%	2040 (soc)
Supranational	CAF Development Bank of Latin America	CNH 383	53	3.115%	2028
6,591					
Jun-24					
Chile	AES Andes SA	USD 530	530	8.150%	2055 (g)
Supranational	CAF Development Bank of Latin America	USD 30	30	5.180%	2027
Supranational	CAF Development Bank of Latin America	TRY 650	20	34.000%	2028
Supranational	FONPLATA	JPY 6300	40	1.600%	2027 (sust)
Supranational	FONPLATA	JPY 1100	7	1.790%	2029 (sust)
Colombia	Bancolombia SA	USD 800	800	8.625%	2034
Supranational	CAF Development Bank of Latin America	USD 20	20	3-mth Sofr +72	2029
Brazil	Aegea Finance Sarl	USD 300	300	9.000%	2031 (SLB)(r)
Peru	Republic of Peru	PEN 7000	1,855	7.600%	2039
Trinidad and Tobago	Republic of Trinidad & Tobago	USD 750	750	6.400%	2034
Brazil	Republic of Brazil	USD 2000	2,000	6.125%	2032 (sust)
Brazil	Vale Overseas Ltd	USD 1000	1,000	6.400%	2054
Dominican Republic	Dominican Republic	USD 750	750	6.600%	2036 (g)
Dominican Republic	Dominican Republic	DOP 105000	1,780	10.750%	2036
Dominican Republic	Dominican Republic	USD 500	500	7.050%	2031 (r)
Peru	Pluspetrol Camisea SA	USD 500	500	6.240%	2036
Brazil	XP Inc	USD 500	500	6.750%	2029
Dominican Republic	Aeropuertos Dominicanos Siglo XXI SA	USD 500	500	7.000%	2034
11,882					

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 2024 **26,400**
H1 2024 **71,812**

Table 10 (Annex 1)
LAC international bond issuances in the third quarter of 2024

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Jul-24					
Chile	Republic of Chile	EUR 1600	1,719	3.875%	2031 (soc)
Chile	Banco Internacional (Chile)	CHF 120	133	2.800%	2027
Argentina	Telecom Argentina SA	USD 500	500	9.500%	2031
Supranational	Bladex - Banco Latinoamericano de Comercio Exterior	PEN 94	25	7.000%	2029
Argentina	Transportadora de Gas del Sur SA - TGS	USD 490	490	8.500%	2031
Chile	Caja de Compensacion de Asignacion Familiar de Los Andes SA	USD 300	300	7.000%	2029 (soc)
Chile	Empresa Nacional del Petróleo (ENAP)	USD 600	600	5.950%	2034
Guatemala	Republic of Guatemala	USD 600	600	6.050%	2031
Guatemala	Republic of Guatemala	USD 800	800	6.550%	2037 (sust)
Supranational	CABEI Central American Bank for Economic Integration	USD 500	50	3-mth Sofr +53	2026
Chile	Republic of Chile	CLP 1300	1,363	5.800%	2029 (soc)
Chile	Republic of Chile	CLP 800	839	6.000%	2033 (soc)
			7,420		
Aug-24					
Peru	Republic of Peru	USD 1250	1,250	5.375%	2035
Peru	Republic of Peru	USD 1750	1,750	5.875%	2054
Chile	BTG Pactual Chile	USD 20	20	5.430%	2029 (soc)
Supranational	CABEI Central American Bank for Economic Integration	MXP 6600	352	1-mth Other +19	2028 (soc)
Supranational	CABEI Central American Bank for Economic Integration	MXP 1400	75	10.300%	2034 (soc)
Mexico	United Mexican States	JPY 97100	667	1.430%	2027 (sust)
Mexico	United Mexican States	JPY 32200	221	1.720%	2029 (sust)
Mexico	United Mexican States	JPY 10000	69	1.880%	2031 (sust)
Mexico	United Mexican States	JPY 8300	57	2.270%	2034 (sust)
Mexico	United Mexican States	JPY 4600	32	2.930%	2044 (sust)
Chile	Engie Energia Chile SA	CHF 190	225	2.127%	2029 (g)
			4,719		
Sep-24					
Uruguay	Oriental Republic of Uruguay	USD 1298	1,298	5.250%	2060
Brazil	Petrobras Global Finance BV	USD 1000	1,000	6.000%	2035
Peru	Banco de Credito del Peru	USD 600	600	5.800%	2035
Mexico	BBVA Mexico SA	USD 600	600	5.250%	2029
Supranational	CAF Development Bank of Latin America	USD 1000	1,000	4.125%	2028
Argentina	YPF SA	USD 500	500	8.750%	2031
Chile	Banco de Credito e Inversiones - BCI	USD 500	500	7.500%	Perp
Chile	Sociedad Quimica y Minera de Chile SA	USD 850	850	5.500%	2034
Argentina	Pampa Energia SA	USD 410	410	7.950%	2031
Brazil	Eletrobras	USD 750	750	6.500%	2035
Mexico	Murano Global Investments	USD 300	300	11.000%	2030
Colombia	Termocandelaria Power SA	USD 425	425	7.750%	2031
Mexico	Fideicomiso de Inversion en Energia Mexico (FIEMEX)	USD 1490	1,490	7.250%	2041
Brazil	Raizen Energia SA	USD 1000	1,000	5.700%	2035 (g)
Mexico	Comisión Federal de Electricidad - CFE	USD 500	500	5.700%	2030 (sust)
Mexico	Comisión Federal de Electricidad - CFE	USD 1000	1,000	6.450%	2035 (sust)
Jamaica	Kingston Airport Revenue Finance Limited (King Air)	USD 480	480	6.750%	2036
Brazil	Oceânica Engenharia e Consultoria	USD 375	375	13.000%	2029
Brazil	LD Celulose International GmbH	USD 650	650	7.950%	2032 (g)
Peru	Niagara Energy SAC	USD 1200	1,200	5.746%	2034
			14,928		

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.

Q3 2024 **27,067**

2024 YTD **98,879**

Table 11 (Annex 1)
LAC international bond issuances in the fourth quarter of 2024

Country	Issuer	Amount (million)	Amount US\$ (mm)	Coupon (%)	Maturity
Oct-24					
Chile	LATAM Airlines Group SA	USD1400	1,400	7.875%	2030
Chile	Empresa de Transporte de Pasajeros Metro S.A. (Empresa Metro)	CHF 155	181	1.693%	2031(g)
Supranational	Fondo Financiero para el Desarrollo de la Cuenca del Plata - FONPLATA	CHF 130	153	2.072%	2029 (sust)
Argentina	Banco de Galicia	USD 325	325	7.750%	2028
Argentina	YPF S.A.	USD 40.7	41	8.750%	2031 (r)
Chile	Chile Electricity	USD 1436.67	1,437	5.580%	2035
Argentina	YPF Energia Electrica SA	USD 420	420	7.875%	2032
Brazil	Braskem Netherlands Finance BV	USD 850	850	8.000%	2034
Supranational	CABEI Central American Bank for Economic Integration	IDR 555000	36	6.750%	2031 (soc)
Colombia	Ecopetrol SA	USD 1750	1,750	7.750%	2032
Brazil	Banco BTG Pactual SA	USD 500	500	5.750%	2030
Argentina	Empresa Distribuidora y Comercializadora Norte SA - EDENOR	USD 135	135	9.750%	2030
Argentina	Empresa Distribuidora y Comercializadora Norte SA - EDENOR	USD 47.03	47	9.750%	2030
Argentina	Telecom Argentina SA	USD 200	200	9.500%	2031 (r)
Brazil	Constellation Oil Services (NewCo Holding Sarl)	USD 650	650	9.750%	2029
Argentina	Generacion Mediterranea SA	USD 141	141	11.000%	2031 (r)
Mexico	Nueva Elektra del Milenio SA de CV	USD 350	350	12.500%	2031
Mexico	Grupo Aeromexico SAB de CV	USD 500	500	8.250%	2029
Mexico	Grupo Aeromexico SAB de CV	USD 610	610	8.625%	2031
Colombia	Republic of Colombia	USD 2000	2,000	7.750%	2036
Colombia	Republic of Colombia	USD 1640	1,640	8.375%	2054
			13,365		

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.

Q4 2024 **13,365**
2024 YTD **112,244**

Annex 2 LAC credit ratings

Table 12 (Annex 2)
Credit ratings in Latin America and the Caribbean, January–October 2024

	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	Upgrade, O/L stable	15-Mar-24	Affirmed, No outlook	11-Jun-24
Bahamas	B1		B+		NR		Downgrade, O/L stable	6-Oct-22	Affirmed, O/L stable	25-Sep-24		
Barbados	B3		B-		B+		Upgrade, O/L stable	3-Aug-23	Affirmed, O/L stable	21-Nov-22	Upgrade, O/L stable	15-Oct-24
Belize	Caa1		B-		NR		Upgrade, O/L stable	15-Oct-24	Affirmed, O/L stable	21-Aug-24		
Bolivia	Caa3		CCC+	(-)	CCC		Downgrade, O/L stable	26-Apr-24	Affirmed, O/L (-)	4-Oct-24	Downgrade, No outlook	6-Feb-24
Brazil	Ba1	(+)	BB		BB		Upgrade, O/L stable	1-Oct-24	Upgrade, O/L stable	19-Dec-23	Affirmed, O/L stable	27-Jun-24
Chile	A2		A		A-		Affirmed, O/L stable	20-Jun-24	O/L changed to stable from (-)	15-Oct-24	Affirmed, O/L stable	9-Jul-24
Colombia	Baa2	(-)	BB+	(-)	BB+		O/L changed to (-) from stable	27-Jun-24	O/L changed to (-) from stable	18-Jan-24	Affirmed, O/L stable	31-Jul-24
Costa Rica	Ba3	(+)	BB-		BB		Upgrade, O/L (+)	18-Sep-24	Upgrade, O/L stable	27-Oct-23	Upgrade, O/L stable	28-Feb-24
Cuba	WR		NR		NR		Rating withdrawn	7-Dec-23				
Dom. Rep.	Ba3	(+)	BB		BB-	(+)	O/L changed to (+) from stable	10-Aug-23	Upgrade, O/L stable	19-Dec-22	O/L changed to (+) from stable	29-Nov-23
Ecuador	Caa3		B-	(-)	CCC+	No O/L	Affirmed, O/L stable	27-Feb-23	O/L changed to (-) from stable	11-Jan-24	Affirmed, No outlook	13-Aug-24
El Salvador	Caa1		B-		CCC+	No O/L	Upgrade, O/L stable	23-May-24	Affirmed, O/L stable	10-Oct-24	Affirmed, O/L stable	30-Apr-24
Guatemala	Ba1		BB		BB		Affirmed, O/L stable	11-Jul-24	O/L changed to (+) from stable	18-Apr-24	Affirmed, O/L stable	13-Feb-24
Honduras	B1		BB-	(-)	NR		Affirmed, O/L stable	3-Oct-23	O/L changed to (-) from stable	20-Sep-24		
Jamaica	B1	(+)	BB-	(+)	BB-	(+)	Upgrade, O/L (+)	18-Oct-23	O/L changed to (+) from stable	24-Sep-24	Upgrade, O/L (+)	5-Mar-24
Mexico	Baa2		BBB		BBB-		Downgrade, O/L stable	8-Jul-22	Affirmed, O/L stable	1-Feb-24	Affirmed, O/L stable	18-Jul-24
Nicaragua	B2		B		B		Upgrade, O/L stable	15-Mar-24	Upgrade, O/L stable	25-Oct-22	Upgrade, O/L stable	30-May-24
Panama	Baa3		BBB	(-)	BB+		Downgrade, O/L stable	31-Oct-23	O/L changed to (-) from stable	7-Nov-23	Downgrade, O/L stable	28-Mar-24
Paraguay	Baa3		BB+		BB+		Upgrade, O/L stable	26-Jul-24	Upgrade, O/L stable	1-Feb-24	Affirmed, O/L stable	22-Oct-24
Peru	Baa1		BBB-		BBB	(-)	O/L changed to stable from (-)	20-Sep-24	Downgrade, O/L stable	25-Apr-24	Affirmed, O/L (-)	26-Apr-24
St Vincent	B3		NR		NR		Affirmed, O/L stable	28-Jun-24				
Suriname	Caa1		CCC		RD		Upgrade, O/L (+)	22-Oct-24	Upgrade, O/L stable	16-Sep-20	Affirmed, rate withdrawn	15-Jan-22
T & T	Ba2		BBB-		NR		O/L changed to stable from (+)	14-Jun-24	Affirmed, O/L stable	6-Sep-24		
Uruguay*	Baa1		BBB+		BBB		Upgrade, O/L stable	15-Mar-24	Upgrade, O/L stable	26-Apr-23	Affirmed, O/L stable	4-Jun-24
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 January to October 2024 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 2 (Annex 2)**Credit rating actions in Latin America and the Caribbean – January to October 2024**

There were 19 positive and 9 negative actions in Latin America and the Caribbean from January to 15 October 2024.

Positive Actions: 19 (Bold)*January**February*

- **Paraguay (01 February): S&P upgrades Paraguay’s rating to BB+ from BB with a stable outlook**, on greater economic resilience supported by macroeconomic stability and excess supply of renewable energy, which is attracting investments.
- Mexico (01 February): S&P affirms Mexico’s BBB rating with a stable outlook (no change).
- Guatemala (13 February): Fitch affirms Guatemala’s BB rating with a stable outlook (no change).
- **Costa Rica (28 February): Fitch upgrades Costa Rica’s rating to BB from BB- with a stable outlook**, citing the ongoing commitment to the fiscal rules that is anchoring continued structural improvement in Costa Rica’s fiscal position, as well as robust economic growth and an improved external liquidity position.

March

- **Jamaica (05 March): Fitch upgrades Jamaica’s rating to BB- from B+ rating with a positive outlook**, citing considerable progress with debt reduction backed by a sound fiscal framework and a strong political commitment to deliver large primary surpluses.
- **Argentina (15 March): S&P upgrades Argentina’s rating to CCC with a stable outlook** as debt exchange, which S&P had classified as a distressed exchange, is finalized. This was Argentina’s sixth peso-debt exchange since August 2022.
- **Nicaragua (15 March): Moody’s upgrades Nicaragua’s rating to B2 from B3 with a stable outlook**, reflecting the agency’s view that the sovereign’s credit profile has structurally strengthened due to the accumulation of substantial fiscal and external buffers above Moody’s prior expectations, as a result of concerted policy efforts to mitigate challenges from international sanctions.
- **Uruguay (15 March): Moody’s upgrades Uruguay’s rating to Baa1 from Baa2 with a stable outlook**, citing strong institutions that support the implementation of structural reforms and continued compliance with fiscal and monetary policy frameworks.

April

- **Guatemala (18 April): S&P revises the outlook on Guatemala’s BB rating to positive from stable** with expectation of an upgrade in the next 6-12 months if cautious macroeconomic policies prevail.
- El Salvador (30 April): Fitch affirms El Salvador’s CCC+ rating with no outlook, as Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below (no change).

May

- **Brazil (01 May): Moody’s revises the outlook on Brazil’s Ba2 rating to positive from stable**, citing real GDP growth prospects that are more robust than in pre-pandemic years, supported by the implementation of structural reforms over multiple administrations, as well as the presence of institutional guardrails that reduce uncertainty around future policy direction.
- **El Salvador (23 May): Moody’s upgraded El Salvador’s rating to Caa1 from Caa3 with a stable outlook**, citing a material decrease in credit risks for the sovereign, from very high-risk levels, given a lower likelihood of liquidity stress episodes.
- **Nicaragua (30 May): Fitch upgrades Nicaragua’s rating to B from B- with a stable outlook**, citing prudent policy settings that have led to twin surpluses and the accumulation of financial buffers.

June

- Uruguay (04 June): Fitch affirms Uruguay’s BBB rating with a stable outlook (no change).
- Argentina (11 June): Fitch affirms Argentina’s CC rating with no outlook, as Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below (no change).

- Chile (20 June): Moody's affirms Chile's A2 rating with a stable outlook (no change).
- Brazil (27 June): Fitch affirms Brazil's BB rating with a stable outlook (no change).
- St. Vincent and the Grenadines (28 June): Moody's affirms St. Vincent's and the Grenadines B3 rating with a stable outlook (no change).

July

- Chile (09 July): Fitch affirms Chile's A- rating with a stable outlook (no change).
- Guatemala (11 July): Moody's affirms Guatemala's Ba1 rating with a stable outlook (no change).
- Mexico (18 July): Fitch affirms Mexico's BBB- rating with a stable outlook (no change).
- **Paraguay (26 July): Moody's upgrades Paraguay's rating to Baa3 from Ba1 and revises outlook to stable from positive**, citing robust and sustained economic growth, expectations that the economy has become more resilient to shocks, and a track-record of institutional reforms that has improved institutional and governance strength.
- Colombia (31 July): Fitch affirms Colombia's BB+ rating with a stable outlook (no change).

August

- Ecuador (13 August): Fitch affirms Ecuador's CCC+ rating with no outlook, as Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below (no change).
- Belize (21 August): S&P affirms Belize's B- rating with a stable outlook on projected moderate economic growth (no change).

September

- Trinidad and Tobago (06 September): S&P affirms Trinidad and Tobago's BBB- rating with a stable outlook (no change).
- **Costa Rica (18 September): Moody's upgrades Costa Rica's rating to Ba3 from B1 with a positive outlook**, citing a strengthened fiscal profile that is benefitting from a marked improvement in debt affordability.
- **Peru (20 September): Moody's revises the outlook on Peru's Baa1 rating to stable from negative**, citing the agency's assessment that the adoption of political reforms alleviates medium-term concerns about institutional stability.
- **Jamaica (24 September): S&P revises the outlook on Jamaica's BB- rating to positive from stable** on institutional strength.
- Bahamas (25 September): S&P affirms Bahamas' B+ rating with a stable outlook (no change).

October

- **Brazil (01 October): Moody's upgrades Brazil's rating to Ba1 from Ba2 with a positive outlook**, citing material credit improvements including a more robust growth performance than previously assessed.
- El Salvador (10 October): S&P affirms El Salvador's B- rating with a stable outlook on debt repurchase offer announcement (no change).
- **Chile (15 October): S&P revises the outlook on Chile's A rating to stable from negative** on improved fiscal trajectory, saying the agency expects continuity in fiscal and monetary policy, indicating Chile's institutional stability.
- **Belize (15 October): Moody's upgrades Belize's rating to Caa1 from Caa2 with a stable outlook**, citing the significant reduction in the post-restructuring debt burden, aided by a stronger-than-expected post-pandemic recovery and an improvement in the primary balance.
- **Barbados (15 October): Fitch upgrades Barbados' rating to B+ from B with a stable outlook**, citing continued large primary surpluses, which are quickly reducing the debt-to-GDP ratio, though it remains high.
- **Suriname (22 October 2024): Moody's upgrades Suriname's rating to Caa1 from Caa3 with a positive outlook**, citing the anticipated impact on the sovereign's credit profile of major economic and fiscal windfalls associated to a major oil project. The positive outlook reflects the potential for additional improvement in Suriname's economic and fiscal strength driven by continued economic reforms and favorable investment projects.
- Paraguay (22 October 2024): Fitch affirms Paraguay's BB+ rating with a stable outlook (no change).

Negative Actions: 9 (Bold)

January

- **Ecuador (11 January): S&P revises the outlook on Ecuador's B- long-term foreign currency rating to negative from stable** on increasing liquidity strains.

- **Colombia (18 January): S&P revises the outlook on Colombia's BB+ long-term foreign currency rating to negative from stable** on subdued economic growth prospects, which may indicate less economic resilience.

February

- **Bolivia (06 February): Fitch downgrades Bolivia's rating to CCC from B- with no outlook** (Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below). The agency says the downgrade reflects a significant decline in usable international reserves to very low levels, heightening risks to macroeconomic stability and debt service capacity.

March

- **Panama (28 March): Fitch downgrades Panama's rating to BB+ from BBB- with a stable outlook**, saying the downgrade reflects fiscal and governance challenges that have been aggravated by the events surrounding closure of the country's largest mine.

April

- **Peru (25 April): S&P downgrades Peru's rating to BBB- from BBB with a stable outlook** on political uncertainty constraining growth.
- Peru (26 April): Fitch affirms Peru's rating at BBB with a negative outlook (no change).
- **Bolivia (26 April): Moody's downgrades Bolivia's rating to Caa3 from Caa1 with a stable outlook** on its assessment that ongoing governance challenges and heightened domestic political risk have exacerbated external liquidity pressures.

June

- **Trinidad and Tobago (14 June): Moody's revises the outlook on Trinidad and Tobago's Ba2 rating to stable from positive**, citing increasing external vulnerability risks as highlighted by the accelerated pace of liquid foreign exchange reserves drawdown observed over the first four months of 2024.
- **Colombia (27 June): Moody's revises the outlook on Colombia's Baa2 rating to negative from stable**, citing macroeconomic conditions that are complicating fiscal management as lower-than-expected economic growth is adversely affecting tax revenue and higher borrowing costs are putting additional pressure on the government accounts.

September

- **Honduras (20 September): S&P revises the outlook on Honduras' BB- rating to negative from stable** on weaker monetary flexibility.

October

- Bolivia (04 October): S&P affirms Bolivia's CCC+ rating with a negative outlook (no change).

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

Annex 3 Latin American bond spreads

Table 13 (Annex 3)
EMBI Global index and Latin American composites, October 2020—October 2024
(Basis Points)

	EMBI Global	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	Venezuela	Latin America	Bolivia	Paraguay
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
31-Jul-23	334	1982	197	119	313	1934	354	163	89	38800	394	908	202
31-Aug-23	353	2097	211	131	321	1850	365	164	88	34220	407	1194	212
29-Sep-23	362	2539	206	135	335	1789	378	174	98	38912	432	1463	212
31-Oct-23	366	2576	200	147	323	1755	379	176	86	15867	438	1599	217
30-Nov-23	339	1984	196	134	304	2016	358	160	84	18054	401	299	2044
29-Dec-23	319	1907	200	132	272	2055	340	160	85	21422	383	278	2233
31-Jan-24	336	1964	224	143	310	1786	341	167	97	22198	392	301	1959
29-Feb-24	308	1702	202	134	299	1420	328	153	85	21928	364	271	1796
28-Mar-24	287	1452	201	127	292	1233	314	152	82	21720	342	252	1796
30-Apr-24	301	1215	202	121	303	1120	309	160	80	14799	381	250	1917
30-Oct-20	388	1482	309	174	244	1029	477	149	165	21698	467	601	247
31-May-24	317	1341	202	118	302	1274	299	159	78	15228	436	244	1962
28-Jun-24	344	1455	220	120	305	1391	319	154	80	16878	509	247	2065
31-Jul-24	353	1510	222	131	315	1305	324	164	89	18716	514	259	2142
30-Aug-24	342	1433	214	122	313	1240	327	157	79	22665	500	247	2295
30-Sep-24	323	1284	211	118	317	1211	315	154	90	19495	480	229	2281
31-Oct-24	305	984	201	116	337	1250	307	156	85	19681	471	208	1853

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

EMBI Global composition by country (end-October 2024): Mexico, Brazil and Chile account for 16.59% of the total weighting.

EMBI Global composition by region: Latin: 33.81%; Non-Latin: 66.19%.

Latin American and Caribbean issuers placed US\$ 112 billion of bonds in international markets in the first 10 months of 2024. This total was 40% higher than in the same period in 2023. The market remained open to high-yield issuers from the region, but most of the region's issuances (58%) came from the investment grade sector. After two consecutive years in which sovereign issuances surpassed the 50% mark, corporate bond issuances in the reporting period represented 57% of the total.

The region issued US\$ 29 billion in green, social, sustainability and sustainability-linked bonds in international markets from January to October 2024, up 19% from the same period in 2023. This total accounted for 26% of the region's total international bond issuance, down from 31% in the prior-year period and from the record 35% annual share in 2023.

Capital flows to Latin America and the Caribbean: first 10 months of 2024 presents and analyses the main trends and developments in capital flows to Latin America and the Caribbean from January to October 2024. This report, published by ECLAC three times a year, provides an overview of the region's new international bonds issued, bond spreads and credit ratings.