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Capital flows to Latin America and the Caribbean

2023 year-in-review and early 2024 developments

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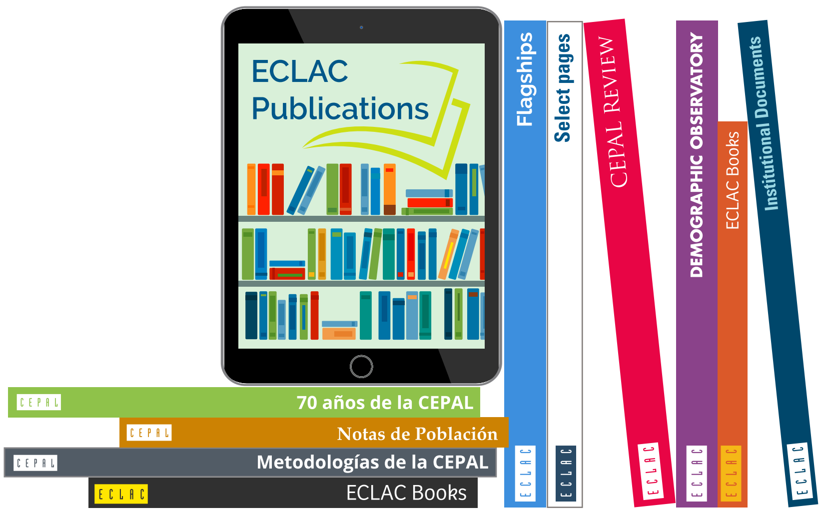

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The report has been prepared on the basis of market views and developments. All data and information are from market sources, unless otherwise noted. Unless otherwise indicated, the cut-off date for the information used to prepare this report is 31 December 2023.

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Highlights

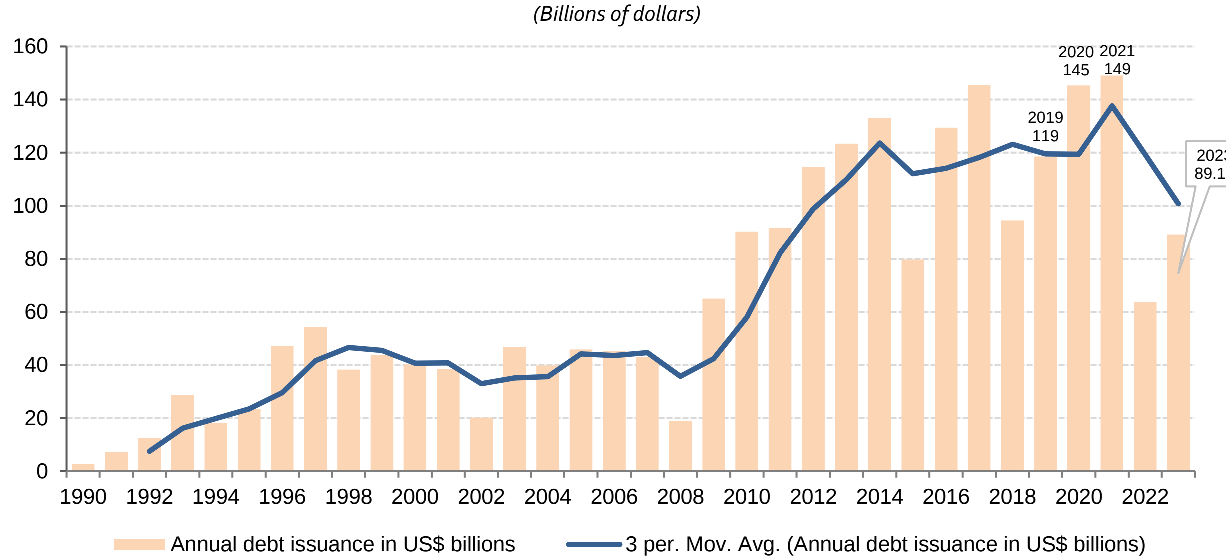
- In 2023, the region's cross-border bond market began to move towards a sense of normalcy. The United States Federal Reserve signaled an end to its campaign of aggressive rate increases to combat inflation. Issuers that had been waiting for lower borrowing costs began to gradually return to the international market, anticipating the end to global interest rate hikes while accepting that rates may remain higher for longer.
- Total Latin American and Caribbean (LAC) bond issuance in international markets reached US$ 89.15 billion in 2023. Rebounding from last year's low volumes, this total was 40% higher than the 2022 annual volume. However, it was still 35% lower than the average annual issuance in the three-year period from 2019 to 2021.
- The average coupon in 2023 was 1.65 percentage points higher than in 2022, reflecting higher borrowing costs and tighter financial conditions for the region's corporate and sovereign issuers. Average maturity declined from 14 years in 2021, to 11 years in 2022 and 2023.
- In the case of the region's sovereign issuers, the steady climb in the average coupon rates on their dollar-denominated debt issuance in international markets —from 3.6% in 2021 to 5.1% in 2022 and 6.6% in 2023— illustrates how financing costs have increased for the governments of the region. Despite the higher borrowing costs, sovereign issuances were up 41% in 2023 in terms of amount and their share of the region's total annual issuance increased to 52% from 51% in 2022 and 39% in 2021.
- The region's corporate bond issuances partially rebounded after declining in 2022 and in the first half of 2023. Issuances from the non-bank private sector increased 17% in 2023 compared with 2022, although the sector's share of the region's total issuance continued to decline, from 43% in 2021 to 30% in 2022 and 25% in 2023. Quasi-sovereign and supranational international bond issuances increased 109% and 42%, respectively, while their shares in the total increased to 12% and 9%, respectively, from 8% in 2022.
- The region's top three issuers in international markets, corporate and sovereign combined, were Brazil, Chile and Mexico, in that order. Together they accounted for 57% of the total regional issuance in 2023. Brazil was the top issuer, with a share of 21%, followed by Chile (19%) and Mexico (17%). Colombia ranked fourth, with a share of 10%.

- Chile and Mexico were also the region's top two sovereign issuers. Together they accounted for 40% of all sovereign international debt issuances from the region, with Chile issuing 22% and Mexico 18% of the region's sovereign total. Colombia ranked third with a share of 10% and Brazil fourth, with a share of 9%.
- The local currency share of the region's international bond issuances increased to 19.5% in 2023 from 8% in 2022, reflecting higher demand from international investors for local currency-denominated bonds.
- The region's issuance of international green, social, sustainability and sustainability-linked (GSSS) bonds in 2023 totalled US$ 31.15 billion. This total was up 52% from 2022, but with an average coupon that was 2% higher. GSSS bond issuances represented a record 35% share of the region's total annual amount issued in international markets in 2023.
- The public sector continued to play a larger part in the region's sustainable sector, with the sovereign sector accounting for 74% of the total annual regional GSSS bond issuance in international markets in 2023, a record and a significant increase from its 57% share in 2022.
- Both Colombia and Brazil issued their first international sovereign GSSS bonds in 2023. In November, Colombia raised US$ 2.5 billion in a two-part sale of social bonds and Brazil issued a sustainability bond with the sovereign's lowest coupon in almost a decade according to Finance Minister Fernando Haddad.
- Sustainability-linked bonds (SLBs) were the most used sustainable debt instruments by LAC issuers, representing 36% of the region's total GSSS international issuance in 2023 (US$ 11 billion), with Chile's sovereign issuances accounting for 72% of the region's total international SLB issuance. Sustainability bonds ranked second with a share of 32% (US$ 10 billion).
- Credit quality improved in 2023. There were 14 more positive credit rating actions than negative, the best annual balance since 2011.
- LAC bond spreads tightened 57 basis points in 2023. As measured by the JPMorgan Emerging Markets Bond Index Global (EMBIG), LAC bond spreads stood at 383 basis points at the end of December 2023.
- Latin American equities in U.S. dollar terms performed strongly in 2023, supported by currency appreciation in the first half of the year, which boosted equity returns in dollar terms, and, in the second half, by the United States Federal Reserve's signaling an end to its campaign of aggressive rate increases. The MSCI Latin American index gained 25% in 2023, outperforming the emerging market and G7 indices, which gained 7% and 23%, respectively.
- Pointing to a strong beginning of the year, LAC international bond issuances reached a total of US$ 31 billion in January 2024, the third highest ever monthly total in the region.

Overview

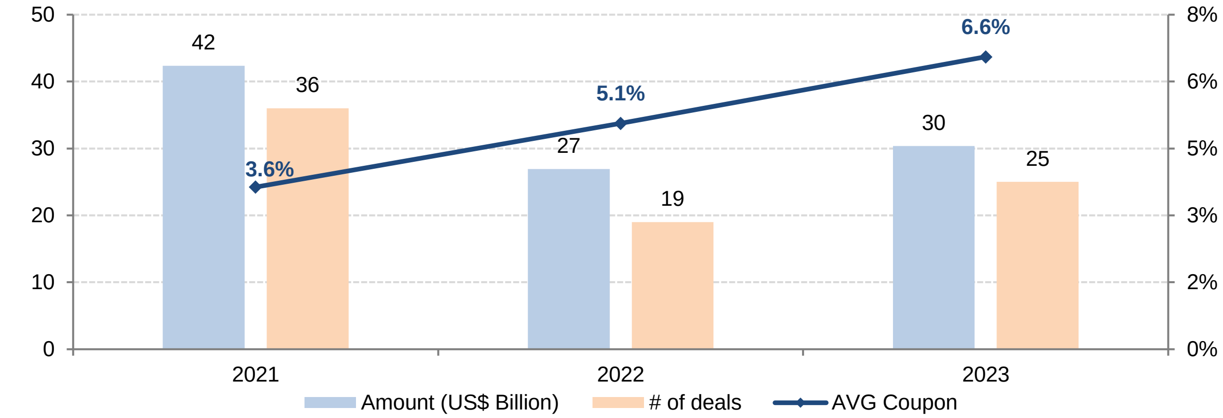
Latin American and Caribbean (LAC) issuers placed US$ 89.15 billion of bonds in international markets in 2023 (figure 1). This total was 40% higher than in 2022 but 35% lower than the average issuance in the three-year period from 2019 to 2021. The average coupon rate was 1.65 percentage points higher than in 2022, and 3 percentage points higher than in 2021. This increase has translated into higher financing costs for corporates and for the governments of the region. Average coupon rates on the region's dollar-denominated sovereign issuances have climbed steadily in recent years, from 3.6% in 2021 to 5.1% in 2022 and 6.6% in 2023, illustrating how the region's borrowing costs have increased (figure 2).

Figure 1
Annual LAC international bond issuance, 1990–2023
(Billions of dollars)



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

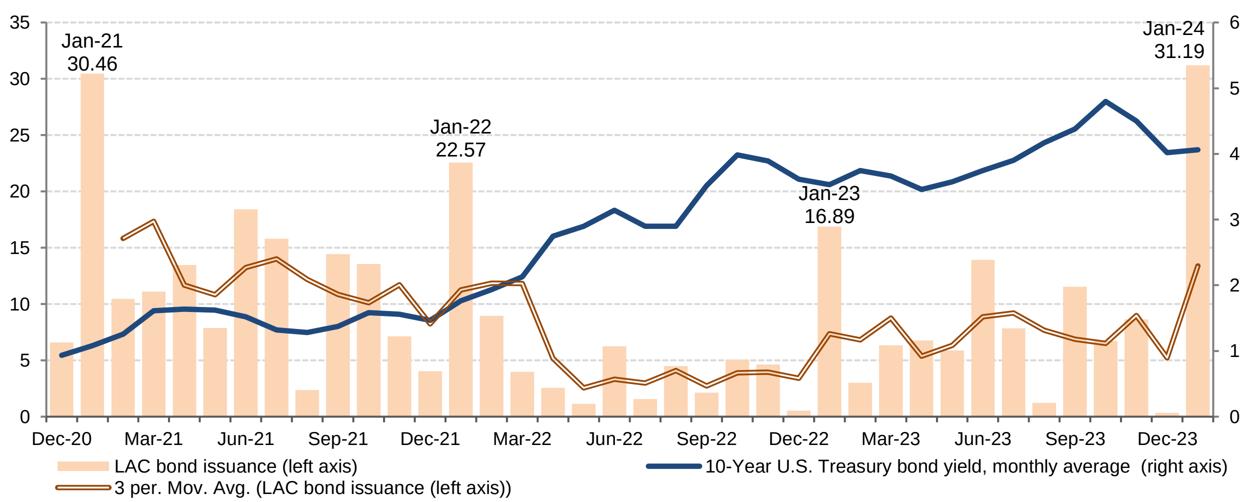
Figure 2
Annual LAC sovereign issuance of dollar-denominated debt in international markets by amount, number of deals and interest rate, 2021–2023
(Billions of dollars, percentage)



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

Global financial conditions remain challenging for the region's bond issuers due to higher borrowing costs and tighter lending conditions, adding to domestic challenges. The United States Federal Reserve has kept its benchmark interest rate unchanged at a range of 5.25%-5.50% since July 2023, the highest level since 2001. In addition, throughout most of September and October in 2023, U.S. 10-year Treasury yields climbed towards 5%, perceived by markets as an important threshold[1]. The 10-year Treasury yield serves as a vital economic benchmark and when it moves higher, there is an adverse impact on the international bond issuances from Latin America and the Caribbean (figure 3).

Figure 3
Monthly LAC international bond issuance and 10-year U.S. Treasury yield, December 2020–January 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 10-year U.S. Treasury bond yield.

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[1] According to Morning Star *MarketWatch*, "5% 10-year rate is regarded by investors as a significant milestone for a number of reasons. One is that it generally makes government debt more appealing when compared to stocks, as traders and investors factor in a higher cost of doing business by companies and discount the value of their future earnings," 19 October 2023, https://www.morningstar.com/news/marketwatch/20231019567/why-stock-market-investors-are-fixated-on-5-as-10-year-treasury-yield-nears-key-threshold.

With the U.S. Federal Reserve signaling an end to its aggressive campaign of interest rate increases to combat inflation, LAC issuers that had been waiting for lower borrowing costs began to return to the international market in 2023, anticipating an end to global interest rate hikes, while accepting that rates may remain higher for longer.

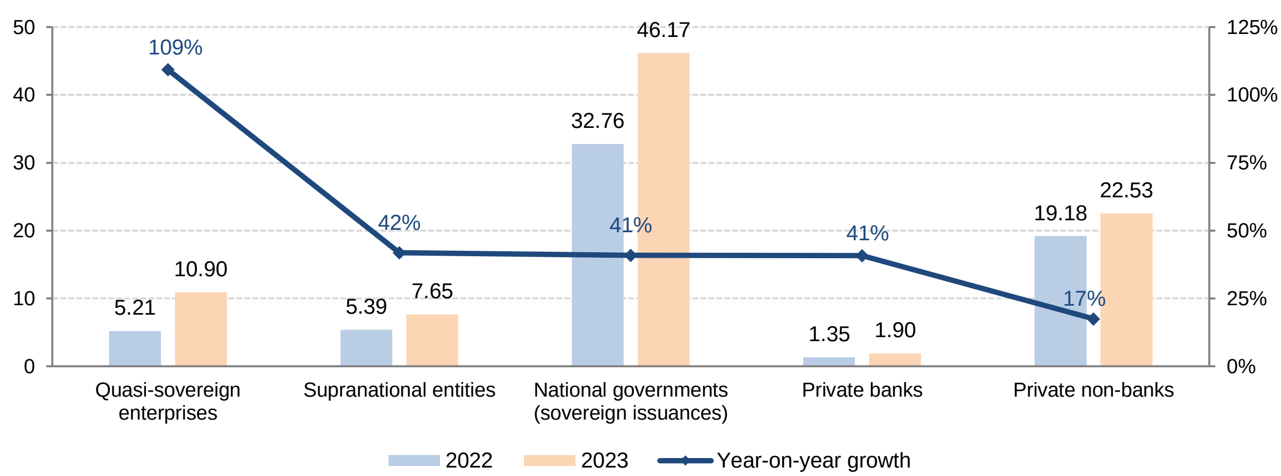
The largest debt issuance rebound was observed in the quasi-sovereign sector[2], which showed a year-on-year growth of 109% in 2023. Issuances from supranational entities and national governments grew 42% and 41%, respectively. Bond issuances from the private corporate sector, which had been an important driver of the region's international debt issuances since 2009 but suffered a decline in 2022 and in the first half of the year, have since started to recover. Private non-bank bond issuances grew 17% in 2023, while private bank issuances grew 41% (table 1, figure 4).

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

	Private banks	Private non-banks	Quasi-sovereign enterprises	National governments (sovereign issuances)	Supranational entities	Total
Total 2023 (millions of dollars)	1.90	22.53	10.90	46.17	7.65	89.15
Year-on-year growth (percentages)	41%	17%	109%	41%	42%	40%
Share of Total (percentages)	2%	25%	12%	52%	9%	100%
Number of deals	14	57	10	36	37	154
Year-on-year change (number of deals)	6	23	2	7	9	47

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

Figure 4
LAC debt issuances in international markets by sector, 2022—2023
(Billions of dollars, percentages and number of deals)



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

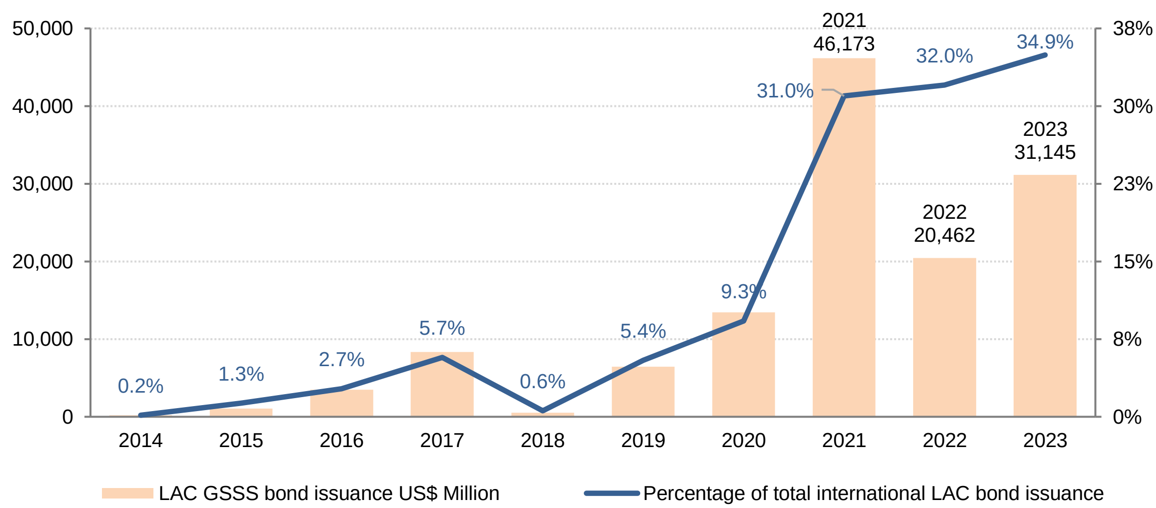
The top three issuers in 2023, corporate and sovereign combined, were Brazil, Chile and Mexico, in that order, which together accounted for 57% of the total regional issuance. Brazil was the top issuer, accounting for 21% of LAC annual issuance, followed by Chile (19%) and Mexico (17%). Chile and Mexico were also the region's top two sovereign issuers. Together they accounted for 40% of all sovereign LAC debt issuances.

[2] A quasi-sovereign is a corporate entity, legally separate from, but controlled by, a sovereign.

The local currency share of the region's international bond issuances increased to 19.5% in 2023 from 8% in 2022. The region's early monetary policy tightening translated into decelerating inflation and currency appreciation with Latin American currencies rising from late-2022 until mid-2023 as a result, increasing demand for local currency-denominated bonds from international investors. As Latin American issuers look for innovative ways to raise capital at a time of tight and expensive financing, by selling bonds in local currency they are able to remove currency risk, and in the case of local-currency sustainable bonds, link the interest rate to sustainability goals.

The region's issuance of international green, social, sustainability and sustainability-linked (GSSS) bonds reached US$ 31.15 billion in 2023, up 52% from 2022, but with an average coupon that was 2.1 percentage points higher. This total represented a record 35% share of the region's total annual issuance in international markets, highlighting the enduring resilience of these novel instruments in the current international scenario (figure 5).

Figure 5
LAC international GSSS bond issuance, 2014–2023
(Left axis, Millions of dollars; Right axis, percentage)



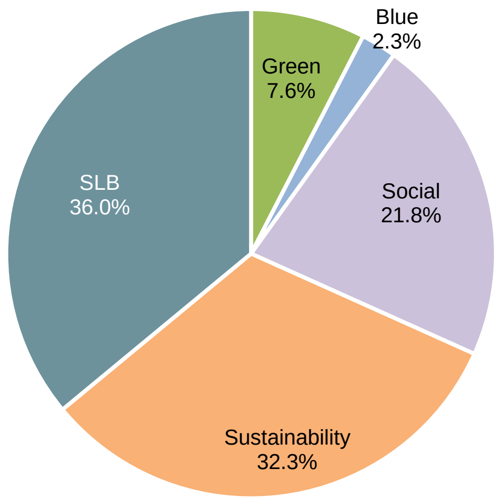
Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. The region's first international green bond was issued in December 2014.

According to data from Moody's, Latin America and the Caribbean has been the region with the highest share of sustainable bonds in the overall bond issuance at the global level since 2020. In 2023, the region again had the highest share, followed by Middle East and Africa, and Europe (with shares around 20%), Asia Pacific (14%), and North America (4%).[3]

Sustainability-linked bonds (SLB) were LAC issuers' most used sustainable debt instruments in 2023. They accounted for 36% of the region's total international GSSS bond issuance (US$ 11.2 billion), with the Government of Chile issuing 72% of the total. Sustainability bonds were the second most used instrument, with the Governments of Mexico, Peru and Brazil issuing 43% (US$ 4.3 billion), 25% (US$ 2.5 billion) and 18% (US$ 2.0 billion) of the total, respectively (figure 6). Brazil's sovereign sustainability bond, a US$ 2 billion 8-year bond with a 6.25% coupon issued in November, was the sovereign's inaugural GSSS bond in international markets. It contributed to narrow the spread (the additional borrowing costs) between Brazil and peers such as Mexico, which enjoy an investment-grade credit rating.[4]

3 Moody's, "Sustainable bond issuance to hold steady in 2024 amid moderating economic growth," 24 January 2024, Exhibit 11.
4 Financial Times, "Investors pile into Brazil's first sustainable bond", by Simon Mundy, 15 November 2023.

Figure 6
LAC international GSSS bond issuance by types of instruments, 2023
(Percentage)



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

The distribution of Latin America and the Caribbean's international GSSS bond issuances by type of instruments suggests a divergence from global trends since the pandemic. The region has a predominance of SLBs, and among traditional "use of proceeds" instruments (green, social and sustainability bonds), the region has a predominance of sustainability and social bonds over the green label. At the global level, the data shows a predominance of green bonds with a share of over 60%, according to data from Environmental Finance and Moody's, while SLBs represent only 6% of the total.[5]

Sustainable Fitch suggests that the divergence may be attributed to two key factors. One is the region's high level of poverty and inequality and the need to have a social focus together with a green focus to address these structural problems, rather than focusing solely on green initiatives. Another reason it suggests is the "critical role played by natural resources and the agribusiness sector, where the link between the environmental and social dimension is intrinsically strong."[6]

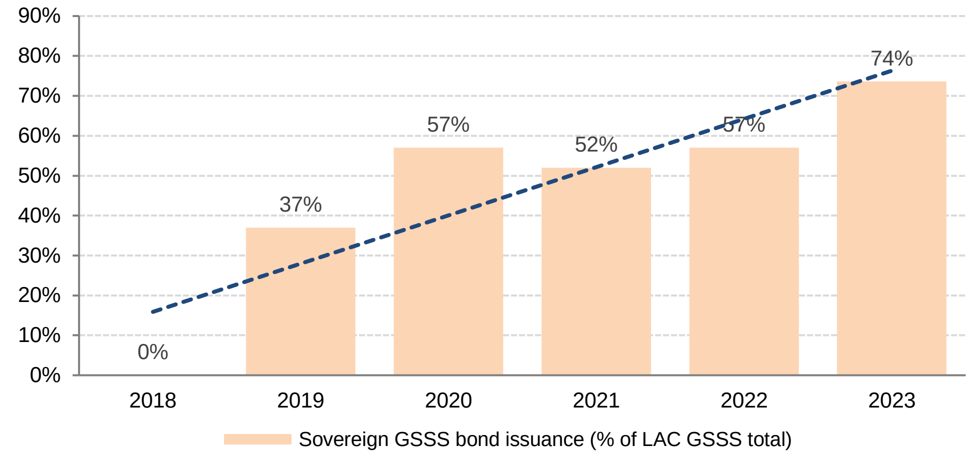
The larger role national governments are playing in the region's sustainable bond issuances has been a major trend in the past five years. In June 2019, Chile issued the region's first sovereign green bond in international markets. From then to the end of 2023, nine countries —Chile, Ecuador, Guatemala, Mexico, Peru, Bahamas, Uruguay, Colombia[7] and Brazil— in order of appearance in the international markets, issued sovereign green (or blue), social, sustainability, and sustainability-linked bonds. The sovereign sector accounted for 74% of the region's total international GSSS bond issuance in 2023, up from a share of 57% in 2022 (figure 7), as the corporate sector was heavily impacted by the increase in risk aversion and borrowing costs.

5 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.

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

7 In early November 2023, Colombia issued its first international GSSS sovereign bond, raising US$ 2.5 billion in a two-part sale of social bonds.

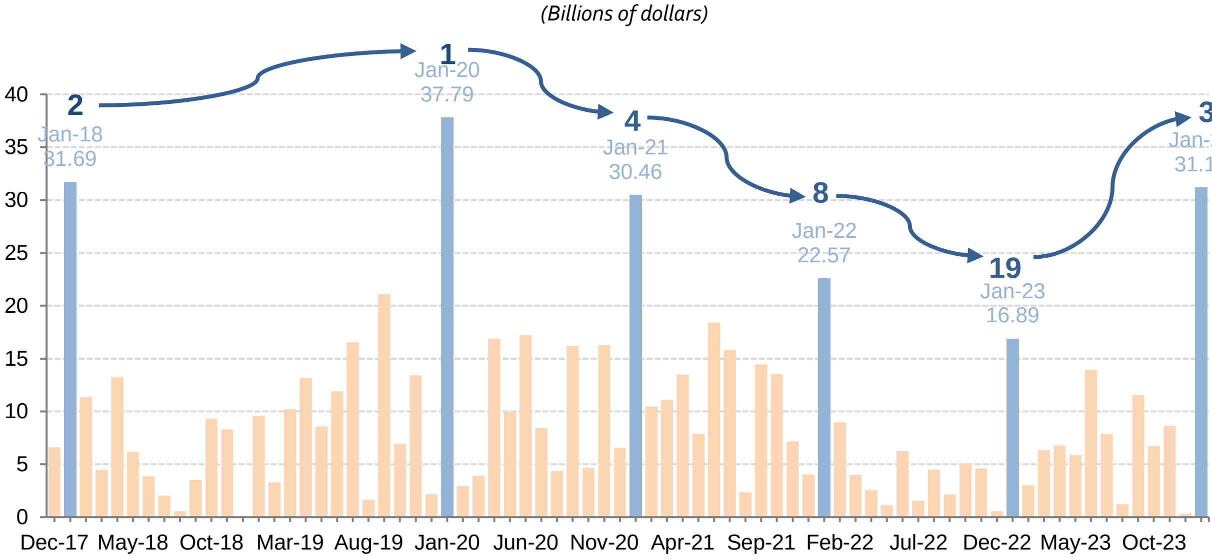
Figure 7
Sovereign bond issuance as a share of LAC international GSSS bond issuance, 2018–2023
(Percentage)



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.

LAC international bond issuances are off to a strong start in 2024, as the region's cross-border bond market gradually regains a sense of normalcy since global central banks started to hike interest rates to fight inflation. In January 2024, seeking to lock in the decline in U.S. Treasury yields that started towards the end of 2023, LAC governments and companies placed the region's third highest ever monthly amount of debt in international markets (US$ 31.2 billion) behind only the US$ 37.8 billion placed in January 2020 and the US$ 31.7 billion placed in 2018, when financing costs were remarkably lower. The region has historically experienced a high volume of bond issuances in January, but in the past two years the region's January issuances were more subdued, reflecting higher financing costs and market volatility (figure 3, p.8, and figure 8).

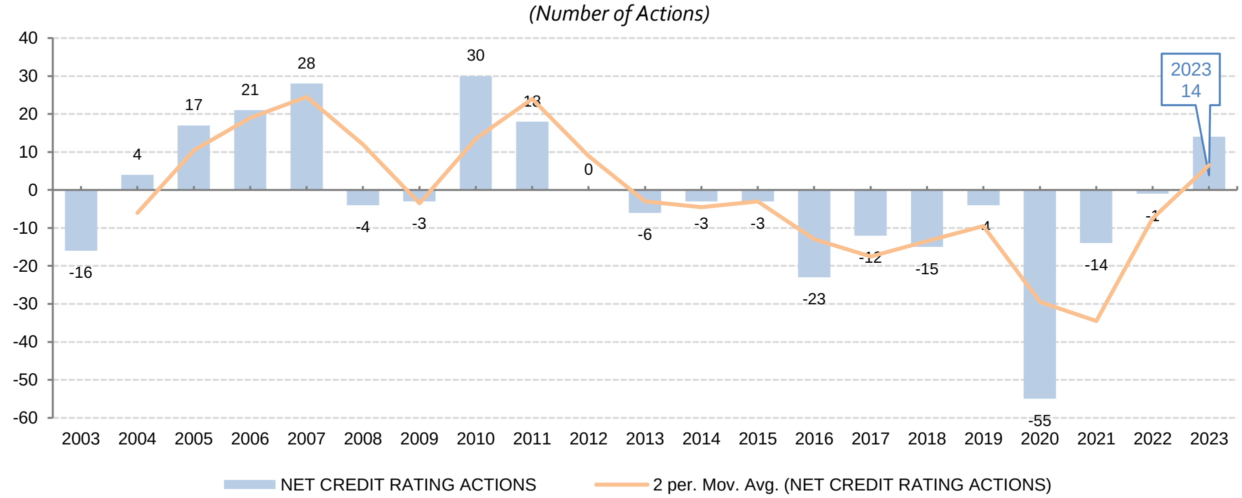
Figure 8
Monthly LAC international bond issuance, December 2017–January 2024
(Billions of dollars)



Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance. The blue numbers in the chart show the January issuances' ranking relative to all LAC monthly bond issuances from July 1999 to January 2024.

The region's sovereign credit quality improved in 2023, supported by lower funding needs and greater reliance on local markets. There were twenty-nine positive and fifteen negative credit rating actions. Following ten consecutive years when negative credit rating actions outnumbered positive actions in the region, the 2023 net balance of fourteen more positive actions than negative is the best since 2011, when there were 18 more positive actions than negative (figure 9). The positive actions included upgrades and outlook upward revisions citing improvements in fiscal positions and external metrics, while the negative actions included downgrades and outlook downward revisions citing financing risks, distressed exchanges, and depletion of liquidity buffers.[8]

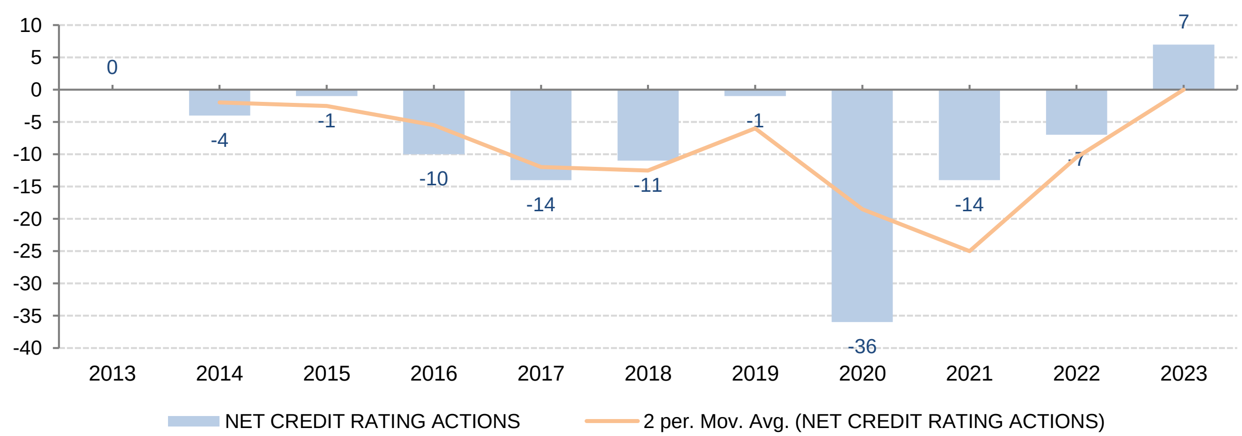
Figure 9
Net credit rating actions in Latin America and the Caribbean, 2003–2023
(Number of Actions)



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

On balance there were seven more upgrades than downgrades, the first time in ten years that upgrades outnumbered downgrades (figure 10). Better credit quality contributed to keep bond spreads moderate.

Figure 10
Net credit rating upgrades/downgrades in Latin America and the Caribbean, 2013–2023
(Number of upgrades and downgrades)

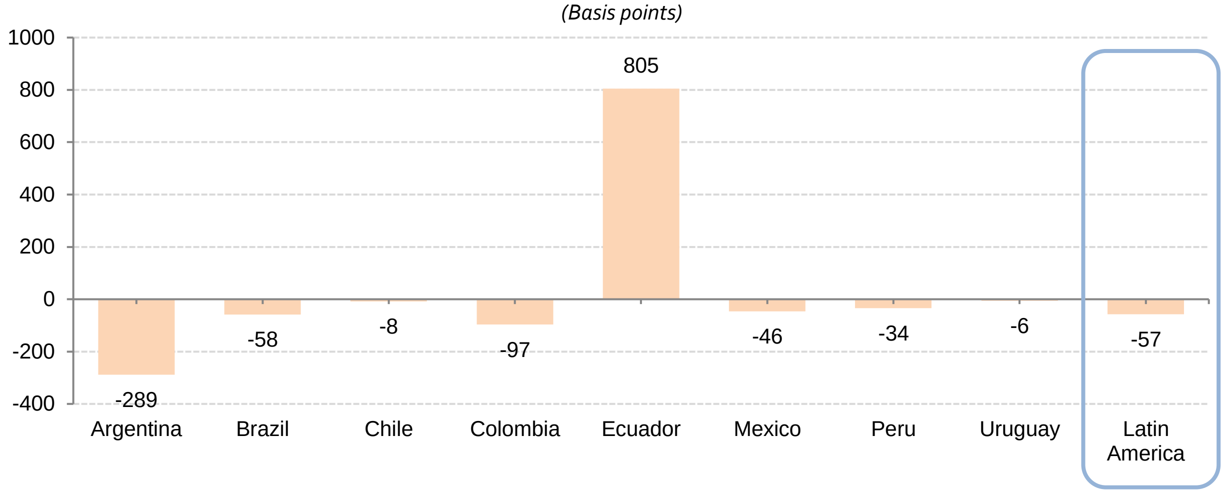


Source: ECLAC Washington Office, based on data from Moody's, Standard & Poor's, and Fitch. Only upgrade/downgrades are included.

[8] Outlook revisions suggest that a change in rating may be likely in the near future.

Borrowing costs for LAC issuers as measured by the JPMorgan Emerging Markets Bond Index Global (EMBIG) tightened by 57 basis points in 2023 (figure 11). Spreads widened for Ecuador but tightened for the other countries in our sample. Ecuadorian spreads widened by 805 basis points, as fiscal deterioration and a slowing economy, as well as worsening security situation, heightened the sovereign's financing risks.

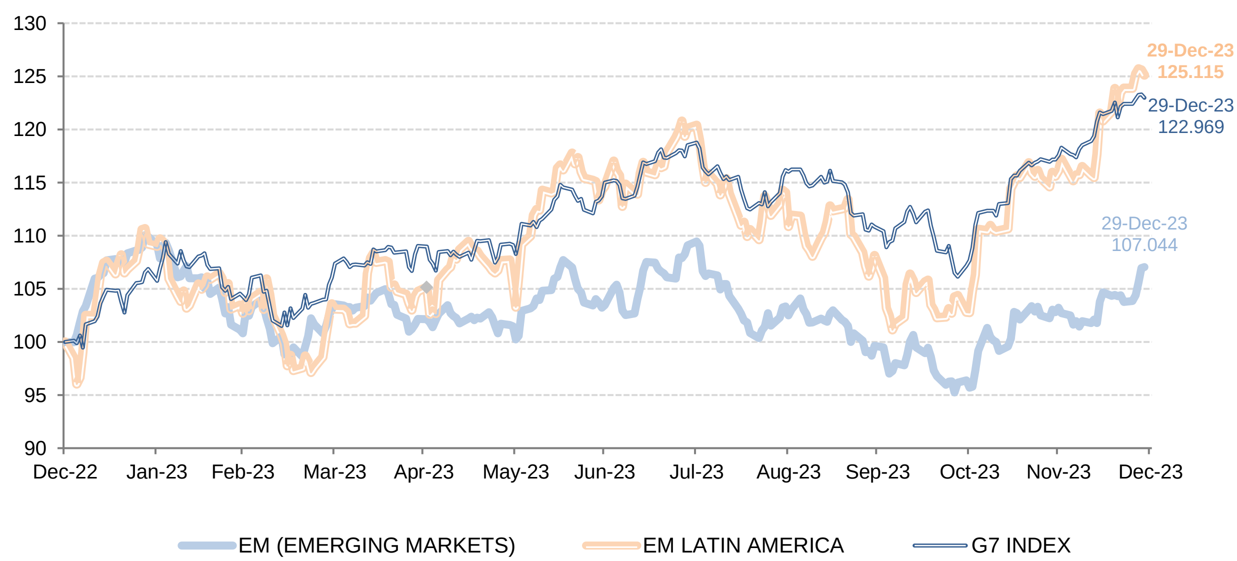
Figure 11
Latin American EMBIG spread differential, 2023
(Basis points)



Source: ECLAC Washington Office, based on data from JPMorgan, "Emerging Markets Bond Index Monitor".
Note: Venezuelan spreads not included due to the difference in magnitude. Venezuelan spreads tightened 23,418 basis points in 2023.

Finally, Latin American equities in U.S. dollar terms performed strongly in 2023, reflecting a mix of local currency appreciation in the earlier part of the year, with anticipation that the U.S. Federal Reserve's campaign of interest rate increases has reached a peak and rates will start to come down in 2024. The MSCI Latin American index gained 25% in 2023, outperforming the emerging market and the G7 indices, which gained 7% and 23%, respectively (figure 12).

Figure 12
MSCI equity price Index, 2023
(Index levels)



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

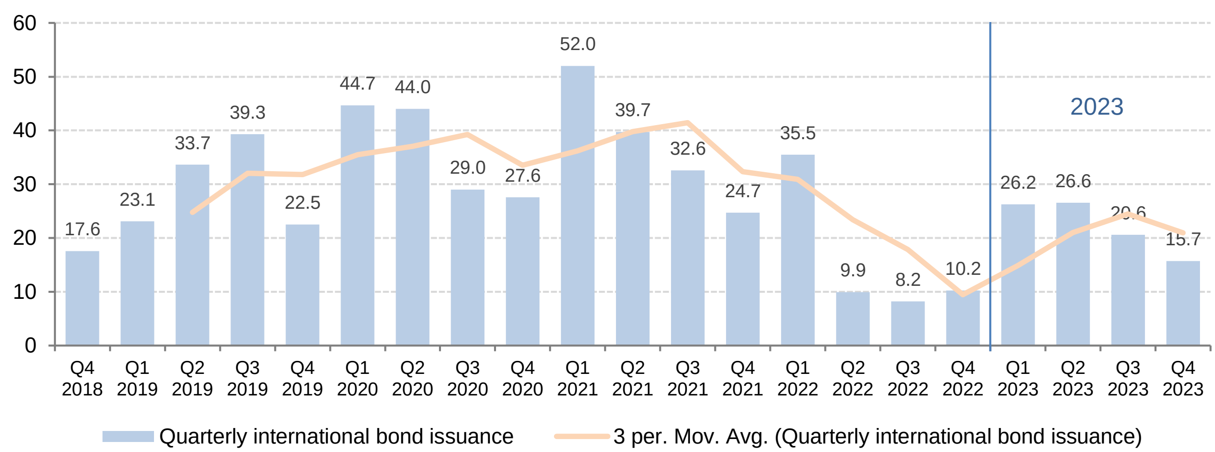
I. International bond markets and debt management

LAC issuance in international bond markets in 2023 improved significantly over 2022. Sovereign credit quality also improved. Credit spreads tightened, reflecting progress in slowing inflation at the domestic level, better market sentiment due to slower monetary tightening pace in the United States, and China's opening economy.

A. New debt issuance

Total LAC bond issuance in international markets was US$ 89.15 billion in 2023. There was a recovery in issuances from the region in 2023, supported by decelerating inflation, currency appreciation, and the Federal Reserve approaching the end of its interest rates hikes. Although the first quarter volume was lower than in the first quarter of 2022, all the other quarters' totals were higher than a year-ago (figure 13).

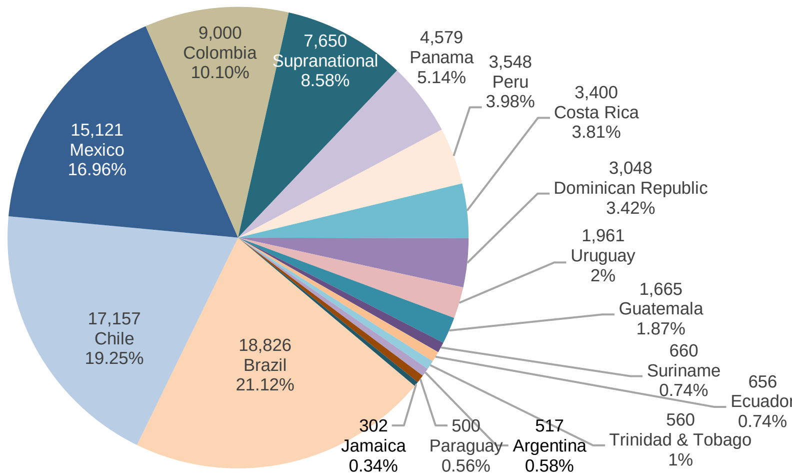
Figure 13
LAC quarterly international bond issuance, Q4 2018–Q4 2023
(Billions of dollars)



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

Brazil had the largest share of bond issuances —sovereign and corporate combined— in 2023, followed by Chile and Mexico. They issued US$ 18.8 billion (21.12%), US$ 17.2 billion (19.25%), and US$ 15.12 billion (16.96%), respectively. Issuances from the three countries accounted for 57.32% of the total annual international LAC bond issuances (figure 14).

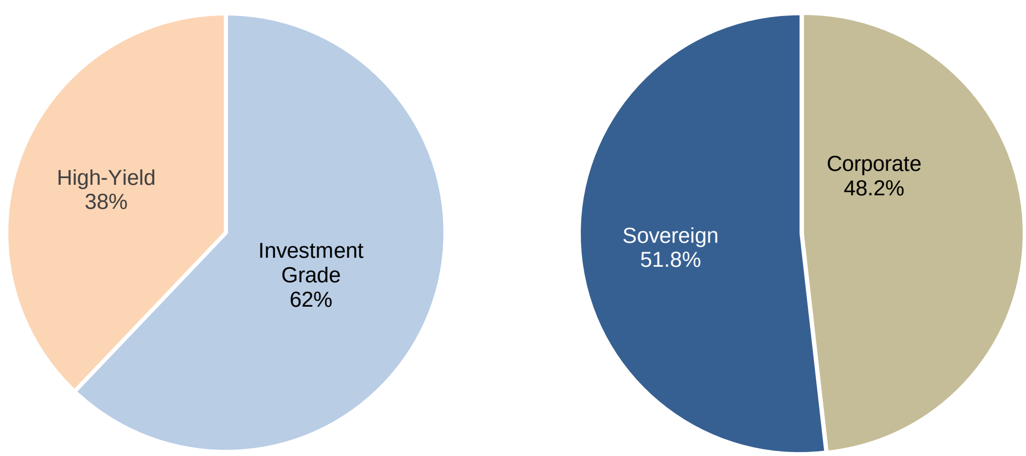
Figure 14
LAC international sovereign and corporate bond issuance, country breakdown, 2023
(Country totals in Millions of dollars and country shares in percentage)



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

Investment-grade issuers —sovereign and corporate combined— accounted for 62% of total overall LAC bond issuance in international markets in 2023, while 38% of the total was issued by high-yield issuers, an increase from the 34% share of high-yield issuers in 2022. The sovereign sector accounted for 52% of the total, while the corporate sector (including corporations, banks, quasi-sovereign, and supranational issuers) accounted for 48% (figure 15).

Figure 15
LAC international bond issuance by rating and type of issuer, 2023
(Percentage)



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

1. Sovereign issuance

In 2023, fourteen sovereigns —Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago and Uruguay— tapped the international bond market (annex 1, tables 7 to 10). The top three sovereign issuers were Chile, Mexico, and Colombia (table 2), followed by Brazil and Panama. Sovereign issuance of GSSS bonds (US$ 22.9 billion) accounted for 50% of the sovereign total.

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

Sovereign Issuer	Total Issuance *(Millions of dollars)*	% of the total sovereign issuance	Number of Deals
Chile	10,260	22%	7
Mexico	8,315	18%	4
Colombia	4,700	10%	3
Brazil	4,250	9%	2
Panama	3,900	8%	5
Dominican Republic	3,048	7%	3
Costa Rica	3,000	6%	2
Peru	2,494	5%	1
Uruguay	1,961	4%	2
Guatemala	1,565	3%	2
Suriname	660	1%	1
Ecuador	656	1%	1
Trinidad and Tobago	560	1%	1
Paraguay	500	1%	1
Total	**46,170**	**100.00%**	**36**

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

All of Chile's sovereign issuances were of sustainable bonds. They included a peso-denominated US$ 2.23 billion ten-year social bond with a 6% coupon issued in May, and six sustainability-linked (SLB) bonds. Two of the SLBs were issued in local currency (Chilean pesos), one in July and another in October. Its targets include reducing greenhouse gas emissions (GHG) to 95 metric tons of carbon dioxide (mtCO2e) by 2030 or achieving a GHG budget of 1,100 metric tons of carbon dioxide between 2020 and 2030, as well as increasing women's participation in company board positions to at least 40% by 2031. In October, Chile raised UF 24 million (US$ 927 million) in its first international sale of a SLB tied to inflation, as the country continues to blaze a trail for other issuers in the region.[9]

Mexico came four times to the international bond markets in 2023. In January, it issued a US$ 1.25 billion five-year bond maturing in 2028 and with a 5.4% coupon, and a US$ 2.75 billion twelve-year bond maturing in 2035 and with a 6.35% coupon. The proceeds of these two issuances were to be used for general financing purposes. In April, Mexico issued a 2053 US$ 2.94 billion sustainability bond with a 6.338% coupon. Proceeds will be used for clean transportation and access to essential services. In July, Mexico issued another sustainability bond, this time in local currency (Mexican pesos), a MXP 23 billion (US$ 1.37 billion equivalent) sustainability bond, maturing in 2035 and with a coupon of 8%.

Colombia came to the international bond markets in January —with a US$ 2.2 billion bond maturing in 2034 and with a 7.5% coupon to fund the buyback of notes that mature in 2024— and in November, when it made its inaugural GSSS bond issuance in international markets with a two-part sale of social bonds totaling US$ 2.5 billion.

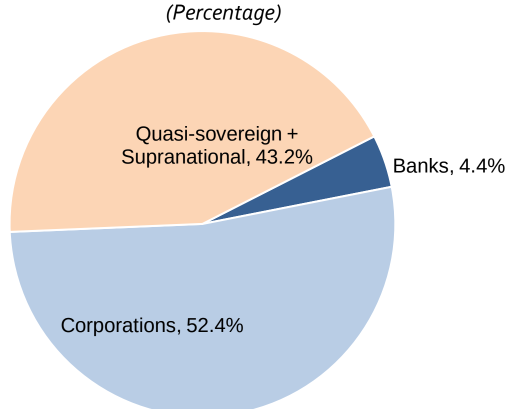
9 The Unidad de Fomento (UF) is a unit of account used in Chile. It is a non-circulating currency; the exchange rate between the UF and the Chilean peso is constantly adjusted for inflation so that the purchasing power of the UF remains almost constant on a daily basis during low inflation. Symbol: CLF.

2. Corporate issuance

In 2023, fifty-eight corporate issuers from the region sold a total of US$ 43 billion in international bonds —an increase of 38% over the 2022 total annual corporate issuance— through 118 deals (up from 78 in 2022). Quasi-sovereign (state-owned companies) and supranational issuers accounted for 43% of total LAC international corporate issuance, an increase from the 34% share in 2022. Supranational entities, including the Central American Bank for Economic Integration (CABEI), CAF Development Bank of Latin America, and FONPLATA Fondo Financiero para el Desarrollo de la Cuenca del Plata, accounted for 18% of the region's corporate issuance, while quasi-sovereign issuers, including Colombia's Ecopetrol, Chile's Codelco and Enap, Mexico's Pemex, and Brazil's Banco do Brasil and Petrobras, accounted for 25% (figures 16).

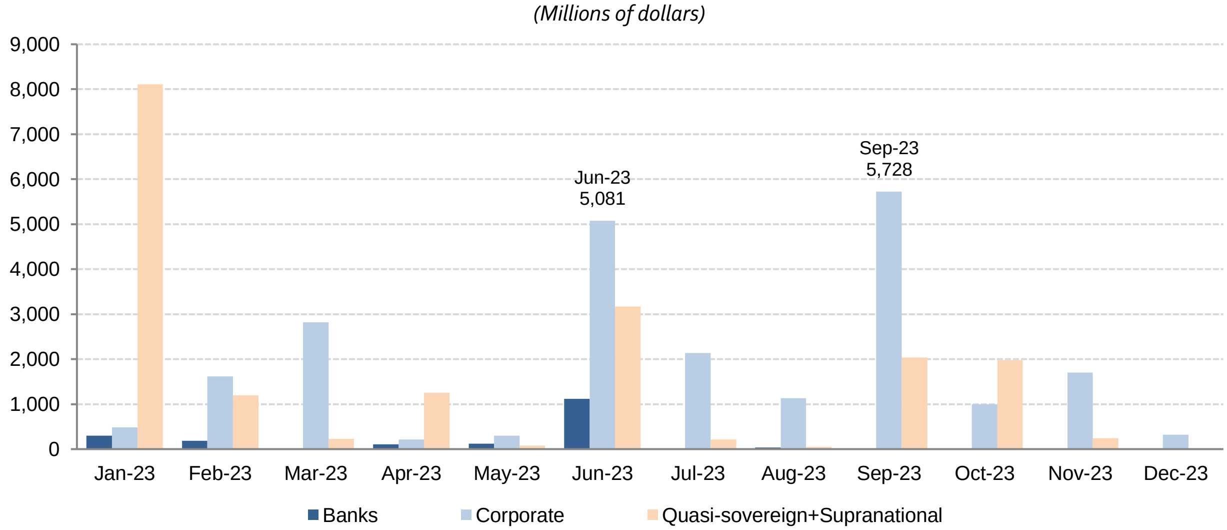
Issuances from the private corporate sector (private bank and non-bank entities) not including quasi-sovereign and supranational issuers, totaled US$ 24 billion (56% of the overall corporate sector's total) in 2023, through 71 deals, with 52% coming from private non-bank corporates. They surged in June and September (figure 17).

Figure 16
LAC international corporate bond issuance by type, 2023
(Percentage)



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

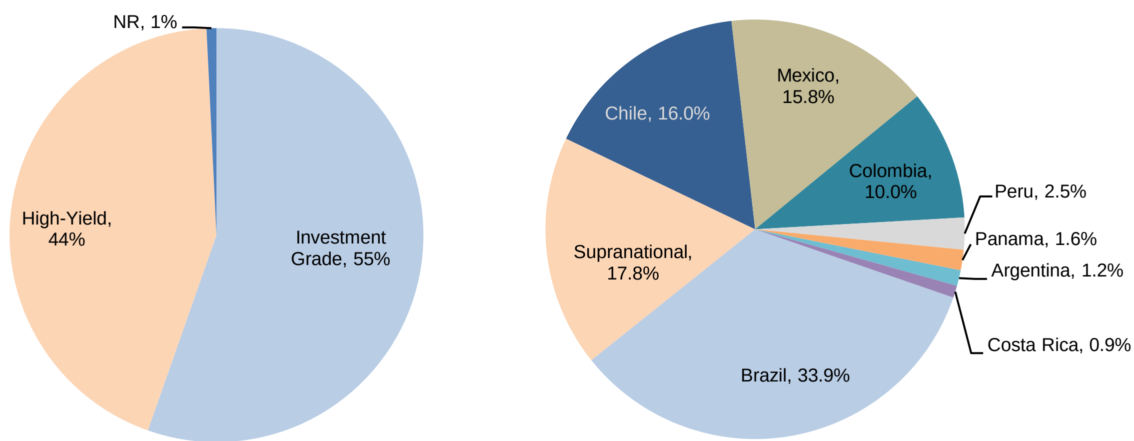
Figure 17
LAC monthly international corporate bond issuance by type, 2023
(Millions of dollars)



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

Investment grade companies accounted for a 55% share of total LAC international corporate bond issuances in 2023, down from a share of 64% in 2022, suggesting an improvement in issuer diversity and a more receptive market. Brazilian companies accounted for 34% of the corporate total. Together with supranational entities, Chilean, Mexican and Colombian companies, they accounted for 93.5% of all the region's international corporate issuances in 2023 (figure 18).

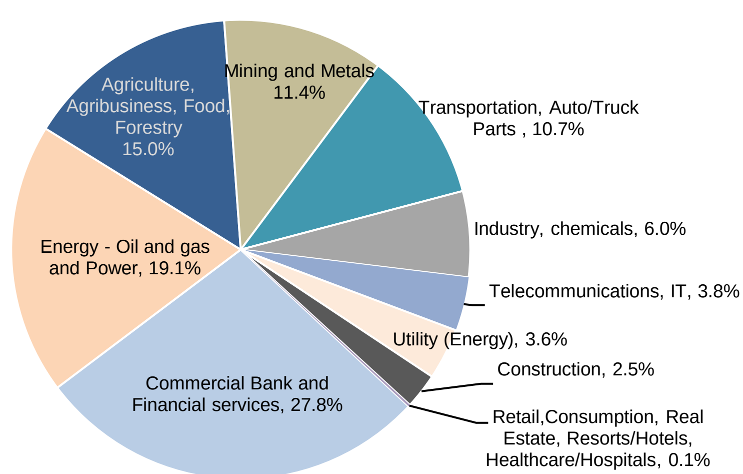
Figure 18
LAC international corporate bond issuance by rating and country, 2023
(Percentage of total)



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

From a sectoral perspective, the top three sectors in terms of international corporate debt issuance (including private corporations, banks, quasi-sovereign and supranational issuers) in 2023 were: 1. the financial sector, including commercial banks as well as financial services companies, and finance development banks/multilateral agencies (28%); 2.energy, including oil and gas, power, and energy utilities (23%); and 3. the agricultural sector, including agribusiness, food and beverages, and forestry (15%) (figure 19).

Figure 19
LAC international corporate bond issuance by sector, 2023
(Percentage of total)

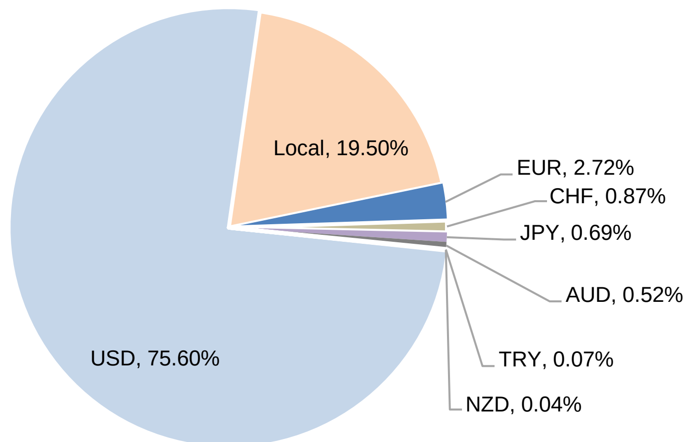


Source: ECLAC Washington Office, based on data from Dealogic and LatinFinance.
Note: corporate issuance includes corporations, banks, quasi-sovereign, and supranational entities.

3. Currency composition

Most of the international debt issuance in the region in 2023 was denominated in United States dollars (76%). The U.S. dollar has always been the predominant currency for the region's debt issuances in international markets, having accounted for over 80% of the total in the past five years (figure 20).

Figure 20
Currency breakdown of LAC international bond issuances, 2023
(Percentage of total)



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

In 2023 there were also issuances in local currencies (19.5%) —including Chilean, Colombian, Dominican Republic, Mexican and Uruguayan pesos, Peruvian soles, Jamaican dollars, and Chile's Unidad de Fomento (CLF) — euros (2.72%), Swiss francs (0.87%), Japanese yen (0.69%), Australian dollars (0.52%), Turkish lira (0.07%), and New Zealand dollars (0.04%).

With Latin American currencies outperforming in the first half of 2023, demand from international investors for local currency-denominated bonds increased. The local currency share in 2023 increased to 19.5% from 8% in 2022. By selling bonds in local currency LAC issuers are able to remove currency risk, and in the case of local-currency sustainable bonds, link the interest rate to sustainability goals.

4. GSSS bond issuance

There were 44 green, social, sustainability and sustainability-linked (GSSS) bond issuances from LAC issuers in international markets in 2023, totaling US$ 31.15 billion (table 3). This amount is 52% higher than the 2022 GSSS annual volume and accounts for 35% of the total LAC international bond issuance in the period, the highest share since the region started issuing these instruments.

LAC international GSSS issuances in 2023 came from eight countries —Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay— and three supranational entities. Corporate, and quasi-sovereign and supranational issuers represented 18% and 9% of the total GSSS bond issuance, respectively, while sovereign issuers led the international GSSS bond volumes in the period with a share of 74% (figure 21).[10] Local currency issuances accounted for 41% of the total.

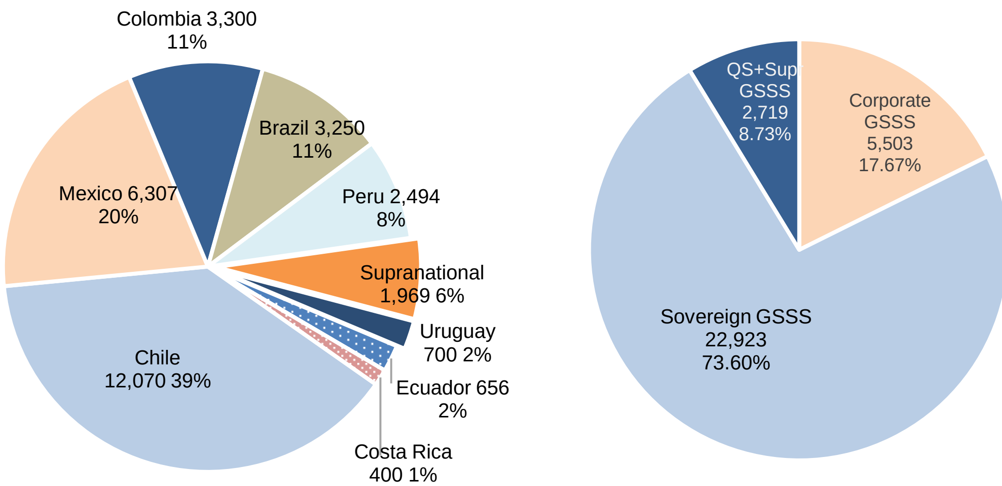
[10] As a share of the total LAC International bond issuance (including all instruments and not only GSSS bonds), sovereign GSSS bond issuances accounted for 26%, corporate for 6%, and quasi-sovereign and supranational entities for 3%, adding up to a 35% share.

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

Country	Issuer	Amount *(Millions)*	Amount *(Millions of US dollars)*	Coupon (%)	Maturity	Issue Date
Supranational	FONPLATA	JPY 3000	23	1.210%	2028 (sust)	17-Mar-23
Costa Rica	Liberty Costa Rica Senior Secured Finance	USD 400	400	10.875%	2031 (SLB)	11-Jan-23
Supranational	CABEI Central American Bank for Economic Integration	USD 130	130	4.900%	2033 (soc)	11-Jan-23
Supranational	CABEI Central American Bank for Economic Integration	JPY 7000	53	1.265%	2033 (blue)	13-Jan-23
Supranational	CABEI Central American Bank for Economic Integration	USD 1250	1,250	5.000%	2026 (soc)	31-Jan-23
Mexico	Cemex	USD 1000	1,000	9.125%	Perp (g)	9-Mar-23
Supranational	FONPLATA	JPY 4200	32	1.300%	2029 (sust)	17-Mar-23
Supranational	CAF Development Bank of Latin America	USD 50	59	3-mth Sofr +115	2028 (g)	24-Mar-23
Brazil	Banco do Brasil SA	USD 750	750	6.250%	2030 (sust)	11-Apr-23
Mexico	United Mexican States	USD 2941	2,941	6.338%	2053 (sust)	20-Apr-23
Ecuador	Republic of Ecuador	USD 656	656	5.645%	2041 (blue)	4-May-23
Chile	Solek Chile Holding II SpA	USD 178	178	6.640%	2043 (g)	5-May-23
Chile	Solek Chile Holding II SpA	USD 20	20	6.790%	2043 (g)	5-May-23
Chile	Solek Chile Holding II SpA	USD 55	55	6.840%	2043 (g)	5-May-23
Chile	Solek Chile Holding II SpA	USD 47	47	6.840%	2043 (g)	5-May-23
Chile	Republic of Chile	CLP 1751200	2,230	6.000%	2033 (soc)	16-May-23
Peru	Republic of Peru	PEN 9185	2,494	7.300%	2033 (sust)	31-May-23
Chile	Banco de Chile	MXP 700	40	1-mth Other +85	2027 (sust)	1-Jun-23
Supranational	CABEI Central American Bank for Economic Integration	MXP 3500	198	1-mth Other +25	2027 (soc)	1-Jun-23
Supranational	CABEI Central American Bank for Economic Integration	MXP 1500	85	9.410%	2033 (soc)	1-Jun-23
Chile	Inversiones CMPC SA	USD 500	500	6.125%	2033 (SLB)	20-Jun-23
Colombia	Union Vial Rio Pamplonita SAS	USD 112	112	8.210%	2041 (soc)	22-Jun-23
Colombia	Union Vial Rio Pamplonita SAS	COP 519182	125	7.600%	2041 (soc)	22-Jun-23
Colombia	Union Vial Rio Pamplonita SAS	COP 675000	163	7.600%	2041 (soc)	22-Jun-23
Mexico	America Movil SAB de CV	MXP 17000	992	9.500%	2031 (SLB)	27-Jun-23
Chile	Republic of Chile	USD 1100	1,100	5.330%	2054 (SLB)	27-Jun-23
Chile	Republic of Chile	USD 1150	1,150	4.950%	2036 (SLB)	27-Jun-23
Chile	Republic of Chile	EUR 750	819	4.125%	2034 (SLB)	28-Jun-23
Chile	Scotiabank Chile SA	JPY 5000	35	0.750%	2025 (g)	28-Jun-23
Chile	Inversiones CMPC SA	MXP 1600	94	10.620%	2032 (SLB)	28-Jun-23
Chile	Inversiones CMPC SA	MXP 1600	94	1-mth Other +80	2025 (g)	28-Jun-23
Supranational	CABEI Central American Bank for Economic Integration	AUD 30	20	5.470%	2033 (blue)	18-Jul-23
Chile	Republic of Chile	CLP 1750000	2,153	5.300%	2037 (SLB)	20-Jul-23
Mexico	United Mexican States	MXP 23000	1,373	8.000%	2035 (sust)	20-Jul-23
Brazil	Aegea Saneamento e Participações	USD 500	500	9.000%	2031 (SLB)	27-Sep-23
Supranational	CAF Development Bank of Latin America	CHF 110	120	2.553%	2029 (g)	5-Oct-23
Chile	Republic of Chile	UF 24	927	3.400%	2039 (SLB)	18-Oct-23
Chile	Republic of Chile	CLP 1750000	1,878	5.800%	2034 (SLB)	25-Oct-23
Chile	Sociedad Química y Minera de Chile SA	USD 750	750	6.500%	2033 (g)	2-Nov-23
Uruguay	Oriental Republic of Uruguay	USD 700	700	5.750%	2034 (SLB)(r)	6-Nov-23
Colombia	Grupo Energia Bogota SA ESP	USD 400	400	7.850%	2033 (sust)	6-Nov-23
Colombia	Republic of Colombia	USD 1250	1,250	8.000%	2035 (soc)	7-Nov-23
Colombia	Republic of Colombia	USD 1250	1,250	8.750%	2053 (soc)	7-Nov-23
Brazil	Republic of Brazil	USD 2000	2,000	6.250%	2031 (sust)	13-Nov-23
		TOTAL	31,145	AVG 6.067%		44 Deals

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

Figure 21
LAC international GSSS bond issuances by type of issuer and by country, 2023
(Millions of dollars, percentage)



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

Chile was the top international GSSS issuer in the region with a share of 39% (figure 21). 71% of Chile's GSSS issuances were SLBs, with the sovereign accounting for 72% of the region's total SLB issuances. Chile's sovereign SLB issuances included two bonds in Chilean pesos totaling US$ 4 billion. The sovereign also raised the equivalent of US$ 927 million in a CLF-denominated bond, its first international sale of a SLB tied to inflation, as it continues to pave the way for other issuers in the region. In its SLBs, the sovereign offered to pay step-up rates if it does not reduce greenhouse gas emissions (GHG) to 95 metric tons of carbon dioxide (mtCO2e) and achieve a GHG budget of 1,100 metric tons of carbon dioxide by December 2030. It will also pay step-up rates on the notes if women do not occupy at least 40% of company board positions by December 2031.

Due to Chile's sovereign SLB issuances, SLBs recovered the top spot as the region's most traded sustainable debt instrument in 2023, a spot they had lost to sustainability bonds in 2022. SLBs are a relatively new instrument and have evolved in response to some of investors' concerns, which include lack of credible reporting on key performance indicators (KPIs) to monitor progress, as well as inadequate oversight by independent verifiers. Improvements have been observed, including step-down rates for rewarding overperformance, which was introduced by Uruguay's inaugural SLB issuance in October 2022, together with the use of several indicators as a composite —not just one number— to evaluate KPIs, providing a broader picture to investors. A few companies have also started to use hybrid structures.

In this regard, on the private sector side, Chile's paper producer Inversiones CMPC issued US$ 500 million in green SLBs in June, a hybrid structure. The bond pays a step-up rate of 60 basis points if the company does not lower greenhouse gas emissions by 50% by December 2030, while the proceeds are being used to fund green projects and refinance debt, according to Moody's and S&P. According to LatinFinance, this is "a combination that meets investor demand for knowing how the issuer is using the funds while also committing to a target for reducing emissions."[11] CMPC also issued another two international GSSS bonds in June —a MXP 1.6 billion (US$ 94 million equivalent) SLB maturing in 2032 and a MXP 1.6 billion (US$ 94 million equivalent) green bond maturing in 2025— in the Mexican market.

[11] LatinFinance, "Sustainability-linked bonds: Breaking Stride" by Charles Newbery, *Q1 issue*, 20 December 2023.

Mexico had the second largest share of international GSSS bond issuances (17%) in 2023, with all of its issuances taking place in the first seven months of the year. They included a 2053 US$ 2.9 billion sovereign sustainability bond in April, assigning the proceeds to clean transportation and access to essential services, and a local-currency sovereign sustainability bond issued in July, a 2035 MXP 23 billion (US$ 1.37 billion equivalent) bond with an 8% coupon.

Highlights on the corporate side include Cemex's issuance of US$ 1 billion in perpetual green bonds in March, and America Movil's issuance of a 2031 peso-denominated US$ 992 million SLB in June. America Movil tied the interest rate to targets to reduce carbon emissions by 52% "from energy and fuel consumption" and by 14% "generated by the goods and services" it buys from suppliers by 2030, according to Moody's.

Colombia accounted for the third largest share of the total (11%). The sovereign made its inaugural GSSS bond issuance in international markets in November, with a two-part sale of social bonds totaling US$ 2.5 billion. It included a 12- and a 30-year bond totaling US$ 1.25 billion each, with coupons of 8% and 8.75%, respectively. Proceeds will be used to improve access to essential services, socioeconomic advancement and empowerment, and to facilitate employment.

Brazil also issued its inaugural sovereign GSSS bond in international markets in November, a US$ 2 billion 8-year sovereign sustainability bond with a 6.25% coupon that was well received by investors.

On a global level, Moody's anticipates that total sustainable bond issuance will hold steady in 2024, withstanding enduring macroeconomic challenges. The agency projects global sustainable bond issuance to reach US$ 950 billion in 2024, little changed from US$ 946 billion in 2023, despite still-high interest rates and slow growth.[12]

B. Credit risk outlook

The region's credit quality improved in 2023, following years of deterioration. The annual balance was fourteen more positive credit rating actions than negative, the best balance since 2011. There were 29 positive actions in the period —12 upward outlook revisions and 17 upgrades— and 15 negative actions, ten of them downgrades (table 4).

Eleven countries saw upward revisions to their credit outlook, including El Salvador, Suriname, Jamaica, Uruguay, Nicaragua, Brazil, Trinidad and Tobago, Dominican Republic, Panama, Honduras, and Barbados, in chronological order. Nine countries —Guatemala, Costa Rica, Uruguay, El Salvador, Argentina, Brazil, Barbados, Jamaica, and Costa Rica, also in chronological order— were upgraded. Some of the positive actions involved countries that had completed distressed exchanges or debt restructurings, such as El Salvador and Suriname. The other positive actions cited better economic conditions and resilient fiscal performances (see annex 2, box 1).

Five countries were downgraded in 2023—Bolivia, Argentina, El Salvador, Ecuador, and Panama— while Peru, Ecuador, Bolivia and Panama saw downward revisions to their outlooks. Negative risks often cited heightened risks and vulnerability, depletion of external liquidity buffers, and in some cases political uncertainty.

At the end of December 2023, eight sovereigns were on positive outlook by one or more agencies (Barbados, Costa Rica, Dominican Republic, Jamaica, Nicaragua, Paraguay, Trinidad and Tobago, and Uruguay). Four sovereigns —Argentina, Bolivia, Panama[13], and Peru— had negative outlooks. The balance of risks for the first time in eleven years is tilted to the upside, reinforcing the region's improving trend in credit quality (annex 2, table 11).

[12] Moody's Investors Services, "Sustainable bond issuance to hold steady in 2024 amid moderating economic growth,",24 January 2024.

[13] Panama is at risk of being downgraded to below investment grade, according to Goldman Sachs analysis, due to the impact of the closure of the Cobre Panama mine. It's median BBB- rating (Baa3/BBB/BBB-), with negative outlook (S&P and Fitch), could be adversely affected by the potential ramifications of the mine closure, to its economic growth and fiscal balance.

Table 4
Sovereign credit rating actions in Latin America and the Caribbean, 2023
(Number of actions)

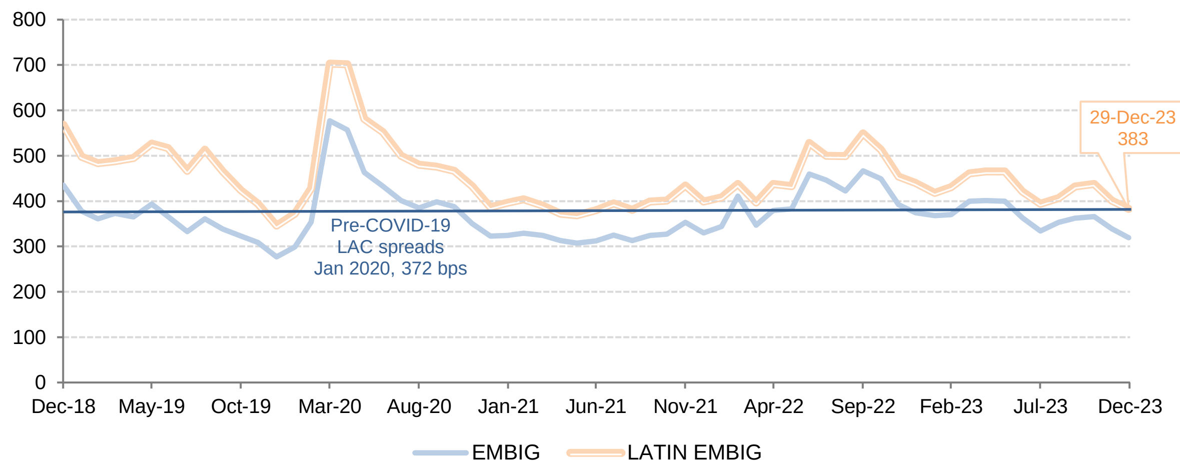
Date	Country	Action	
2023	**29 positive and 15 negative actions**		
Q1 2023	**6 positive and 5 negative actions**		
31-Jan-23	Peru	Moody's revises the outlook on Peru's Baa1 rating to negative from stable	Negative
3-Feb-23	El Salvador	Moody's revises the outlook on El Salvador's Caa3 rating to stable from negative	Positive
16-Feb-23	Guatemala	Fitch upgrades Guatemala's rating to BB from BB- with a stable outlook	Positive
17-Feb-23	Suriname	Moody's revises Suriname's Caa3 rating's outlook to stable from negative	Positive
23-Feb-23	Costa Rica	S&P upgrades Costa Rica's rating to B+ from B with a stable outlook	Positive
2-Mar-23	Costa Rica	Fitch upgrades Costa Rica's rating to BB- from B with a stable outlook	Positive
7-Mar-23	Jamaica	Fitch revises the outlook on Jamaica's B+ rating to positive from stable	Positive
14-Mar-23	Bolivia	Fitch downgrades Bolivia's rating to B- from B with a negative outlook	Negative
24-Mar-23	Bolivia	Moody's downgrades Bolivia's ratings to Caa1 from B2; places them on review for downgrade	Negative
24-Mar-23	Argentina	Fitch downgrades Argentina's rating to C from CCC	Negative
29-Mar-23	Argentina	S&P downgrades Argentina's rating to CCC- from CCC+ with a negative outlook	Negative
Q2 2023	**9 positive and 5 negative actions**		
11-Apr-23	Guatemala	S&P upgrades Guatemala's rating to BB from BB- with a stable outlook	Positive
19-Apr-23	Bolivia	S&P downgrades Bolivia's rating to B- from B with a negative outlook	Negative
26-Apr-23	Uruguay	Moody's revises the outlook on Uruguay's Baa2 ratings to positive from stable	Positive
5-May-23	El Salvador	Fitch downgrades El Salvador's rating to RD from CC	Negative
5-May-23	El Salvador	Fitch upgrades El Salvador's rating to CCC+ from RD	Positive
9-May-23	El Salvador	S&P downgrades El Salvador's rating to SD from CCC+	Negative
10-May-23	El Salvador	S&P upgrades El Salvador's rating to CCC+ from SD with a stable outlook	Positive
17-May-23	Uruguay	Moody's revises the outlook on Uruguay's Baa2 ratings to positive from stable	Positive
23-May-23	Ecuador	Fitch revises the outlook on Ecuador's B- rating to negative from stable	Negative
5-Jun-23	Nicaragua	Fitch revises the outlook on Nicaragua's B- rating to positive from stable	Positive
7-Jun-23	Uruguay	Fitch upgrades Uruguay's rating to BBB from BBB- with a stable outlook	Positive
13-Jun-23	Argentina	Fitch upgrades Argentina's rating to CC from C	Positive
14-Jun-23	Brazil	S&P revises the outlook on Brazil's BB- rating to positive from stable	Positive
30-Jun-23	Bolivia	Moody's revises the outlook on Bolivia's Caa1 rating to negative from ratings under review	Negative
Q3 2023	**7 positive and 2 negative actions**		
10-Jul-23	Trinidad and Tobago	Moody's changes the outlook on Trinidad and Tobago's Ba2 rating to positive from stable	Positive
26-Jul-23	Brazil	Fitch upgrades Brazil's rating to BB from BB- with a stable outlook	Positive
3-Aug-23	Barbados	Moody's upgrades Barbados' ratings to B3 from Caa1 with a stable outlook	Positive
10-Aug-23	Dominican Republic	Moody's revises outlook on Dominican Republic's Ba3 rating to positive from stable	Positive
11-Aug-23	Panama	S&P revises the outlook on Panama's BBB rating to stable from negative	Positive
16-Aug-23	Ecuador	Fitch downgrades Ecuador's rating to CCC+ from B-, no outlook	Negative
13-Sep-23	Jamaica	S&P upgrades Jamaica's rating to BB- from B+ with a stable outlook	Positive
29-Sep-23	Honduras	S&P revises the outlook on Honduras' BB- rating to stable from negative	Positive
29-Sep-23	Panama	Fitch revises the outlook on Panama's BBB- rating to negative from stable	Negative
Q4 2023	**7 positive and 3 negative actions**		
17-Oct-23	Barbados	Fitch revises the outlook on Barbados' B rating to positive from stable	Positive
18-Oct-23	Jamaica	Moody's upgrades Jamaica to B1 from B2 and revises the outlook to positive from stable	Positive
27-Oct-23	Costa Rica	S&P Upgrades Costa Rica's rating to BB- from B+ with a stable outlook	Positive
31-Oct-23	Panama	Moody's downgrades Panama to Baa3 from Baa2 with a stable outlook	Negative
3-Nov-23	Costa Rica	Moody's upgrades Costa Rica to B1 from B2 and revises the outlook to positive from stable	Positive
7-Nov-23	El Salvador	S&P upgrades El Salvador's rating to B- from CCC+ with a stable outlook	Positive
7-Nov-23	Panama	S&P revises the outlook on Panama's BBB rating to negative from stable	Negative
22-Nov-23	Bolivia	S&P downgrades Bolivia's rating to CCC+ from B- with a negative outlook	Negative
29-Nov-23	Dominican Republic	Fitch revise the outlook on Dominican Republic's BB- rating to positive from stable	Positive
19-Dec-23	Brazil	S&P upgrades Brazil's rating to BB from BB- with a stable 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 55 basis points in 2023, while Latin American spreads tightened 57 basis points. LAC bond spreads stood at 383 basis points at the end of December 2023, only 11 basis points higher than pre-pandemic levels (figure 22).

Figure 22
EMBIG and Latin American daily spreads, December 2018–December 2023
(Basis points)

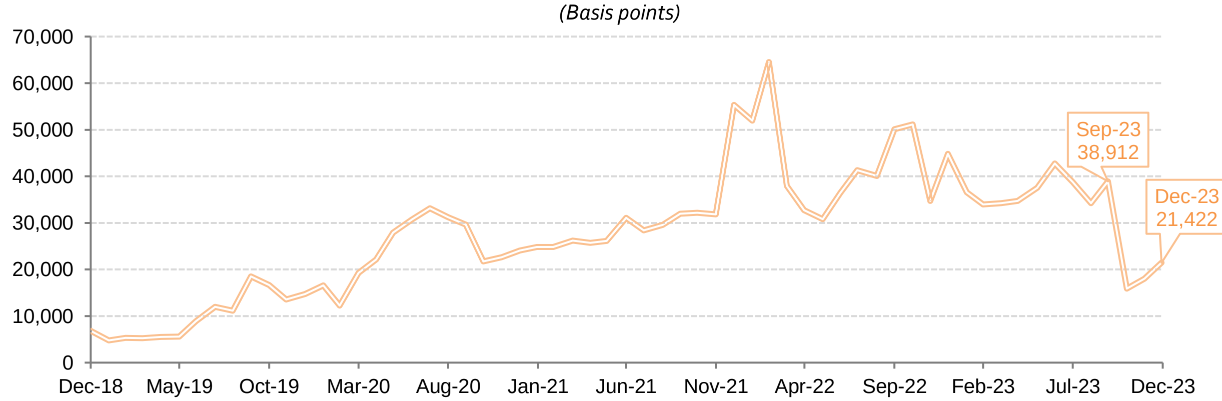


Source: ECLAC Washington Office, based on data from JPMorgan.

1. Sovereign spreads

The EMBIG fell from 374 basis points at the end of December 2022 to 319 basis points at the end of December 2023, while its Latin American component fell from 440 to 383 basis points. Venezuela had the region's highest spreads at the end of December 2023 (21,422 basis points), but its spreads narrowed 3,841 basis points in the third quarter and 17,490 in the fourth. Venezuelan spreads narrowed 23,045 basis points in October alone, after the U.S. Treasury removed a ban on secondary trading of certain sovereign bonds. The United States government moved to temporarily ease sanctions on the oil, gas and gold industries that barred U.S. investors from trading Venezuelan government bonds on 18 October[14] (figure 23).

Figure 23
Venezuelan spreads according to the EMBIG, December 2018–December 2023
(Basis points)

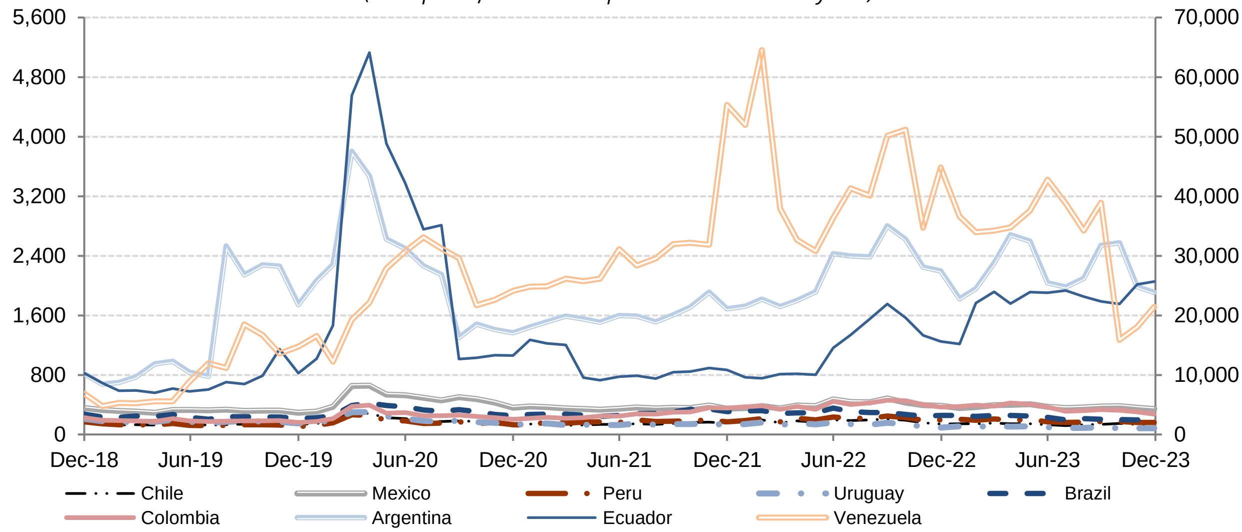


Source: ECLAC Washington Office, based on data from JPMorgan.

[14] The sanctions were temporarily lifted in exchange for the promise of the release of political prisoners and free 2024 elections.

Venezuela has the highest debt spreads in the region. Spreads for Ecuador, Argentina, Mexico, Colombia, Brazil, Peru, Chile, and Uruguay were at 2,055, 1,907, 340, 272, 200, 160, 132 and 85 basis points, respectively, at the end of 2023 (figure 24).

Figure 24
Latin American EMBIG spreads by country, December 2019–December 2023
(Basis points, Venezuelan spreads on the secondary axis)

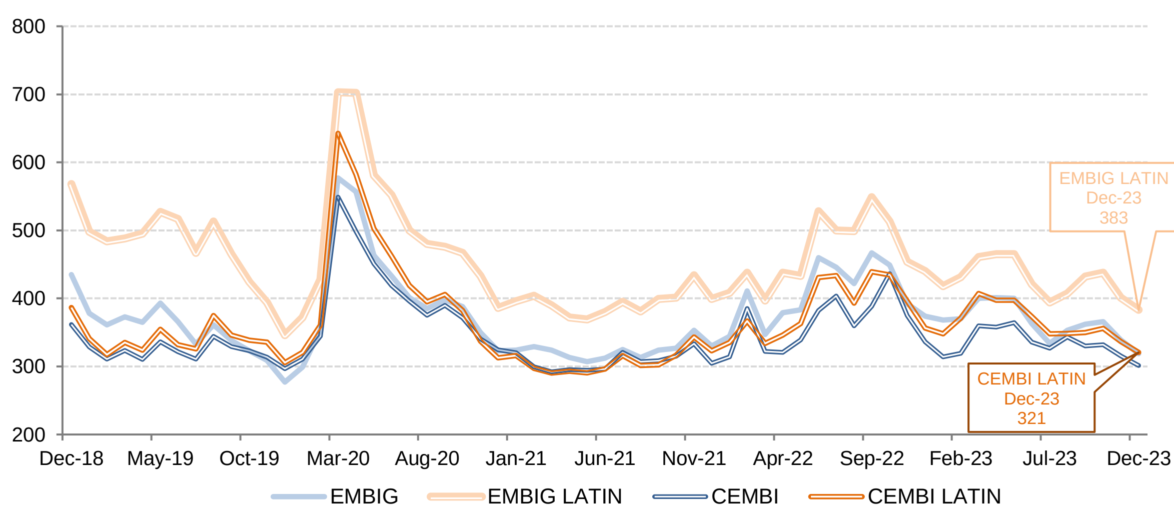


Source: ECLAC Washington Office, based on data from JPMorgan.
Note: due to the difference in magnitude, the series with Venezuelan spreads is shown on the secondary axis.

2. Corporate spreads

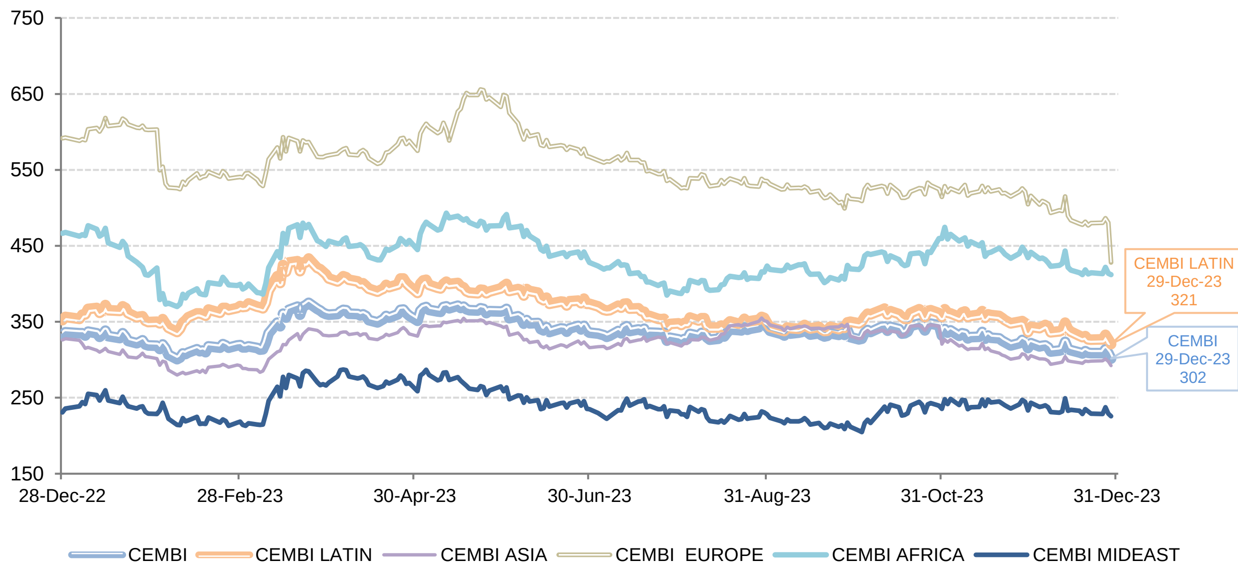
LAC corporate bond spreads tightened 36 basis points in 2023 according to the JPMorgan Latin American Corporate Emerging Markets Bond Index (CEMBI). The Latin CEMBI, at 321 basis points at the end of December 2023, was 62 basis points lower than its sovereign counterpart, the Latin EMBIG (figure 25). LAC corporate bond spreads rank third in terms of spread levels when compared with other emerging market regions (figures 26).

Figure 25
EMBIG spreads, corporate and sovereign, December 2019–December 2023
(Basis points)



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

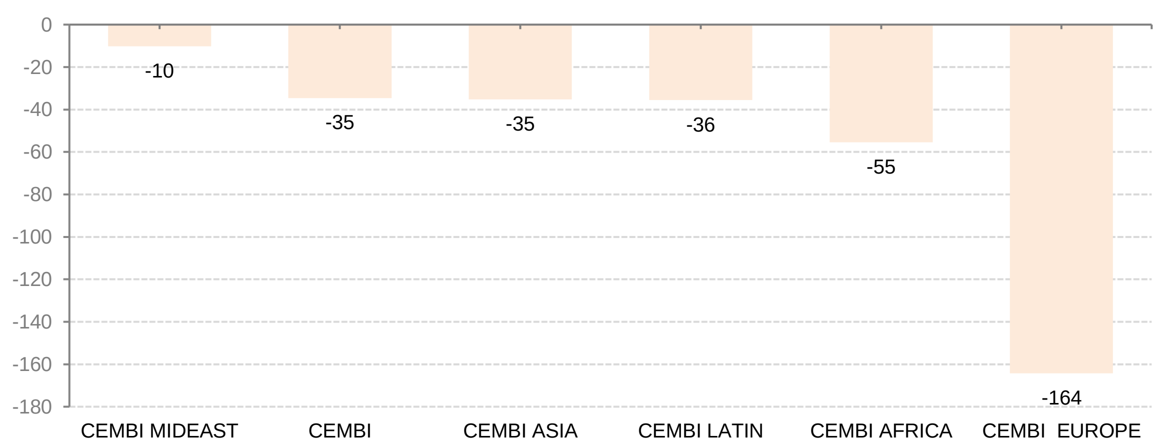
Figure 26
CEMBI spreads by region, December 2022–December 2023
(Basis points)



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

In 2023, all emerging market regions showed a decline in corporate spreads. Latin America's decline was in the middle of the pack (figure 27). The region lagged other emerging market regions in the first quarter (but not in the following quarters), when Brazilian Lojas Americanas' surprise default in January started a cycle of rising corporate defaults in the region. The region's corporate defaults rose to 5.4% in 2023 from 3.7% in 2022, according to JPMorgan.[15]

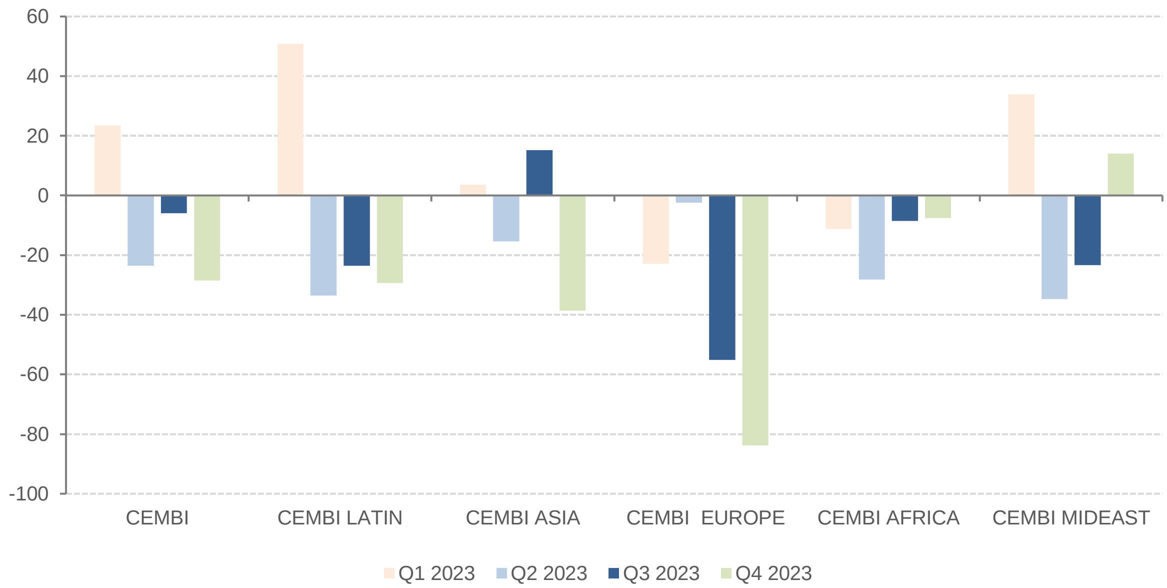
Figure 27
CEMBI spread differentials by region, 2023
(Basis points)



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

15 See JPMorgan, "Latin America 2024 Corporate Outlook" Latin America Credit Research, 27 November 2023, p.12.

Figure 28
CEMBI quarterly spread differentials by region, Q1–Q4 2023
(Basis points)



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

D. The Caribbean[16]: a closer look

There were three international bond issuances from the Caribbean in 2023, accounting for a share of only 1.71% of total Latin America and the Caribbean's international bond issuance in 2023. The new bonds were issued to finance buyback operations and a debt restructuring.

In September, the Government of Trinidad and Tobago ended a tree-year absence from the international bond markets with the issuance of a US$ 560 million 2031 bond with a 5.95% coupon to fund the buyback of US$550 million in 4.375% bonds maturing in January 2024. The sovereign had last issued bonds in the international bond market in June 2020, when it sold US$ 500 million worth of 10-year notes after a four-year hiatus.

In October, finally emerging from a three-year long default, the Government of Suriname issued a new US$ 660 million 2031 bond with a 7.95% coupon in exchange for 9.875% notes due in 2023 and 9.25% notes due in 2026. The swap was part of a deal agreed with creditors in May to restructure US$ 675 million worth of the principal outstanding in the two notes. With the issuance, Suriname finalized an agreement with foreign creditors that has being hailed as a blueprint for commodity-producing nations trapped in painful and protracted defaults. As part of the agreement, the sovereign also debuted an oil-linked note —dubbed a value-recovery instrument, or VRI, by debt-restructuring experts, which pays out if the country suddenly becomes oil-rich, according to a government's statement.

Also in October, the Government of Jamaica issued a new seven-year international bond in local currency. The proceeds of the JMD 46,600 (US$ 302 million equivalent) 2030 bond with a 9.625% coupon are to fund a liability management operation. The proceeds will pay for the buyback of the sovereign's 7.625% Notes due 2025, 9.250% Notes due 2025 and 6.750% Notes due 2028.

[16] 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.

There were seven credit rating actions in the Caribbean in 2023. They were all positive, four of them upward revisions to the credit outlook and the other three upgrades, pointing to a trend of improving credit quality in the region, as it recovers from the COVID-19 pandemic shock.

Two of the outlook positive reviews took place in the first quarter. On 17 February 2023, Moody's revised Suriname's Caa3 rating's outlook to stable from negative, citing expectations that the losses as a result of the ongoing debt restructuring will be consistent with a Caa3 rating. On 7 March 2023, Fitch revised the outlook on Jamaica's B+ rating to positive from stable, citing significant progress with debt reduction despite the COVID-19 pandemic shock, its stability-oriented institutional framework and favorable financing conditions, reinforced by the new IMF facilities.

There was another two outlook positive reviews in the second half of the year. One took place on 10 July 2023, when Moody's changed the outlook on Trinidad and Tobago's Ba2 rating to positive from stable, citing improved fiscal prospects owing to the implementation of structural spending and revenue measures aimed at reducing fiscal accounts' sensitivity to energy prices. The other took place on 17 October 2023, when Fitch revised the outlook on Barbados' B rating to positive from stable, citing the return to large primary surpluses after the pandemic-induced relaxation of fiscal targets, a declining public debt trajectory albeit at high levels, a strengthening economic recovery, and structural reform efforts.

The three upgrades took place in the second half of the year. The two countries to receive the upgrade were Barbados and Jamaica. On 3 August 2023, Moody's upgraded Barbados' ratings to B3 from Caa1 with a stable outlook, citing a declining debt burden, implementation of durable structural reforms and reduced government liquidity risk coupled with adequate foreign exchange buffer support.

On 13 September 2023, S&P upgraded Jamaica's rating to BB- from B+ with a stable outlook, saying the country has weathered the pandemic and related downturn, maintained its commitment to prudent public sector finances and debt reduction, while continuing to implement key reforms like the recent central bank modernization. The economy is expanding, supporting government finances and propelling the country's debt burden lower, the agency added. Jamaica was also upgraded by Moody's on 18 October 2023, to B1 from B2, while the outlook was revised to positive from stable, with Moody's citing the government's sustained commitment to fiscal consolidation and debt reduction, and its assessment that a continuation of the favorable fiscal trajectory will further increase Jamaica's credit resilience (table 5).

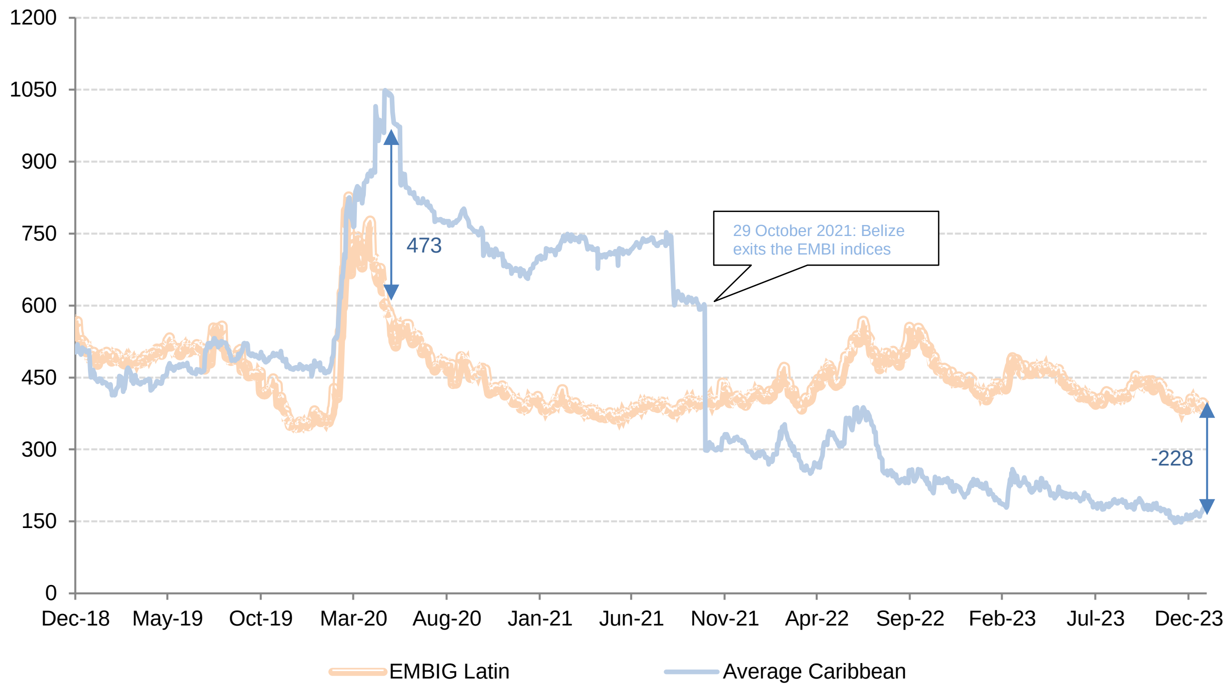
Table 5
Caribbean sovereign credit rating actions, 2023
(Number of actions)

Date	Country	Action	
2023	**7 positive and 0 negative actions**		
Q1 2023	**2 positive and 0 negative actions**		
17-Feb-23	Suriname	Moody's revises Suriname's Caa3 rating's outlook to stable from negative	Positive
7-Mar-23	Jamaica	Fitch revises the outlook on Jamaica's B+ rating to positive from stable	Positive
Q2 2023	**0 positive and 0 negative actions**		
Q3 2023	**3 positive and 0negative actions**		
10-Jul-23	Trinidad and Tobago	Moody's changes the outlook on Trinidad and Tobago's Ba2 rating to positive from stable	Positive
3-Aug-23	Barbados	Moody's upgrades Barbados' ratings to B3 from Caa1 with a stable outlook	Positive
13-Sep-23	Jamaica	S&P upgrades Jamaica's rating to BB- from B+ with a stable outlook	Positive
Q4 2023	**2 positive and 0 negative actions**		
17-Oct-23	Barbados	Fitch revises the outlook on Barbados' B rating to positive from stable	Positive
18-Oct-23	Jamaica	Moody's upgrades Jamaica to B1 from B2 and revises the outlook to positive from stable	Positive

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. YTD: year-to-date, as of 15 November 2023.

Reflecting the improvement in credit quality, Caribbean debt spreads narrowed 49 basis points in 2023.[17] At the end of December 2023, Caribbean spreads were 228 basis points lower than the EMBIG Latin component, with the gap reverting from a peak of 473 basis points higher on 2 June 2020. Belize exited the EMBI indices on 29 October 2021, as its step-up sovereign bond due 2034 (the "super bond") fell below the US$ 500 million notional requirement following its restructuring[18]. Since then, the gap has reversed (figure 29).

Figure 29
EMBIG Spreads, Caribbean versus LAC, December 2018–December 2023
(Basis points)



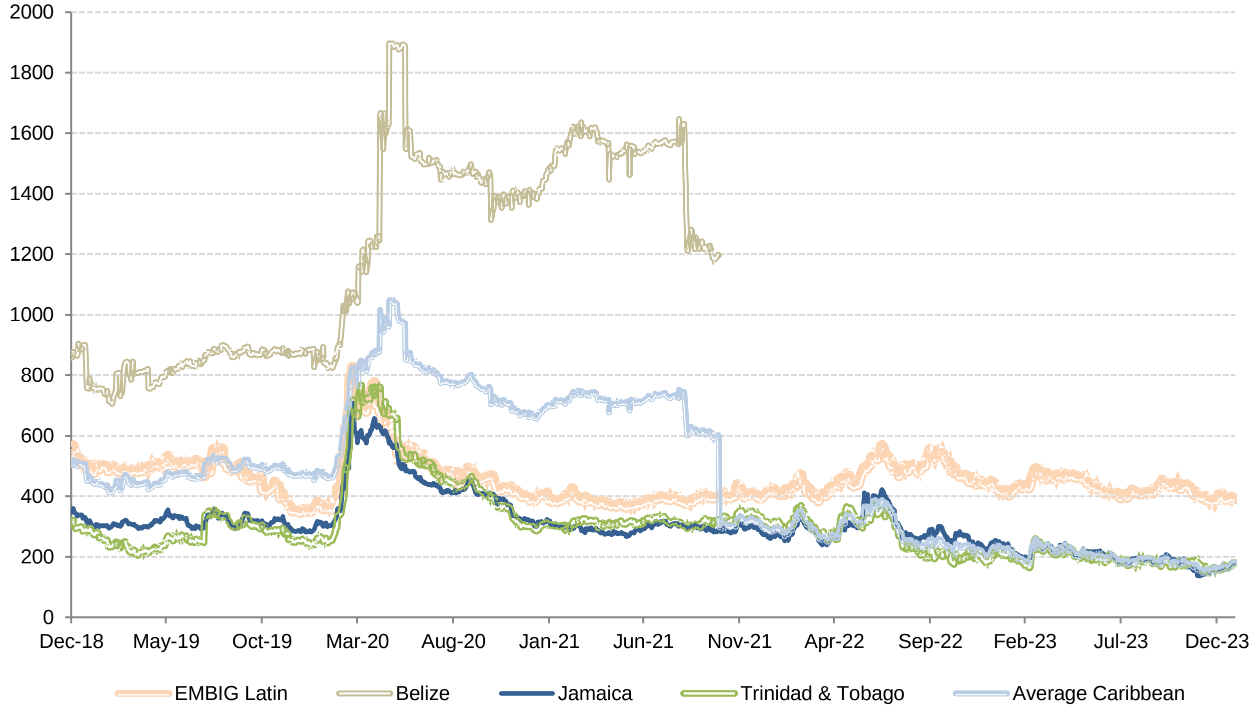
Source: ECLAC Washington Office, based on data from JPMorgan. The Caribbean average includes Belize, Jamaica, and Trinidad and Tobago.

Trinidad and Tobago's spreads tightened 23 basis points to 160 basis points at the end of December 2023 from 183 basis points at the end of December 2022 and Jamaica's spreads tightened 75 basis points to 151 basis points from 226 basis points (figure 30). Suriname's spreads, which are not included in the chart since no daily data is available, tightened 1,002 basis points in 2023, from 1,657 basis points at the end of December 2022 to 655 at end of December 2023, following the deal with creditors in May to restructure US$ 675 million worth of the principal outstanding on two series of defaulted bonds. Suriname proceeded with an exchange of the two series for new 10-year notes after holders accepted the terms of an offer announced in October, issuing a new bond and an oil-linked note, as mentioned earlier in this section.

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

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

Figure 30
Caribbean countries: EMBIG Spreads, December 2019–December 2023
(Basis points)



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

II. Portfolio equity flows

Equity prices and flows to the region showed resilience in 2023, with the MSCI Latin American index outperforming the emerging markets index (figure 12 on p.14), helped by stronger currencies and policy rate cuts as inflation continued to moderate. Stronger-than-expected growth in Brazil and Mexico may have contributed to push valuations up, as equities in Brazil and Mexico represent roughly 60% and 30% of the index. On a quarterly basis, Latin America posted larger gains in the second and fourth quarters (table 6).

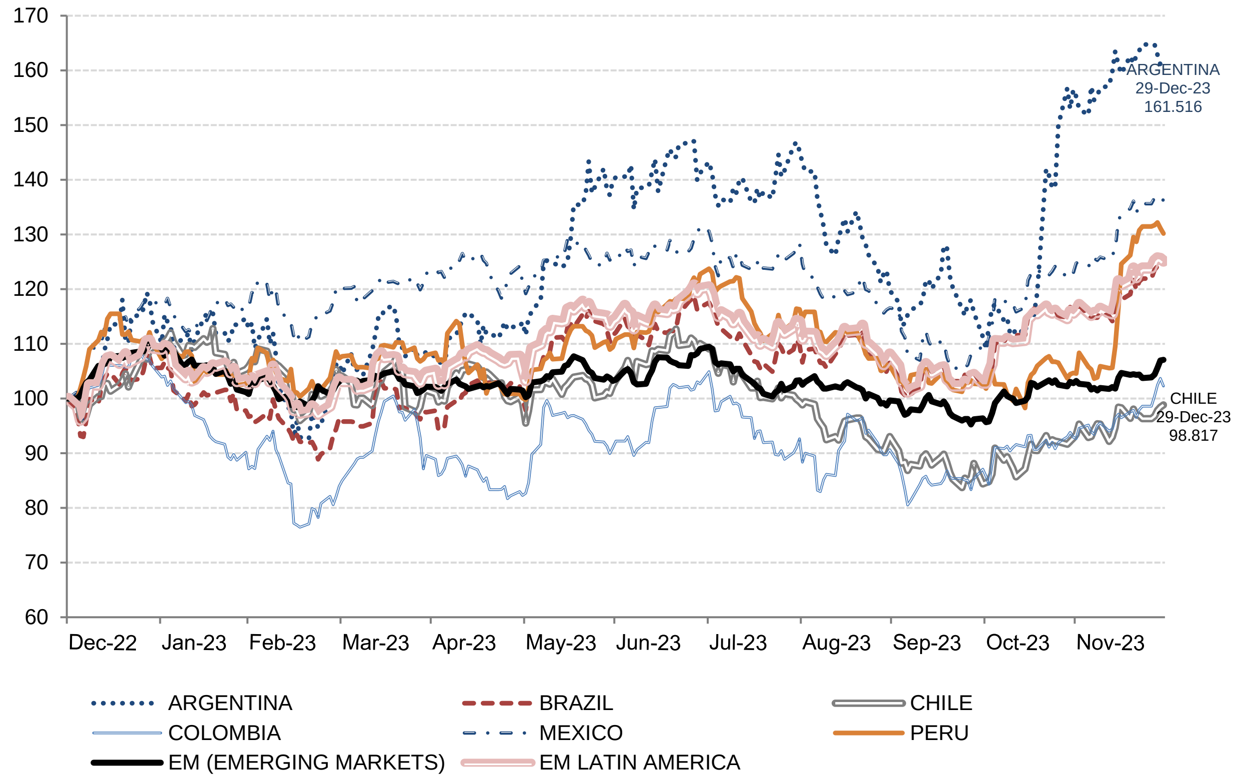
Table 6
MSCI equity indices, 2023
(Dollars, percentage)

	Price Index in USD					Variation				
	30-Dec-22	**31-Mar-23**	**30-Jun-23**	**29-Sep-23**	**31-Oct-23**	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**2023**
Emerging markets	956.38	990.28	989.475	952.784	1,023.74	3.55%	-0.08%	-3.71%	7.45%	7.04%
Latin America	2,128.29	2,193.97	2,440.05	2,301.44	2,662.81	3.09%	11.22%	-5.68%	15.70%	25.12%
Argentina	2,853.07	2,982.71	4,007.28	3,416.35	4,608.17	4.54%	34.35%	-14.75%	34.89%	61.52%
Brazil	1,458.71	1,397.06	1,635.55	1,554.68	1,799.86	-4.23%	17.07%	-4.94%	15.77%	23.39%
Chile	1,111.21	1,156.54	1,147.94	1,033.96	1,098.07	4.08%	-0.74%	-9.93%	6.20%	-1.18%
Colombia	394.103	334.84	363.45	357.282	403.059	-15.04%	8.54%	-1.70%	12.81%	2.27%
Mexico	5,176.69	6,216.39	6,478.29	6,034.58	7,051.78	20.08%	4.21%	-6.85%	16.86%	36.22%
Peru	1,256.78	1,353.95	1,393.21	1,332.06	1,635.71	7.73%	2.90%	-4.39%	22.80%	30.15%

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

Argentina, Mexico, and Peru recorded the largest cumulative gains in 2023 —61.5%, 36.2% and 30.2%, respectively— followed by Brazil (23.4%) and Colombia (2.27%). Chilean equity prices recorded cumulative losses of -1.2% (figure 31). Part of Argentina's gains reflected its high inflation rate, while gains elsewhere in the region were driven by currency strength, with monetary easing under way at home, and favorable economic conditions. The time and pace to the anticipated start of rate cuts by the United States Federal Reserve, due to its outsize impact on global capital flows, will be critical for the region's portfolio equity flows in 2024.

Figure 31
MSCI equity price index, 2023
(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 2023, Latin American and Caribbean (LAC) bond activity in international markets rebounded from the 2022 lows, when both bond demand and supply collapsed due to a combination of higher global interest rates (and borrowing costs) with lower financing needs. The U.S. Federal Reserve started to signal an end to its campaign of interest rate increases to combat inflation in the second half of the year. As a result, markets began to shift their focus to the timing, pace and depth of the Federal Reserve rate cuts, with repercussions for market sentiment, fund flows, and potentially the actions of other central banks.

Some countries in the region already started to cut interest rates in 2023, ahead of advanced economies. The reduction in policy rates is still partial, however, and has been characterized as very gradual, with easing cycles showing increasing divergence, which contrasts with the rapid and intense upward adjustment carried out by most countries in 2021. Caution in monetary policy adjustment reflects not only the domestic situation but also considerations about the effect that it may have on capital flows, the exchange rate, and rate differentials with advanced economies, where rates are expected to remain high in the medium term.

The latest LAC sovereign issuers to tap the primary market in 2023 were Brazil, Colombia, Costa Rica and Uruguay in November, as they sought to take advantage of the decline in the 10-year U.S. Treasury yield, the main benchmark for the region's bond sales, which dropped from a 16-year high of 5% in October to 3.9% in December, according to data from the Federal Reserve Bank of St. Louis. With the exception of Costa Rica's, they were all sustainable bond issuances. The issuance of green, social, sustainability and sustainability-linked (GSSS) bonds showed resilience in 2023, increasing its share of the region's total amount of international debt issuances to 35% —the highest share on record— from 32% in 2022. The region's sovereigns are increasingly embracing these instruments as a way of increasing financing to address structural issues and achieve sustainable growth.

Signaling a strong start of the year, LAC governments and companies placed the region's third highest ever monthly amount of debt in international markets in January 2024 (US$ 31 billion), seeking to lock in the decline in Treasury yields that started towards the end of 2023. Looking ahead, tight liquidity and funding conditions are expected to persist, while global uncertainty —including the timing and pace of anticipated interest rate cuts, the macroeconomic outlook for advanced economies and China, as well as geopolitical events— pose risks to the region's bond activity in 2024.

Annexes

Annex 1 New LAC bond issuances

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

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity
		Jan-23			
Mexico	United Mexican States	USD 1250	1,250	5.400%	2028
Mexico	United Mexican States	USD 2750	2,750	6.350%	2035
Colombia	Ecopetrol SA	USD 2000	2,000	8.875%	2033
Costa Rica	Liberty Costa Rica Senior Secured Finance (Liberty Servicios Fijos)	USD 400	400	10.875%	2031 (SLB)
Supranational	CABEI Central American Bank for Economic Integration	USD 130	130	4.900%	2033 (soc)
Supranational	CABEI Central American Bank for Economic Integration	JPY 7000	53	1.265%	2033 (blue)
Supranational	CAF Development Bank of Latin America	COP 200000	42	6.770%	2028
Supranational	CAF Development Bank of Latin America	TRY 500	27	32.500%	2026
Supranational	CAF Development Bank of Latin America	USD 1500	1,500	4.750%	2026
Colombia	Republic of Colombia	USD 2200	2,200	7.500%	2034
Mexico	Financiera Independencia SAB de CV	USD 83	83	10.000%	2028
Supranational	CAF Development Bank of Latin America	CHF 190	206	2.428%	2030
Panama	Multibank	USD 300	300	7.750%	2028
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 900	900	5.125%	2033
Supranational	CABEI Central American Bank for Economic Integration	USD 1250	1,250	5.000%	2026 (soc)
Dominican Republic	Dominican Republic	USD 700	700	7.050%	2031
Dominican Republic	Dominican Republic	DOP 62283	1,098	13.625%	2033
Mexico	Petroleos Mexicanos - PEMEX	USD 2000	2,000	10.000%	2033
			16,889		
		Feb-23			
Supranational	CAF Development Bank of Latin America	USD 50	50	Sofr +97	2026
Brazil	Braskem Netherlands Finance BV	USD 1000	1,000	7.250%	2033
Guatemala	IDC Overseas	USD 75	75	9.000%	2026
Chile	Banco de Crédito e Inversiones - BCI	CHF 135	147	2.893%	2028
Supranational	CAF Development Bank of Latin America	USD 30	30	Floating Rate	2028
Supranational	CAF Development Bank of Latin America	AUD 45	31	5.000%	2033
Mexico	FEMSA	EUR 500	544	2.625%	2026
Chile	Scotiabank Chile SA	JPY 5000	37	0.900%	2027
Supranational	CAF Development Bank of Latin America	NZD 50	31	5.550%	2028
Supranational	CAF Development Bank of Latin America	EUR 1000	1,057	4.500%	2028
			3,003		
		Mar-23			
Brazil	Abra Global Finance	USD 335.5	336	6.000%	2028
Brazil	Gol Finance	USD 1428	1,428	18.000%	2028
Supranational	CAF Development Bank of Latin America	TRY 675	36	Fixed Rate	2027
Mexico	Cemex	USD 1000	1,000	9.125%	Perp (g)
Supranational	CAF Development Bank of Latin America	AUD 75	50	Fixed Rate	2033
Supranational	FONPLATA	JPY 3000	23	1.210%	2028 (sust)
Supranational	FONPLATA	JPY 4200	32	1.300%	2029 (sust)
Argentina	Raghsa SA	USD 57	57	8.350%	2030
Panama	Republic of Panama	USD 800	800	6.400%	2035 (r)
Panama	Republic of Panama	USD 1000	1,000	6.853%	2054
Supranational	CAF Development Bank of Latin America	USD 59	59	3-mth Sofr +115	2028 (g)
Costa Rica	Republic of Costa Rica	USD 1500	1,500	6.550%	2034
Supranational	CAF Development Bank of Latin America	COP 142120	31	11.500%	2031
			6,349		

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.

Q1 2023 **26,241**

Table 8 (Annex 1)
LAC international bond issuances in the second quarter of 2023

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity
		Apr-23			
Brazil	República Federativa do Brasil	USD 2250	2,250	6.000%	2033
Brazil	Banco do Brasil SA	USD 750	750	6.250%	2030 (sust)
Chile	Banco Santander Chile	USD 30	30	5.837%	2024
Mexico	United Mexican States	USD 2941	2,941	6.338%	2053 (sust)
Guatemala	IDC Overseas	USD 25	25	9.000%	2026 (r)
Chile	Empresa Nacional del Petróleo (ENAP)	USD 500	500	6.150%	2033
Chile	Banco Santander Chile	JPY 10500	78	0.600%	2024
Mexico	Grupo Idesa SA de CV	USD 188	188	6.500%	2028
			6,763		
		May-23			
Chile	Scotiabank Chile SA	CHF 100	112	2.783%	2025
Ecuador	Republic of Ecuador	USD 656	656	5.645%	2041 (blue)
Chile	Solek Chile Holding II SpA	USD 178	178	6.640%	2043 (g)
Chile	Solek Chile Holding II SpA	USD 20	20	6.790%	2043 (g)
Chile	Solek Chile Holding II SpA	USD 55	55	6.840%	2043 (g)
Chile	Solek Chile Holding II SpA	USD 47	47	6.840%	2043 (g)
Supranational	CAF Development Bank of Latin America	AUD 45	31	5.300%	2033
Chile	Scotiabank Chile SA	USD 13	13	5.094%	2025
Chile	Republic of Chile	CLP 1751200	2,230	6.000%	2033 (soc)
Supranational	CAF Development Bank of Latin America	AUD 70	46	4.500%	2033
Peru	Republic of Peru	PEN 9185	2,494	7.300%	2033 (sust)
			5,882		
		Jun-23			
Chile	Banco de Chile	MXP 700	40	1-mth Other +85	2027 (sust)
Supranational	CABEI Central American Bank for Economic Integration	MXP 3500	198	1-mth Other +25	2027 (soc)
Supranational	CABEI Central American Bank for Economic Integration	MXP 1500	85	9.410%	2033 (soc)
Guatemala	Republic of Guatemala	USD 1000	1,000	6.600%	2036
Supranational	CAF Development Bank of Latin America	AUD 115	76	5.794%	2038
Brazil	Vale Overseas Ltd	USD 1500	1,500	6.125%	2033
Brazil	Azul Investments LLP	USD 294	294	11.500%	2029
Brazil	Azul Investments LLP	USD 568	568	10.875%	2030
Chile	Banco de Chile	JPY 6300	45	0.750%	2025
Supranational	CAF Development Bank of Latin America	USD 36	36	Floating Rate	2028
Chile	Cooperativa del Personal de la Universidad de Chile Ltda.-Coopeuch	JPY 2500	18	NA	2024
Chile	Inversiones CMPC SA	USD 500	500	6.125%	2033 (SLB)
Argentina	Loma Negra CIASA	USD 72	72	6.500%	2025
Brazil	Cosan SA	USD 550	550	7.500%	2030 (NC3)
Mexico	BBVA Mexico SA	USD 1000	1,000	8.450%	2038
Colombia	Union Vial Rio Pamplonita SAS	USD 112	112	8.210%	2041 (soc)
Colombia	Union Vial Rio Pamplonita SAS	COP 519182	125	7.600%	2041 (soc)
Colombia	Union Vial Rio Pamplonita SAS	COP 675000	163	7.600%	2041 (soc)
Brazil	Petrobras Global Finance BV	USD 1250	1,250	6.500%	2033
Mexico	America Movil SAB de CV	MXP 17000	992	9.500%	2031 (SLB)
Chile	Republic of Chile	USD 1100	1,100	5.330%	2054 (SLB)
Chile	Republic of Chile	USD 1150	1,150	4.950%	2036 (SLB)
Chile	Republic of Chile	EUR 750	821	4.125%	2034 (SLB)
Paraguay	Republic of Paraguay	USD 500	500	5.850%	2033
Colombia	Ecopetrol SA	USD 1200	1,200	8.725%	2029
Colombia	Ecopetrol SA	USD 300	300	8.875%	2033 (r)
Chile	Scotiabank Chile SA	JPY 5000	35	0.750%	2025
Chile	Scotiabank Chile SA	JPY 5000	35	0.750%	2025 (g)
Supranational	Bladex - Banco Latinoamericano de Comercio Exterior	JPY 3000	21	1.100%	2027
Chile	Inversiones CMPC SA	MXP 1600	94	10.620%	2032 (SLB)
Chile	Inversiones CMPC SA	MXP 1600	94	1-mth Other +80	2025 (g)
			13,936		

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

Q2 2023	**26,581**
H1 2023	**52,822**

Table 9 (Annex 1)
LAC international bond issuances in the third quarter of 2023

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity
		Jul-23			
Argentina	Aeropuertos Argentina 2000 SA	USD 2.712	3	0.000%	2026
Argentina	Aeropuertos Argentina 2000 SA	USD 25	25	0.000%	2025
Uruguay	Oriental Republic of Uruguay	UYU 48006	1,261	9.750%	2033
Panama	CFG Investments Ltd	USD 107	107	8.560%	2034
Panama	CFG Investments Ltd	USD 24.5	25	10.050%	2034
Panama	CFG Investments Ltd	USD 17.2	17	13.050%	2034
Panama	CFG Investments Ltd	USD 4.85	5	16.800%	2034
Supranational	CAF Development Bank of Latin America	AUD 145	97	5.794%	2038
Brazil	Azul Secured Finance LLP	USD 800	800	11.930%	2028
Supranational	CAF Development Bank of Latin America	USD 100	100	3-mth Sofr +95	2026
Argentina	AES Argentina Generación	USD 122	122	9.500%	2027
Supranational	CABEI Central American Bank for Economic Integration	AUD 30	20	5.470%	2033 (blue)
Panama	Republic of Panama	USD 700	700	6.375%	2033
Chile	Guacolda Energia	USD 168	168	10.000%	2030
Chile	Republic of Chile	CLP 1750000	2,153	5.300%	2037 (SLB)
Mexico	United Mexican States	MXP 23000	1,373	8.000%	2035 (sust)
Argentina	Capex SA	USD 239	239	6.875%	2024
Brazil	Embraer	USD 750	750	7.000%	2030
			7,843		
		Aug-23			
Supranational	Bladex - Banco Latinoamericano de Comercio Exterior	USD 8	8	3-mth Sofr +200	2028
Supranational	CAF Development Bank of Latin America	USD 40	40	3-mth Sofr +46	2024
Chile	Banco de Credito e Inversiones - BCI	USD 35	35	3-mth Sofr +135	2028
Panama	Promerica Financial Corp	USD 225	225	10.750%	2028
Chile	Chile Electricity Lux MPC SARL	USD 784	784	6.010%	2033
Argentina	AES Argentina Generación SA	USD 122	122	9.500%	2027
			1,214		
		Sep-23			
Chile	Embotelladora Andina SA	CHF 170	192	2.717%	2028
Brazil	JBS USA Lux SA	USD 1600	1,600	6.750%	2034
Brazil	JBS USA Lux SA	USD 900	900	7.250%	2053
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 1300	1,300	5.950%	2034
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 700	700	6.300%	2053
Brazil	Minerva Luxembourg SA	USD 900	900	8.875%	2033
Brazil	Braskem Netherlands Finance BV	USD 850	850	8.500%	2031
Trinidad and Tobago	Republic of Trinidad & Tobago	USD 560	560	5.950%	2031
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 450	450	8.550%	2033
Dominican Republic	Dominican Republic	DOP 71000	1,250	11.250%	2035
Brazil	Minerva Luxembourg SA	USD 100	100	8.875%	2033
Peru	Sitios Del Peru SAC	PEN 872.08	236	9.125%	2033
Brazil	Aegea Saneamento e Participações	USD 500	500	9.000%	2031 (SLB)
Panama	Republic of Panama	USD 1000	1,000	6.875%	2036
Panama	Republic of Panama	USD 400	400	6.853%	2054 (r)
Guatemala	Republic of Guatemala	USD 565	565	7.050%	2032
Chile	Banco de Credito e Inversiones - BCI	USD 10	10	Sofr +135	2028
Supranational	CAF Development Bank of Latin America	JPY 5000	33	0.011%	2033
			11,546		

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 2023	**20,546**
2023 JAN-SEP	**73,426**

Table 10 (Annex 1)
LAC international bond issuances in the fourth quarter of 2023

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity
		Oct-23			
Supranational	CAF Development Bank of Latin America	CHF 110	120	2.553%	2029 (g)
Supranational	CAF Development Bank of Latin America	AUD 125	79	5.794%	2038
Supranational	CAF Development Bank of Latin America	AUD 50	32	5.000%	2033
Chile	Republic of Chile	UF 24	927	3.400%	2039 (SLB)
Supranational	CAF Development Bank of Latin America	USD 1750	1,750	6.000%	2027
Suriname	Republic of Suriname	USD 660	660	7.950%	2033
Chile	Republic of Chile	CLP 1750000	1,878	5.800%	2034 (SLB)
Mexico	Bimbo Bakeries Inc	USD 450	450	6.050%	2029
Mexico	Bimbo Bakeries Inc	USD 550	550	6.400%	2034
Jamaica	Republic of Jamaica	JMD 46600	302	9.625%	2030
			6,747		
		Nov-23			
Chile	Sociedad Química y Minera de Chile SA	USD 750	750	6.500%	2033 (g)
Uruguay	Oriental Republic of Uruguay	USD 700	700	5.750%	2034 (SLB)(r)
Colombia	Grupo Energia Bogota SA ESP	USD 400	400	7.850%	2033 (sust)
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 50	50	8.550%	2033 (r)
Costa Rica	Republic of Costa Rica	USD 1500	1,500	7.300%	2054
Colombia	Republic of Colombia	USD 1250	1,250	8.000%	2035 (soc)
Colombia	Republic of Colombia	USD 1250	1,250	8.750%	2053 (soc)
Brazil	Republic of Brazil	USD 2000	2,000	6.250%	2031 (sust)
Supranational	CAF Development Bank of Latin America	JPY 18300	123	0.730%	2027
Supranational	CAF Development Bank of Latin America	JPY 17700	119	0.960%	2028
Brazil	CSN Resources SA	USD 500	500	8.875%	2030
			8,642		
		Dec-23			
Chile	Banco de Crédito e Inversiones - BCI	USD 15	15	5.571%	2024
Peru	Credicorp Capital Sociedad Titulizadora SA	PEN 1205	319	10.100%	2043
			334		

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 2023	**15,723**
H2 2023	**36,327**
2023	**89,148**

Annex 2 LAC credit ratings

Table 11 (Annex 2)
Credit ratings In Latin America and the Caribbean, 2023

	Moody's		S&P		Fitch		Recent Moody's Action		Recent S&P Action		Recent Fitch Action	
	Rating	View	Rating	View	Rating	View	Action	Date	Action	Date	Action	Date
Argentina	Ca		CCC-	(-)	CC	No O/L	Affirmed, O/L stable	27-Sep-22	Downgrade, O/L (-)	29-Mar-23	Upgrade, No outlook	13-Jun-23
Bahamas	B1		B+		NR		Downgrade, O/L stable	6-Oct-22	Downgrade, O/L stable	12-Nov-21		
Barbados	B3		B-		B	(+)	Upgrade, O/L stable	3-Aug-23	Affirmed, O/L stable	21-Nov-22	O/L changed to (+) from stable	29-Oct-23
Belize	Caa2		B-		NR		Upgrade, O/L stable	16-Nov-22	Upgrade, O/L stable	9-Nov-21		
Bolivia	Caa1	-	CCC+	(-)	B-	(-)	Downgrade, on review for downgrade	24-Mar-23	Downgrade, O/L (-)	22-Nov-23	Downgrade, O/L (-)	14-Mar-23
Brazil	Ba2		BB		BB-		Affirmed, O/L stable	9-Nov-22	Upgrade, O/L stable	19-Dec-23	Affirmed, O/L stable	20-Dec-22
Chile	A2		A		A-		Downgrade, O/L stable	15-Sep-22	Downgrade, O/L stable	24-Mar-21	Affirmed, O/L stable	19-Jul-23
Colombia	Baa2		BB+		BB+		Affirmed, O/L stable	8-Jun-23	Affirmed, O/L stable	20-Jan-23	Affirmed, O/L stable	30-Jun-23
Costa Rica	B1	(+)	BB-		BB-		Upgrade, O/L (+)	3-Nov-23	Upgrade, O/L stable	27-Oct-23	Upgrade, O/L stable	2-Mar-23
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	Affirmed, O/L stable	12-May-23	Downgrade, No outlook	16-Aug-23
El Salvador	Caa3		B-		RD	No O/L	O/L changed to stable from (-)	3-Feb-23	Upgrade, O/L stable	7-Nov-23	Downgrade, No outlook	5-May-23
Guatemala	Ba1		BB		BB		O/L changed to stable from (-)	15-Jun-22	Upgrade, O/L stable	11-Apr-23	Upgrade, O/L stable	16-Feb-23
Honduras	B1		BB-		NR		Affirmed, O/L stable	3-Oct-23	O/L changed to stable from (-)	29-Sep-23		
Jamaica	B1	(+)	BB-		B+	(+)	Upgrade, O/L (+)	18-Oct-23	Upgrade, O/L stable	13-Sep-23	O/L changed to (+) from stable	7-Mar-23
Mexico	Baa2		BBB		BBB-		Downgrade, O/L stable	8-Jul-22	O/L changed to stable from (-)	6-Jul-22	Affirmed, O/L stable	16-Jun-23
Nicaragua	B3		B		B-	(+)	Affirmed, O/L stable	30-Mar-22	Upgrade, O/L stable	25-Oct-22	O/L changed to (+) from stable	5-Jun-23
Panama	Baa3		BBB	(-)	BBB-	(-)	Downgrade, O/L stable	31-Oct-23	O/L changed to (-) from stable	7-Nov-23	O/L changed to (-) from stable	29-Sep-23
Paraguay	Ba1	(+)	BB		BB+		O/L changed to (+) from stable	22-Jul-22	Affirmed, O/L stable	18-May-22	Affirmed, O/L stable	1-Nov-23
Peru	Baa1	(-)	BBB	(-)	BBB	(-)	O/L changed to (-) from stable	31-Jan-23	O/L changed to (-) from stable	12-Dec-22	Affirmed, O/L (-)	25-Oct-23
St Vincent	B3		NR		NR		Affirmed, O/L stable	1-Mar-22				
Suriname	Caa3		CCC		RD		O/L changed to stable from (-)	17-Feb-23	Upgrade, O/L stable	16-Sep-20	Affirmed, rate withdrawn	15-Jan-22
T & T	Ba2	(+)	BBB-		NR		O/L changed to (+) from stable	10-Jul-23	O/L changed to stable from (-)	21-Jul-22		
Uruguay*	Baa2	(+)	BBB+		BBB		O/L changed to (+) from stable	17-May-23	Upgrade, O/L stable	26-Apr-23	Upgrade, O/L stable	7-Jun-23
Venezuela	C		NR		RD		Downgrade, O/L stable	9-Mar-18	Rating withdrawn	20-Sep-21	Affirmed and withdrawn	27-Jun-19

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. Changes for 2023 are in pink.
Note: Moody's ratings are qualified by outlooks and reviews while S&P and Fitch ratings are qualified by outlooks and watches. A review/watch [+ or -] is indicative of a likely short-term development. An outlook [(+) or (-)] suggests that a review/watch or long/intermediate-term movement is likely. No O/L: no outlook; Fitch does not assign Outlooks to sovereigns with a rating of 'CCC+' or below.

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

There were 29 positive and 15 negative actions in Latin America and the Caribbean in 2023.

Positive Actions: 29 (Bold)

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

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

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

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

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

June
- **Nicaragua (05 June): Fitch revises the outlook on Nicaragua's B- rating to positive from stable,** citing prudent policy mix that has strengthened fiscal and external buffers.
- **Uruguay (07 June): Fitch upgrades Uruguay's rating to BBB from BBB- with a stable outlook,** citing resilient fiscal performance in absorbing the COVID-19 pandemic shock coupled with its record of compliance with its modified fiscal framework, which has enhanced fiscal credibility.
- Colombia (08 June): Moody's affirms Colombia's ratings at Baa2 with a stable outlook (no change).
- **Argentina (13 June): Fitch upgrades Argentina's rating to CC from C,** saying the agency no longer deems a default-like process to have begun, as the authorities have not signaled a clear intention to follow through with an intra-public debt swap announced in March. Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below.
- **Brazil (14 June): S&P revises the outlook on Brazil's BB- rating to positive from stable** on expectations for policy pragmatism. The positive outlook is based on the prospect that continued steps to tackle economic and fiscal rigidities could reduce risks to monetary flexibility and net external position.
- Mexico (16 June): Fitch affirms Mexico's rating at BBB- with a stable outlook (no change).
- Colombia (30 June): Fitch affirms Colombia's rating at BB+ with a stable outlook (no change).

July
- **Trinidad and Tobago (10 July 2023): Moody's changes the outlook on Trinidad and Tobago's Ba2 rating to positive from stable,** citing improved fiscal prospects owing to the implementation of structural spending and revenue measures aimed at reducing fiscal accounts' sensitivity to energy prices.
- Chile (19 July): Fitch affirms Chile's rating at A- with a stable outlook (no change).

- **Brazil (26 July): Fitch upgrades Brazil's rating to BB from BB- with a stable outlook,** citing better-than-expected macroeconomic and fiscal performance amid successive shocks in recent years, proactive policies and reforms that have supported this performance.

August

- **Barbados (3 August): Moody's upgrades Barbados' ratings to B3 from Caa1 with a stable outlook**, citing a declining debt burden, implementation of durable structural reforms and reduced government liquidity risk coupled with adequate foreign exchange buffer support.
- **Dominican Republic (10 August): Moody's revises outlook on Dominican Republic's Ba3 rating to positive from stable**, citing sustained high growth rates and a decline in the government debt burden coupled with improved fiscal policy effectiveness.
- **Panama (11 August): S&P revises the outlook on Panama's BBB rating to stable from negative,** citing its expectation that stable economic management will persist over the next two years, underpinning favorable economic growth that will contain the government's debt burden and support fiscal consolidation efforts.

September

- **Jamaica (13 September): S&P upgrades Jamaica's rating to BB- from B+ with a stable outlook**, saying the country has weathered the pandemic and related downturn, maintained its commitment to prudent public sector finances and debt reduction, while continuing to implement key reforms like the recent central bank modernization. The economy is expanding, supporting government finances and propelling the country's debt burden lower.
- **Honduras (29 September): S&P revises the outlook on Honduras' BB- rating to stable from negative,** citing expectation of moderate GDP growth, continued good access to official funding, and a fiscal policy that contributes to a stable net general government debt burden over the next two years.

October

- Honduras (3 October): Moody's affirms Honduras' B1 rating with a stable outlook (no change).
- **Barbados (17 October): Fitch revises the outlook on Barbados' B rating to positive from stable,** citing the return to large primary surpluses after the pandemic-induces relaxation of fiscal targets, a declining public debt trajectory albeit at high levels, a strengthening economic recovery, and structural reform efforts.
- **Jamaica (18 October): Moody's upgrades Jamaica's ratings to B1 from B2 and revises the outlook to positive from stable,** citing the government's sustained commitment to fiscal consolidation and debt reduction, and its assessment that a continuation of the favorable fiscal trajectory will further increase Jamaica's credit resilience.
- **Costa Rica (27 October 2023): S&P upgrades Costa Rica's rating to BB- from B+ with a stable outlook** on stronger financial performance amid solid growth.

November

- Paraguay (1 November): Fitch affirms Paraguay's BB+ rating with a stable outlook (no change).
- **Costa Rica (3 November): Moody's upgrades Costa Rica's rating to B1 from B2 and revises the outlook to positive from stable**, citing a strengthened credit profile as a result to structural fiscal consolidation and the increasing likelihood that favorable credit trends will persist and enhance the country's fiscal strength.
- **El Salvador (7 November 2023): S&P upgrades El Salvador's rating to B- from CCC+ with a stable outlook** after local debt reprofiling. The sovereign is gradually repaying outstanding short-term bills and then issuing new debt obligations at longer maturities, reducing the government's rollover risk.
- **Dominican Republic (29 November 2023): Fitch revise the outlook on Dominican Republic's BB- rating to positive from stable**, citing a trend improvement in governance and robust growth prospects.

December

- Mexico (7 December 2023): Fitch affirms Mexico's BBB- rating with a stable outlook (no change).
- Colombia (7 December 2023): Fitch affirms Colombia's BB+ rating with a stable outlook (no change).
- Chile (13 December 2023): Fitch affirms Chile's A- rating with a stable outlook (no change).
- Brazil (15 December 2023): Fitch affirms Brazil's BB rating with a stable outlook (no change).
- **Brazil (19 December 2023): S&P upgrades Brazil's rating to BB from BB- with a stable outlook** following tax reform approval.

Negative Actions: 15 (Bold)

January

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

February

March

- **Bolivia (14 March): Fitch downgrades Bolivia's rating to B- from B with a negative outlook,** citing the depletion of its external liquidity buffers, which, in light of a de facto currency peg, has greatly heightened near-term uncertainty and risks to macroeconomic stability.

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

April

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

May

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

June

- Argentina (13 June): S&P affirms Argentina's CCC- rating with a negative outlook (no change).
- **Bolivia (30 June): Moody's revises the outlook on Bolivia's Caa1 rating to negative from ratings under review**, concluding the review for downgrade that was initiated on 24 March 2023.

July

August

- **Ecuador (16 August): Fitch downgrades Ecuador's rating to CCC+ from B-,** citing heightened financing risks emanating from a significant fiscal deterioration. Fitch typically does not assign Outlooks to sovereigns with a rating of CCC+ or below.

September

- **Panama (29 September): Fitch revises the outlook on Panama's BBB- rating to negative from stable**, citing persistent fiscal pressures and uncertain prospects for consolidation.

October

- Peru (25 October): Fitch affirms Peru's BBB rating with a negative outlook (no change).
- **Panama (31 October): Moody's downgrades Panama's rating to Baa3 from Baa2 with a stable outlook**, citing lack of an effective policy response to structural fiscal challenges.

November

- **Panama (7 November): S&P revises the outlook on Panama's BBB rating to negative from stable,** saying public protests against a contract with Minera Panama, a large copper mining project, have created uncertainty about the fate of the project and led to the passage of a moratorium on new mining concessions, what could pose risks to the country's still favorable medium-term GDP growth prospects, potentially weakening its economic resilience.
- **Bolivia (22 November 2023): S&P downgrades Bolivia's rating to CCC+ from B- with a negative outlook,** on heightened external vulnerabilities. The agency said that declining exports, limited liquid international reserves, high fiscal deficits and poor transparency about central bank assets are increasing risks to debt servicing.

December

- Cuba (7 December 2023): Moody's withdraws Cuba's ratings due to lack of sufficient information.

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

Annex 3 Latin American bond spreads

Table 12 (Annex 3)
EMBI Global index and Latin American composites, December 2019—December 2023
(Basis Points)

	EMBI Global	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	Venezuela	Latin America	Bolivia	Paraguay
31-Dec-19	277	1744	212	135	161	826	292	107	148	14740	346	218	203
31-Jan-20	299	2068	224	149	176	1018	308	122	159	16553	372	296	231
28-Feb-20	354	2283	251	180	212	1466	372	156	196	12246	428	341	253
31-Mar-20	577	3803	389	301	376	4553	653	265	298	19270	703	645	429
30-Apr-20	557	3472	420	284	392	5129	656	257	301	22140	702	698	401
29-May-20	463	2627	388	226	288	3907	536	191	243	27907	581	614	339
30-Jun-20	433	2495	373	211	293	3373	526	182	215	30757	552	630	312
31-Jul-20	401	2263	328	185	253	2755	493	150	183	33118	500	575	275
31-Aug-20	385	2147	314	175	250	2813	459	151	170	31216	480	577	246
30-Sep-20	398	1300	334	183	262	1015	501	170	186	29608	476	622	267
30-Oct-20	388	1482	309	174	244	1029	477	149	165	21698	467	601	247
30-Nov-20	350	1410	268	157	228	1065	426	161	157	22610	433	523	233
31-Dec-20	323	1368	250	144	206	1062	361	132	135	24099	386	461	213
29-Jan-21	324	1445	270	138	219	1273	378	128	135	24830	396	481	205
26-Feb-21	329	1511	275	142	232	1226	368	164	150	24846	404	479	226
31-Mar-21	324	1589	272	122	216	1201	351	152	125	26168	390	501	212
30-Apr-21	313	1551	260	126	226	764	342	165	130	25722	372	454	224
28-May-21	307	1508	245	135	248	730	335	169	127	26138	369	463	218
30-Jun-21	312	1596	256	135	247	776	348	163	129	31091	380	481	216
30-Jul-21	325	1591	280	145	276	790	362	197	148	28364	395	498	236
31-Aug-21	313	1513	282	136	272	751	352	175	132	29568	381	471	223
30-Sep-21	324	1607	304	150	301	835	360	180	140	31941	399	472	230
29-Oct-21	327	1712	338	161	302	847	353	181	138	32198	401	472	245
30-Nov-21	353	1914	344	166	359	891	389	194	150	31857	434	487	267
31-Dec-21	330	1688	306	153	353	869	347	170	127	55310	399	412	229
31-Jan-22	344	1723	316	167	374	768	356	186	140	51959	408	474	242
28-Feb-22	411	1816	321	195	385	755	382	213	161	64523	438	466	300
31-Mar-22	347	1718	280	158	338	810	349	171	127	37945	397	509	239
29-Apr-22	379	1801	291	182	375	816	391	218	151	32691	438	487	278
31-May-22	383	1918	291	166	337	802	382	194	137	30795	433	595	294
30-Jun-22	460	2428	357	196	446	1165	473	235	162	36398	528	666	357
29-Jul-22	446	2398	309	189	403	1336	437	219	141	41342	500	641	282
31-Aug-22	422	2385	295	198	424	1550	432	218	132	40090	499	622	282
30-Sep-22	467	2801	295	208	460	1753	483	246	158	50130	549	576	330
31-Oct-22	449	2624	269	193	456	1570	428	228	141	51157	514	597	268
30-Nov-22	392	2248	249	157	404	1333	392	193	106	34698	454	673	233
30-Dec-22	374	2196	258	140	369	1250	386	194	91	44840	440	563	200
31-Jan-23	368	1822	257	146	376	1216	357	206	111	36587	418	337	684
28-Feb-23	370	1960	244	145	393	1765	368	191	103	33951	431	332	742
31-Mar-23	400	2302	254	153	382	1917	393	209	119	34229	461	362	1561
28-Apr-23	401	2684	258	143	422	1757	396	193	105	34739	465	362	1425
31-May-23	400	2595	248	145	406	1911	406	200	111	37552	465	360	1295
30-Jun-23	363	2037	230	132	366	1902	373	172	99	42753	421	328	1100
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

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

EMBI Global composition by country (end-December 2023): Mexico, Brazil and Chile account for 17.01% of the total weighting.
EMBI Global composition by region: Latin: 33.13%; Non-Latin: 66.87%.

Latin American and Caribbean bond issuance in international markets totalled US$ 89 billion in 2023, 40% higher than the figure recorded in 2022, but still 35% lower than the average annual level in the three-year period from 2019 to 2021. The average coupon on the region's bonds issued in international markets was 1.65 percentage points higher than in 2022. Indicating a strong start to the year, international bond issuance amounted to US$ 31.19 billion in January 2024, the region's third-highest monthly total.

In 2023, the region issued US$ 31 billion in green, social, sustainability and sustainability-linked (GSSS) bonds in international markets, up 52% from 2022, but with an increase of 2.1 percentage points in the average coupon. This total represented a record 35% share of the region's overall annual issuance in international markets, highlighting the resilience of these novel instruments in the current global environment.

Capital flows to Latin America and the Caribbean: 2023 year-in-review and early 2024 developments presents and analyses the main trends and developments in capital flows to Latin America and the Caribbean in 2023 and January 2024. This report is published by ECLAC three times a year and provides an overview of the region's new international bonds issued, bond spreads and credit ratings.

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