Economic Commission for Latin America and the Caribbean

ECLAC WASHINGTON OFFICE

Capital Flows to Latin America and the Caribbean

2018 Year-in-Review

UNITED NATIONS

ECLAC

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Contents

Highlights

- In 2018, bond issuance from Latin American and the Caribbean (LAC) slowed, bond spreads widened and credit quality deteriorated.

- The region saw the best and the worst conditions for tapping international capital markets in 2018. In January 2018, issuers from the region placed their highest ever monthly volume of debt in international markets: US$ 32 billion. On the other hand, December 2018, with no issuance recorded, was the worst December on record for LAC issuers.

- Total debt issuance in international markets in 2018 was US$ 94 billion, the lowest annual issuance in three years and 35% lower than in 2017 (US$ 145.5 billion). Bond activity in 2018 was affected by a heavy electoral calendar at the domestic level, and by U.S. interest rate hikes, withdrawal of dollar liquidity, dollar strengthening, and instability in global stock markets. The appreciation of the U.S. dollar, which reduced the appeal of risky assets, increased pressure on LAC assets.

- The 3 top issuers, sovereign and corporate issuance combined, accounted for 60% of the total issuance in the period – they included Mexico (25.4%), Brazil (20.2%), and Argentina (14.2%). Corporate issuance represented 60% of the total.

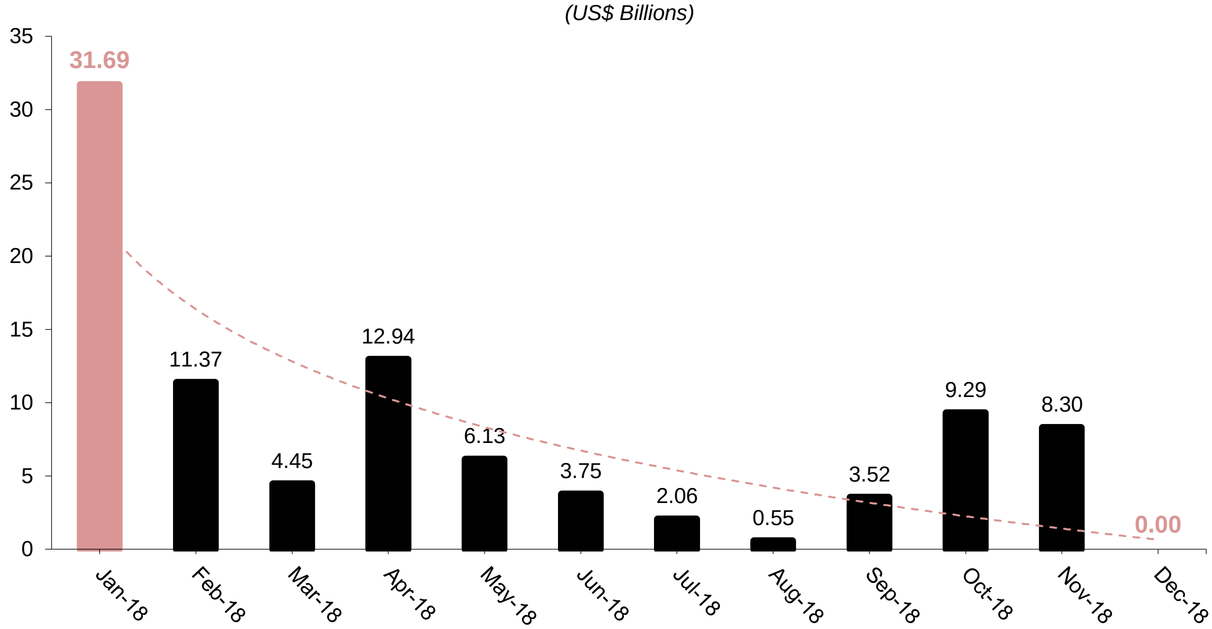
- Volatility made a comeback in 2018, which was the most volatile year since 2015 when measuring intraday changes of 1% or more on the S&P 500. Both Latin American stocks and debt spreads were adversely impacted by the increase in volatility and risk perception in global markets. LAC bond spreads widened 149 basis points in 2018, while stocks lost 9.3%.

- Credit quality in the region continued to deteriorate in 2018. There were 14 downgrades and only 3 upgrades in the region in 2018. Negative credit rating actions (including downgrades and downward outlook revisions) have outnumbered positive actions in the region for six years in a row.

Overview

Latin America and Caribbean bond issuers had a strong start of the year in 2018: January issuance was the highest monthly issuance on record for the region (US$ 32 billion). However, deal flows declined throughout the year, which ended on a weak note: no issuance in December, making it the worst December on record for LAC issuers (chart 1). Bond activity was constrained by rising interest rates and the surging U.S. dollar, which reduced the appeal of risky assets, such as emerging market debt, and raised doubts over the creditworthiness of big dollar debtors.

CHART 1:
MONTHLY LAC DEBT ISSUANCE IN 2018
(US$ Billions)

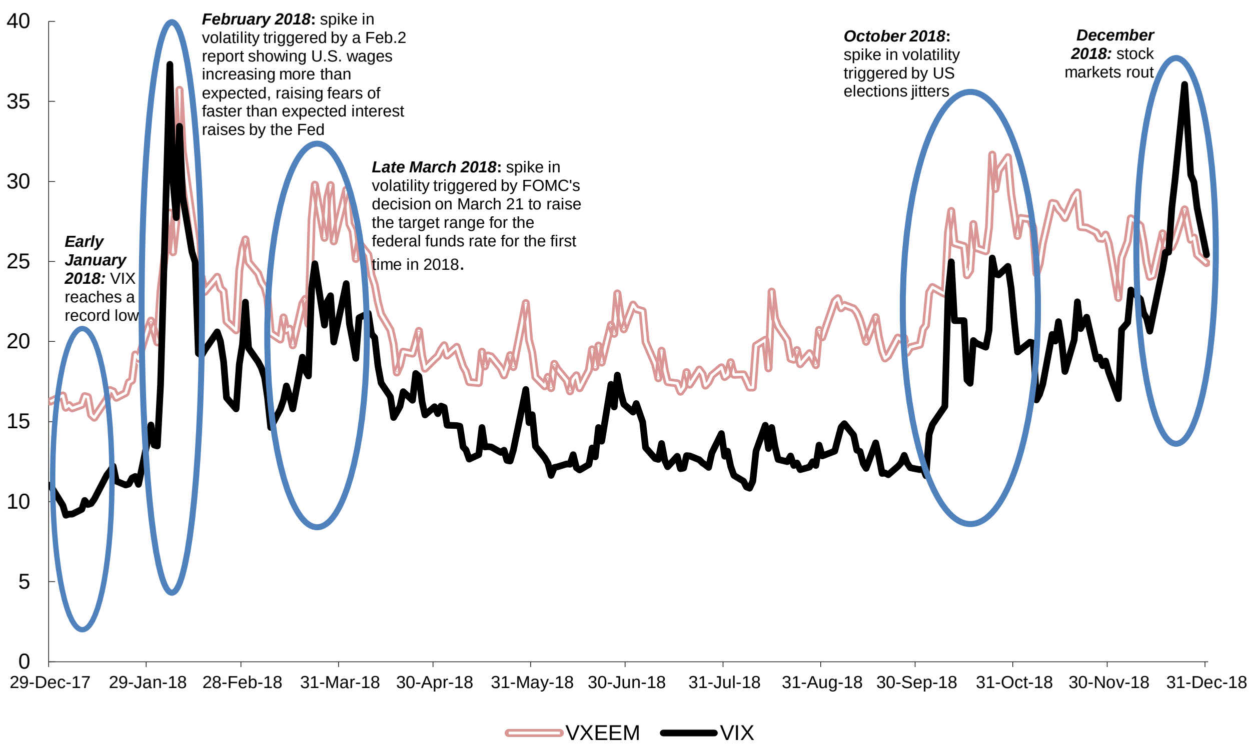


Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

Dollar-denominated issuance from the region in 2018 was 39% lower than in 2017, following four interest rate hikes by the U.S. Federal Reserve's in March, June, September and December, which raised the target range for the federal funds rate to 2.25% to 2.5%. Sovereign, supranational and agency (SSA) issuance in the region was 37% lower than in 2017, weakening to a three-year low. Usually U.S. dollar-denominated bonds dominate the SSA market.

Volatility made a comeback in 2018, which was the most volatile year since 2015 when measuring intraday changes of 1% or more on the S&P 500. A heavy electoral calendar in the region together with U.S. interest rate hikes and a strong U.S. dollar had an impact on volatility. The 2018 elections in Mexico and Brazil will continue to have repercussions on volatility in 2019, as doubts remain over what policies the new administrations will pursue and/or will be able to implement.

CHART 2:
CBOE VOLATILITY INDEX IN 2018
(VIX and VXEEM close)

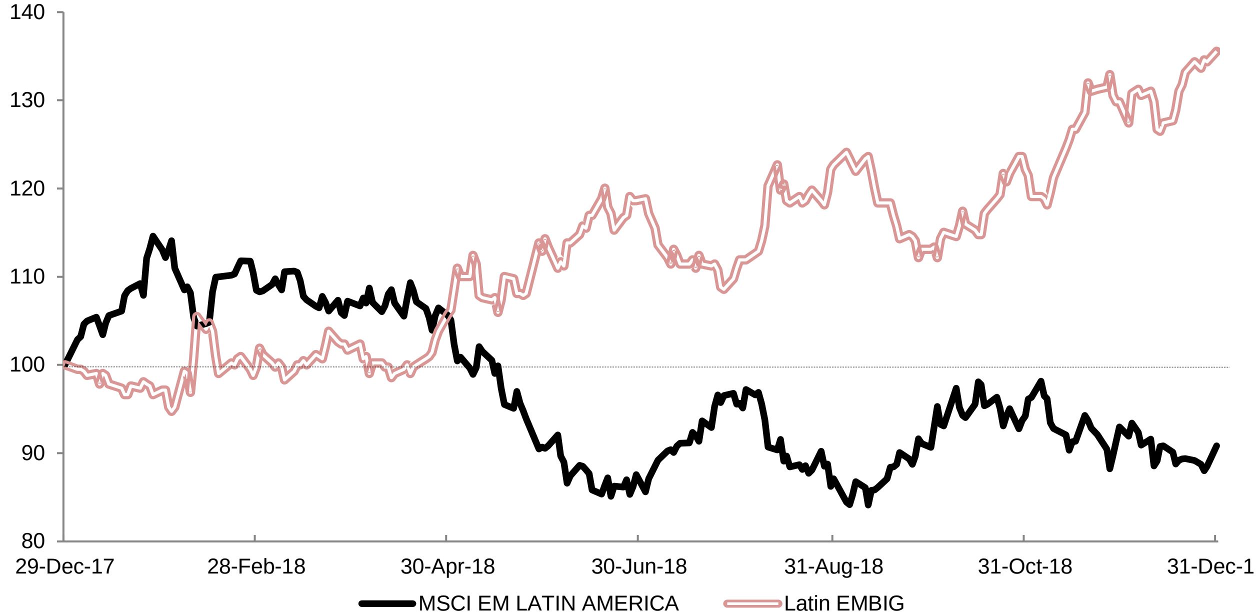


Source: ECLAC Washington Office, based on data from the Chicago Board Options Exchange.
Note: The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. The VXEEM is the CBOE volatility index for emerging markets (conveyed by MSCI Emerging Markets Index fund option prices).

Both Latin American stocks and debt spreads were adversely impacted by the increase in volatility and risk perception in global markets. While LAC bond spreads showed a widening trend, Latin American equity prices showed a narrowing trend since the end of January (chart 3).

Investors see risks on the rise, including rising trade tensions when signs of a slowdown in the global economy are mounting. The economic data increasingly suggests that the global economic cycle is entering a mature phase. China's slowdown has added to the concerns of issuers from the LAC region.

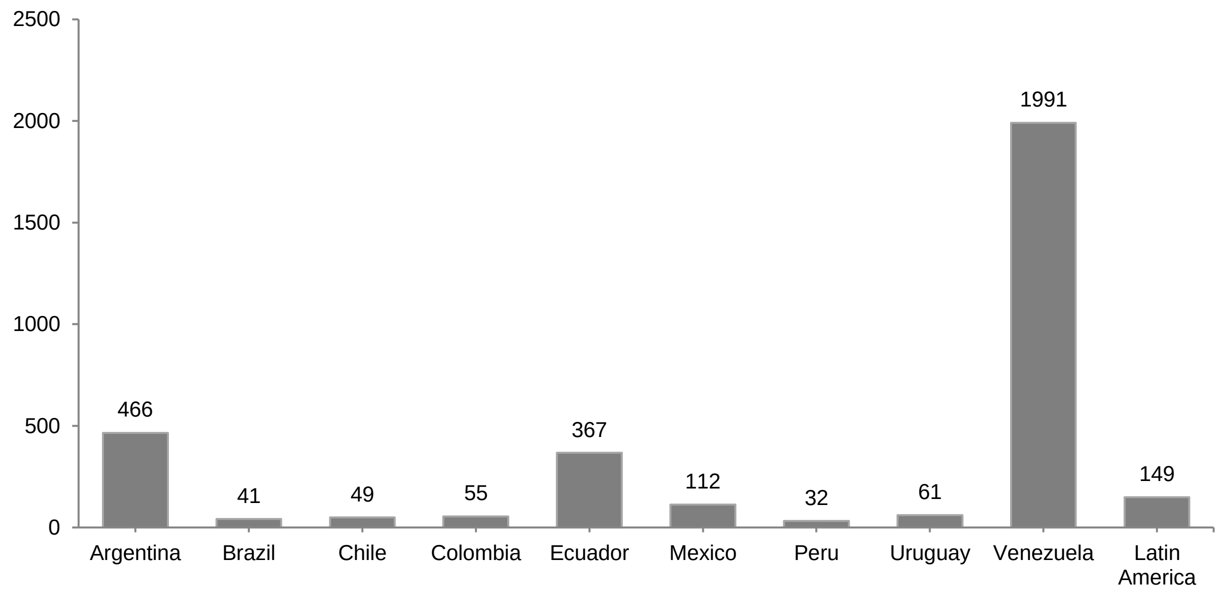
CHART 3:
LATIN AMERICAN EQUITY PRICES VS BOND SPREADS IN 2018
(MCSI and EMBIG indices)



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

Bond spreads for Latin American countries increased across the board in 2018, as financial market turmoil related to rising global interest rates and trade disputes increased risk aversion toward emerging market and LAC assets. The external backdrop took a toll on Argentina and Ecuador, which are highly dependent on external financing, and Venezuela (chart 4).

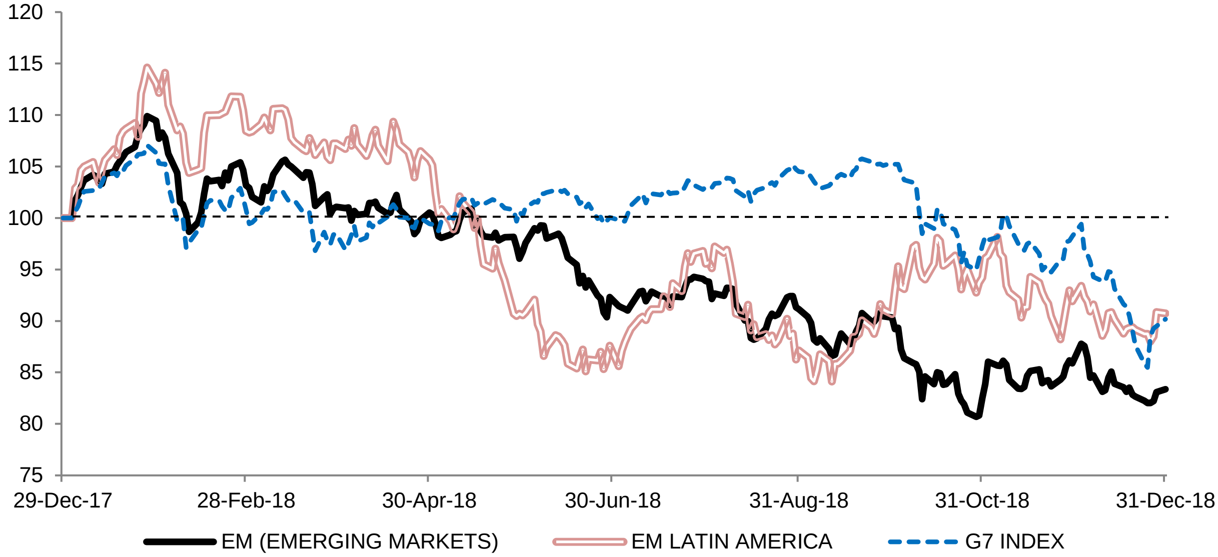
CHART 4:
EMBIG SPREAD DIFFERENTIALS IN 2018
(Basis points)



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

Latin American stocks lost 9.3% in 2018 according to the MSCI Latin American index, while emerging markets lost 16.6% and G7 countries 9.8%, respectively (chart 5). A large portion of Latin American stocks' underperformance took place in April thru June, due to a decline in most Latin American currencies against the U.S. dollar; in August, as countries, particularly Argentina, felt the effects of the plunge in the Turkish lira; and in the fourth quarter, when another interest rate increase by the Fed and fears of a global slowdown and policy uncertainty led to a sell-off in global stock markets.

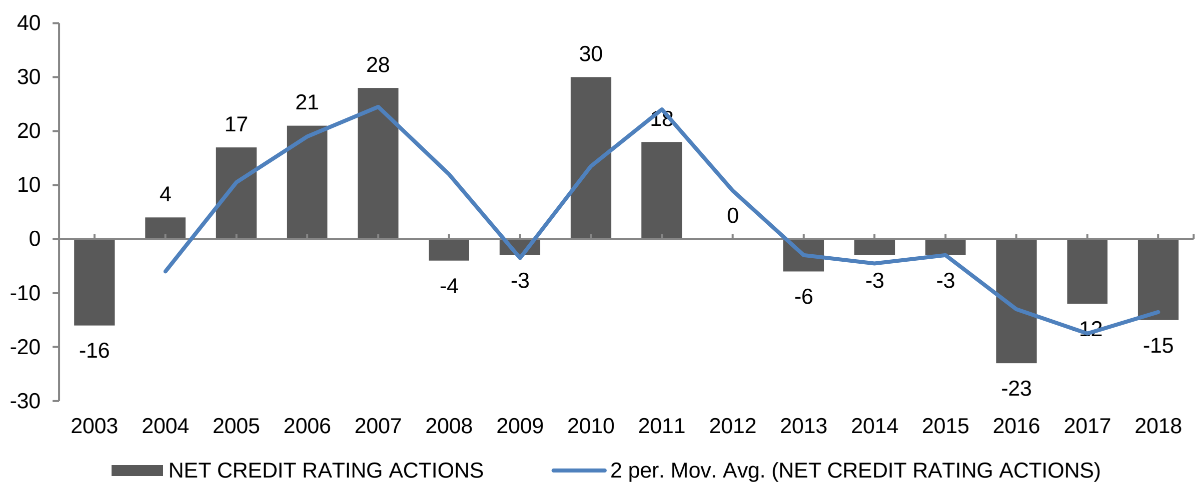
CHART 5:
MSCI EQUITY PRICE INDEX IN 2018



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

Finally, credit quality in the region continued to deteriorate in 2018. Negative credit rating actions (including downgrades and downward outlook revisions) have outnumbered positive actions in the region for six years in a row. In 2018, there were fifteen more negative actions than positive in the region (chart 6).

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

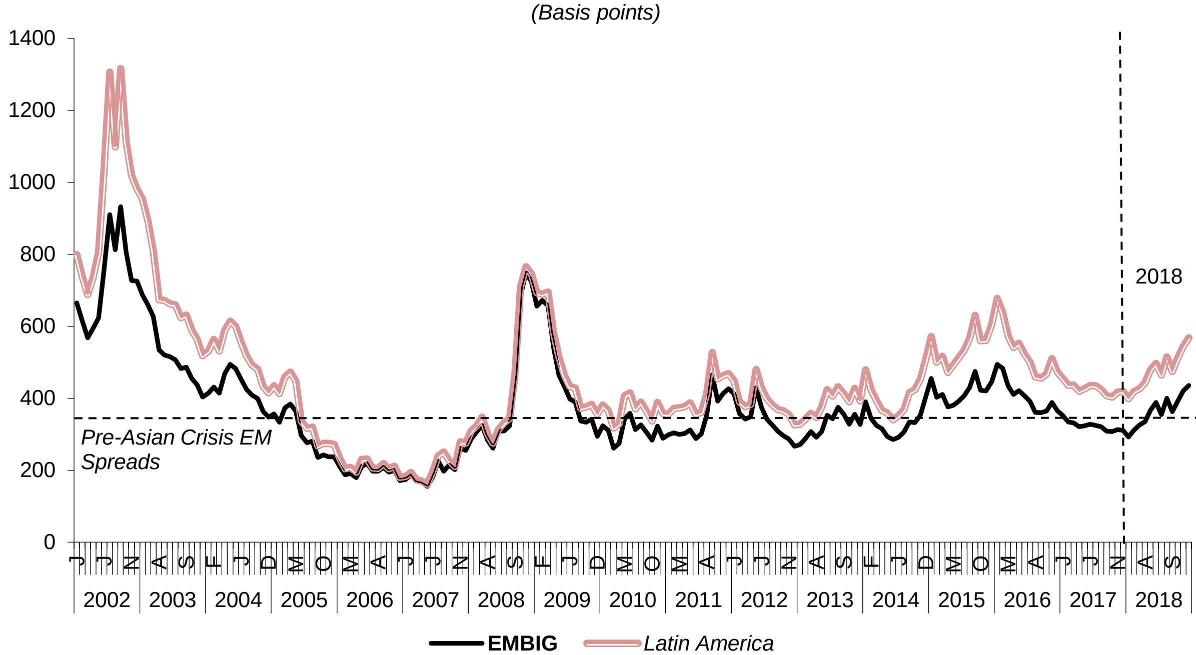


Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch.

I. Bond markets and debt management

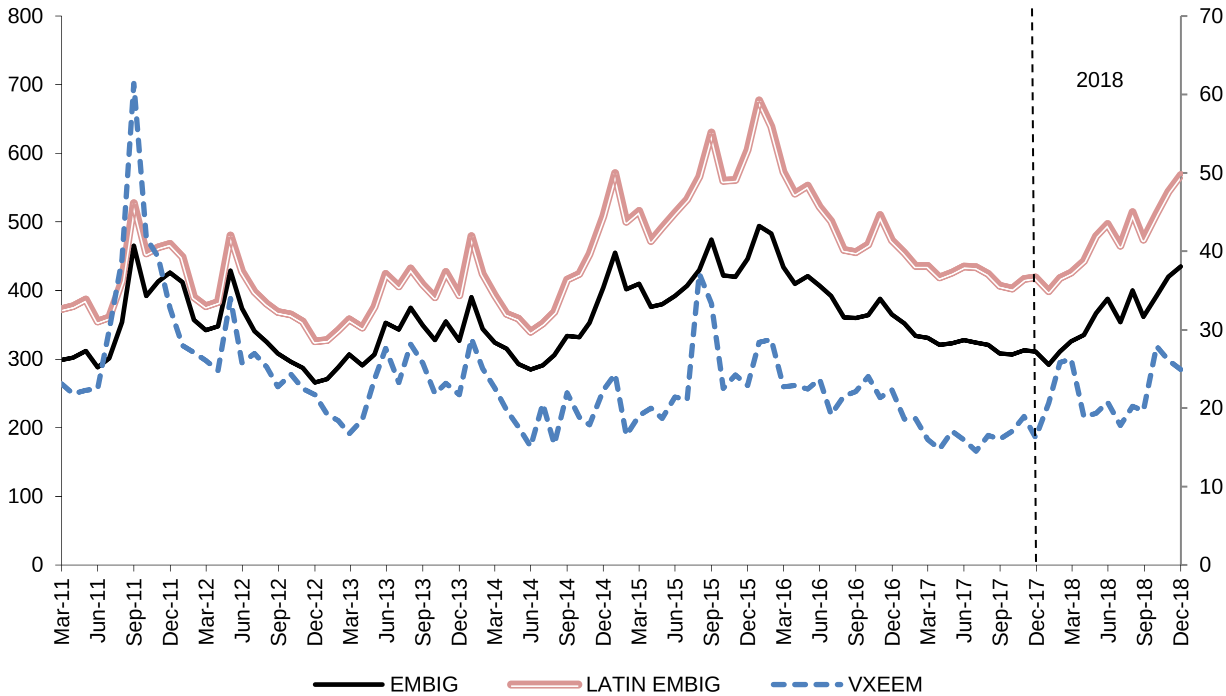
EMBI Global bond spreads widened 124 basis points while its Latin component widened 149 basis points in 2018, as higher U.S. interest rates, dollar liquidity withdrawal and a strengthening U.S. dollar adversely affected emerging market dollar debt (chart 7). Volatility has also increased and fluctuated more than in the previous two years (chart 8).

CHART 7:
EMBIG AND LATIN AMERICAN MONTHLY SPREADS
(Basis points)



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

CHART 8:
CBOE VOLATILITY INDEX AND EMBIG
(Left axis: basis points; right axis: VXEEM close)



Source: ECLAC Washington Office, based on data from JPMorgan and Chicago Board Options Exchange.
Note: The VXEEM is the CBOE volatility index for emerging markets (conveyed by MSCI Emerging Markets Index fund option prices).

In 2018, sovereign credit rating trends in the region continued to be negative, with credit quality deteriorating throughout the year. There were eleven positive sovereign credit rating actions and twenty-six negative in 2018, a net of fifteen more negative actions than positive (table 1).

Among the 11 positive actions, only 3 were upgrades and 8 were outlook improvements. There were two upgrades in the fourth quarter of 2018: Fitch upgraded Paraguay's rating to BB+ from BB, one notch below investment grade, with a stable outlook, citing its resistance to external shocks, commitment to fiscal discipline, and favorable growth performance; and S&P upgraded El Salvador's rating to B- from CCC+ with a stable outlook, following Congress' approval of issuance of new external debt to cover the payment of the Eurobond due in December 2019.

Among the 26 negative actions, 14 were downgrades and 12 were outlook declines. Fiscal constraints and rising dollar debt levels, as well as higher budget deficits, loomed large behind the negative actions taken throughout the year. Ten countries – Argentina, Barbados, Bolivia, Brazil, Chile, Costa Rica, Ecuador, Nicaragua, Suriname and Venezuela – were downgraded in 2018.

There were 5 downgrades in the fourth quarter of 2018: three in November and two in December. On November 9, S&P downgraded Nicaragua's credit rating to B- from B with a negative outlook, citing "ongoing economic strain" and limited financing options; on November 12, S&P downgraded Argentina's rating to B from B+ with a stable outlook, citing poorer prospects for growth, inflation and debt; and on November 27, Fitch downgraded Nicaragua's rating to B- from B with a negative outlook, citing a bigger than expected economic contraction, a growing fiscal deficit, weaker external liquidity and heightened risks of domestic and external financing constraints. On December 5, Moody's downgraded Costa Rica's ratings to B1 from Ba2 with a negative outlook, citing worsening debt metrics and significant funding challenges; and on December 21, S&P downgraded Costa Rica's ratings to B+ from BB- with a negative outlook, citing limited external, fiscal and monetary flexibility, as well as a high government's debt burden.

TABLE 1: SOVEREIGN CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2018

Date	Country	Action	
Q1 2018	**3 positive and 6 negative actions**		
11-Jan-18	Brazil	S&P downgrades Brazil's BB rating to BB- with a stable outlook	*Negative*
18-Jan-18	Costa Rica	Fitch revises the outlook on Costa Rica's BB rating to negative	*Negative*
31-Jan-18	Jamaica	Fitch revises the outlook on Jamaica's B rating to positive from stable	*Positive*
20-Feb-18	Suriname	Moody's downgrades Suriname's rating to B2 from B1 with a negative outlook	*Negative*
21-Feb-18	Suriname	Fitch revises the outlook on Suriname's B- rating to stable from negative	*Positive*
22-Feb-18	Colombia	Moody's revises the outlook on Colombia's Baa2 rating to negative	*Negative*
23-Feb-18	El Salvador	Moody's upgrades El Salvador's rating to B3 from Caa1 with a stable outlook	*Positive*
23-Feb-18	Brazil	Fitch downgrades Brazil's BB rating to BB- with a stable outlook	*Negative*
9-Mar-18	Venezuela	Moody's downgrades Venezuela's rating to C from Caa3, with a stable outlook	*Negative*
Q2 2018	**3 positive and 7 negative actions**		
2-Apr-18	Suriname	S&P revises the outlook on Suriname's B rating to stable from negative	*Positive*
9-Apr-18	Brazil	Moody's revises the outlook on Brazil's Ba2 rating to stable from negative	*Positive*
11-Apr-18	Mexico	Moody's revises the outlook on Mexico's A3 rating to stable from negative	*Positive*
27-Apr-18	T&T	S&P revises the outlook on Trinidad and Tobago's BBB+ rating to negative	*Negative*
4-May-18	Argentina	Fitch revises the outlook on Argentina's B rating to stable from positive	*Negative*
23-May-18	Bolivia	S&P downgrades Bolivia's foreign currency rating to BB- from BB with a stable outlook	*Negative*
6-Jun-18	Barbados	S&P downgrades Barbados' rating to SD from CCC+ and placed it on CreditWatch (-)	*Negative*
8-Jun-18	Nicaragua	S&P revises outlook on Nicaragua's B+ rating to negative from stable	*Negative*
13-Jun-18	Nicaragua	Moody's revises outlook on Nicaragua's B2 rating to stable from positive	*Negative*
22-Jun-18	Nicaragua	Fitch downgrades Nicaragua's rating to B from B+ with a negative outlook	*Negative*
Q3 2018	**3 positive and 4 negative actions**		
2-Jul-18	Panama	S&P revises outlook on Panama's BBB rating to positive from stable	*Positive*
20-Jul-18	Jamaica	Moody's revises outlook on Jamaica's B3 rating to positive from stable	*Positive*
23-Jul-18	Nicaragua	S&P downgrades Nicaragua's rating to B from B+ with a negative outlook	*Negative*
26-Jul-18	Chile	Moody's downgrades Chile's ratings to A1 from Aa3 with a stable outlook	*Negative*
17-Aug-18	Ecuador	Fitch downgrades Ecuador's sovereign debt rating to B- from B with a stable outlook	*Negative*
31-Aug-18	Argentina	S&P puts Argentina's B+ credit rating on "CreditWatch negative"	*Negative*
25-Sep-18	Jamaica	S&P revises its outlook on Jamaica's B rating to positive from stable	*Positive*
Q4 2018	**2 positive and 9 negative actions**		
5-Oct-18	Uruguay	Fitch revises its outlook on Uruguay's BBB- rating to negative from stable	*Negative*
31-Oct-18	Mexico	Fitch revises its outlook on Mexico's BBB+ rating to negative from stable	*Negative*
7-Nov-18	Argentina	Fitch revises its outlook on Argentina's B rating to negative from stable	*Negative*
9-Nov-18	Nicaragua	S&P downgrades Nicaragua's rating to B- from B with a negative outlook	*Negative*
12-Nov-18	Argentina	S&P downgrades Argentina's rating to B from B+ with a stable outlook	*Negative*
27-Nov-18	Nicaragua	Fitch downgrades Nicaragua's rating to B- from B with a negative outlook	*Negative*
5-Dec-18	Costa Rica	Moody's downgrades Costa Rica's ratings to B1 from Ba2 with a negative outlook	*Negative*
11-Dec-18	Paraguay	Fitch upgrades Paraguay's rating to BB+ from BB, with a stable outlook	*Positive*
12-Dec-18	Ecuador	Moody's revises its outlook on Ecuador's B3 rating to negative from stable	*Negative*
21-Dec-18	Costa Rica	S&P downgrades Costa Rica's ratings to B+ from BB- with a negative outlook	*Negative*
28-Dec-18	El Salvador	S&P upgrades El Salvador's rating to B- from CCC+ with a stable outlook	*Positive*

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. 2018: 11 positive and 26 negative actions.

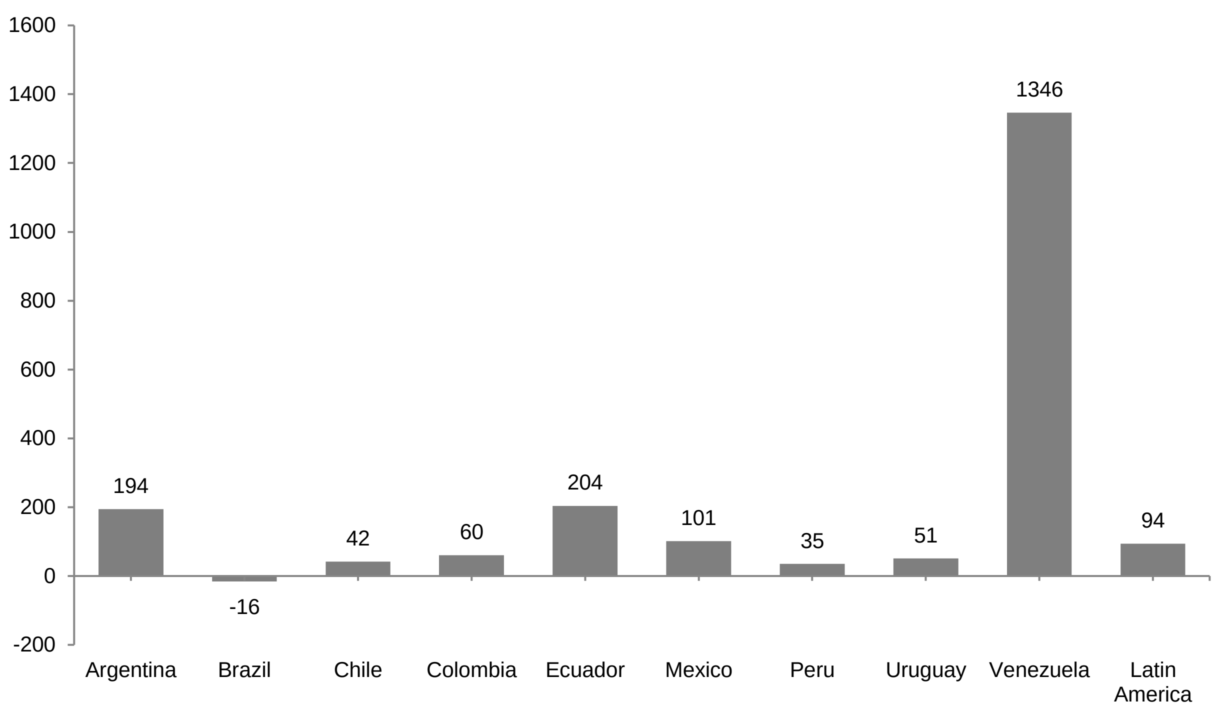
As of end of 2018, seven sovereigns were on negative outlook by one or more agencies (the Bahamas, Colombia, Costa Rica, Ecuador, Nicaragua, Suriname and Trinidad and Tobago), and two were on a positive outlook (Jamaica, and Panama). The outlooks show that the balance of risks is towards more negative actions (appendix A, table 1).

A. Sovereign Spreads

The JPMorgan's EMBIG widened 124 basis points in 2018 – from 311 basis points at the end of December 2017 to 435 at the end of December 2018 – while its Latin component widened 149 basis points, from 419 to 568 basis points. In 2018, spreads widened for all countries in our sample.

In the fourth quarter, EMBIG spreads and its Latin component widened 73 and 94 basis points, respectively. Fourth-quarter spreads widened for all countries in our sample except for Brazil, where there was a slight tightening following the results of the presidential elections in October, which were well received by markets (charts 9).

CHART 9:
EMBIG QUARTERLY SPREAD DIFFERENTIALS: Q4 2018
(Basis points)

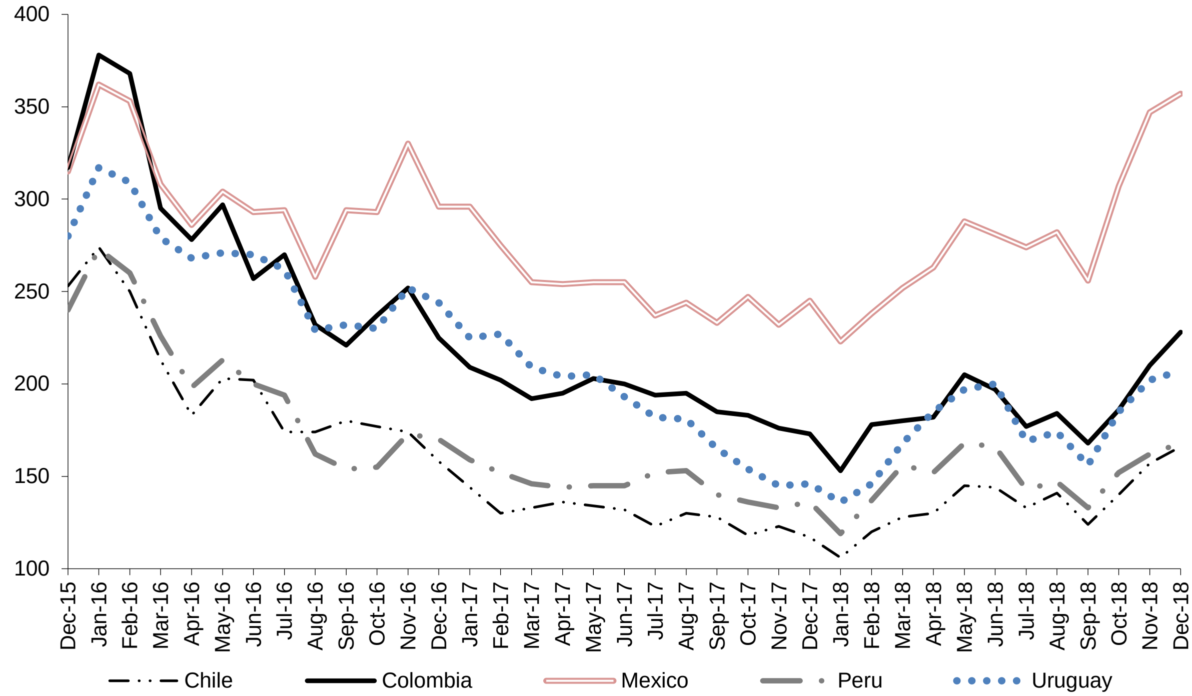


Source: ECLAC Washington Office, based on data from JPMorgan.

Among investment grade countries, Mexico had the highest spreads – 357 basis points – at the end of December 2018, followed by Colombia with 228 basis points, Uruguay with 207 basis points and Peru with 168 basis points. Chile had the lowest spreads at 166 basis points (chart 10).

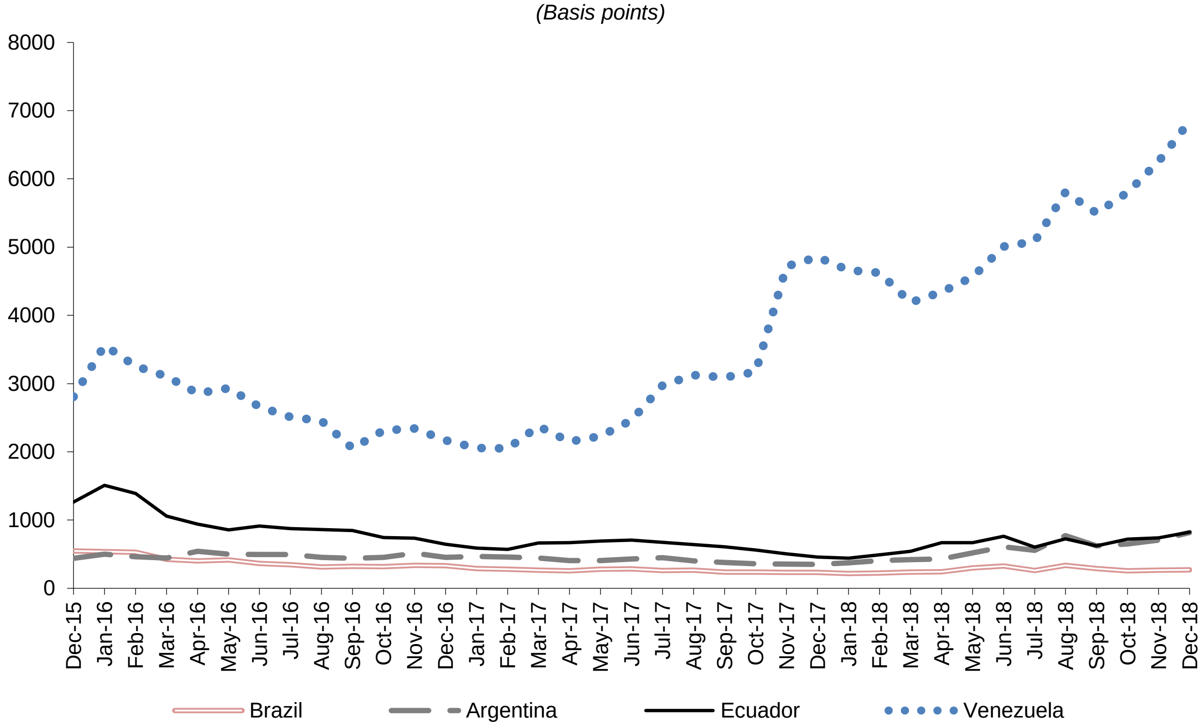
Among the non-investment grade countries, Venezuela had the highest spreads, while Brazil had the lowest (chart 11). At 6,845 basis points at the end of December 2018, Venezuela maintained the highest debt spreads of any country in the EMBIG. Spreads for Ecuador and Argentina were at 826 and 817 basis points, respectively, and Brazilian spreads were at 273 basis points, lower than Mexican spreads.

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



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

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

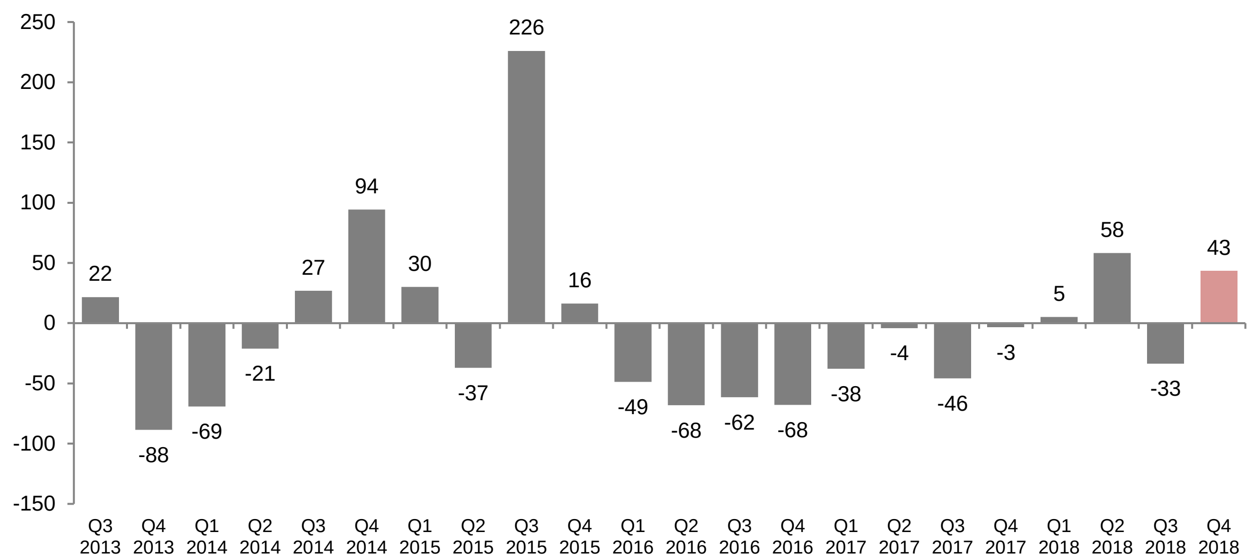


Source: ECLAC Washington Office, based on data from JPMorgan.

B. Corporate Spreads

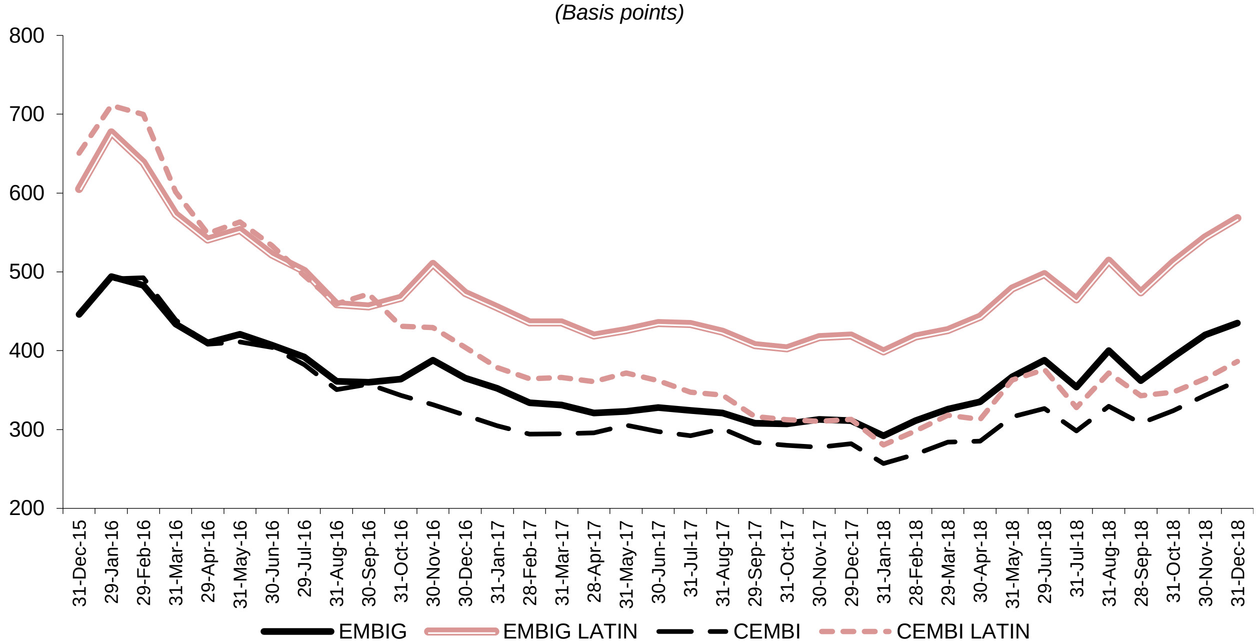
LAC corporate bond spreads widened 43 basis points in the fourth quarter of 2018 (chart 12), less than their sovereign counterparts, which widened 94 basis points in the period. In 2018 as a whole, LAC corporate spreads widened 74 basis points vs 149 basis points for the sovereign counterpart. Latin CEMBI spreads were 182 basis points lower than their sovereign counterpart at the end of 2018 (chart 13).

CHART 12:
CORPORATE EMBI SPREADS: LATIN COMPONENT
(Basis points)



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

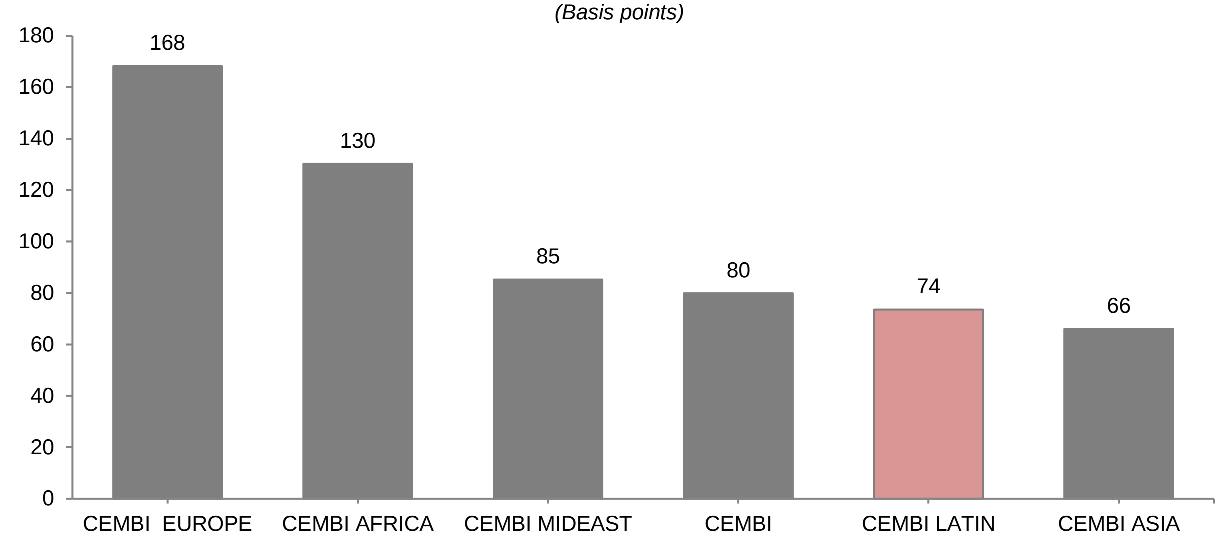
CHART 13:
JPMORGAN EMBIG SPREADS, CORPORATE AND SOVEREIGN
(Basis points)



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

In 2018, CEMBI spreads widened 80 basis points, more than the Latin component, which widened 74 basis points. As the U.S. dollar strengthened and the Euro weakened, European corporate credit spreads widened the most (chart 14).

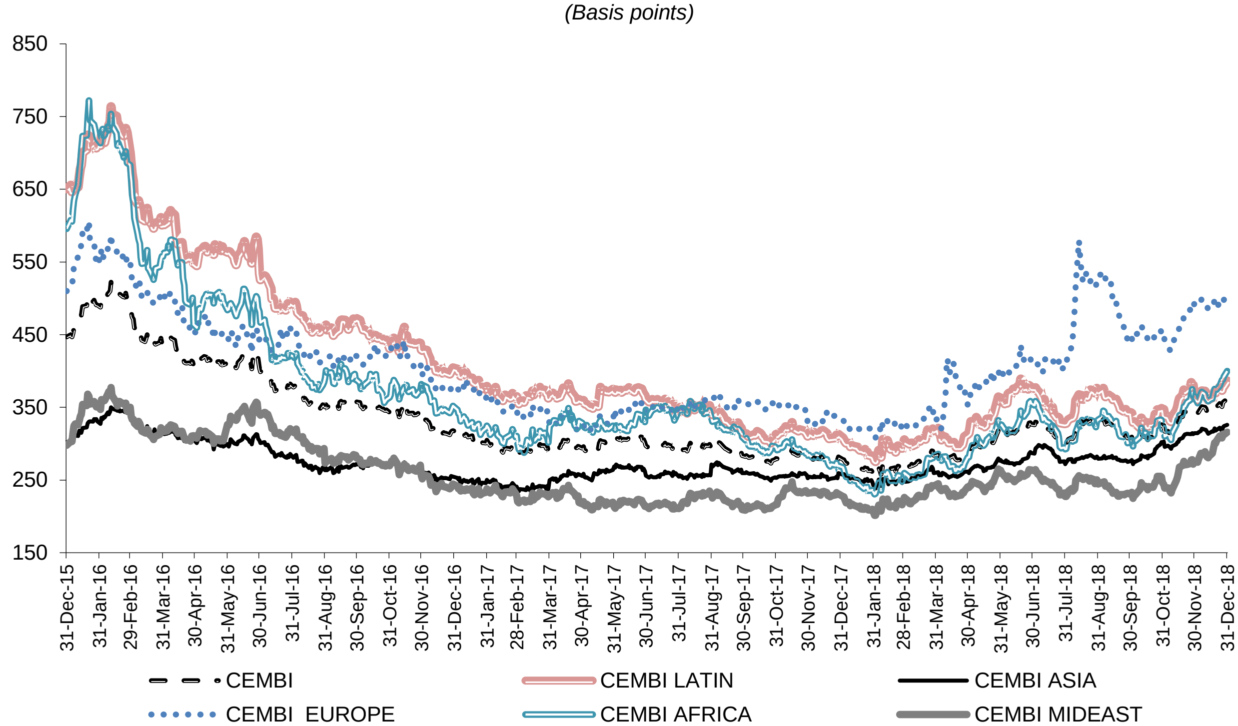
CHART 14:
CEMBI SPREAD DIFFERENTIALS BY REGION IN 2018
(Basis points)



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

Following a two-year period of low growth and weak economic fundamentals, Latin American corporate credit spreads are still wider than most emerging regions' corporate spreads, except for Emerging Europe and Africa (chart 19).

CHART 15:
CEMBI SPREADS BY REGION
(Basis points)

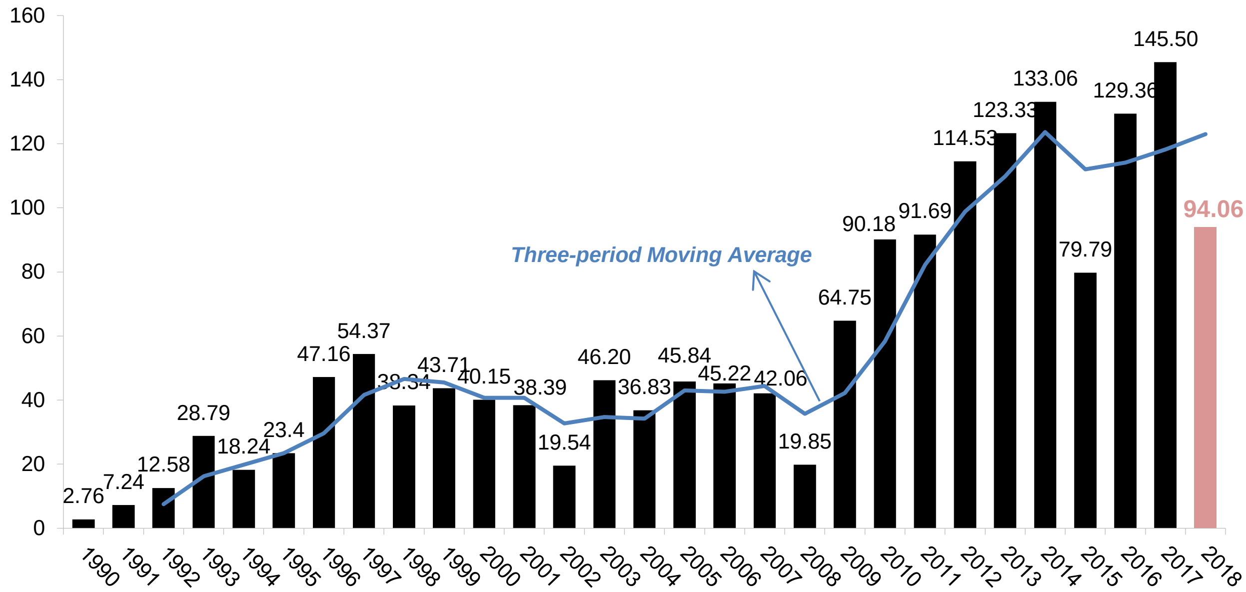


Source: ECLAC Washington Office, based on data from JPMorgan CEMBI.

C. New Debt Issuance

Total LAC debt issuance reached US$ 94 billion in 2018, 35% lower than in 2017. It was the lowest annual issuance since 2015 (chart 16).

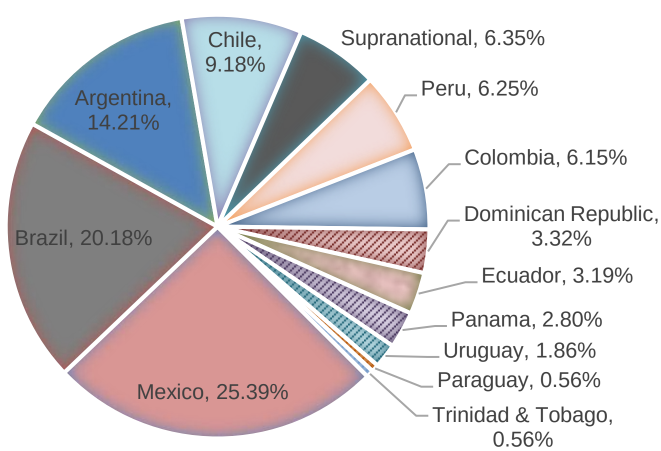
CHART 16:
ANNUAL LAC DEBT ISSUANCE
(US$ Billions)



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

Mexico had the largest share of bond issuances in 2018 – sovereign and corporate combined – followed by Brazil and Argentina. Mexico, Brazil and Argentina issued (sovereign and corporate combined) US$ 24 billion, US$ 19 billion, and US$ 13 billion, respectively. Issuances from the three countries accounted for 60% of the total LAC issuance in the period (chart 17).

CHART 17:
LAC DEBT ISSUANCE IN 2018: COUNTRY BREAKDOWN
(Country shares in percentage)



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

Some of the largest issuances in the period have come from sovereigns and quasi-sovereigns. Sovereigns, quasi-sovereigns and supranational entities, including regional development banks, accounted for 65% of the total amount issued in 2018. Investment-grade issuers – sovereign and corporate combined – dominated LAC issuance in the period, with a 55% share, while 45% of the total was issued by high-yield issuers.

1. Sovereign Issuance

Eleven sovereigns – Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, Peru and Uruguay – tapped international debt markets in 2018 (appendix C, tables 3 to 6). The top three sovereign issuers were Argentina, Mexico and Chile (table 2). Argentina had the top share of total sovereign issuance in the region in terms of amount, mainly because of a US$ 9 billion issuance in January across three sets of bonds (Appendix C, table 3), but Mexico had the bigger number of deals (seven).

TABLE 2:
LAC SOVEREIGN DEBT ISSUANCE IN THE CROSS-BORDER MARKET, 2018

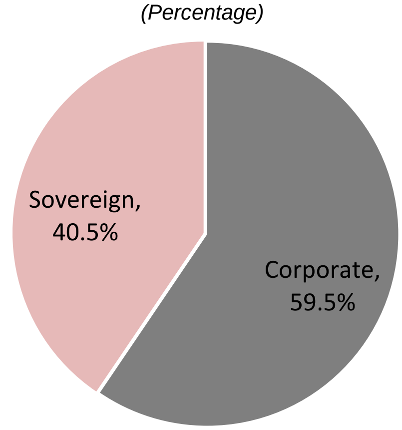
Sovereign Issuer	Total Issuance (US$ Million)	%of the total sovereign Issuance	Number of Deals
Argentina	10,487	28%	4
Mexico	6,261	16%	7
Chile	4,641	12%	4
Dominican Republic	3,118	8%	3
Peru	3,063	8%	1
Ecuador	3,000	8%	1
Colombia	2,000	5%	2
Uruguay	1,750	5%	1
Panama	1,750	5%	2
Brazil	1,500	4%	1
Paraguay	530	1%	1
Total	**38,100**	**100.00%**	**27**

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

2. Corporate Issuance

The corporate sector (including corporations, banks, quasi-sovereigns and supranationals) accounted for 59.5% of total LAC issuance in 2018 (chart 18), slightly smaller than the corporate share of 62% in 2017.

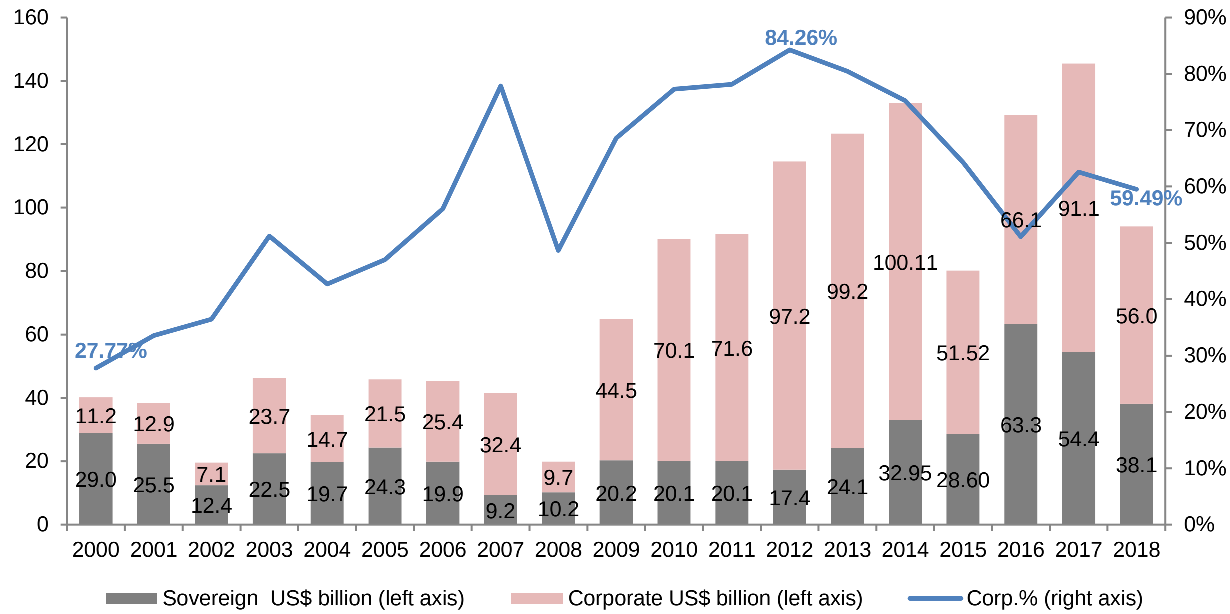
CHART 18:
LAC CORPORATE AND SOVEREIGN ISSUANCE IN 2018
(Percentage)



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

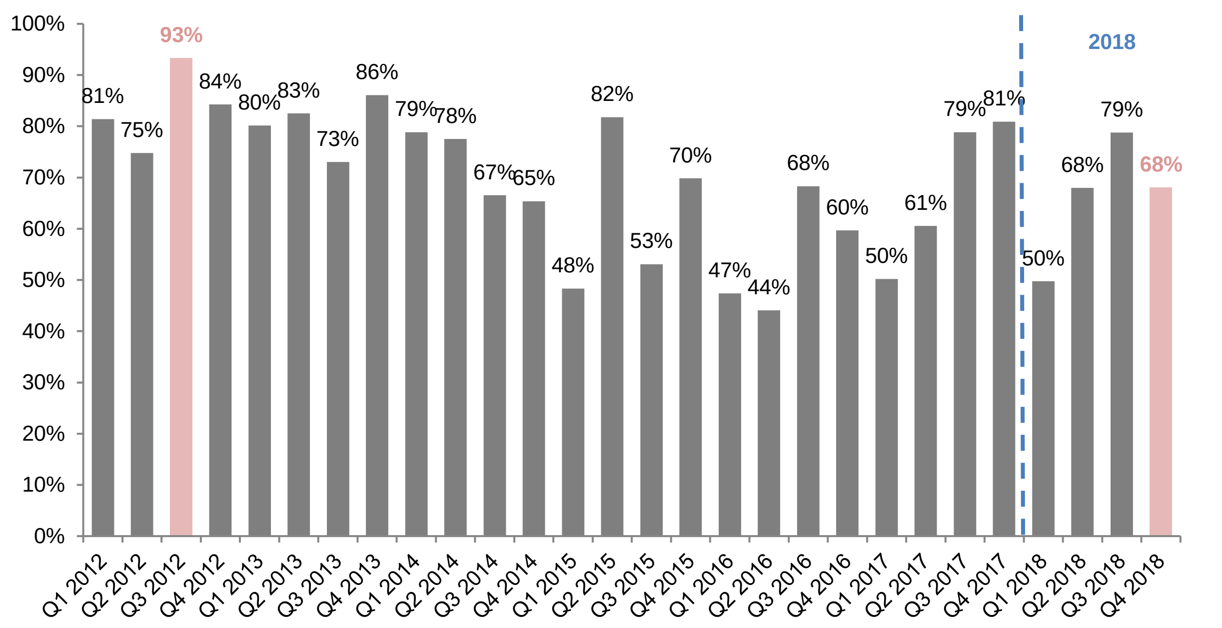
The share of corporate issuance peaked in 2012 at 84% (chart 19). On a quarterly basis, the share of corporate issuance peaked in the third quarter of 2012 (at 93%). In 2018, it increased to 79% in the third quarter of 2018 from 50% the first quarter but dropped to 68% in the fourth (chart 20).

CHART 19:
ANNUAL LAC EXTERNAL DEBT ISSUANCE BY ISSUER TYPE
(Left axis: US$ billion, right axis: percentage)



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

CHART 20:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE AS A SHARE OF THE TOTAL
(Percentage)

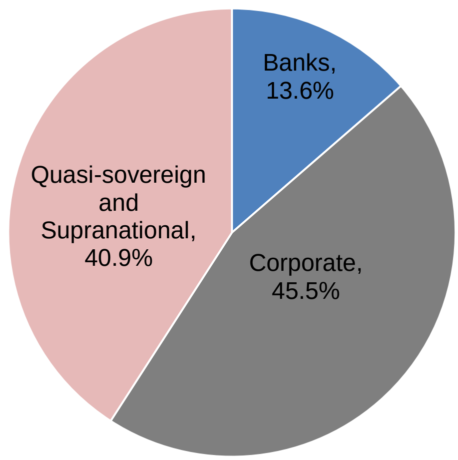


Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.

Quasi-sovereign and supranational issuers accounted for 41% of total LAC corporate issuance in international markets in 2018, a decline from the 48% share in 2017 and the 61% share in 2016. Corporations and banks accounted for the other 59% (charts 21 and 22).

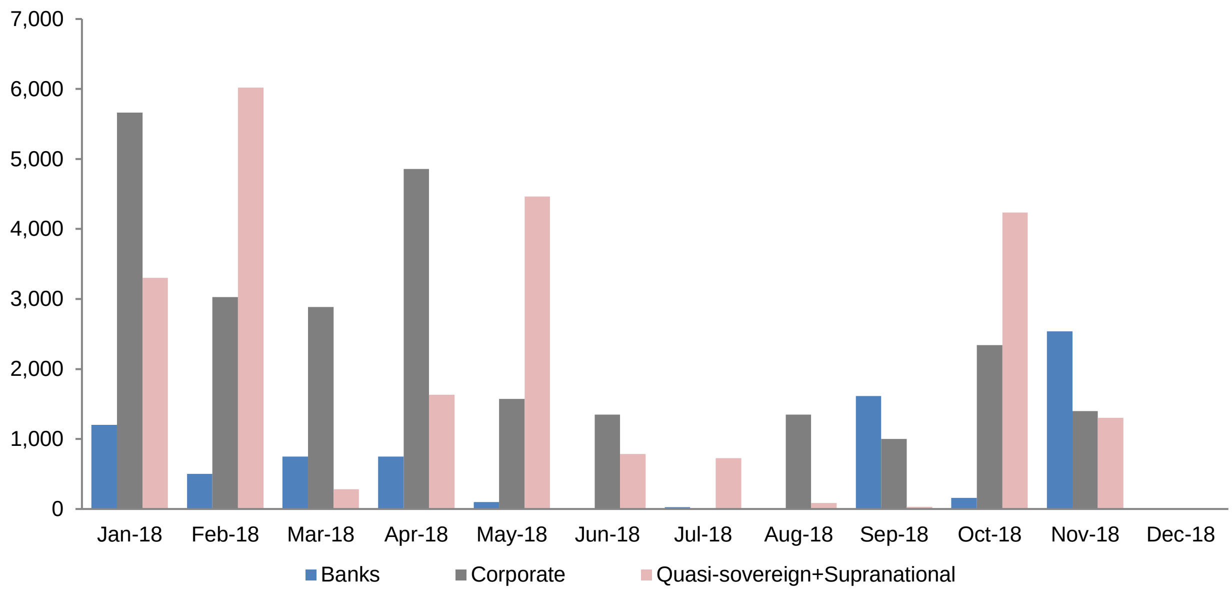
Excluding sovereign borrowers, 76 corporate issuers (including banks, quasi-sovereign and supranational companies) from the region sold US$ 56 billion of cross-border bonds in 2018, and 18% of that volume (US$ 10 billion) came from Mexico's state-owned oil producer Pemex.

CHART 21:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE IN 2018
(Percentage)



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

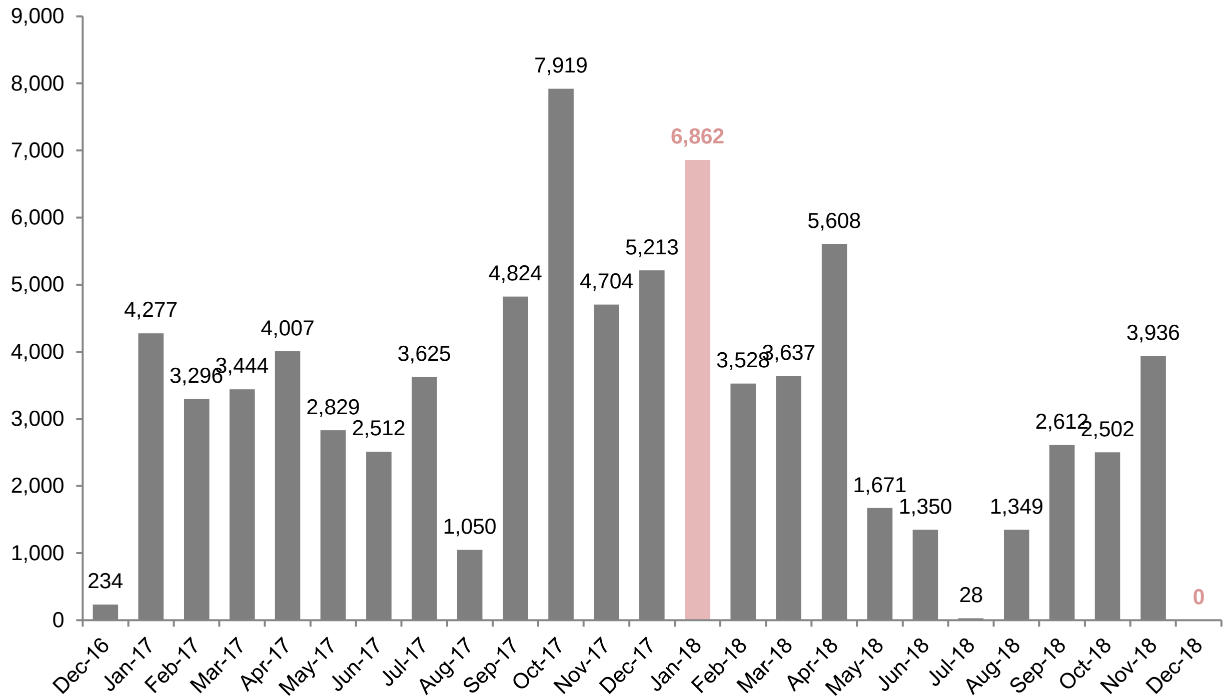
CHART 22:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY TYPE
(US$ million)



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

Issuances from the private corporate sector in 2018, not including quasi-sovereigns and supranationals, reached US$ 33 billion. The highest monthly activity of the year was in January (US$ 7 billion), and the lowest in December, when no issuance was recorded (chart 23).

CHART 23:
LAC MONTHLY PRIVATE CORPORATE SECTOR BOND ISSUANCE
(US$ Millions)



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

Six crossborder debut issuances took place in 2018 amounting to almost US$ 4 billion (table 3). They accounted for 6.5% of the total corporate issuance and 4% of the total issuance in 2018 and were 59% lower than in 2017. All debuts took place in the first half of the year.

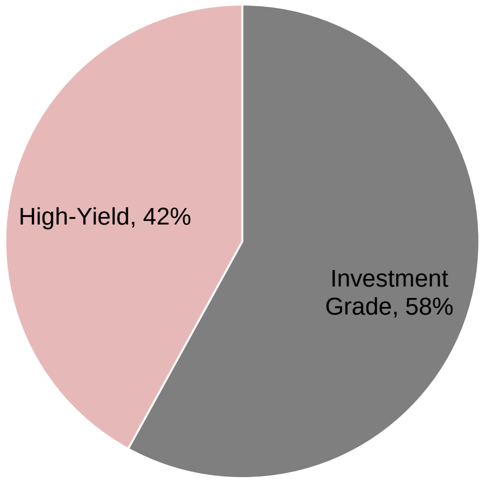
TABLE 3:
CORPORATE DEBUT ISSUANCES IN LATIN AMERICA AND THE CARIBBEAN, 2018

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity	Issue Date
Brazil	Rede D'Or São Luiz SA	USD 500	500	4.950%	2028	11-Jan-18
Brazil	Hidrovias do Brasil (HBSA)	USD 600	600	5.950%	2025 NC4	17-Jan-18
Brazil	Natura Cosmeticos SA	USD 750	750	5.375%	2023 NC3	25-Jan-18
Colombia	BevCo LLC	EUR 800	996	1.750%	2023	02-Feb-18
Brazil	Unigel	USD 200	200	10.500%	2024	15-May-18
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 600	600	6.375%	2028	24-May-18
			3,646			

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

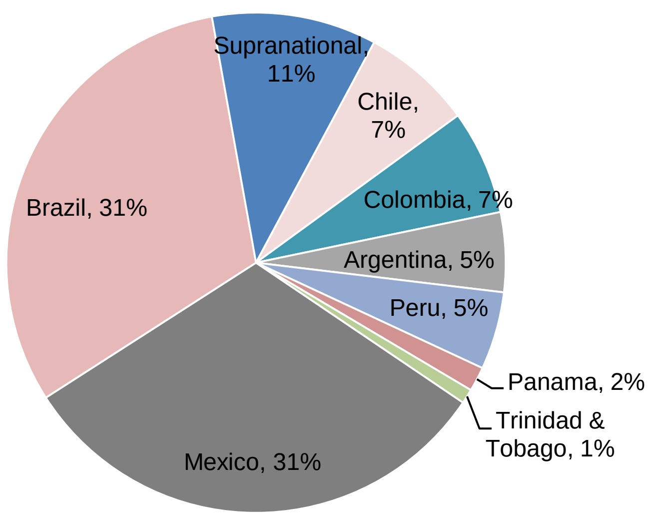
Investment grade companies had a higher share (58%) of total corporate issuance in 2018, as a difficult backdrop and higher risk aversion provided less support to high-yield issuers. The share of corporate high-yield issuance was 42% (chart 24). Mexican and Brazilian companies accounted for 62% of total corporate issuance in the period (chart 25).

CHART 24:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY RATING IN 2018
(Percentage of total)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

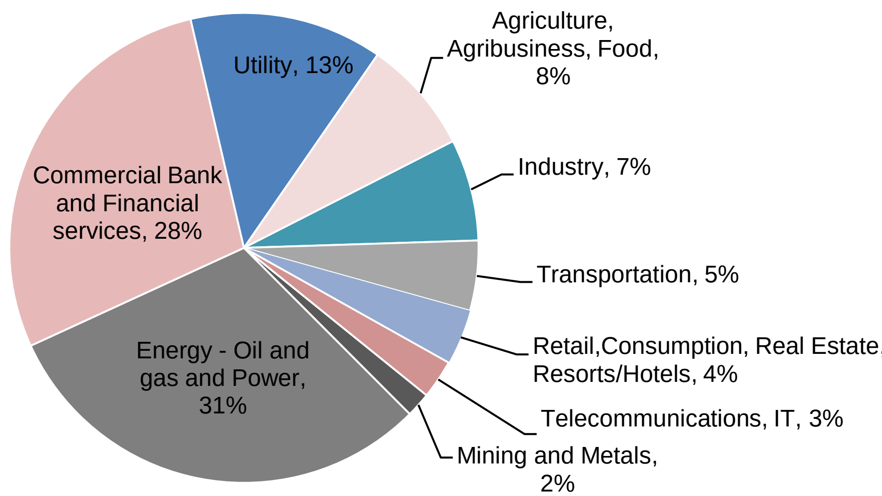
CHART 25:
BREAKDOWN OF LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY COUNTRY IN 2018
(Country shares in percentage)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

From a sectoral perspective, 31% of LAC corporate debt issuance (including corporate, banks, quasi-sovereigns and supranationals) in 2018 came from one sector: energy (chart 26). That was because of state-owned oil producers Pemex and Petrobras, which accounted for 22% of the total corporate issuance in the period. Pemex alone accounted for 18% of the total amount issued by the LAC corporate sector in 2018. The financial sector, including banks as well as financial services companies, was the second most relevant sector in terms of aggregate volume (28% of total corporate issuance), followed by utility (13%) and agriculture, food and beverages (8%).

CHART 26:
LAC INTERNATIONAL CORPORATE BOND ISSUANCE BY SECTORS IN 2018
(Percentage of total)



Source: ECLAC Washington Office, based on data from LatinFinance and Dealogic.
Note: corporate issuance includes corporates, banks, quasi-sovereigns and supranationals.

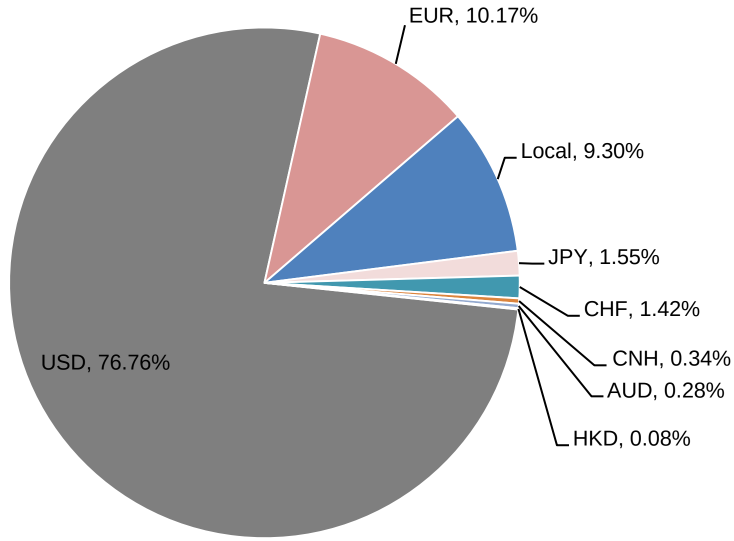
3. Currency Composition

Most of the international debt issuance in the region in 2018 (chart 27) was denominated in U.S. dollars (77%). There was also issuance in Euros (10%); in local currencies, including Dominican Republic, Mexican, Argentine and Colombian Pesos, as well as Peruvian Soles and Brazilian Reais (9%); Japanese Yens (1.6%); Swiss Francs (1.4%); Chinese Yuan (0.34%), Australian Dollars (0.28%); and Hong Kong Dollars (0.08%).

The Republic of Peru accounted for the largest LAC issuance in local currency in 2018, issuing at the end of November a 2029 sol-denominated bond totaling US$ 3.1 billion (Appendix C, table 6). It was also the largest debt sale in local currency from an emerging economy. Argentina's Province of Buenos Aires accounted for the second largest issuance in local currency in the region, a 2025 global-local bond totaling US$ 1.5 billion issued in April. The third was by Brazil's Celse - Centrais Elétricas de Sergipe (Swiss Insured Brazil Power Finance SARL), which issued, also in April, a 2032 bond in local currency amounting to almost US$ 1 billion. The fourth and fifth largest issuances in local currency were by two sovereigns: in June, Chile issued a 2030 4.7% bond in pesos amounting to US$ 939 million[1]; and in February, the Dominican Republic issued a 2023 bond in local pesos, amounting to US$ 818 million. The Dominican Republic's local currency issuance was a debut under the Euroclear format.

[1] In June, Chile also issued a 2023 4% bond in pesos, amounting to US$ 677 million. Together, the 2030 and the 2023 local-currency bonds amounted to US$ 1.6 billion.

CHART 27:
CURRENCY BREAKDOWN, 2018



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

4. Green Bonds

Except for a supranational issuance in August, there were no other LAC issuances with a green focus in 2018. On August 14, CAF-Development Bank of Latin America issued a 2021 3.385% US$ 30 million bond, whose proceeds will be used to finance green projects.

The decision to cancel Mexico City's US$ 13 billion new airport project in late October was the biggest news event to hit the Latin American segment of the green bond market in 2018. In the aftermath of the decision, the combination of the news of the project's cancellation and broader emerging market volatility, led prices of the US$ 6 billion of green bonds issued to finance the airport to plunge. Fitch placed its BBB+ rating on the green airport bonds on Rating Watch Negative on November 1st, saying suspending the project could trigger some materially adverse scenarios for the credit quality of Grupo Aeroportuario de la Ciudad de Mexico (GACM), the issuer of the bonds. In December, the GACM offered the terms of a buyback, and after negotiations, the finance ministry said in a statement that investors had shown "overwhelming support" for it. Holders of 70% of the US$ 1.8 billion in bonds have agreed to participate in the buyback according to market sources.

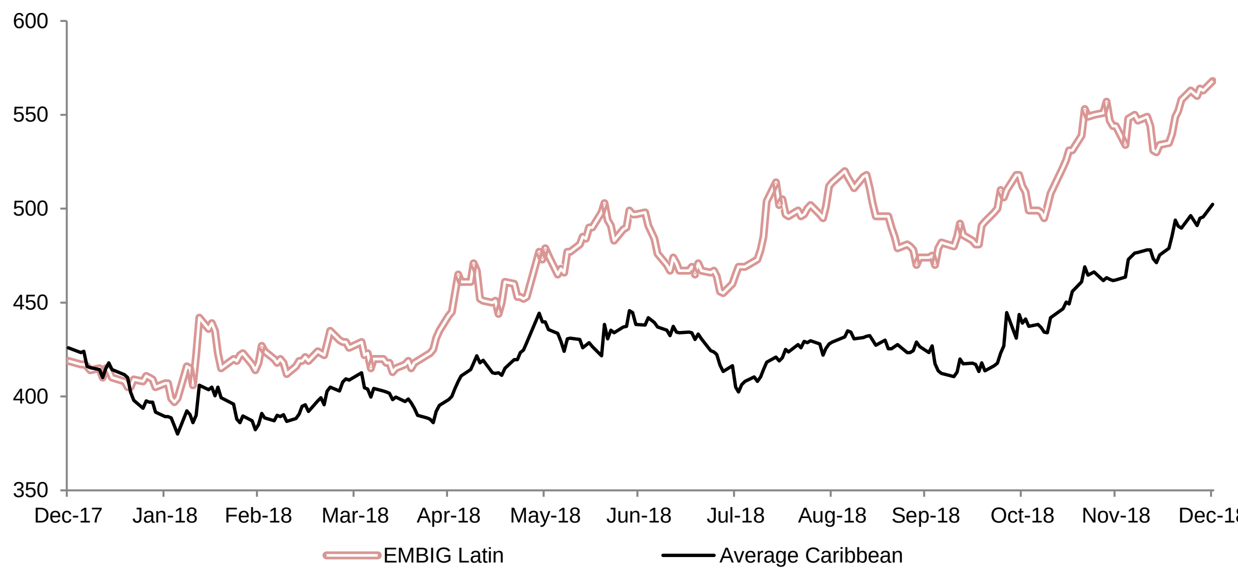
The current slowdown in activity in the green bond market is not expected to continue, and long-term interest in the market remains strong. The paucity of activity this year is partly the result of less benign conditions in general for international investors looking at Latin America, such as the hard-fought elections in Brazil and Mexico; economic difficulties in Argentina led by a sharp weakening of the peso as investors' confidence in the country was shaken; and the crisis in Venezuela.

In coming years, an increase in green bond issuance from Latin America and the Caribbean is expected, to fund the region's need to build sustainable infrastructure. According to the Climate Bonds Initiative (CBI), Argentina, Chile and Peru could issue green bonds in 2019. The Santiago and Lima stock exchanges introduced green bond guidelines in late 2018, and the Province of Mendoza in Argentina set regulations for fixed-income issues to fund eco-friendly projects, indicating they might issue a green bond at some point in the near-term. The CBI also expects green bonds sales to pick up in Brazil.

II. Bond markets and credit management in the Caribbean[2]

The spread gap between the Caribbean countries and the EMBIG Latin component, which from late 2010 to late 2012 had widened almost 1,000 basis points because of the high number of defaults in the Caribbean region, was negative in 2018. Caribbean spreads were thus lower on average than spreads for the LAC region as a whole (chart 28).

CHART 28:
EMBIG SPREADS, CARIBBEAN VERSUS LAC
(Basis points)

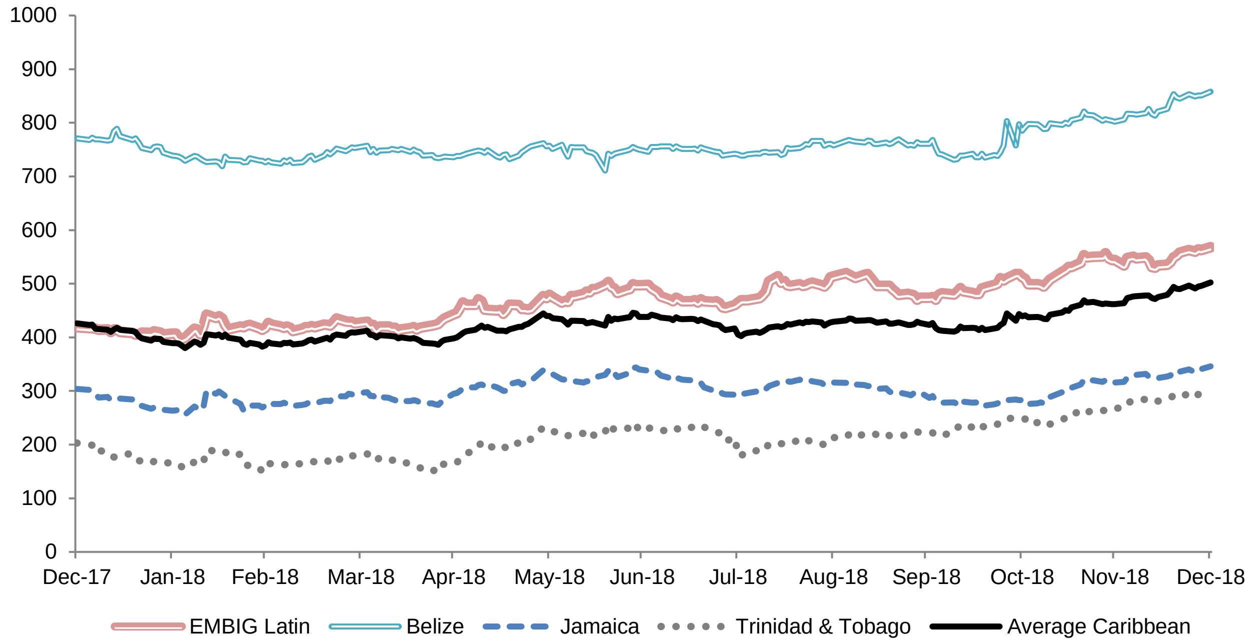


Source: ECLAC Washington Office, based on data from JPMorgan. The Caribbean average includes Belize, Jamaica, and Trinidad and Tobago.

[2] Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Of these 13 countries, only a few have tapped international capital markets.

Caribbean spreads widened 76 basis points in 2018, compared to 149 basis points for the EMBIG Latin component, and at the end of December were 66 basis points lower than the EMBIG Latin spreads. Both Jamaica's and Trinidad and Tobago's spreads were lower than the Latin American average in 2018 (chart 29). Most of the widening in Caribbean spreads took place in the fourth quarter. Spreads for Trinidad and Tobago, Belize, and Jamaica widened 100, 87 and 42 basis points in 2018, respectively.

CHART 29:
CARIBBEAN COUNTRIES: EMBIG SPREADS IN 2018
(Basis points)



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

Credit Rating Actions

There were five positive and three negative credit rating actions in the Caribbean in 2018 (table 4).

The positive actions were related to Jamaica and Suriname. There were three positive actions in the first half and two in the second half of 2018. In January, Fitch revised the outlook on Jamaica's B rating to positive from stable, citing much reduced refinancing risks and fiscal financing needs. In February, Fitch revised the outlook on Suriname's B- rating to stable from negative, citing the improving macroeconomic trend and more positive outlook for public finances. In April, S&P revises the outlook on Suriname's B rating to stable from negative, citing the end of economic contraction. In July, Moody's revised its outlook on Jamaica's B3 rating to positive from stable, citing ongoing fiscal consolidation, and improving institutional capacity and policy effectiveness. In September, S&P revised its outlook on Jamaica's B rating to positive from stable, citing material progress in achieving macroeconomic stability and improvement in the external debt burden. The positive outlook reflects at least a one-in-three likelihood of an upgrade if, in the next 12 months, Jamaica further strengthens its external liquidity position.

Negative actions were taken on Suriname, Trinidad and Tobago, and Barbados. In February, Moody's downgraded Suriname's B1 long-term rating to B2 with a negative outlook, citing erosion of fiscal metrics. After the downgrade, Moody's rating for Suriname was at par with S&P's (B), while Fitch's (B-) was one notch lower. The negative outlook reflected the agency's view that without additional measures to strengthen the fiscal position, the pace of fiscal consolidation may not be sufficient to prevent increased liquidity pressures. In April, S&P revised the outlook on Trinidad and Tobago's BBB+ rating to negative on macroeconomic risks and external imbalances. In June, S&P downgraded Barbados' long-term foreign currency rating to Selective Default (SD) from CCC+ and placed it on CreditWatch with negative implications, following a missed coupon payment. S&P's CreditWatch (-) reflects the agency's opinion that there is a greater than one-in-two chance that Barbados could default again within the next three months.

Barbados has issued three international bonds worth US$ 600 million – all of which had coupon payments due in June. Their prices declined from about 90 cents on the dollar to under 50 cents as investors digested the news of the payment moratorium. Fiscal accounts started eroding after the global financial crisis, when the economy was hard-hit by a decline in tourism. Barbados' prime minister, who revealed the discovery of previous undisclosed financial liabilities that increased the country's overall debt from 137% to more than 175% of GDP, called the International Monetary Fund and announced an "emergency plan" to restructure its public debt. In September, Barbados and the IMF agreed to a four-year US$ 290 million extended facility fund (EEF) to help the country tackle the default and bond restructuring. In October, Barbados' government closed an exchange offer period for the local currency portion of its debt, receiving nearly full acceptance by creditors under the offer's terms. On November 16, S&P's upgraded Barbados' local currency ratings to B- with a stable outlook but said it will keep Barbados' foreign currency rating in selective default until the government carries out a debt exchange with international bondholders.

TABLE 4:
SOVEREIGN CREDIT RATING ACTIONS IN THE CARIBBEAN, 2018

Date	Country	Action	
2018 YTD	**5 positive and 3 negative actions**		
Q1 2018	**2 positive and 1 negative actions**		
31-Jan-18	Jamaica	Fitch revises the outlook on Jamaica's B rating to positive from stable	Positive
20-Feb-18	Suriname	Moody's downgrades Suriname's rating to B2 from B1 with a negative outlook	Negative
21-Feb-18	Suriname	Fitch revises the outlook on Suriname's B- rating to stable from negative	Positive
Q2 2018	**1 positive and 2 negative actions**		
2-Apr-18	Suriname	S&P revises the outlook on Suriname's B rating to stable from negative	Positive
27-Apr-18	T&T	S&P revises the outlook on Trinidad and Tobago's BBB+ rating to negative	Negative
6-Jun-18	Barbados	S&P downgrades Barbados' rating to SD from CCC+ and placed it on CreditWatch (-)	Negative
Q3 2018	**2 positive and 0 negative actions**		
20-Jul-18	Jamaica	Moody's revises outlook on Jamaica's B3 rating to positive from stable	*Positive*
25-Sep-18	Jamaica	S&P revises its outlook on Jamaica's B rating to positive from stable	*Positive*

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

Debt issuance

In May, Trinidad and Tobago's Consolidated Energy Finance S.A. (CEL) issued a US$ 400 million 6.875% 2026 new bond and reopened its 2022 bond issued a year earlier to add US$ 125 million. Proceeds of both bonds will be used to redeem the existing US$ 1.05 billion 6.750% Fixed Rate Notes due on 15 October 2019 (issued in October 2014). The company accompanied the bond and retap with a five-year US$ 225 million revolving credit facility and a seven-year US$ 600 million B loan facility. Proceeds from the B loan will refinance existing debt attributed to CEL's Trinidadian subsidiary Methanol Holding Trinidad Ltd.

Trinidad and Tobago's issuance in May was the only issuance from the Caribbean in 2018. It represented only 0.6% of the total amount issued in Latin America and the Caribbean region as a whole.

III. Portfolio equity flows

According to the MSCI Latin American Index, Latin American stocks lost 9.3% in 2018 (table 5), while the broader emerging market index was down 16.6% in dollar terms in the same period. During the year investors shunned Latin American stocks as the U.S. dollar rallied amid global trade tensions, having an adverse impact on local currencies, particularly on the Argentinean peso. Moreover, uncertainty regarding the Brazilian presidential elections also had a negative impact. The end of the electoral cycle has had a positive impact, especially on Brazilian assets, which gained 5% and 12.4%in the third and fourth quarters, respectively. At the end of 2018, a Bloomberg survey indicated that among emerging markets, Brazil would remain the most favored economy in 2019, based on optimism that the recently elected govern could curb the debt load of Latin America's biggest economy.

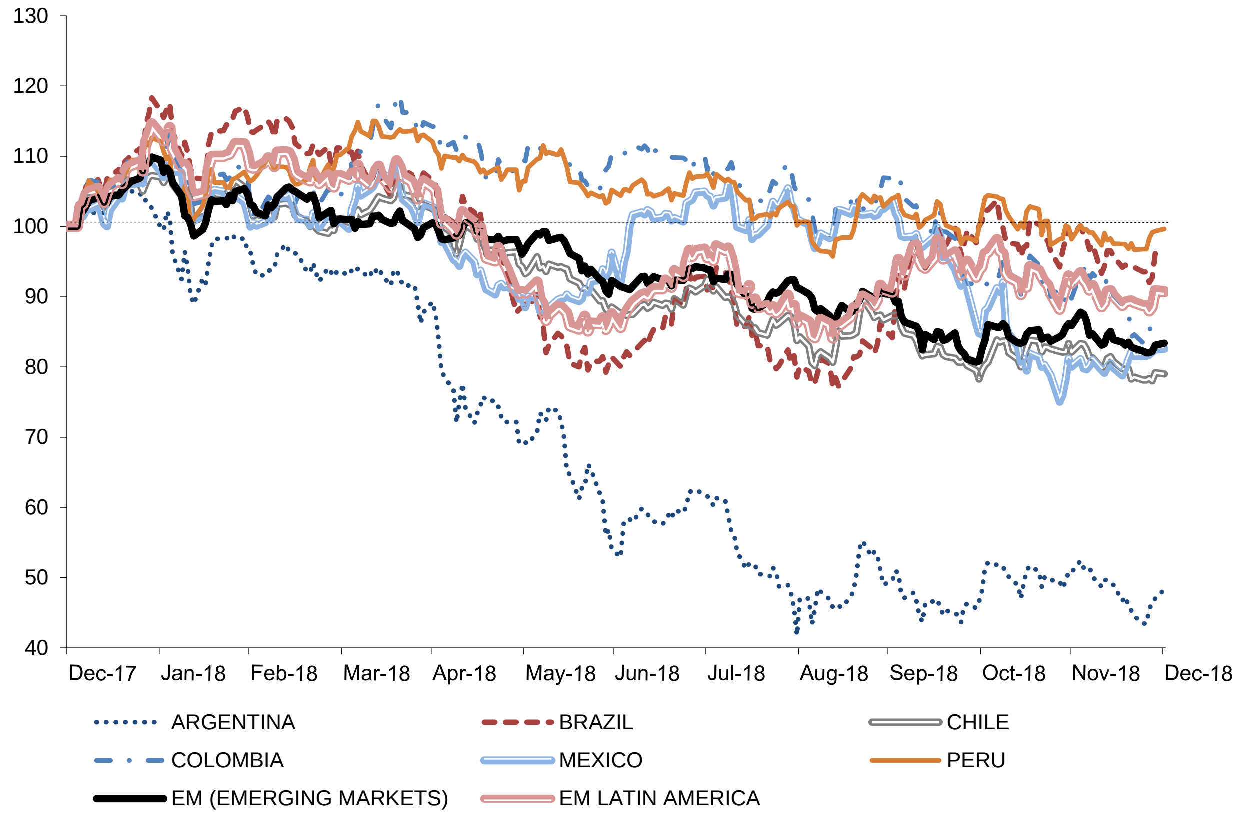
TABLE 5:
MSCI EQUITY INDICES, 2018

	Price Index in USD					Variation				
	Dec 29, 2017	Mar 30, 2018	Jun 29, 2018	Sep 28, 2018	Dec 31, 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Emerging markets	1,158.454	1,170.875	1,069.517	1,047.908	965.776	1.07%	-8.66%	-2.02%	-7.84%	-16.63%
Latin America	2,828.146	3,032.910	2,477.080	2,576.508	2,565.923	7.24%	-18.33%	4.01%	-0.41%	-9.27%
Argentina	4,253.465	3,982.243	2,298.664	2,083.404	2,054.332	-6.38%	-42.28%	-9.36%	-1.40%	-51.70%
Brazil	2,022.889	2,249.320	1,647.270	1,729.495	1,943.963	11.19%	-26.77%	4.99%	12.40%	-3.90%
Chile	2,022.426	2,045.040	1,790.499	1,752.832	1,597.557	1.12%	-12.45%	-2.10%	-8.86%	-21.01%
Colombia	638.240	666.087	703.730	682.439	549.306	4.36%	5.65%	-3.03%	-19.51%	-13.93%
Mexico	5,333.581	5,370.598	5,134.424	5,464.591	4,404.032	0.69%	-4.40%	6.43%	-19.41%	-17.43%
Peru	1,666.579	1,836.617	1,753.551	1713.53	1,661.057	10.20%	-4.52%	-2.28%	-3.06%	-0.33%

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

LAC equities mostly underperformed in 2018, as currencies depreciated against the U.S. dollar. Within the region (chart 30), Argentina's MSCI index had the biggest loss in 2018 period (- 51.70%), followed by Chile (-21.01%), Mexico (-17.43%), and Colombia (-13.93%). Peru registered the smallest loss (-0.33%), followed by Brazil (-3.90%).

CHART 30:
MSCI EQUITY PRICE INDEX, 2018



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.

While equities underperformed and bond issuance declined to a three-year low, syndicated loan issuance in Latin America hit a new post-crisis high in 2018. As of December 20, 2018, there were issuance of over US$ 40 billion, with another US$ 5.3 billion in the pipeline according to Refinitiv, a new company that was formerly the Financial and Risk business of Thomson Reuters. This was up 56% from the 2017 level. Brazil had the highest volume (US$ 18 billion), followed by Mexico (US$ 15.7 billion), Chile (US$ 1.8 billion), and Colombia (US$ 1.4 billion). Project lending accounted for 11% of the regional total.

IV. Prospects

In 2018, the Latin America and Caribbean region saw the best and the worst conditions for tapping international capital markets. The year began with the strongest tone, with issuers from the region breaking a monthly bond issuance record in January and a quarterly bond issuance record in the first quarter. After this strong beginning, the region was hit by liquidity withdrawal from the G3 central banks, with the first shock coming through an increase in interest rates in the U.S., and by trade tensions, which shook market confidence. The changing external context exposed vulnerabilities that had been hidden by the low interest-rate environment. The region's large dollar debtors were particularly hit.

The benign external backdrop that supported large capital flows to the LAC region and a positive risk momentum began to unravel. Uncertainty over where the U.S. was headed with its future trade policies and the outcomes of presidential elections in Latin America forced the buyside to exercise caution over where to allocate their money for most of the year. The year ended on a weak note: December 2018 was the worst December on record for LAC issuers, with zero international issuances from the region.

In 2018, the combined forces of U.S. interest rates, the U.S. dollar and dollar liquidity drove LAC assets. While U.S. interest rates went up, the dollar strengthened, and the Fed began to offload some of the assets it bought following the financial crisis, in a process that has been called "quantitative tightening." While this process was widely seen as on autopilot, at the end of January, the U.S Federal Reserve indicated it would hold from more rate rises. This newly introduced flexibility was very well received by markets and seen as a positive development for emerging market and LAC assets, as it would lead to a weaker dollar.

In January 2019, LAC issuers, sovereign issuers in particular, returned to international debt markets. Uruguay, Mexico, Colombia and Ecuador tapped international bond markets in January, and Paraguay in early February. The total amount issued in January 2019 was US$ 9.6 billion, a huge improvement from December 2018. However, it marked a 70% decline from the US$ 32.6 billion issued in January 2018.

Looking ahead, the shift from synchronized growth in developed economies to a more mixed trend should continue to be a challenge for issuers and assets from the region in 2019. Another challenge is China's more uncertain economic outlook. There is also the risk that confidence will deteriorate further in the main economies of the region, which could make tapping international capital markets more challenging.

Appendix

A. Credit Rating

TABLE 1:
CREDIT RATINGS IN LATIN AMERICA AND THE CARIBBEAN, 2018

	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	B2		B		B		Upgrade, O/L stable	29-Nov-17	Downgrade, O/L stable	12-Nov-18	O/L changed to (-)	7-Nov-18
Bahamas	Baa3	(-)	BB+				O/L changed to (-)	25-Sep-17	Downgrade, O/L stable	20-Dec-16		
Barbados	Caa3		SD		NR		Downgrade, O/L stable	9-Mar-17	Affirmed	16-Nov-18		
Belize	B3		B-		NR		Upgrade, O/L stable	11-Apr-17	Upgrade, O/L stable	23-Mar-17		
Bolivia	Ba3		BB-		BB-		O/L changed to stable from (-)	1-Aug-17	Downgrade, O/L stable	23-May-18	Downgrade, O/L stable	13-Jul-16
Brazil	Ba2		BB-		BB-		O/L changed to stable from (-)	9-Apr-18	Downgrade, O/L stable	11-Jan-18	Downgrade, O/L stable	23-Feb-18
Chile	A1		A+		A		Downgrade, O/L stable	26-Jul-18	Affirmed, O/L stable	28-Jun-18	Affirmed, O/L stable	23-Feb-18
Colombia	Baa2	(-)	BBB-		BBB		O/L changed to (-)	22-Feb-18	Affirmed, O/L stable	13-Mar-18	Affirmed, O/L stable	14-Nov-18
Costa Rica	B1	(-)	B+	(-)	BB	(-)	Downgrade, O/L (-)	5-Dec-18	Downgrade, O/L (-)	21-Dec-18	O/L changed to (-)	18-Jan-18
Cuba	Caa2		NR		NR		O/L changed to stable from (+)	8-Nov-17				
Dom. Republic	Ba3		BB-		BB-		Upgrade, O/L stable	21-Jul-17	Upgrade, O/L stable	20-May-15	Upgrade, O/L stable	18-Nov-16
Ecuador	B3	(-)	B-		B-		O/L stable changed to (-)	12-Dec-18	Downgrade, O/L stable	29-Jun-17	Downgrade, O/L stable	17-Aug-18
El Salvador	B3		B-		B-		Upgrade, O/L stable	23-Feb-18	Upgrade, O/L stable	28-Dec-18	Upgrade, O/L stable	6-Oct-17
Grenada			SD						Downgrade	12-Mar-13		
Guatemala	Ba1		BB-		BB		Affirmed, O/L stable	11-Jun-18	Downgrade, O/L stable	18-Oct-17	Affirmed, O/L stable	17-Apr-18
Honduras	B1		BB-		NR		Upgrade, O/L stable	22-Sep-17	Upgrade, O/L stable	18-Jul-17		
Jamaica	B3	(+)	B	(+)	B	(+)	O/L changed to (+)	20-Jul-18	O/L changed to (+)	25-Sep-18	O/L changed to (+)	31-Jan-18
Mexico	A3		BBB+		BBB+	(-)	O/L changed to stable from (-)	11-Apr-18	O/L changed to stable from (-)	18-Jul-17	O/L changed to (-)	31-Oct-18
Nicaragua	B2		B-	(-)	B	(-)	O/L changed to stable from (+)	13-Jun-18	Downgrade, O/L (-)	9-Nov-18	Downgrade, O/L (-)	22-Jun-18
Panama	Baa2	(+)	BBB	(+)	BBB		O/L changed to (+)	29-Sep-17	O/L changed to (+)	2-Jul-18	Affirmed, O/L stable	16-Feb-18
Paraguay	Ba1		BB		BB+		Affirmed, O/L stable	22-Jun-18	O/L changed to stable from (+)	15-Jun-16	Upgrade, O/L stable	11-Dec-18
Peru	A3		BBB+		BBB+		Affirmed, O/L stable	24-Aug-17	Affirmed, O/L stable	10-Aug-16	Affirmed, O/L stable	21-Mar-18
St Vincent	B3						Affirmed, O/L stable	30-Apr-18				
Suriname	B2	(-)	B		B-		Downgrade, O/L (-)	20-Feb-18	O/L changed to stable from (-)	2-Apr-18	O/L changed to stable	21-Feb-18
T & T	Ba1		BBB+	(-)	NR		Downgrade, O/L stable	27-Apr-17	O/L changed to (-)	27-Apr-18		
Uruguay	Baa2		BBB		BBB-		O/L changed to stable from (-)	13-Jul-17	Affirmed, O/L stable	9-May-18	Affirmed, O/L stable	5-Apr-18
Venezuela	C		SD		RD		Downgrade, O/L stable	9-Mar-18	Affirmed	29-May-18	Affirmed	15-Oct-18

Source: ECLAC Washington Office based on data from Moody's, Standard & Poor's, and Fitch. Changes for 2018 are in pink.
Note: Moody's ratings are qualified by outlooks and reviews while S&P and Fitch ratings are qualified by outlooks and watches. A review/watch [+ or -] is indicative of a likely short-term development. An outlook [(+) or (-)] suggests that a review/watch or long/intermediate-term movement is likely.

BOX 1
CREDIT RATING ACTIONS IN LATIN AMERICA AND THE CARIBBEAN, 2018

There have been 11positive and 26 negative actions in Latin America and the Caribbean in 2018.

Positive Actions: 11 (Bold)

January

- **Jamaica (January 31): Fitch revises the outlook on Jamaica's B rating to positive from stable**, citing much reduced refinancing risks and fiscal financing needs.

February

- Panama (February 16): Fitch affirms Panama at BBB with a stable outlook *(no change).*
- **Suriname (February 21): Fitch revises the outlook on Suriname's B- rating to stable from negative**, citing the improving macroeconomic trend and more positive outlook for public finances.
- **El Salvador (February 23): Moody's upgrades El Salvador's ratings to B3 from Caa1, with a stable outlook**, citing significantly reduced government liquidity risks and diminished political risk.
- Chile (February 23): Fitch affirms Chile at A with a stable outlook *(no change).*

March

- Colombia (March 13): S&P affirms Colombia's BBB- foreign currency rating after Congressional elections, with a stable outlook (*no change*).
- Mexico (March 16): Fitch affirms Mexico at BBB+ with a stable outlook (*no change)*.
- Peru (March 21): Fitch affirms Peru at BBB+ with a stable outlook (*no change)*.

April

- **Suriname (April 2): S&P revises the outlook on Suriname's B rating to stable from negative**, citing end of economic contraction.
- Uruguay (April 5): Fitch affirms Uruguay at BBB- with a stable outlook (*no change)*.
- **Brazil (April 9): Moody's revises the outlook on Brazil's Ba2 rating to stable from negative**, citing receding downside risks to growth and receding uncertainty regarding the reform momentum.
- **Mexico (April 11): Moody's revises the outlook on Mexico's A3 rating to stable from negative**, citing receding downside risks from NAFTA negotiations, and credit strengths that offset weak governance indicators compared to similarly rated peers.
- Guatemala (April 17): Fitch affirms Guatemala at BB with a stable outlook (*no change)*.
- St Vincent and the Grenadines (April 30): Moody's affirms St Vincent and the Grenadine's B3 rating with a stable outlook (*no change*).

May

- Colombia (May 9): Fitch affirms Colombia's rating at BBB with a stable outlook (*no change)*.
- Uruguay (May 9): S&P affirms Uruguay's rating at BBB with a stable outlook *(no change)*.

June

- Argentina (June 4): S&P affirms Argentina's long-term rating at B+ with a stable outlook (*no change*).
- Guatemala (June 11): Moody's affirms Guatemala's Ba1 rating with a stable outlook (*no change*).
- Paraguay (June 22): Moody's affirms Paraguay's Ba1 rating with a stable outlook (*no change*).
- Chile (June 28): S&P affirms Chile's A+ rating with a stable outlook (*no change*).

July

- **Panama (July 2): S&P revises outlook on Panama's BBB rating to positive from stable**, citing consistently high growth and stable fiscal policy.
- **Jamaica (July 20): Moody's revises outlook on Jamaica's B3 rating to positive from stable,** citing ongoing fiscal consolidation, and improving institutional capacity and policy effectiveness.

Box 1– (cont.)

September

- **Jamaica (September 25): S&P revises its outlook on Jamaica's B rating to positive from stable**, citing material progress in achieving macroeconomic stability and improvement in the external debt burden. The positive outlook reflects at least one-in-three likelihood of an upgrade if, in the next 12 months, Jamaica further strengthens its external liquidity position.

November

- Colombia (November 14): Fitch affirms Colombia's rating at BBB with a stable outlook (*no change)*.

December

- **Paraguay (December 11): Fitch upgrades Paraguay's rating to BB+ from BB, one notch below investment grade, with a stable outlook**, citing its resistance to external shocks, commitment to fiscal discipline, and favorable growth performance.
- **El Salvador (December 28): S&P upgrades El Salvador's rating to B- from CCC+ with a stable outlook,** following Congress' approval of issuance of new external debt to cover the payment of the Eurobond due in December 2019.

Negative Actions: 26 (Bold)

January

- **Brazil (January 11): S&P downgrades Brazil's BB long-term sovereign currency debt rating to BB- with a stable outlook**, citing "slower-than-expected progress" in implementing legislation to correct structural fiscal slippage and rising debt levels.
- **Costa Rica (January 18)***:* **Fitch revises the outlook on Costa Rica's BB rating to negative**, citing diminished flexibility to finance rising budget deficits and public debt burden, as well as persistent institutional gridlock.

February

- **Suriname (February 20): Moody's downgrades Suriname's B1 long-term rating to B2 with a negative outlook**, citing erosion of fiscal metrics. The negative outlook reflects the agency's view that without additional measures to strengthen the fiscal position, the pace of fiscal consolidation may not be sufficient to prevent increased liquidity pressures.
- **Colombia (February 22): Moody's revises the outlook on Colombia's Ba2 long-term rating to negative from stable**, citing expectation of a slower pace of fiscal consolidation and weakening fiscal metrics, and political risk post presidential elections.
- **Brazil (February 23): Fitch downgrades Brazil's BB long-term foreign currency rating to BB- with a stable outlook,** citing persistent and large fiscal deficits, a high and growing government debt burden and the failure to legislate reforms.

March

- **Venezuela (March 09): Moody's downgrades Venezuela's rating to C from Caa3 with a stable outlook**, citing the continuing erosion of payment capacity and U.S. sanctions, which pose limits on the sovereign's ability to restructure its debt.

April

- **Trinidad and Tobago (April 27): S&P revises the outlook on Trinidad and Tobago's BBB+ rating to negative** on macroeconomic risks and external imbalances.

May

- **Argentina (May 4): Fitch revises outlook on Argentina's B rating to stable from positive**, citing macroeconomic policy frictions and political headwinds, as well as market volatility.
- **Bolivia (May 23): S&P downgrades Bolivia's foreign currency rating to BB- from BB with a stable outlook,** citing weakened external position by sustained large current account deficits.
- Venezuela (May 29): S&P affirms Venezuela's rating at Selective Default (SD) (*no change*).

Box 1– (cont.)

June

- **Barbados (June 6): S&P downgrades Barbados' long-term foreign currency rating to Selective Default (SD) from CCC+ and placed it on CreditWatch with negative implications**, following a missed coupon payment. S&P's CreditWatch (-) reflects the agency's opinion that there is a greater than one-in-two chance that Barbados could default again within the next three months.
- **Nicaragua (June 8): S&P revises outlook on Nicaragua's B+ rating to negative from stable,** citing weaker growth and fiscal prospects because of political turmoil.
- **Nicaragua (June 13): Moody's revises outlook on Nicaragua's B2 rating to stable from positive,** saying that the factors that supported its July 2017 decision to assign a positive outlook on Nicaragua's rating have dissipated following what the agency believes is a marked weakening of the country's consensus-building institutions following recent episodes of social unrest triggered by the government's attempt to reform its pension system.
- **Nicaragua (June 22): Fitch downgrades Nicaragua's long-term foreign currency rating to B from B+ with a negative outlook,** citing increasing political instability and the corresponding deterioration of investment, economic growth, and public finance outlook.

July

- **Nicaragua (July 23): S&P downgrades Nicaragua's foreign currency rating to B from B+ with a negative outlook,** saying that heightened domestic conflict and ongoing violence have weakened governability and impaired predictability and effectiveness of policy implementation.
- **Chile (July 26): Moody's downgrades Chile's rating to A1 from Aa3 with a stable outlook,** citing a broad-based deterioration in the country's credit profile, driven by a deterioration in the fiscal position, low income levels relative to Aa-rated peers, dependence on commodities, and external vulnerabilities.

August

- **Ecuador (August 17): Fitch downgrades Ecuador's sovereign debt rating to B- from B with a stable outlook**, citing "evidence of increased fiscal financing constraints amidst a steady deterioration of Ecuador's key metrics, including rapidly rising government debt and interest burden as well as weaker economic growth performance relative to the 'B' median."
- **Argentina (August 31): S&P S&P puts Argentina's B+ credit rating on "CreditWatch negative"**, which reflects "the risk of worsening creditworthiness due to potentially weakened implementation of the government's strategy to stabilize the economy".

October

- **Uruguay (October 5): Fitch revises its outlook on Uruguay's BBB- rating to negative from stable**, citing persistent fiscal deficits and high and rising debt burden.
- Venezuela (October 15): Fitch affirms Venezuela's foreign-currency rating at RD *(no change)*
- **Mexico (October 31): Fitch revises its outlook on Mexico's BBB+ rating to negative from stable**, saying the revision reflects the "deteriorating balance of risks confronting Mexico's credit profile associated with scope for policy uncertainty and deterioration under the incoming administration," highlighting the decision to cancel the current Mexico City airport project.

November

- **Argentina (November 7): Fitch revises its outlook on Argentina's B rating to negative from stable**, as it "sees downside risks amid a nascent economic recession and election cycle," the ratings agency said in a report.
- **Nicaragua (November 9): S&P downgrades Nicaragua's credit rating to B- from B with a negative outlook**, citing "ongoing economic strain" and limited financing options.
- **Argentina (November 12): S&P downgrades Argentina's foreign currency rating to B from B+ with a stable outlook**, citing poorer prospects for growth, inflation and debt.
- Barbados (November 16): S&P affirms Barbados' SD rating (*no change*). S&P said it will keep the sovereign foreign currency rating in selective default until the government carries out a debt exchange with international bondholders.
- **Nicaragua (November 27): Fitch downgrades Nicaragua's rating to B- from B with a negative outlook**, citing a bigger than expected economic contraction, a growing fiscal deficit, weaker external liquidity and heightened risks of domestic and external financing constraints.

Box 1– (conclusion)

December

- **Costa Rica (December 5): Moody's downgrades Costa Rica's ratings to B1 from Ba2 with a negative outlook,** citing worsening debt metrics and significant funding challenges, as rising debt, deficits and interest costs lead to rising borrowing requirements.
- **Ecuador (December 12): Moody's revises its outlook on Ecuador's B3 rating to negative from stable,** citing the risk that the government's liquidity could remain constrained ahead of debt repayments in the coming years.
- **Costa Rica (December 21): S&P downgrades Costa Rica's ratings to B+ from BB- with a negative outlook,** citing limited external, fiscal and monetary flexibility, as well as a high government's debt burden.

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

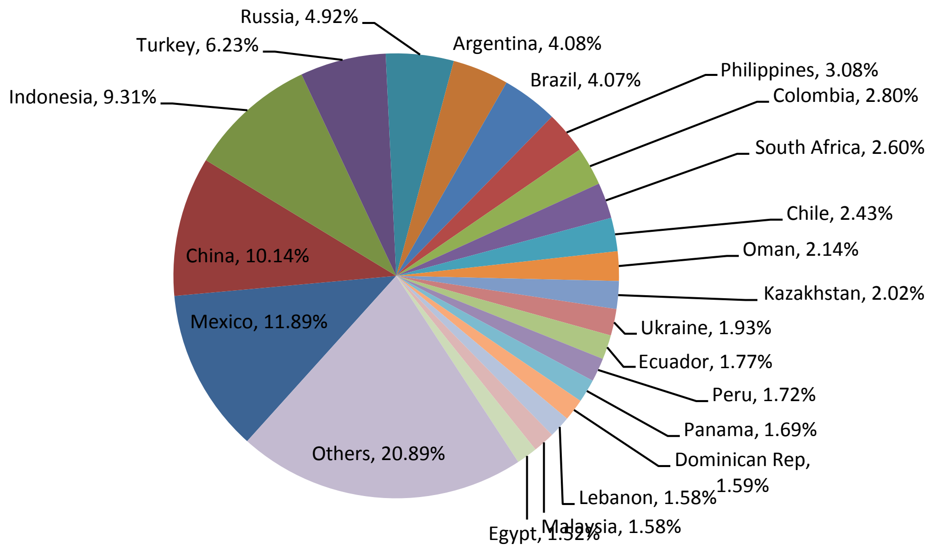
B. Latin American Spreads

TABLE 2:
SOVEREIGN SPREADS ON JPMORGAN EMBI GLOBAL AND LATIN AMERICAN COMPOSITES
(Basis Points)

	EMBI Global	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay	Venezuela	Latin America
31-Dec-14	404	719	270	169	196	883	213	182	208	2457	508
30-Jan-15	455	742	331	200	229	887	252	208	218	3173	571
27-Feb-15	402	618	328	144	199	763	215	170	211	2736	500
31-Mar-15	410	629	331	158	222	865	228	181	214	2902	516
30-Apr-15	376	603	297	147	213	672	224	171	210	2200	472
29-May-15	380	601	297	150	220	735	225	174	207	2483	492
30-Jun-15	392	631	309	158	233	824	232	182	213	2879	513
31-Jul-15	407	615	325	179	250	980	244	196	227	2829	533
29-May-15	380	601	297	150	220	735	225	174	207	2483	492
30-Jun-15	392	631	309	158	233	824	232	182	213	2879	513
31-Jul-15	407	615	325	179	250	980	244	196	227	2829	533
31-Aug-15	430	584	363	205	277	1344	264	225	257	2922	566
30-Sep-15	474	591	491	244	318	1451	313	258	305	3129	630
31-Oct-15	422	489	139	210	283	1252	275	220	274	2692	560
30-Nov-15	420	487	450	235	286	1207	280	224	266	2605	561
31-Dec-15	446	438	548	253	317	1266	315	240	280	2807	605
29-Jan-16	494	502	540	274	378	1509	362	273	317	3560	677
29-Feb-16	483	465	530	250	368	1391	353	260	309	3255	639
31-Mar-16	434	444	426	213	295	1058	308	226	279	3108	573
29-Apr-16	410	544	401	183	278	941	286	198	268	2858	541
31-May-16	421	500	418	203	297	855	304	213	271	2933	553
30-Jun-16	407	495	366	202	257	913	293	200	270	2659	522
29-Jul-16	392	496	346	174	270	877	294	194	262	2510	501
31-Aug-16	361	455	315	174	232	863	258	162	229	2456	459
30-Sep-16	360	441	324	180	221	845	294	154	232	2053	456
31-Oct-16	364	452	316	177	237	743	293	155	230	2316	467
30-Nov-16	388	515	338	174	252	736	330	173	252	2343	510
30-Dec-16	365	455	330	158	225	647	296	170	244	2168	473
31-Jan-17	352	469	291	144	209	590	296	159	225	2056	455
28-Feb-17	334	458	280	130	202	572	275	152	227	2050	436
31-Mar-17	331	442	264	133	192	666	255	146	209	2377	436
30-Apr-17	321	405	259	136	195	667	254	144	204	2151	419
31-May-17	323	407	282	134	203	694	255	145	205	2228	426
30-Jun-17	328	432	284	132	200	706	255	145	193	2464	435
31-Jul-17	324	448	263	123	194	673	237	152	182	2977	434
31-Aug-17	321	402	265	130	195	643	244	153	181	3125	424
29-Sep-17	308	377	240	128	185	606	233	140	165	3094	407
31-Oct-17	307	361	237	118	183	563	247	136	154	3171	403
30-Nov-17	313	357	234	123	176	507	232	133	145	4717	417
29-Dec-17	311	351	232	117	173	459	245	136	146	4854	419
31-Jan-18	292	375	217	106	153	442	223	119	136	4660	399
28-Feb-18	311	405	226	120	178	490	238	137	146	4625	418
29-Mar-18	326	420	238	128	180	544	252	156	168	4189	426
30-Apr-18	335	431	242	130	182	667	263	152	185	4344	443
31-May-18	367	521	299	145	205	671	288	168	197	4565	479
29-Jun-18	388	608	326	144	197	761	281	166	200	5011	497
31-Jul-18	354	556	263	133	177	603	274	143	169	5086	465
31-Aug-18	400	771	337	141	184	725	282	147	174	5807	514
28-Sep-18	362	623	289	124	168	622	256	133	156	5499	474
31-Oct-18	392	652	256	140	186	722	307	152	185	5803	512
30-Nov-18	420	706	265	157	210	740	347	162	202	6255	544
31-Dec-18	435	817	273	166	228	826	357	168	207	6845	568

Source: ECLAC Washington Office with data from "Emerging Markets Bond Index Monitors"; JPMorgan.
EMBI Global composition by country (end-December 2018): Mexico, Argentina and Brazil account for 20.04% of the total weighting.
EMBI Global composition by region: Latin: 38.13%; Non-Latin: 61.87%.

EMBI GLOBAL COMPOSITION (AS OF DECEMBER 2018)



Others	%
Uruguay	1.47%
Venezuela	1.37%
Hungary	1.35%
Poland	1.27%
Nigeria	1.16%
Sri Lanka	1.15%
Romania	0.81%
Croatia	0.81%
Azerbaijan	0.71%
Jamaica	0.63%
Costa Rica	0.60%
Lithuania	0.60%
El Salvador	0.58%
Angola	0.56%
Pakistan	0.55%
India	0.53%
Ivory Coast	0.46%
Mongolia	0.45%
Ghana	0.43%
Serbia	0.43%
Kenya	0.42%
Paraguay	0.40%
Iraq	0.40%
Jordan	0.32%
Guatemala	0.29%
Senegal	0.26%
Zambia	0.26%
Morocco	0.26%
Trinidad & Tobago	0.23%
Belarus	0.23%
Gabon	0.23%
Bolivia	0.21%
Honduras	0.20%
Slovakia	0.18%
Namibia	0.13%
Georgia	0.12%
Armenia	0.12%
Vietnam	0.12%
Ethiopia	0.11%
Tunisia	0.10%
Cameroon	0.09%
Mozambique	0.08%
Suriname	0.06%
Papua New Guinea	0.06%
Tajikistan	0.05%
Belize	0.04%
Uruguay	1.47%
Venezuela	1.37%
Total	**20.89%**

C. New LAC Debt Issuance

**TABLE 3:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FIRST QUARTER OF 2018**

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity	
		Jan-18				
Mexico	United Mexican States	USD 2555	2,555	3.750%	2028	
Mexico	United Mexican States	USD 645	645	4.600%	2048	(r)
Chile	Banco del Estado de Chile (BancoEstado)	USD 500	500	2.668%	2021	
Argentina	Republic of Argentina	USD 1750	1,750	4.625%	2023	
Argentina	Republic of Argentina	USD 4250	4,250	5.875%	2028	
Argentina	Republic of Argentina	USD 3000	3,000	6.875%	2048	
Brazil	JSL Europe LLC	USD 300	300	7.750%	2024	NC3
Mexico	United Mexican States	EUR 1500	1,799	1.750%	2028	
Brazil	Rumo Luxembourg SARL	USD 500	500	5.785%	2025	NC4
Peru	Banco Internacional del Peru - INTERBANK	USD 200	200	3.375%	2023	
Chile	Eletrans SA	USD 180	180	4.060%	2037	
Brazil	Rede D'Or São Luiz SA	USD 500	500	4.950%	2028	
Mexico	Nemak SAB de CV	USD 500	500	4.750%	2025	NC3
Mexico	BBVA Bancomer SA	USD 1000	1,000	5.125%	2033	NC10
Brazil	Marfrig Alimentos (MARB BondCo plc)	USD 1000	1,000	6.875%	2025	
Supranational	CAF Development Bank of Latin America	AUD 75	59	4.500%	2027	(r)
Brazil	Hidrovias do Brasil (HBSA)	USD 600	600	5.950%	2025	NC4
Brazil	Republic of Brazil	USD 1500	1,500	5.625%	2047	(r)
Ecuador	Republic of Ecuador	USD 3000	3,000	7.875%	2028	
Chile	BancoEstado (Banco del Estado de Chile)	AUD 40	32	3.900%	2029	
Argentina	Genneia SA	USD 150	150	8.750%	2022	(r)
Mexico	Unifin Financiera	USD 250	250	8.875%	2025	Perp
Argentina	Aguas y Saneamientos Argentinos (AYSA)	USD 500	500	6.625%	2023	NC3
Brazil	Natura Cosmeticos SA	USD 750	750	5.375%	2023	NC3
Chile	Republic of Chile	EUR 830	1,025	1.440%	2029	
Brazil	Petrobras	USD 2000	2,000	5.750%	2029	
Argentina	Rio Energy SA	USD 600	600	6.875%	2025	
Supranational	Central American Bank for Economic Integration (CABEI)	CHF 200	213	0.314%	2024	
Chile	Republic of Chile	USD 2000	2,000	3.240%	2028	
Brazil	Gol Finance	USD 150	150	7.000%	2025	(r)
Mexico	Credito Real	CHF 170	182	2.875%	2022	
			31,690			
		Feb-18				
Brazil	Banco Safra SA	USD 500	500	4.125%	2023	
Brazil	JBS SA	USD 900	900	6.750%	2028	
Mexico	Petroleos Mexicanos - PEMEX	USD 2500	2,500	5.350%	2028	
Mexico	Petroleos Mexicanos - PEMEX	USD 1500	1,500	6.350%	2048	
Colombia	BevCo LLC	EUR 800	996	1.750%	2023	
Supranational	Central American Bank for Economic Integration (CABEI)	JPY 5600	51	0.426%	2023	
Supranational	CAF Development Bank of Latin America	EUR 1000	1,243	1.125%	2025	
Colombia	Credivalores - Crediservicios SAS	USD 75	75	9.750%	2022	(r)
Dominican Republic	Dominican Republic	DOP 40000	818	8.900%	2023	
Dominican Republic	Dominican Republic	USD 1000	1,000	6.500%	2048	
Brazil	CSN Resources SA	USD 350	350	7.625%	2023	NC3
Mexico	Unifin Financiera	USD 300	300	7.375%	2026	NC4
Colombia	Gran Tierra Energy (GTE)	USD 300	300	6.250%	2025	
Mexico	Comision Federal de Electricidad - CFE	USD 727	727	5.000%	2048	
Peru	GenRent	USD 106.5	107	5.875%	2037	
Brazil	Banco Safra SA	USD 500	500	4.125%	2023	
			11,367			
		Mar-18				
Supranational	CAF Development Bank of Latin America	MXN 3000	159	8.500%	2028	
Paraguay	Republic of Paraguay	USD 530	530	5.600%	2048	
Supranational	CAF Development Bank of Latin America	IDR 1034100	75	6.500%	2023	
Brazil	Itau Unibanco Holding SA	USD 750	750	6.500%	2023	Perp
Peru	Peru LNG SRL	USD 940	940	5.375%	2030	
Mexico	Sigma Alimentos	USD 500	500	4.875%	2028	
Peru	InRetail Shopping Malls - Patrimonio en Fideicomiso DS 093-2002 -EF	PEN 313.5	97	6.563%	2028	
Peru	InRetail Shopping Malls - Patrimonio en Fideicomiso DS 093-2002 -EF	USD 350	350	5.750%	2028	
Brazil*	Vrio Finco 1 LLC	USD 650	650	6.250%	2023	NC3
Brazil*	Vrio Finco 1 LLC	USD 350	350	6.875%	2028	NC5
Supranational	CAF Development Bank of Latin America	USD 50	50	3-mth L+30	2027	
Supranational	CAF Development Bank of Latin America	MXN 3000	159	8.500%	2028	
			4,452			

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

Notes: **Q1 2018 Total 47,509**

(r): retap; NC3, NC4, NC5, NC10: only callable after 3, 4, 5 and 10 years, respectively. Perp: perpetual

TABLE 4:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
SECOND QUARTER OF 2018

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity	
		Apr-18				
Brazil	Celse - Centrais Elétricas de Sergipe (ARL)	BRL 3201.5	958	9.850%	*2032*	
Argentina	Province of Buenos Aires	ARS 30000	1,487	3m Badlar +375	*2025*	
Panama	Republic of Panama	USD 1200	1,200	4.500%	*2050*	
Uruguay	Republic of Uruguay	USD 1750	1,750	4.975%	*2055*	
Mexico	Grupo Bimbo	USD 500	500	5.950%	*2023*	Perp
Brazil	Banco do Brasil SA	USD 750	750	4.875%	*2023*	
Brazil	RioPrevidencia - Rio Oil Finance Trust	USD 600	600	8.200%	*2028*	
Mexico	United Mexican States	JPY 57200	535	0.600%	*2023*	
Mexico	United Mexican States	JPY 24100	225	0.850%	*2025*	
Mexico	United Mexican States	JPY 38700	362	1.050%	*2028*	
Mexico	United Mexican States	JPY 15000	140	2.000%	*2038*	
Mexico	Cometa Energia SA de CV	USD 860	860	6.375%	*2035*	
Supranational	CAF Development Bank of Latin America	CHF 115	118	0.300%	*2025*	(r)
Peru	InRetail Pharma SA	PEN 385.8	120	6.438%	*2025*	NC4
Peru	InRetail Pharma SA	USD 400	400	5.375%	*2023*	
Colombia	Gilex Holding SARL	USD 300	300	8.500%	*2023*	
Brazil	Light Serviços de Eletricidade SA	USD 600	600	7.250%	*2023*	
Argentina	Transportadora de Gas del Sur SA - TGS	USD 500	500	6.750%	*2025*	NC4
Mexico	KIO Networks (Sixsigma Networks Mexico SA De CV)	USD 300	300	7.500%	*2025*	
Colombia	Canacol Energy Ltd	USD 320	320	7.250%	*2025*	NC4
Supranational	Central American Bank for Economic Integration (CABEI)	CNY 2000	316	4.850%	*2023*	
Chile	Corporación Nacional del Cobre de Chile SA - CODELCO	USD 600	600	4.850%	*2048*	
			12,941			
		May-18				
Mexico	Petroleos Mexicanos - PEMEX	CHF 365	366	1.750%	2023	
Panama	Aeropuerto Internacional de Tocumen SA (AITSA)	USD 225	225	6.000%	2048	
Trinidad and Tobago	Consolidated Energy Finance SA	USD 400	400	6.500%	2026	NC3
Trinidad and Tobago	Consolidated Energy Finance SA	USD 125	125	3m Libor +375	2022	
Supranational	CAF Development Bank of Latin America	COP 450000	158	6.770%	2028	
Brazil	Unigel	USD 200	200	10.500%	2024	NC3
Mexico	Petroleos Mexicanos - PEMEX	EUR 600	713	2.500%	2022	
Mexico	Petroleos Mexicanos - PEMEX	EUR 650	773	3m Euribor +240	2023	
Mexico	Petroleos Mexicanos - PEMEX	EUR 650	773	3.625%	2025	
Mexico	Petroleos Mexicanos - PEMEX	EUR 1250	1,486	4.750%	2029	
Chile	Banco del Estado de Chile (BancoEstado)	JPY 13000	118	0.580%	2028	
Chile	Banco del Estado de Chile (BancoEstado)	HKD 600	76	3.600%	2033	
Mexico	Banco Mercantil del Norte	CHF 100	100	0.875%	2021	
Peru	Hunt Oil Co of Peru LLC Sucursal del Peru	USD 600	600	6.375%	2028	
Brazil	TAF Linhas Aéreas	USD 21	21	5.000%	2022	
			6,134			
		Jun-18				
Supranational	CAF Development Bank of Latin America	EUR 500	585	0.750%	2023	
Chile	Enel Chile SA	USD 1000	1,000	4.875%	2028	
Mexico	Comisión Federal de Electricidad - CFE	USD 150	150	5.460%	2036	
Colombia	Frontera Energy Corp.	USD 350	350	9.700%	2023	
Chile	Banco del Estado de Chile	COP 150000	51	7.000%	2028	
Chile	Republic of Chile	CLP 610000	939	4.700%	2030	
Chile	Republic of Chile	CLP 440000	677	4.000%	2023	
Supranational	CAF Development Bank of Latin America	EUR 500	585	0.750%	2023	
Chile	Enel Chile SA	USD 1000	1,000	4.875%	2028	
			3,752			

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Q2 2018 Total	**22,826**
H1 2018	**70,335**

Notes:
(r): retap.
NC3, NC4: only callable after 3 and 4 years, respectively.

TABLE 5:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
THIRD QUARTER OF 2018

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity	
			Jul-18			
Chile	Banco del Estado	COP 150000	52	7.000%	2025	
Brazil	Cemig Geração e Transmissão SA	USD 500	500	9.250%	2024	NC6 (r)
Dominican Republic	Dominican Republic	USD 1300	1,300	6.000%	2028	
Chile	Banco de Crédito e Inversiones - BCI	AUD 40	28	4.670%	2033	
Supranational	CAF Development Bank of Latin America	EUR 150	175	1.000%	2020	
			2,055			
			Aug-18			
Supranational	CAF Development Bank of Latin America	USD 30	30	3.385%	2021	(g)
Mexico	EVM Energía del Valle de Mexico Generador SAPI de CV	USD 469	469	6.020%	2040	
Supranational	CAF Development Bank of Latin America	PEN 177	54	4.444%	2021	
			553			
			Sep-18			
Chile	Banco Santander Chile	CHF 155	119	0.441%	2023	
Chile	Banco de Crédito e Inversiones - BCI	AUD 60	43	4.650%	2033	
Chile	Banco de Crédito e Inversiones - BCI	USD 50	50	3.848%	2024	
Supranational	Central American Bank for Economic Integration (CABEI)	NZD 30	20	2.200%	2022	
Supranational	Central American Bank for Economic Integration (CABEI)	USD 12	12	2.620%	2022	
Brazil	Suzano Austria GmbH	USD 1000	1000	6.000%	2029	
Mexico	Banco Santander (Mexico) SA Institución de Banca Múltiple	USD 1300	1300	5.950%	2028	
Argentina	MercadoLibre Inc.	USD 880	880	2.000%	2028	
Chile	Banco de Crédito e Inversiones - BCI	USD 100	100	4.016%	2024	
			3,524			

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Q3 2018 Total	**6,132**
2018 YTD Total	**76,467**

Notes:
(r): retap. (g): green.
NC6: only callable after 6 years.

TABLE 6:
LATIN AMERICAN AND CARIBBEAN DEBT ISSUANCE
FOURTH QUARTER OF 2018

Country	Issuer	Amount (million)	Amount US$ (mm)	Coupon (%)	Maturity	
			Oct-18			
Colombia	Republic of Colombia	USD 1500	1,500	4.500%	2029	
Colombia	Republic of Colombia	USD 500	500	5.000%	2045	(r)
Supranational	Millicom	USD 500	500	6.625%	2026	NC3
Chile	Banco de Crédito e Inversiones - BCI	USD 45	45	4.034%	2024	
Supranational	Central American Bank for Economic Integration (CABEI)	COP 185600	60	7.550%	2028	
Mexico	Petróleos Mexicanos - PEMEX	USD 2000	2,000	6.500%	2029	
Colombia	Transportadora de Gas Internacional SA ESP - TGI	USD 750	750	5.550%	2028	
Brazil	JBS Investments II GmbH	USD 500	500	7.000%	2026	NC3
Supranational	CAF Development Bank of Latin America	AUD 100	71	3.400%	2023	
Panama	Republic of Panama	USD 550	550	4.500%	2050	(r)
Colombia	AI Candelaria	USD 650	650	7.500%	2028	
Mexico	Controladora Mabe SA de CV	USD 370	370	5.600%	2028	
Chile	Coopeuch (Cooperativa del Personal de la Universidad de Chile)	JPY 3000	27	1.050%	2025	
Colombia	Gilex Holding SARL	USD 45	45	8.500%	2023	(r)
Supranational	CAF Development Bank of Latin America	USD 525	525	3-mth Libor +28	2020	
Supranational	CAF Development Bank of Latin America	USD 400	400	3.435%	2021	
Chile	Banco de Chile	CHF 115	115	0.568%	2023	
Chile	Empresa Nacional del Petróleo (ENAP)	USD 680	680	5.250%	2029	
			9,288			
			Nov-18			
Brazil	Banco Santander (Brasil)	USD 1250	1250	6.125%	2028	
Brazil	Banco Santander (Brasil)	USD 1250	1250	7.250%	Perp	
Chile	Banco del Estado de Chile	CHF 125	124	0.693%	2024	
Brazil	Suzano Austria GmbH	USD 500	500	7.000%	2047	(r)
Panama	Aeropuerto Internacional de Tocumen SA (AITSA)	USD 650	650	6.000%	2048	(r)
Supranational	CAF Development Bank of Latin America	USD 50	50	3.730%	2023	(g)
Supranational	Promerica Financial Corp	USD 200	200	9.700%	2024	
Chile	Banco del Estado de Chile	AUD 40	29	4.133%	2030	
Brazil	Banco do Brasil (London Branch)	COP 160000	50	8.510%	2025	
Supranational	CAF Development Bank of Latin America	USD 750	750	3.750%	2023	
Argentina	Rio Energy SA	USD 250	250	Libor +1125	2023	
Supranational	Central American Bank for Economic Integration (CABEI)	USD 100	100	3.842%	2023	
Panama	Banco La Hipotecaria	USD 11	11	5.500%	2023	
Peru	Republic of Peru	PEN 10350	3,063	5.940%	2029	
Chile	Banco de Credito e Inversiones - BCI	USD 25	25	3-mth Libor +95	2023	
			8,302			
			Dec-18			
		No new debt issuance				

Source: ECLAC Washington Office, based on data from LatinFinance (Bonds Database) and Dealogic

Q4 2018 Total	**17,590**
H2 2018	**23,722**
2018 Total	**94,058**

Notes:
(r): retap.
(g): green.
NC3: only callable after 3 years.

ECLAC

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