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LatAm lending increases for third quarter in a row

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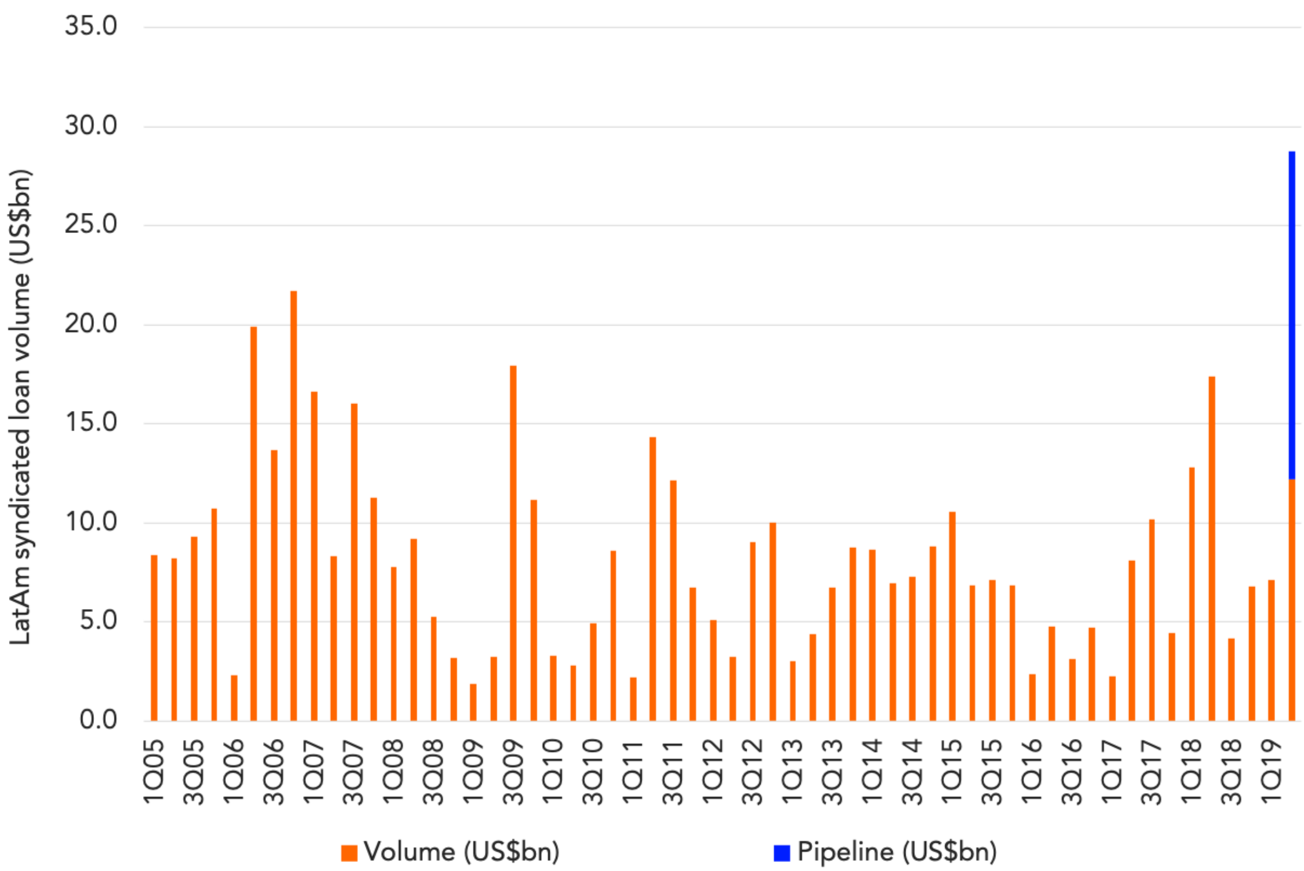

Latin America syndicated loan issuance was at US$12.2bn in 2Q19 as of June 19. While this is down 30% from 2Q18 numbers, it is up 72% from 1Q19 levels. An additional US$16.5bn were in the pipeline, suggesting an active 3Q19. However, a large part of the activity comes from jumbo financings like the US$5.9bn financing for Alianca Transportadora de Gas Participacoes and a US$4.1bn deal for Cemex that were completed this quarter. Half of the pipeline, comes from the US$8bn Pemex refinancing. While the volume numbers look good, lenders say that there is a lack of visibility for the future of the countries in the region. In Mexico, there is caution as there is much uncertainty surrounding Government policies and the country was recently downgraded by Fitch. In Brazil, lenders said that many companies and lenders are in a wait and see approach waiting for the approval of the pension reforms. In Argentina, elections will take place in October. All these uncertainties are affecting issuers' investment decisions and also approvals at their institutions.

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