Sri Lanka’s interim budget aims for 2.2% deficit in Jan-April

Thailand
Fitch Ratings: Thailand’s Economy, Banks Resilient to Rising Global Risks
Thailand plans to sell up to $4.7 bln of govt bonds in Oct-Dec

United Arab Emirates
Dubai ready to take on more debt if needed

EUROPE
Albania
Albania to sell 2 bln leks (16.2 mln euro) of 10-yr T-notes on Oct 7

Belarus
Belarusian foreign debt fell 1.9% to $16.9 bln in Q3

Bosnia
Bosnia cabinet approves interim financing for 4th quarter due to lack of budget

Czech Republic
Foreign holdings of Czech domestic bonds rise in August
Moody’s Upgrades Czech Republic’s Ratings to AA3, Changes Outlook to Stable from Positive

Estonia
Fitch Affirms Estonia at ‘AA-‘; Outlook Stable

North Macedonia
North Macedonia’s gross foreign debt edges up in Q2

Romania
Romania aims to sell debt worth 4.0 bln lei in October
Romania central bank’s FX reserves edge down in September
Romania records 2.13%/GDP budget shortfall in Jan-Aug

Russia
Russian Eurobonds follow UST up on

Click the links below for more info:

>> PDM Network
>> Emerging Markets Weekly Newsletter
>> Bimonthly Newsletter
China

S&P Global affirms China's 'A+/A-1' ratings, stable outlook

30-Sep-2019
Sept 30 (Reuters) - Rating firm S&P Global affirmed China's "A+/A-1" credit ratings on Monday, saying the country would maintain above-average gross domestic product (GDP) growth and improved fiscal performance over the next three to four years.

The rating agency kept the country's outlook stable and said it did not expect U.S.-China relations to normalise in the foreseeable future, which likely means Chinese exports and manufacturing sector investment could see little growth over the next few years.

"The economy is also likely to face elevated uncertainties owing to U.S.-China tensions and ongoing efforts to restructure the economy and reduce financial risks," S&P Global Ratings said.

"U.S. restrictions on technology transfers to China could hinder productivity improvements and China is more likely to maintain strong economic growth if the reform momentum picks up."

The rating agency said it expected China's real GDP per capita growth to remain above 5% annually in the next three years. It said it could raise its ratings on China if credit growth slows further, but may downgrade if it
sees a higher likelihood that China will ease its efforts to stem rising financial risk and allow higher credit growth to support economic expansion.

(Reporting by Mekhla Raina in Bengaluru; Editing by Bernard Orr and Subhranshu Sahu)

(c) Copyright Thomson Reuters 2019. All rights reserved.

India

Govt sticks to FY20 Budget target; plans for overseas sovereign bonds not firmed up
01-Oct-2019

Announcing its debt raising programme for October-March period, the government Monday said its borrowing in the current fiscal will be within the budgeted Rs 7.1 lakh crore. The Centre indicated that it will stick to the fiscal deficit glide path despite Rs 1.45 lakh crore worth of corporate tax cuts. The Finance Ministry, however, has not firmed up plans so far to raise funds in overseas markets through issuance of sovereign bonds in foreign currency. With over 62 per cent of the budgeted borrowing being already completed in six months to September 30, Economic Affairs Secretary Atanu Chakraborty said the remaining half of the current fiscal will see the remainder of Rs 2.68 lakh crore being borrowed in rupee denomination.

Despite the recent tax cuts hitting government finances, he said the government is sticking to the glide path of keeping fiscal deficit at 3.3 per cent of the GDP in the current fiscal. During the first half of this fiscal, the government has raised Rs 4.42 lakh crore, 62.25 per cent of the total borrowing. “Rs 2.68 lakh crore borrowing indicates that the fiscal glide path as indicated in the budget is being maintained,” he said.

On overseas sovereign bonds, he said, the bonds to be raised in external currency are decided on the basis of current price, market appetite and market conditions and related issue and the structuring of the bond itself. "We need very careful calibrations and deliberations before it enters in the market. The work on that is presently going on to work out the structures and various pros and cons and it is a process which is long. For this year, all the borrowing of the government will presently be in rupee-denominated bonds," the secretary said.

Finance Minister Nirmala Sitharaman has announced in the Budget about government’s plans to raise funds abroad in overseas currency through issuance of sovereign bonds.

As regards the second half borrowing, he said, 37.75 per cent of the total gross borrowing will be spread over 17 weekly auctions of Rs 16,000 crore each. However, it will be Rs 14,000 crore in the last two auctions. The government will issue floating rate bonds to the extent of 10 per cent of gross issuances during the year.

Borrowing through treasury-bills is being planned in such a way as to result in net outflows of Rs 20,000 crore during the third quarter of the fiscal. Switching of government securities will continue while buyback of securities will also be performed in the second half, the secretary added. The central bank also provides funds to the government under Ways and Means Advances (WMA) mechanism to help it tide over short-term mismatch in receipts and payments.

India Plans to Raise FPI Cap in Government Bonds as Per Comfort
01-Oct-2019

By Shivangi Acharya and Mukesh Jagota
NewsRise

NEW DELHI (Oct 01) -- India plans to raise foreign portfolio investment limits in government bonds as per New Delhi’s “comfort” and it doesn’t need to undertake such action until the current limits are exhausted, a senior finance ministry official said today, underscoring the government’s intent to gradually widen access to offshore funds to the country’s debt market.

“We have a mechanism for increasing foreign investment. As far as utilization is concerned, we don’t wait till the existing limit is exhausted,” the official, who didn’t wish to be identified, told NewsRise. “The work starts when we still have some headroom and based on market appetite.” The comments come on a day when India raised the limit for foreign investment in government and corporate bonds by 482 billion rupees ($6.80 billion). This move is part of a planned semi-annual increase in limits on foreign investment announced on Mar. 28.

The increases in FPI limit are in line with the broader principle of opening the economy and financial markets, the official said.

“We will keep increasing as a general principle of opening up our economy and investments,” the official said. "This is driven by judgement of liquidity and depth of the market and what it can take."

Foreign investors have long been attracted to Indian government papers and have sought greater access to the local debt market, drawn by brisk growth in an economy that offers one of the highest yields in Asia.

However, authorities have been chary over volatility risks that greater access to global funds could bring. While the Reserve Bank of India plans to keep the cap on foreign ownership of
government bonds at 6% in 2020, it will still sharply lag holdings in Malaysia where overseas funds own nearly a third of sovereign debt. Meanwhile, any potential slippage in meeting this fiscal year’s budget deficit target of 3.3% of gross domestic product won’t be “large” and the government remains committed to the fiscal glide path as mandated under the fiscal responsibility and budget management act, the official added.

India aims to narrow the budget deficit to 3.3% of gross domestic product this financial year to Mar. 31 from 3.4% a year earlier. However, tepid government revenue on the back of a slowing economy has sparked worries that New Delhi could miss the budget gap aim.

“We have some space to maneuver,” the official said, referring to hefty so-called dividend payments by the RBI and a strong push to raise cash through state asset sales. Earlier this year, the RBI board approved a transfer of 1.76 trillion rupees to the government, which is about 580 billion rupees higher than New Delhi’s budget assumption, and includes a record 1.23 trillion rupees of surplus transfer and 526.37 billion rupees of excess provisions.

“There may be some slippage at the end, but we will handle it when we get to it,” the official said.

“It would not be as large as some may suggest.”

- By Shivangi Acharya and Mukesh Jagota, shivangi.acharya@newsrise.org; +91-11-66767700
- Edited By Abhrajit Gangopadhay
- Send Feedback to feedback@NewsRise.org
- Copyright (c) 2019 NewsRise Financial Research & Information Services Pvt Ltd
©Thomson Reuters 2019. All rights reserved.

Bond yields fall as government keeps borrowing plan unchanged
02-Oct-2019
Mumbai, Oct. 1 -- Government bond yields fell for the second session on Tuesday after the Centre kept its borrowing programme unchanged for the second half of the fiscal and said it will auction a new 10-year bond this week.

The yield on the 10-year Indian government bond was at 6.684% compared with its previous close of 6.702%. Bond yield and prices move in opposite directions.

The government stuck to its gross borrowing target for the second half of the fiscal at Rs2.68 trillion, despite an expected revenue shortfall because of cuts in corporate taxes earlier in September.

"The budgeted borrowings should allay fears of bond market on fiscal slippage for now. Even as the curve may steepen with heavier issuance at the belly, the overall curve still has scope to come down from current levels," said Madhavi Arora, economist, Edelweiss Securities in a note.

"The supply is light, with possible OMO supply further aiding the demand-supply dynamics. We see RBI rate cycle still has some depth to explore to help bonds. While fiscal risks are real (even adjusting for existing buffers of RBI dividend and savings on PMKISAN) and could lead to extra borrowing of Rs450-500bn in 4QFY20, fresh fiscal cushion may emerge if government over-delivers on divestment front,” Arora added.

Arora said, as of now, we remain fiscally vigilant but not ignorant of possible buffers. The benchmark 10-year paper is seen in the 6.40-6.80% range with a downside bias for the coming quarter.

Meanwhile, the Indian rupee strengthened marginally against US dollar after current account deficit narrowed to $14.30 billion in June quarter against $15.80 billion a year ago. The rupee was trading at 70.82 a dollar, up 0.08% from Monday’s close of 70.87. The benchmark Sensex index rose 0.38% or 147.71 points to 38815.04. So far this year, it has gained 7.21%.

In the year so far, the rupee has weakened 1.55%, while foreign investors have bought nearly $8.20 billion in Indian equities and $4.02 billion in debt.

Most Asian currencies were weak as traders await key US economic data and another round of trade talks between the US and China.

China renminbi was down 0.36%, Singapore dollar fell 0.14%, Japanese yen lost 0.12%, Malaysian ringgit and South Korean won declined 0.1% each, and Indonesian rupiah was marginally weak.

The dollar index, which measures the US currency's strength against a basket of major currencies, was at 99.493, up 0.12% from its previous close of 99.377. Published by HT Digital Content Services with permission from MINT.

Copyright (c) 2019 HT Digital streams Ltd
©Thomson Reuters 2019. All rights reserved.

India’s 5th Series of Sovereign Gold Bonds to Open for Subscription on Oct 7
04-Oct-2019
By Mumbai Newsroom
NewsRise
MUMBAI (Oct 04) -- India will issue the fifth series of sovereign gold bonds for 2019-20 that will open for subscription from Sep. 7 to Sep. 11, the central bank said today.

The nominal value of the bond, based on the simple average of closing price of gold of 999 purity for the last 3 working days of the week preceding the subscription period, works out to 3,788 rupees per gram.

However, the government of India, in consultation with the Reserve Bank of India, has decided to offer a discount of 50 rupees per gram to the nominal value to investors applying online and making the payment through digital modes, the RBI said in a statement.

The price of the gold bond for these investors would be 3,738 rupees per gram. The bonds will bear a fixed interest of 2.50% per...
annum on the nominal value. The tenor of the bond will be for a period of eight years with exit option from the fifth year.

The government will issue sovereign gold bonds in five more tranches in the last six months of this financial year to Mar. 31. The subscription for the other tranches will be Oct. 21-Oct. 25, Dec. 2-Dec. 6, Jan. 13-Jan. 17, Feb 3.-Feb. 7 and Mar. 2-Mar. 6.

New Delhi has been trying to nudge investors away from holding physical gold and cut reliance on imports of the precious metal in an attempt to keep a lid on the current account deficit.

- By Mumbai Newsroom; editorial@newsrise.org; 91-22-6135 3300
- Edited by Mrigank Dhanavi
- Send Feedback to feedback@NewsRise.org
- Copyright (c) 2019 NewsRise Financial Research & Information Services Pvt Ltd
©Thomson Reuters 2019. All rights reserved.

Indonesia

Indonesia raises 7.12 trln rupiah from Islamic bonds auction
01-Oct-2019

JAKARTA, Oct 1 (Reuters) - Indonesia raised 7.12 trillion rupiah ($501.23 million) in an Islamic bonds auction on Tuesday, slightly higher than the indicative target of 7 trillion rupiah, the financing and risk management office at the Finance Ministry said in a statement.

- The weighted average yields for project-based sukuk sold on Tuesday were mixed compared with yields of comparable sukuk sold in the previous auction.
- Total incoming bids at Tuesday’s auction were 28.11 trillion rupiah.

($1 = 14,205.0000 rupiah)
(Reporting by Tabita Diela; Editing by Andrew Heavens)
((tabita.diela@thomsonreuters.com; +622129927621))
(c) Copyright Thomson Reuters 2019.

Iraq

Moody’s Says Government of Iraq’s Dependence on Oil Revenues to Persist As Reform Momentum Remains Slow
03-Oct-2019

Oct 3 (Reuters) - Moody’s:

- Moody’s says government of Iraq’s dependence on oil revenues to persist as reform momentum remains slow.
- Moody’s says Iraq’s structural and fiscal reform momentum likely to remain slow over medium-term.
- Moody’s says do not expect Iraq’s dependence on oil production and sensitivity to oil price swings to materially decline in the next five years.
- Moody’s says the recent escalation in tensions in the Middle East underscores Iraq’s susceptibility to geopolitical risk.
- Moody’s- although not Moody’s central forecast, regional conflict affecting traffic through strait of Hormuz to pose major risk to Iraq’s credit profile.

((Reuters.Briefs@thomsonreuters.com ;))
(c) Copyright Thomson Reuters 2019.

Iraq dollar bonds tumble 1.2 cents amid unrest, surging death toll
04-Oct-2019

LONDON, Oct 4 (Reuters) - Iraq’s dollar-denominated sovereign debt dropped 1.2 cents to a four month low on Friday after the death toll from days of violent demonstrations across the country surged to 46 amid rapidly accelerating unrest.

The 2028 issue fell to as little as 94.14 cents - the lowest level in four months, according to data from Refinitiv. The bonds have fallen more than 2 cents since the start of the week. The unrest, fuelled by popular rage over poor living standards and corruption, is Iraq’s biggest security challenge since the defeat of Islamic State in 2017.

(Reporting by Karin Strohecker; Editing by Tom Arnold)
((karin.strohecker@thomsonreuters.com; +442075427262; Reuters Messaging: karin.strohecker.reuters.com@reuters.net))
(c) Copyright Thomson Reuters 2019.
Lebanon

Moody's puts Lebanon's Caa1 rating under review for downgrade
01-Oct-2019
Recasts with Moody's statement
BEIRUT, Oct 1 (Reuters) - Credit ratings agency Moody's put Lebanon's Caa1 rating under review for downgrade on Tuesday, saying this reflected recent significant tightening in external financial conditions and a reversal in bank deposit inflows.

"Anticipated external financial assistance has not yet been forthcoming and capital market access at sustainable rates remains elusive," Moody's Investors service said.

It said the "government's greater reliance on the (central bank's) drawdown on foreign exchange reserves to meet upcoming foreign-currency bond maturities risks destabilising the (central bank's) ability to sustain the currency peg".

Lebanon has a $1.5 billion Eurobond maturity in November. Its currency has been pegged to the U.S. dollar at its current level for more than two decades.

Moody's downgraded Lebanon's rating to Caa1 in January.

Moody's said the review may extend beyond the usual 90 days and would allow the agency to "take stock of the government's progress in adopting the 2020 budget as planned before the end of the year".

It would also allow it to take stock of the extent to which that "unlocks confidence-enhancing external support packages" via CEDRE - a reference to billions of dollars of international finance pledged to Lebanon last year, conditional on reforms.

Lebanon, with one of the heaviest public debt burdens in the world, has suffered from years of low economic growth. Impetus to enact long-delayed reforms has grown as capital inflows to Lebanon's finances, Fitch ratings agency, recently downgraded it deep into junk territory.

Rival ratings agency S&P Global kept Lebanon's credit rating at B-/B but warned that it could be lowered, saying it considered its foreign exchange reserves sufficient to service government debt in the "near term".

As Lebanon reforms go slowly, protests suggest widening anger
02-Oct-2019
- "We see a dark future ahead" - Lebanese protester
- Important to deliver reforms, not announce them - UN official
- Hariri adviser sees "convergence on the urgency to move forward"
- Lebanon has lost international and public confidence-MP

By Tom Perry and Laila Bassam
BEIRUT, Oct 2 (Reuters) - In a country fractured along sectarian lines, the unusually wide geographic reach of protests over Lebanon's dire economy on Sunday suggests deepening anger with an entire class of politicians who have jointly led it into crisis.

While the protests were not big - Lebanon's divisions make large demonstrations rare - they erupted from Beirut to the Bekaa Valley and from Sidon in the south to Tripoli in the north.

In Tripoli, protesters took aim at prime ministers past and present, all Sunni Muslims under Lebanon's ruling conventions. In remote Brital, a flag of the powerful Shi'ite group Hezbollah was torn down. In Beirut, they chanted against all leaders, including the Shi'ite parliament speaker, Christian head of state and Sunni premier.

Lebanese leaders have said little about Sunday's protests. For the coalition government led by Prime Minister Saad al-Hariri, the focus remains reviving the economy through long-delayed reforms, such as fixing the power sector that bleeds public funds while failing to meet Lebanon's power needs.

In the process, Lebanon hopes for an international seal of approval that will unlock billions in finance for investment.

But Jalal Salma, who protested in Tripoli on Sunday, has more immediate worries. "There is real hunger and we can't see a solution on the horizon. On the contrary, we see a dark future ahead," he said.

Lebanon's economic problems have been building for years.

Shattered by war between 1975 and 1990, Lebanon has one of the world's highest debt burdens as a share of its economy. Economic growth has been hit by regional conflict and instability. Unemployment for the under 35s runs at 37%.

The balance of payments has been negative for years, meaning more money leaves the country than enters it. This financial crunch has added to the impetus for reform.

Foreign allies are not yet fully convinced by the pace of change. Some $11 billion pledged 18 months ago in France, conditional on reform, has yet to flow into the economy.

"We stressed the importance of delivering on reforms rather than announcing reforms, and of delivering the 2020 budget on time," Philippe Lazzarini, a top U.N. official in Lebanon, said on Tuesday after meeting Hariri.

"CARVING UP THE CAKE"

PDM Network Weekly Newsletter on Emerging Markets
For information, contact the PDM Network Secretariat at: Publicdebnet.it@tesoro.it
Follow us on Twitter @pdmnet and on our website www.publicdebnet.org

6
The kind of steps needed to fix the national finances have long proven elusive. Sectarian politicians, many of them civil war veterans, have long used state resources for their own political benefit and are reluctant to cede prerogatives. Many of them are millionaires. Some are billionaires.

**Lebanon ranked 138 of 180 countries in Transparency International's 2018 corruption perceptions index.**

"The politicians have always been in conflict on how to carve up the cake. This obstructs any reforms and reveals them as a bunch of liars to international opinion," said Mahmoud Faqih, a veteran campaigner who protested in Beirut.

"The wide scope of these protests is evidence of the buildup of the crisis and that it is rubbing salt in the citizens’ wounds," said Faqih, 35, a journalist.

Public concerns have been intensified by the emergence of a black market where dollars cost more than the pegged exchange rate. The central bank introduced new steps on Tuesday to organise the provision of dollars for key imports.

The government has vowed to maintain the peg. Maha Yahya, director of the Carnegie Middle East Center, said concern over the currency had "become a daily topic of conversation" and Sunday's protests reflected that.

"What is very frustrating for many is that there doesn't seem to be a horizon. It's not like we have a plan - that we can grit our teeth and bear it for the next six months - and everything will be okay," she said.

**MORE URGENCY SEEN**

The government has won some praise for efforts to reduce this year's deficit and its plan to fix the power sector - moves the IMF called "very welcome first steps on a long road".

The 2019 budget included politically difficult moves, notably a three-year state hiring freeze. But proposals for a temporary public sector pay cut were torpedoed.

Knowing more must be done, politicians aim to further cut the deficit in the 2020 budget but without raising new taxes.

"Obviously the speed at which decisions are being made is not very promising, and the government and the political parties have to move much faster," Nadim Munla, Hariri's senior adviser, told Reuters. But "we have noticed that in the last few weeks that there is convergence on the urgency to move forward."

In an interview on Monday, he also expressed hope than upcoming trips by Hariri to the United Arab Emirates and Saudi Arabia would yield "something concrete" after "encouraging signs" of a Gulf Arab readiness to deposit funds in Lebanon.

A recent trip by Hariri to France had also been a success, he said, citing agreement on a donor state follow-up mechanism for Lebanon, the scheduling of a high-level meeting next month, and French investment interest.

**Lebanon central bank ready to repay state's maturing dollar debt**

03-Oct-2019

BEIRUT, Oct 3 (Reuters) - Lebanon’s central bank is ready to repay the state’s maturing dollar-denominated debt to protect the country’s financial credibility, Governor Riad Salameh said on Thursday.

One of the world’s most heavily indebted states, with a public debt burden of 150% of GDP, Lebanon has a $1.5 billion Eurobond maturing in November.

The government has declared "an economic emergency" and vowed to enact long-delayed reforms to rein in spending.

"The maturities that the Lebanese state has, we have also prepared for them, to pay for them in dollars," Salameh told a conference on Thursday. "I believe this matter is essential, and Banque du Liban is carrying this out for monetary reasons (and) for the protection of Lebanon’s credibility."

**Finance Minister Ali Hassan Khalil told Reuters this week that Lebanon had begun preparing to issue a Eurobond of around $2 billion in October to meet state financing needs.**

Salameh also said there had been a rise in demand for U.S. dollars in Lebanon since June, which he attributed to an increase in imports, although he questioned whether these were intended for use locally or outside Lebanon.

Lebanon’s pound has been pegged at 1,507.5 pounds to the dollar for more than 20 years but the price has recently risen above that level on the unofficial, or parallel, market, reflecting an economic crisis stemming from low growth and slowing capital inflows.

The central bank took steps on Tuesday to provide banks with U.S. dollars to back imports of fuel, wheat and medicine. Some importers have threatened to strike because they cannot secure dollars at the official rate from banks and are being forced to pay more on the parallel market.

Salameh said there had always been some difference between the official peg and money exchangers’ rates and that the central bank...
would preserve the stability of the official rate. More demand for cash dollars at money exchange offices since June pushed the cost of dollars 1% to 3% above the official rate at the banks, he said. "This matter goes back to an increase in imports of some materials, and we do not know if all this importing is for local consumption or not," he said, without elaborating. The only country with which Lebanon has an open land border is Syria, which has suffered fuel shortages due to Western sanctions on its government. Salameh said commercial banks must make sure that lines of credit fund imports only for local consumption. "This is essential not only for the finances of Lebanon, but also for its reputation and keeping it within the global finance system." Salameh also expressed hope that Lebanon's government would further narrow its budget deficit. "We hope the government implements a budget for 2020 that gives a positive signal to the markets by reducing the deficit," Salameh added.

(Reporting by Ellen Francis, Tom Perry and Laila Bassam; Editing by Hugh Lawson and Kirsten Donovan) 
(Ellen.Francis@thomsonreuters.com ;)
(c) Copyright Thomson Reuters 2019.

Saudi Arabia

S&P Says Saudi Arabia 'A-/A-2' Ratings Affirmed, Outlook Stable
28-Sep-2019
Sept 27 (Reuters) - S&P:
• S&P says Saudi Arabia 'A-/A-2' ratings affirmed; outlook stable
• S&P says expect Saudi Arabian oil production to rebound quickly following the sept. 14 attacks on two oil production facilities
• S&P says affirming A-/A-2' long- and short-term sovereign credit ratings on Saudi Arabia
• S&P, on Saudi Arabia, says geopolitical risks remain high
• S&P says stable outlook reflects expectation that Saudi Arabian oil production facilities that were hit in sept. 14 attacks will be swiftly repaired
• S&P says Saudi Arabia's rating could come under downward pressure in scenario in which Saudi's oil infrastructure was subject to repeated foreign attacks
• S&P says expect Saudi Arabia's government to try to maintain balance between spending to support economy & attempting to contain fiscal deficits
• S&P says expect Iran and Saudi Arabia to "shy away from a fully fledged direct military confrontation"
• S&P says expect key parameters of Saudi Arabia's institutional framework will remain broadly steady through 2022
• S&P says expect Saudi Arabia's real GDP will contract by about 0.4% this year, driven mainly by fall in oil production tied to OPEC deal & the attacks
• S&P says expect Saudi Arabia to enhance attempts to develop red sea export routes that would help avoid the volatile Arabian gulf
• S&P says expect Saudi Arabia will expedite plans to expand east-west pipeline to the red sea port of yanbu to an estimated 7.3 million barrels per day

((Reuters.Briefs@thomsonreuters.com ;))
(c) Copyright Thomson Reuters 2019.

Fitch Downgrades Saudi Arabia to 'A'; Outlook Stable
30-Sep-2019
Sept 30 (Reuters) - FITCH
• Downgrades Saudi Arabia to 'A'; outlook stable
• Fitch says Saudi Arabia's IDR downgrade reflects rising geopolitical and military tensions in gulf region
• Fitch says downgraded Saudi Arabia's long-term foreign-currency IDR to 'A' from 'A+'
• Fitch says Saudi Arabia's IDR downgrade reflects revised assessment of vulnerability of its economic infrastructure
• Fitch says Saudi Arabia is vulnerable to escalating geopolitical tensions given its prominent foreign policy stance
• Fitch says Saudi Arabia's IDR downgrade reflects continued deterioration in its fiscal and external balance sheets
• Fitch says although oil production following attacks was restored, believe there is risk of further attacks on Saudi Arabia, which could lead to economic damage
• Fitch says its forecasts for Saudi Arabia's fiscal, external balance sheets do not incorporate proceeds from potential public offering of Saudi Aramco

((Reuters.Briefs@thomsonreuters.com ;))
(c) Copyright Thomson Reuters 2019.

South Korea

South Korea to sell 6.1 tln won in state bonds in October
01-Oct-2019
SEOUL, Sept. 26 (Yonhap) -- South Korea plans to sell 6.1 trillion won (US$5 billion) in state bonds next month, the finance ministry said Thursday.
The government will issue 1.2 trillion won in bonds with a maturity of three years and 1.2 trillion won in five-year bonds, according to the Ministry of Economy and Finance.
It also intends to sell 1.4 trillion won in bonds with a maturity of 10 years and 500 billion won in 20-year Treasuries, while floating 1.4 trillion won and 400 billion won in bonds with a maturity of 30 years and 50 years, respectively.

colin@yna.co.kr
Copyright (c) 2019 Yonhap News Agency
©Thomson Reuters 2019. All rights reserved.

Sri Lanka

Sri Lanka's interim budget aims for 2.2% deficit in Jan-April

04-Oct-2019

COLOMBO, Oct 4 (Reuters) - Sri Lanka's budget for the first four months of 2020 targets a budget deficit of 2.2% of GDP, two finance ministry officials said on Friday, a goal analysts said was ambitious given the country's economy was recovering from a political crisis and deadly attacks.

The cabinet this week decided to present an interim budget for January-April period because of a presidential election next month and parliamentary polls early next year.

A full-year budget is expected to be presented to parliament under the new government, government officials say.

"We have aimed for 2.2% of the GDP in the interim budget," a top finance ministry official told Reuters. Another finance ministry official confirmed the deficit goal.

The interim budget is expected to be presented to parliament later this month with a revenue target of 750 billion Sri Lankan rupees, officials said.

The government had originally aimed at a budget deficit of 3.5% for 2020. However, it is yet to release its revised target for next year.

"The 2.2% deficit in the first four months of 2020 is an ambitious target," said Danushka Samarasinghe, CEO at Softlogic Capital Markets, adding that the economy needs more time for recovery amid political uncertainty after the elections.

The Indian Ocean island nation's 2019 budget deficit is likely to be 100 basis points more than the expected 4.4% of the GDP this year, pushing it to its highest in three years as spending cuts failed to offset shortfalls in revenues following Easter Sunday blasts and a near two month political crisis in the last quarter of 2018.

Investor confidence nosedived last year after President Maithripala Sirisena abruptly sacked his Prime Minister Ranil Wickremesinghe and dissolved parliament. That was later ruled unconstitutional, and Wickremesinghe was reinstated.

The crisis created panic and uncertainty among investors, who dumped Sri Lankan government bonds and other assets, sending the rupee currency to record lows.

The Easter Sunday attacks claimed by Islamic militants mainly hit tourism, which accounts for 5% of the country's gross domestic product. Travelers have canceled hotel and flight bookings.

(Reporting by Shihar Aneez)

shihar.aneez@thomsonreuters.com; +94-11-232-5540; Reuters Messaging: shihar.aneez.thomsonreuters.com@reuters.net
twitter: https://twitter.com/shiharaneez

(c) Copyright Thomson Reuters 2019.

Thailand

Fitch Ratings: Thailand’s Economy, Banks Resilient to Rising Global Risks

02-Oct-2019

Fitch Ratings-Bangkok-October 02: Thailand's economic fundamentals will remain sound despite challenges from global trade tensions, while the Thai banking sector is less exposed to external risks, such as a slowdown in China, relative to other Fitch-rated banks in Asia, according to Fitch Ratings' sovereign and banking analysts at its annual global risk conference in Bangkok.

Fitch Ratings (Thailand)'s annual global risk conference was attended by more than 300 executives and officials from the regulatory, investor, financial and corporate sectors. Dr Uttama Savanayana, Minister of Finance, was the guest of honour at the event and provided the keynote address.

Mr. James McCormack, Managing Director, Global Head of Sovereigns at Fitch Ratings, said the revision of the rating Outlook on Thailand's 'BBB+' sovereign to Positive in July 2019 was driven by Fitch's increasing confidence that lingering political risks are unlikely to derail sound macroeconomic management. Thailand overcame a major political hurdle earlier this year with the formation of a new civilian-led government following elections in March, and the country has maintained sound external and public finance positions for several years.

Risks to the growth outlook stem primarily from the challenging global trade environment, although this may be mitigated by the more-supportive monetary policy and infrastructure projects, which are intended to increase investment and support growth in the medium term. Global risks centre on policy uncertainty, particularly as it affects the trade outlook, and the UK's upcoming Brexit deadline, which could result in a recession in the UK and weaker growth in the euro zone. Fitch believes widespread monetary easing by central banks cannot fully offset the slowdown in trade, and policymakers will turn increasingly to accommodative fiscal policies, including in countries where government debt levels are already high.

In his presentation on the banking sector, Mr. Parson Singh, Senior Director, Financial Institutions at Fitch Ratings (Thailand) Limited, highlighted that Thai banks were well-
positioned, in terms of potential vulnerabilities and loan-loss buffers, and they were able to cope with downside stresses such as a China economic slowdown or a property-market downturn. However, the upside for Thai banks' financial performance may be limited in the near term due to the challenging operating environment. A sharp slowdown in China would likely have the most impact on developed markets, such as Hong Kong and Singapore. Meanwhile, banking sectors with high property exposures include those in developed markets, such as Australia and New Zealand, and in emerging markets such as Malaysia.

Mr Mervyn Tang, Senior Director, Head of ESG Research, Sustainable Finance at Fitch Ratings, discussed regional trends in environmental, social and corporate governance (ESG). ESG factors have some level of influence on the credit ratings of around 22% of corporate issuers in the world, with the Governance element accounting for more than half of affected issuers. Emerging-market credit ratings are more often influenced by governance issues. Financial transparency and governance structure issues relating to key-person risks, concentrated ownership and board independence are most common in Asia. Environmental and social factors have more influence on credit ratings in the developed markets than in emerging markets due to tighter regulation and stiffer penalties for violations.

Media Relations: Peter Hoflich, Singapore, Tel: +65 6796 7229, Email: peter.hoflich@thefitchgroup.com; Leslie Tan, Singapore, Tel: +65 6796 7234, Email: leslie.tan@thefitchgroup.com.
Additional information is available on www.fitchratings.com
Copyright © 2019 by Fitch Ratings, Inc
©Thomson Reuters 2019. All rights reserved.

Thailand plans to sell up to $4.7 bln of govt bonds in Oct-Dec
02-Oct-2019 BANGKOK, Oct 2 (Reuters) - Thailand plans to sell up to 144 billion baht ($4.70 billion) of government bonds in the October-December period as part of a debt-restructuring effort, the finance ministry said on Wednesday.

The baht-denominated bonds, to be sold domestically, will have maturities of between five and 48 years, the ministry said in a statement. That compares with up to 128 billion baht of government bond issues planned for the previous quarter.

($1 = 30.66 baht)
(Reporting by Orathai Sriring and Satawasin Staporncharnchai
Editing by Shri Navaratnam)
(© Copyright Thomson Reuters 2019.

United Arab Emirates
Dubai ready to take on more debt if needed
02-Oct-2019
By Alexander Cornwell
DUBAI, Oct 2 (Reuters) - Dubai continues to service its debt and is ready to take on more if needed, an economic official said on Wednesday, adding that current debt was $124 billion.
"We continue to service the debt on time, as scheduled. We are ready to take on more debt, if need be," Raed Safadi, the chief economic advisor at Dubai’s Department of Economic Development, said at an event.

His comments came after Reuters had reported on Sept. 10, citing sources, that the government of Dubai has held talks with banks about a potential issue of U.S. dollar-denominated bonds, in what would be its first international debt sale since 2013.

Rating agencies have warned Dubai about the debt of state-owned entities amid an economic slowdown in the region. The size of the Dubai economy was 398.5 billion UAE dirham ($108.50 billion) at the end of 2018.
Fitch said earlier this month that a significant proportion of $23 billion in loans to Dubai government-related entities due to mature by end-2021 may be restructured again.
"We have proven time and time again that actually investments Dubai realizes are worthy investments and the rates of return more than compensate for covering the debt servicing burden and of course create growth and drives growth," said Safadi.

Dubai’s economy was hit hard in 2009, when a global credit crisis caused its real estate market to crash and threatened to force some of its state-linked companies to default on billions of dollars of debt.
Dubai has seen another slump in the real estate market over the past few years, but the downturn has not been as severe as the one in 2009.

($1 = 3.6728 UAE dirham)
(Reporting by Alexander Cornwell; Editing by Saeed Azhar & Kim Coghill)
((sylvia.westall@thomsonreuters.com; Dubai Newsroom +971 4453 6488; Reuters Messaging: sylvia.westall.thomsonreuters.com@reuters.net))
(c) Copyright Thomson Reuters 2019.

EUROPE
Albania
Albania to sell 2 bln leks (16.2 mln euro) of 10-yr T-notes on Oct 7
02-Oct-2019

PDM Network Weekly Newsletter on Emerging Markets
For information, contact the PDM Network Secretariat at: Publicdebntnet.dt@tesoro.it
Follow us on Twitter @pdmnet and on our website www.publicdebntnet.org
Belarus

Belarusian foreign debt fell 1.9% to $16.9 bln in 8M

30-Sep-2019
MINSK. Sept 30 (Interfax) - Belarus had state foreign debt of $16.56 billion as of September 1, 2019, down $300 million or 1.9% from the start of 2019, adjusted for exchange-rate differences, the Finance Ministry said.

Foreign debt grew $100 million or 0.6% in August. It fell 1.2% in July and grew 0.6% in June.

Belarus in 8M 2019 borrowed a total of $806.5 million abroad, including $246.7 million in August. In 8M it raised $150.5 million with bond placements on external markets and borrowed $521.8 million from the Russian government and Russian banks, $67.1 million from the International Bank for Reconstruction and Development (IBRD), $24.9 million from the European Bank for Reconstruction and Development (EBRD) and Nordic Investment Bank (NIB) and $42.2 million from Exim Bank of China.

Foreign debt repayments amounted to $1.146 billion in 8M 2019, including $116.2 million in August. In the 8M, Belarus repaid $508.3 million to the Russian government, $410.9 million to Exim Bank of China, $176.5 million to the Eurasian Fund for Stabilization and Development (EFSD), $65.4 million to the IBRD, $0.8 million to the EBRD and NIB and $0.7 million to the U.S. Commodity Credit Corporation (CCC).

Domestic debt amounted to 8.8 billion Belarusian rubles on September 1, 2019, down 100 million rubles or 0.9% since the start of the year, but falling 4.3% in August after rising 1% in July.

The Finance Ministry placed domestic bonds worth $688 million in 8M, including $36.8 million in August. FX-denominated and local currency government bonds worth $466.3 million and 227.2 million Belarusian rubles were redeemed in 8M, including $306 million in FX bonds in August.

Overall public debt fell 4% or 1.8 billion Belarusian rubles in 8M to the equivalent of 43.6 billion Belarusian rubles, however it rose 2.1% in August.

In 2019, the Finance Ministry is planning to allocate $2.7 billion for servicing and redeeming foreign state debt, including $1.24 billion for loans from Russia. Another 2.93 billion rubles or the equivalent of $1.32 billion will be spent on servicing and redeeming internal debt.

The foreign debt ceiling is $21 billion and domestic debt should not rise above 10 billion rubles in 2019.

Bosnia

Bosnia cabinet approves interim financing for 4th quarter due to lack of budget

03-Oct-2019
SARAJEVO, Oct 3 (Reuters) - Bosnia’s central government approved on Thursday 237.5 million marka ($133 million) in temporary financing for the fourth quarter after the country’s tripartite inter-ethnic presidency had failed to approve the 2019 state budget.

Nearly one year after a general election, the government is still working in a caretaker capacity because political divisions have made it impossible to form a new cabinet.

The decision was made in a telephone conference because the caretaker cabinet could not convene due to lack of a quorum, the government said in a statement.

The $132.7 million in quarterly financing was the same as for the previous three quarters.

The main disagreement between the Serb, Croat and Bosniak members of the tripartite presidency is over whether Bosnia should pursue NATO membership.

While the Bosniak main party, advocating NATO integration, is halting the formation of a new central cabinet, the Serb and Croat parties are blocking the work of the national parliament, thus halting the implementation of about 1 billion euros ($1.1 million) worth infrastructure projects.

Bosnia is made up of two autonomous regions - the Serb Republic and the Federation dominated by Bosniaks and Croats - which are linked via a weak central government.

The Serb Republic has formed a new government but the Federation, where no political party or coalition won a clear majority, is still struggling to form its own government.

©Thomson Reuters 2019. All rights reserved.
Copyright © 2019 Interfax. All rights reserved.
©Thomson Reuters 2019. All rights reserved.
Czech Republic

Foreign holdings of Czech domestic bonds rise in August
30-Sep-2019
PRAGUE, Sept 30 (Reuters) - The proportion of non-residents holding Czech state domestic bonds edged up to 42.14% in August from 40.88% in July, Finance Ministry data showed on Monday.

Foreigners’ holdings are more than double levels seen prior to the central bank’s intervention regime to keep the crown currency weak that ran from 2013-2017. Foreigners held a record 51.35 percent of domestic bonds in September 2017.

(Moody’s upgrades Czech Republic’s ratings to AA3, Changes outlook to Stable from Positive
04-Oct-2019
Oct 4 (Reuters) -
• Moody’s upgrades Czech Republic’s ratings to AA3, changes outlook to stable from positive

Moody’s says upgrade reflects Czech Republic’s fiscal strength metrics have further improved and compare now very favourably to rating peers
• Moody’s - changed Czech Republic’s long-term foreign currency bond ceiling to aa1 from aa2, long-term foreign currency deposit ceiling to aa3 from a1
• Moody’s - says aside from very strong government balance sheet, fiscal flow indicators, Czech Republic shows further improvements to its economic strength
• Moody’s - outlook reflects Czech Republic’s fiscal strength indicators that will be resilient & in line versus aa3-rated peers even in an adverse scenario

Estonia

Fitch Affirms Estonia at ‘AA-‘; Outlook Stable
04-Oct-2019

Oct 4 (Reuters) -
• Fitch affirms Estonia at ‘AA-‘; outlook stable

Fitch says banking sector activity has not been directly affected by continued high-profile money laundering scandals by Nordic banks in Estonia

North Macedonia

North Macedonia's gross foreign debt edges up in Q2
01-Oct-2019
SKOPJE (North Macedonia), October 1 (SeeNews) – North Macedonia’s gross foreign debt totalled 8.3 billion euro ($9.1 billion) at the end of the second quarter of 2019, up 0.9% on the previous quarter, official figures show.

The external debt of North Macedonia’s deposit-taking corporations increased in the second quarter while the debt of the government and the central bank fell, according to figures published by the central bank on Monday.

(© Copyright Thomson Reuters 2019.)

Romania

Romania aims to sell debt worth 4.0 bln lei in October
30-Sep-2019
BUCHAREST, Sept 30 (Reuters) - Romania’s finance ministry aims to sell just under 4.0 billion lei ($920.11 million) worth of leu currency bills and bonds in October, including 495 million lei at non-competitive tenders, it said on Monday.

The ministry said it scheduled eight bond tenders in October, with residual maturities ranging from 2.8 to 15 years, as well as one auction for 200 million lei worth of one-year treasury bills. Romania sold a less than planned 2.83 billion lei worth of debt in September.

So far this year, Romania has sold just under 36.1 billion lei and 506.7 million euros on the local market. It also tapped foreign markets in March and July for 5 billion euros worth of 2026, 2031, 2034 and 2049 Eurobonds.

($1 = 4.3473 lei)
(© Copyright Thomson Reuters 2019.)
Romania central bank's FX reserves edge down in September
01-Oct-2019
BUCHAREST, Oct 1 (Reuters) - The Romanian central bank’s foreign exchange reserves, excluding 103.7 tonnes of gold, fell by 196 million euros to 35.42 billion euros ($38.61 billion) in September, the bank said on Tuesday.
Inflows were 1.01 billion euros, mainly representing changes in credit institutions' foreign currency-denominated required reserves and inflows into the finance ministry’s accounts. Outflows totalled 1.21 billion euros, and reflected changes in credit institutions' foreign currency required reserves, interest payments and principal repayments on foreign currency public debt.
The central bank said October payments to service external public and publicly guaranteed foreign currency debt amounted to 264 million euros.

($1 = 0.9173 euros)
(Reporting by Luiza Ilie
Editing by Radu Marinias)
((luiza.ilie@thomsonreuters.com; +40 21 527 0312;
Reuters Messaging: luiza.ilie.thomsonreuters.com@reuters.net))
(c) Copyright Thomson Reuters 2019.

Romania records 2.13%/GDP budget shortfall in Jan-Aug
03-Oct-2019
BUCHAREST, Oct 3 (Reuters) - Romania’s consolidated budget deficit expanded to 2.13% of gross domestic product at the end of August from 1.76% in the first seven months, the finance ministry said on Thursday.
The seven-month shortfall compares with a gap of 1.5% in the same period of 2018. The ruling Social Democrats are targeting a budget deficit of 2.8% this year.
In nominal terms, the deficit stood at 21.9 billion lei ($5.05 billion). Budget revenues were 204.1 billion lei, or 19.8% of GDP. Spending stood at 220.1 billion lei.

($1 = 4.3331 lei)
(Reporting by Radu Marines)
((radu.marinias@thomsonreuters.com; +40 21 527 04 33;Reuters Messaging:
radu.marinias.thomsonreuters.com@reuters.net))
(c) Copyright Thomson Reuters 2019.

Turkey
Turkey's debt mess looms even as Albayrak sees 'clean slate'
30-Sep-2019
Recasts with quotes, IMF, senior bankers
ANKARA, Sept 30 (Reuters) - Turkey's finance minister said on Monday that steps taken by the government would give banks a "clean slate" to begin lending again, but bankers and analysts said Ankara needed to do more to understand the extent of the mess and to finally clear it up.
Two senior bankers said that big lenders may not completely abide Ankara's most aggressive move so far: a directive two weeks ago for banks to reclassify as non-performing loans (NPLs) some 46 billion lira ($8.2 billion) in debt. Sour loans are among the worst hangovers from last year's currency crisis, which knocked some 30% off the Turkish lira and left companies unable to service what were once cheap foreign-currency loans.
Turkish banks held some 124 billion lira in NPLs at the end of August, up from 79.5 billion lira a year earlier.
Finance Minister Berat Albayrak, in an annual presentation of economic forecasts, said "we have taken innovative steps for banking-sector NPLs," adding it was time for private banks to take a "proactive role" in extending credit.
"We will see the beginning of a clean slate for banks in the upcoming period. We think they will return to providing financing," Albayrak said in Ankara.
Private Banks in particular have hesitated to lend since the economy tipped into recession, citing uncertainty around fiscal policy and back of US Treasuries as the likelihood of a rate cut by the Federal Reserve increases.
Sovereign spreads widened somewhat.
Russia's benchmark 2030 bonds were up 16 basis points from previous closing by 6:15 p.m. Moscow time at 114.19% with yield at 2.84% per annum, 5 bps lower. Three-year US Treasuries were up 17 bps from previous closing at 101.26%, with yield down 8 bps to 1.39%. Spread between Russia-30 and UST3 widened 3 bps to 145 bps.
Russia's 2043 bond was up 31 bps at 127.16%, yielding 4.09%, down 1 bp; the 2042 bond was up 62 bps at 125.12%, yielding 3.93%, down 4 bps; the 2026 bond was up 22 bps at 109.16% with yield down 3 bps to 3.21%; and the 2023 bond rose 9 bps in price to 109.42% yielding 2.36%, down 3 bps.
The 30-year bond maturing in 2047 was up 32 bps to 118.71% with yield down 2 bps at 4.11%; and the 10-year bond maturing in 2027 was up 14 bps at 106.24%, with yield down 2 bps at 3.33%.

Copyright © 2019 Interfax. All rights reserved.
©Thomson Reuters 2019. All rights reserved.
continued volatility in the lira, and hoping the Treasury would ease any losses on the loans. Inaction on the bad debt through the spring and summer frustrated the government, which itself was not willing to put money on the line. That prompted the BDDK banking watchdog to issue the directive on Sept 17 telling banks to provide for losses on the NPLs. But the two senior bankers involved in NPL discussions said that, before the BDDK made its 46 billion-lira announcement, big lenders had already reclassified as NPLs some 10-15 billion lira worth of the loans. The bankers added that the rest covered by the BDDK directive may not be reclassified, in part because banks have restructured part of it. "This BDDK decision should be interpreted as leaving it up to the banks to decide," one of them said, requesting anonymity because he was not authorized to speak publicly about the issue.

**RISK OF NON-PAYMENT**

Beyond the 46 billion lira, banks have on their books some 296 billion lira in so-called Stage 2 loans, or those for which the risk of non-payment has increased significantly, one banker said. Between 15-20% of that would become NPLs under a "worst case scenario," he added. Banks are considering strategies to hang on to the loans long enough to extract some profit. Reuters reported last week that among them is creating an asset management company (AMC), sometimes called a "bad bank," to house higher-quality NPLs. The International Monetary Fund said banks' impairment and restructuring practices should be reviewed, and urgent stress tests on the assets and other measures to shore up market confidence. "Further steps to clean up bank and corporate balance sheets would support financial stability and stronger and more resilient growth over the medium term," the IMF said in a report last week.

($1 = 5.6390 liras)

(Reporting by Tuvan Gumrukcu and Nevzat Devranoglu in Ankara, and Daren Butler and Ali Kucukgocmen in Istanbul;
Writing by Jonathan Spicer;
((jonathan.spicer@reuters.com))
(c) Copyright Thomson Reuters 2019.

---

**Ukraine**

**Ukraine government, central bank show united front to ease IMF concerns**

03-Oct-2019
By Natalia Zinets

KIEV, Oct 3 (Reuters) - Ukraine's Prime Minister on Thursday promised to respect the central bank's independence, seeking to ease concerns from the International Monetary Fund as it considers whether to give the government a new loan programme worth around $5-6 billion.

Oleksiy Honcharuk and Central Bank Governor Yakiv Smoliy made a public show of unity as they sat side by side in a garden on the grounds of Kiev's main government building and signed an agreement on achieving sustainable growth. Kiev's Western-backed leadership wants the IMF's financial support to keep the economy stable and signal to investors it is serious about reform and tackling corruption.

But concerns about the autonomy of the central bank, which has complained publicly in recent weeks about being subjected to pressure from various quarters, have weighed on Ukraine's prospects of receiving the loans. "We very much respect the independence of the National Bank... because an independent regulator is the guarantee of the country's macroeconomic stability," Honcharuk said. He also said the government would support the central bank's target to bring inflation down to 5% by the end of 2020, and wanted to cut the budget deficit to 1.5% of gross domestic product in 2024 from 2.3% for this year.

Smoliy said effective coordination of economic, fiscal and monetary policies was crucial to ensure price stability. The central bank has said attempts were being made to intimidate it and halt the progress of certain reforms, describing itself as terrorised after the house of a former bank governor was set ablaze. During talks with an IMF mission in September about a new loan programme, President Volodymyr Zelenskiy reassured the Fund that the central bank's independence would remain intact.

The government has also sought to reassure the IMF that there would be no rollback of an IMF-backed decision in 2016 to nationalise PrivatBank, Ukraine's largest lender, which was owned by businessman Ihor Kolomoisky. Zelenskiy has long-standing business ties to Kolomoisky and repeatedly denied suggestions he would help Kolomoisky regain control of the lender, which was taken into state hands against Kolomoisky's wishes.

But last week Oleksandr Danylyuk, a top security official, left Zelenskiy's administration, citing concerns about the fate of PrivatBank and the central bank. Danylyuk had been finance minister at the time of PrivatBank's nationalisation.

The central bank says a $5.6 billion hole had been left in PrivatBank's finances due to shady lending practices under Kolomoisky's ownership. Kolomoisky disputes that. Zelenskiy met Kolomoisky publicly in September and days later Kolomoisky told reporters he saw scope for a compromise on PrivatBank. Any rollback of PrivatBank's nationalisation would likely prompt the IMF to freeze aid.

(Writing by Matthias Williams)
((matthias.williams@thomsonreuters.com ;))
Moody’s Says Government Debt Burdens Constrain Fiscal Strength for Latin America

01-Oct-2019
Oct 1 (Reuters) - Moody’s:
• Moody’s says government debt burdens constrain fiscal strength for Latin America
• Moody’s says most Latin American sovereigns’ fiscal profiles likely to experience a modest deterioration in 2020
• Moody’s says weaker fiscal profiles reduce Latin American sovereigns’ room to absorb shocks
• Moody’s says there are significant intra-regional differences and general trend implies that Latin American sovereigns have less fiscal space to absorb shocks
• Moody’s says Peru, Chile, Paraguay, Mexico will have the strongest fiscal profiles

Argentina dips into IMF funds to pay off maturing debt

04-Oct-2019
By Jorge Iorio and Walter Bianchi
BUENOS AIRES, Oct 3 (Reuters) - Argentina has been forced to use money disbursed by the International Monetary Fund (IMF) to pay off maturing debts, a Treasury spokesman told Reuters on Thursday, underscoring efforts to avert a damaging default.
The government has used $1.9 billion of the IMF money to pay off debt on short-term dollar-denominated Treasury Bills (Letes) and local currency Lebacs, along with debts with local lenders and regional development banks, the Treasury spokesman said.
The money was from a $7.2 billion tranche received in June last year as part of the biggest standby financing agreement ever agreed with the IMF. The tranche was intended to be "precautionary" and help shore up the reserves of Latin America’s third-largest economy.

Argentina is grappling with a major debt crisis after a market crash in August hammered its peso currency and sovereign bonds, however, forcing the government of President Mauricio Macri to roll out plans to delay payments on around $100 billion of debt.
"These resources are part of the loan agreed with the IMF, they are Treasury deposits, intended for budgetary reinforcement, of a precautionary nature," the Treasury spokesman said, asking not be identified by name.
Argentina struck a $50 billion deal with the IMF in June last year, raised to $57 billion in October. The IMF said then Argentina would no longer treat the funds as precautionary, which had originally been the intention.
Argentina is in talks with the fund over the release of a $5.4 billion portion of money. The decision has been delayed amid the country’s economic turmoil and with presidential elections later this month.
"While talks go on with the IMF related to the fifth review of the standby deal and the new disbursement, the government is making use of its resources to meet various budgetary and financial commitments," the Treasury spokesman said.

IMF support is key for Argentina, which is dealing with high inflation levels and a peso currency that has lost around a third of its value this year.
The IMF said recently it remained fully engaged in its relationship with Argentina. The fund will meet for talks with Argentine officials, including Treasury Minister Hernan Lacunza, later this month.

(c) Copyright Thomson Reuters 2019.
"The dead don't pay" - Fernandez ally tells IMF Argentina needs time to grow
04-Oct-2019
By Rodrigo Campos
Oct 4 (Reuters) - Argentina's Sergio Massa, a key ally of presidential front-runner Alberto Fernandez, said on Friday that the International Monetary Fund should give the indebted country time to revive economic growth to be able to pay off its debts.
Massa, a former Argentine chief of staff who struck an alliance with Peronist opposition leader Fernandez earlier this year, said the IMF should see the relationship with Latin America's No. 3 economy as a long-term journey.
"The responsibility that the Fund has today is to accompany Argentina in a 10-15 year project," Massa said at an event at the Wilson Center in Washington.
He added that the IMF also had a responsibility to help countries like Argentina build up strong economies, warning that if the country was not given that support, it may not be able to repay its creditors.
"The dead don't pay... Argentina needs to grow in order to pay," he said.
Argentina is facing a debt crunch after a sharp market crash in August that pushed the country toward default and forced President Mauricio Macri to roll out plans to delay payments on around $100 billion of debt.
That included funds from a record $57 billion stand-by credit facility agreed with the IMF last year.
Massa, a centrist politician who has helped moderate Peronist Fernandez appeal to a broader voter base, is expected to play an important government role if Fernandez wins the general election later this month.
Amid questions over the IMF's future in the country, the Fund said last month that it remained fully engaged in discussions with Argentina and in helping the country get on a path to long-term growth and stability.
The Fund is expected to meet with an Argentine delegation later this month in Washington to review its program.

El Salvador
Fitch Says El Salvador Budget a Key Test for Bukele's Political Capital
02-Oct-2019
Oct 2 (Reuters) - Fitch:
• Fitch says El Salvador budget a key test for Bukele's political capital
• Fitch says unchanged deficit target of El Salvador's newly released 2020 budget proposal suggests limited appetite for fiscal

Brazil
Brazil's national debt rises to record high 79.8% of GDP
30-Sep-2019
By Jamie McGeever
BRASILIA, Sept 30 (Reuters) - Brazil's national debt rose to the highest on record in August, central bank figures showed on Monday, driven by a combination of increased interest payments, higher borrowing and a weaker exchange rate.
Brazil's total gross debt incorporating the central government, states, municipalities and the social security system rose to 79.8% of gross domestic product from 79.0% the month before, the central bank said.
That is the highest since comparable data records began in 2006 and highlights the challenge the government faces in restoring the public finances to health, which it says is a prerequisite for reviving confidence, investment and growth.
According to the central bank, nominal interest rates added 0.5 percentage points to debt/GDP ratio, the real's depreciation in the month accounted for 0.4 percentage points and net debt issuance added 0.1 percentage point. Stronger economic growth subtracted 0.3 percentage points.
The real weakened 8% against the dollar in August, its biggest monthly fall in four years, and benchmark 10-year Brazilian bond yields posted their biggest monthly increase since August last year.
Brazil's nominal budget deficit last month was 63.64 billion reais ($15.3 billion), bringing the accumulated deficit over the preceding 12 months to 444.7 billion reais, or 6.32% of GDP, the central bank said.
The government's primary fiscal deficit before interest rate payments are taken into account, was 13.45 billion reais ($3.2 billion), less than the 16.69 billion reais deficit economists had expected.
For the 12 months to August, the primary deficit totaled 95.508 billion reais, equivalent to 1.36% GDP. The government's target for the calendar year is a deficit of 132 billion reais, which would be the sixth consecutive annual shortfall.
Last week, the Treasury said spending freezes and cuts are putting the government on track to beat its fiscal targets for the year.
($1 = 4.1650 reais)
(Reporting by Marcela Ayres and Jamie McGeever; Editing by Cynthia Osterman)
((jamie.mcgeever@thomsonreuters.com; +55 (0) 11 97189 3169; Reuters Messaging: jamie.mcgeever.reuters.com@reuters.net))
(c) Copyright Thomson Reuters 2019.
consolidation
• Fitch says a political stalemate leading to failure of budget proposal, approval for external financing could put pressure on El Salvador's rating

Jamaica
S&P Says Jamaica Sovereign Credit Rating Raised To 'B+' From 'B' On Improved External Position
28-Sep-2019
Sept 27 (Reuters) - S&P Global Ratings:
• S&P says Jamaica sovereign credit rating raised to 'B+' from 'B' on improved external position; outlook is stable
• S&P says Jamaica has made material progress in achieving macroeconomic stability and strengthening of its external position
• S&P says stable outlook reflects expectation that Jamaica will continue to bolster fiscal resilience through continued public-sector reform
• S&P says stable outlook reflects expectation, Jamaica will bolster fiscal resilience through declining debt burden & generate modest real GDP growth

Venezuela
Venezuela's Maduro seeks to revive stalled debt talks, bondholders unimpressed
30-Sep-2019
By Mayela Armas
CARACAS, Sept 30 (Reuters) - Venezuela wants to reopen contacts with foreign bondholders after a two-year hiatus to renegotiate some $60 billion of foreign debt, President Nicolas Maduro said on Monday, but investors gave short shrift to the suggestion.
Venezuela said in 2017 it wanted a restructuring, but the process quickly stalled amid a national political and economic crisis, and the imposition of U.S. financial sanctions.
At a news conference, Maduro gave instructions to Vice Presidents Delcy Rodriguez and Tareck El Aissami - both of whom are on the U.S. sanctions list - to contact creditors again.
"You two, call a debt renegotiation round with all the bondholders in the world, let's establish a timetable of immediate solutions," he said.
"I want to meet them here or anywhere in the world that we need to go, except the United States, I don't want to go the United States any more for now."
Venezuela has paid the loan back in Russian roubles, the Russian Finance Ministry’s press office said.
"Any debtor of Russia has the right to choose in which currency to make the current urgent payment. Our strategic choice is to actively promote the rouble in international settlements," the Finance Ministry said.

**Russian Finance Minister Anton Siluanov said in April that Venezuela was due to pay Russia $200 million this autumn, after more than $100 million in interest was paid on schedule at the end of March.**

Rosneft said in August that Venezuelan state-owned oil company PDVSA had reduced its outstanding debt to Rosneft to $1.1 billion by the end of the second quarter, down from $1.8 billion at the end of the first quarter.

Venezuelan opposition leader Juan Guaido, who invoked the constitution to assume the interim presidency earlier this year alleging Maduro rigged a 2018 election, scoffed at his visit to Moscow.

"While we are seeking humanitarian aid, Maduro was carrying out political tourism and paying debt," Guaido, who is also head of Venezuela’s opposition-run Congress, told reporters, referring to the deep national economic crisis.

(Reporting by Tom Balmforth, Katya Golubkova, Darya Korsunskaya and Andrey Kuzmin
Additional reporting by Mayela Armas in Caracas
Editing by Giles Elgoo, Peter Graff and Mark Potter)
(© Copyright Thomson Reuters 2019.

---

**AFRICA**

**Algeria**

**Algeria to slash spending, seek foreign debt**
01-Oct-2019
By Hamid Ould Ahmed

ALGIERS, Oct 1 (Reuters) - Algeria plans to seek foreign loans in 2020 for the first time in years and cut public spending by 9.2%, the finance minister said on Tuesday, as it grapples with years of low revenue from energy sales.

The OPEC member’s foreign debt is currently estimated at less than $1 billion, but lower energy prices since mid-2014 have bitten deep into its foreign currency reserves as it struggled to reduce its lavish social spending.

**Painful fiscal decisions have been further complicated by a year of political tumult, with mass protests demanding a complete overhaul of the ruling elite and an end to corruption that forced President Abdelaziz Bouteflika from power in April.**

The government will turn to foreign financial institutions of which it is a member to fund strategic development projects, Finance Minister Mohamed Loukal told state radio. It is a member of the African Development Bank and the Islamic Development Bank.

A draft 2020 budget plan announced by Loukal on Tuesday envisages cutting the deficit to 7.2% of gross domestic product next year from a targeted 8% this year, partly by raising new taxes.

Algeria approved a 1.5% spending cut for 2019 after a 25% rise last year.

However, spending on politically sensitive subsidies will remain unchanged next year at around 8.4% of gross domestic product, Loukal was quoted saying by state news agency APS.

Algeria subsidises almost everything from basic foodstuffs to housing and medicine.

Protests sporadically erupt to demand better services in sectors such as water and roads, as well as sufficient subsidised housing units.

A large part of Algeria’s energy earnings is used to pay for imports of food and other goods due to poor domestic production after the government failed to diversify its economy away from oil and gas.

In a bid to reverse the trend, Algeria is planning to scrap a rule limiting foreign ownership in projects involving non-strategic sectors.

"In order to improve the business climate and the attractiveness of our economy, we decided to lift constraints expressed in the 51/49% rule," Loukal said.

The government will also increase taxes on tobacco products and impose for the first time an "environment tax" on motorists which will be included in car insurance contract cost, Loukal said.

The economy is expected to grow by 1.8% in 2020, down from a 2.6% forecast for this year, amid a political crisis caused by mass protests demanding a change in the political system, creating uncertainties for both national and foreign investors.

(Reporting by Hamid Ould Ahmed in Algiers
Editing by Ed Osmond and Matthew Lewis)
(© Copyright Thomson Reuters 2019.

---

**Egypt**

**Egypt plans to double average debt maturity this year**
04-Oct-2019
CPI FINANCIAL

The finance ministry has embarked on a four-year strategy that aims to reduce the debt burden in one of the Middle East’s most indebted countries to 80 per cent of gross domestic product by 2022. Egypt’s finance ministry said that the government plans to raise its share of longer-dated debt to 40 per cent of annual domestic issuance by the end of the current fiscal year, from five per cent in 2017-18, reported...
Bloomberg.
Mohamed Maait, the Egyptian Finance Minister, said that with a gradual shift away from short-term T-bills and toward instruments such as treasury bonds, the goal is to push the average maturity on the debt to around four years by June 2020, up from 1.9 years in 2017-2018. The strategy involves diversifying debt instruments, currencies and investor bases and could see the introduction of new instruments such as variable-rate bonds linked to inflation and zero-coupon securities. "You need some sort of diversification, this is the main concept we are adopting," said Maait.
Maait said that the first international issuance this year is likely to be in US dollars, Sukuk, as well as green bonds, Panda bonds in Chinese renminbi and Samurai sales in Japanese yen.
Investor interest in Egyptian local debt could be boosted by a future agreement with Belgium-based Euroclear—which settles transactions in securities in dozens of countries—as well as meeting the technical specifications to include Egyptian debt in JPMorgan's Emerging-Market Bond Indexes (EMBI), said Maait.
The finance ministry hopes to conclude a Euroclear deal by January 2020 and meet requirements for EMBI by July of the same year. Egyptian debt has been attracting foreign investors with one of the world's highest real yields—meaning the rate investors earn when stripping out inflation—at about 5.7 per cent currently.

**Ethiopia**

Fitch Revises Ethiopia's Outlook to Negative from Stable; Affirms At 'B'
01-Oct-2019
Oct 1 (Reuters) - Fitch:
• Fitch revises Ethiopia's outlook to negative; affirms at 'B'
• Fitch says it revises Ethiopia's outlook to negative from stable
  • Fitch says revision of Ethiopia's outlook to negative reflects prospects for continued political instability, potential for meaningful economic spillovers
  • Fitch says political unrest, may weigh further on tax collection and foreign direct investment in Ethiopia
  • Fitch says Ethiopia's rating balances strong economic growth against low development, governance indicators, high debt, low foreign currency reserves
  • Fitch says Ethiopia's 'B' rating reflects international support to ease financing pressures
  • Fitch says Ethiopia's external finances remain a key weakness for rating
  • Fitch says challenge of enacting political transition after decades of tight state control is compounded by Ethiopia's ethnic fault-lines & disputes over land

((Reuters.Briefs@thomsonreuters.com ;))
(c) Copyright Thomson Reuters 2019.

**Morocco**

S&P says Morocco outlook revised to stable from negative on budgetary consolidation efforts; 'BBB-/A-3' ratings affirmed
04-Oct-2019
Oct 4 (Reuters) -
• S&P says Morocco outlook revised to stable from negative on budgetary consolidation efforts; 'BBB-/A-3' ratings affirmed
• S&P says believe precautionary & liquidity line approved by international monetary fund in December 2018 underpins Morocco's macro financial stability
• S&P says outlook revision reflects S&P's expectation that Morocco's budgetary position should gradually improve to reach 3% of GDP in 2022
• S&P says Morocco's economic growth remains vulnerable to volatility in agricultural output, ongoing economic slowdown in Europe
• S&P says given Morocco government's commitment to privatize some assets from 2019-2024, S&P expects change in net general government debt to decline as of 2019

((Reuters.Briefs@thomsonreuters.com ;))
(c) Copyright Thomson Reuters 2019.

**Nigeria**

Nigerian lawmakers increase 2020 budget outline based on higher oil price
03-Oct-2019
ABUJA, Oct 3 (Reuters) - Nigeria's legislature on Thursday increased the value of the country's 2020 budget outline to 10.729 trillion naira ($35 billion) based on expectations of higher oil prices. The legislature passed a medium-term expenditure framework that increased the anticipated oil price to $57 per barrel from a previous $55 per barrel. That pushed the budget up from 10.022 trillion naira.
The finance minister had previously revised the expected oil price down from $60 per barrel to cushion against supply shocks.
The framework passed on Thursday also pegged oil production at 2.18 million barrels per day (bpd). While Nigeria is currently producing at roughly that level, it had pledged to cut it meet an OPEC cap on crude oil of 1.685 million bpd.
The document is a plan Nigeria uses to prepare...
its annual budget. The finance minister submits the framework to the legislature, which must then approve it. President Muhammadu Buhari is expected to present a finalised budget proposal to the legislature on Tuesday.

($1 = 306.0000 naira)

(Reporting By Camillus Eboh, writing by Libby George; editing by David Evans)

((Libby.George@thomsonreuters.com; +234 809 065 0599; Reuters Messaging: libby.george@thomsonreuters.com))

(c) Copyright Thomson Reuters 2019.

South Africa

South Africa debt-to-GDP could reach 95% by 2024, IIF says

03-Oct-2019

JOHANNESBURG, Oct 3 (Reuters) - South Africa's public debt could rise as high as 95% of gross domestic product by 2024 if the government doesn't restructure the state-run utility Eskom and implement a workable growth plan, the Institute of International Finance said in report.

The report, released late on Wednesday, echoes a warning on Tuesday by the central bank about government debt, which has doubled from less than 30% of GDP before the 2008 global financial crisis to nearly 60%. The 95% estimate is the worst of four outlooks the IIF report laid out. But even its baseline case shows debt rising to 70 percent of GDP, according to the IIF, a trade group of financial institutions that tracks market conditions worldwide.

"South Africa's debt sustainability is increasingly in question," the IIF said in its report.

The South African economy expanded 0.8% in 2018, and in February the National Treasury said it expected 1.5% growth in 2019. But it has since warned it might have to lower that forecast, especially after it granted Eskom a 59 billion-rand, two-year bailout package.

The IIF said a proposed plan to shift Eskom's debt to the government would add 6 percentage points to South Africa's sovereign debt.

"The key for an improvement of the situation is the implementation of the national growth plan and Eskom restructuring blueprint," it said. "Investors and rating agencies will follow the October and February budget announcements closely."

Finance Minister Tito Mboweni is set to deliver his medium-term budget on Oct. 30. He is expected to give details of President Cyril Ramaphosa's plan to split Eskom into three units, generation, transmission and distribution. Labour unions that backed Ramaphosa's presidential campaign, as well as factions inside the ruling African National Congress, oppose the plan, raising fears that it may not materialise.

Moody's, the last of the top three ratings firms to still rank Pretoria's debt at investment grade, said in September it was unlikely to cut the rating to junk anytime soon, but that the delay over reforming Eskom was a major risk. Investors, however, seem to expect a downgrade soon.

An S&P Capital IQ model, based on credit default swap prices, shows that markets have begun to price in a downgrade. Since September, the cost of five-year swaps rose 20 basis points to 200 bps on Wednesday, a two-month high, according to data from IHS Markit.

(Tunisia)

Tunisia's budget will rise in 2020 to $16.4 billion

30-Sep-2019

TUNIS, Sept 30 (Reuters) - Tunisia's state budget will rise from 40 billion dinars in 2019 to 47 billion dinars in 2020 ($16.4 billion), Finance Minister Ridha Chalgoum said on Monday, according to the state news agency TAP.

The budget targets a deficit in 2020 of 3% of gross domestic product, compared with the 3.9% that Prime Minister Youssef Chahed has said is expected this year, and the 7.4% recorded three years ago.

The North African country's economy has been in crisis since the toppling of autocrat Zine al-Abidine Ben Ali in 2011 threw it into turmoil, with unemployment and inflation shooting up. Chahed has said inflation will drop to about 5% next year from a high of 7.8% last year. Tunisia's weak economy is a big theme in elections set for this month and next. Tourism, an important source of foreign currency, has begun to recover four years after two militant attacks that killed scores of foreigners.

(Solomon Islands)

Moody's Says Affirms Solomon Islands' B3 Rating Maintains Stable Outlook

03-Oct-2019

Moody's Investors Service, the credit rating agency, said on Friday it had affirmed Solomon Islands' B3 rating with a stable outlook.

"The rating reflects Solomon Islands' small, open economy with strong foreign currency reserves, which provide a buffer for the country's external financial vulnerabilities," Moody's said in a statement.

The country's government and private sector debt is expected to increase to around 65% of gross domestic product (GDP) in 2019, from 62% in 2018. Moody's said this was due to the spending needs of the government and private sector, which is expected to rise from 24% of GDP in 2018 to 28% in 2019.

The revised 2019/2020 country risk report notes that the government's fiscal consolidation plan is expected to allow for a gradual fiscal improvement over the medium term, with the fiscal deficit expected to decline to 3% of GDP in 2020/2021 from around 4.5% in 2018/2019.

The government has been implementing a number of reforms aimed at reducing the fiscal deficit, including cutting public spending and increasing revenue collection.

Moody's said the country's economic prospects remain positive, with GDP growth expected to remain strong at around 3% per year over the medium term.

The agency expects the government to continue to implement its fiscal consolidation plan, which will support the country's economic growth and reduce its fiscal deficit.

(c) Copyright Thomson Reuters 2019.

(Oceania)

Solomon Islands

Moody's Says Affirms Solomon Islands' B3 Rating Maintains Stable Outlook

03-Oct-2019
GLOBAL

Fitch Ratings: World GDP Growth to Hit an Eight-Year Low in 2020

30-Sep-2019
Fitch Ratings-London-September 30: The outlook for the global economy has deteriorated significantly due to the escalation in the US-China trade war, Fitch Ratings says in its new Global Economic Outlook (GEO). We now forecast world growth next year to fall to the lowest rate since 2012. "There can be few precedents since the 1930s of global growth prospects being affected so significantly by trade policy disruptions," said Fitch Chief Economist Brian Coulton.
Fitch's world GDP growth forecasts for both 2019 and 2020 have been lowered by 0.2pp since the June GEO in response to the sharp escalation in the US-China trade war over the summer. Global growth is projected to fall to 2.6% this year and to 2.5% next year from 3.2% in 2018. This would be the slowest pace of expansion since 2012 when the Eurozone crisis was at its peak.

The current global slowdown is highly synchronised with 19 out of the 20 countries covered in the GEO expected to record lower growth in 2019 than last year. Our growth forecasts for 2020 have been revised down for no less than 16 countries since June.
China's 2020 growth forecast has been revised down to 5.7% from 6.0% and the Eurozone forecast has been cut to 1.1% from 1.3% in June. The US 2020 forecast has also been lowered by 0.1pp to 1.7%

New US tariff measures announced in August will result in the effective tariff rate on Chinese imports rising to nearly 25% by the end of this year. The new measures represent a shock that is three-quarters of the size of our previous 'worse-case' downside scenario for the trade war. China will ease domestic macro policies to a degree in response to decelerating growth but we do not envisage an aggressive credit stimulus, as policy makers continue to balance growth and financial stability considerations.
Lower growth in China will prolong the slump in global trade and manufacturing, which will, in turn, continue to pressure the Eurozone expansion. Germany has been particularly affected due to its highly open economy and we anticipate a technical recession in 3Q19.
The US is not immune, with exports, manufacturing and business investment deteriorating. However, its more 'closed' economy - external trade accounts for a relatively small share of GDP - continues to see robust consumer spending, a tight labour market and expansionary fiscal policy and we envisage a slowdown rather than a recession ahead.
The U-turn in global monetary policy direction was completed in 3Q19 with two interest rate cuts from the Fed, one interest rate cut from the ECB and the ECB announcement of a restart of Quantitative Easing (QE) asset purchases on an open-ended basis.
"Global central banks have delivered the most rapid and geographically broad-based shift to monetary policy easing since 2009," according to Coulton.
Nevertheless, we do not envisage recent mid-cycle 'insurance' based rate cuts from the Fed to mark the beginning of a protracted series of rate cuts and we expect the Fed to remain on hold through 2020. There are also doubts as to how effective monetary easing can be in an environment of sharply rising trade policy uncertainty and its deleterious impact on business investment.
The financial market implications of the monetary policy turnaround have been pronounced though, as evidenced by the sharp decline in global bond yields. The impending return of sizeable global QE asset purchases in 2020 has been an important contributing factor.

EMERGING MARKETS

Emerging markets suck in $37.7 bln portfolio flows in snapback September

01-Oct-2019

LONDON, Oct 1 (Reuters) - Emerging market bonds and stocks pulled in $37.7 billion of non-resident portfolio flows in September after suffering hefty losses in August amid rising trade tensions, the Institute of International Finance (IIF) said on Tuesday.
Fund managers put $27.6 billion to work in developing markets debt while emerging equities attracted $10.3 billion, the IIF said, adding Chinese stocks raked in $9.0 billion in September - a substantial improvement from just $1.6 billion in August.
"This recovery in non-resident portfolio flows highlights the pendular nature of flows during 2019," IIF economist Jonathan Fortun wrote in a note, adding potential triggers for further risk-off episodes were proliferating, including intensifying trade tensions.
"The outlook for equity flows to non-China EM remains difficult given the large amount of hot money that has already gone to EM in recent
years, which we see as having resulted in a positioning overhang, a structural drag on new inflows."

(Reporting by Karin Strohecker; Editing by Emelia Sithole-Matarise)
(( karin.strohecker@thomsonreuters.com ;
+442075427262; Reuters Messaging:
karin.strohecker.reuters.com@reuters.net ))
(c) Copyright Thomson Reuters 2019.