

Brazil Waiting for a More Stable Market to Issue Bonds Overseas

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Brazil's National Treasury secretary, Arno Augustin, on disclosing financial results for November, said that it should not take long for Brazil to return to issuing bonds on the international market. However, he added that it is necessary to overcome the financial crisis.

The secretary considered that the country has no need to collect international funds for extension of the debt and that, therefore, it may wait for the international scenario to become more stable.

"Our foreign collection program is turned to the improvement of the profile of our foreign debt and also to the establishment of parameters for companies themselves to be able to make international bond issues. There was a moment in which the market was very volatile and turbulent, and that is still going on to a certain extent. As soon as we find market conditions appropriate, we may return to the international market."

This year, the National Treasury made an international issue of Global 2017s (bonds in dollars mature in 2017) for the value of 525 million Brazilian reais (US\$ 221 million). The funds were collected in the North American, European and Asian markets.

Mexico recently managed to harvest funds on the foreign market, a fact that the secretary considered positive. The Mexican issue shows that some emerging nations, among them Brazil, are generating greater international confidence. In the not-so-long run, the foreign market may return to conditions that make it capable of financing emerging nations.

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