

## Brazil to Issue Treasury Bonds in the US and Europe

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Brazil's Finance Ministry informed this Monday, January 6, that the Brazilian National Treasury is going to issue this year's first batch of Bonds of the Republic denominated in dollars, maturing in January 2019. The bonds are issued in the international market in order to manage the foreign debt.

The bonds are going to be initially traded in the United States and European markets, and may also be issued in Asia, after the market opens, according to information supplied by the Ministry. The international financial institution appointed for the issuance has not yet been disclosed.

The results of such issuances, in the United States and in Europe, will only be disclosed upon confirmation of an eventual offering of bonds in the Asian market, according to information supplied by the National Treasury. Brazil has also held similar issuances abroad in euros, yens and reais, with different maturing dates.

On disclosing, at the end of last month, results for November, the National Treasury secretary of Brazil, Arno Augustin, had said that it should not take long for Brazil to return to issuing bonds on the international market. However, he added that it was necessary to overcome the financial crisis.

The secretary considered that Brazil had no need to collect international funds for extension of the debt and that, therefore, it might wait for the international scenery 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," he said at the time.

"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."

Last 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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