

Charges that Finance Minister Got Kickbacks Upset Brazilian Market

Contributed by Linda Shea
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Latin American stocks remained in mixed territory this Friday, March 16, today, as Brazil continued to trend lower ahead of Monday's option expiry. Mexico, meanwhile, continued to power higher, amid U.S. market enthusiasm, while Argentina eased back.

Brazil's Bovespa Index receded 107.47 points, or 0.28%. Mexico's benchmark Bolsa Index surged 177.62 points, or 0.93%, while Argentina's Merval Index slipped 6.43 points, or 0.35%.

Brazilian shares continued their downward spiral today, ahead of Monday's option expiry and amid concerns regarding allegations of Finance Minister Antonio Palocci's possible involvement in a kickback scheme.

Steelmaker Arcelor Brasil said that global steel prices advanced in the first quarter of this year, up 10% to 15% so far when compared to the fourth quarter of 2005.

In corporate earnings releases, Telemig Celular posted a fourth-quarter net profit of 39.9 million reais, up from 31.5 million reais a year earlier. Net revenue arrived at 304 million reais, up from 285.9 million reais last year. The wireless firm's EBITDA slipped to 102.2 million reais from 105.4 million reais in the corresponding period a year ago.

Elsewhere, Cosan SA said that it posted a net loss of 41.2 million reais for the quarter ended January 31, reversing a net profit of 23.5 million reais a year ago. Net operating revenue rose to 656.5 million reais from 388.6 million reais last year.

Mexican shares continued their winning streak today, rising for the sixth- straight session. Construction firm Ara continued to rally today, after its announcement yesterday that it raised its 2006 guidance. Mexico also benefited from U.S. economic data that showed steady economic growth with contained inflationary pressures.

State-oil firm Pemex produced 3.31 million barrels a day of crude oil in February, down from 3.37 million b/d in the prior month and 3.35 million b/d a year ago.

Argentine issues slipped, following strong upward movements earlier this week. Steel pipemaker Tenaris and Petrobras Energia Participaciones slid lower amid falling global oil prices.

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