

## Brazil Issues Half a Billion Dollars in Bonds in US and EU

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The issuing of Global bonds in the European and United States market, announced this Wednesday, May 7, by Brazil's National Treasury, is going to total US\$ 500 million. The bonds will mature in 2017 and should start being negotiated for 4.8% above face value.

The higher the negotiated value compared with the face value, the greater the interest of investors in purchasing the Brazilian bonds. According to the Treasury, investors should have a return of 5.299% per year.

Until maturing, on January 17th, 2017, the buyers of the bonds will receive earnings twice a year. These extra earnings, referred to as coupon earnings, will be paid in January and July, with a 6% annual interest rate.

The Treasury should also issue up to US\$ 25 million in Global 2017 bonds in the Asian market. The announcement was scheduled to be made before the opening of stock exchanges in Asia on Thursday.

The last time that the Brazilian government issued bonds to raise funds abroad was on June 19th last year, when the country issued Global bonds, denominated in reais (the Brazilian currency), to mature in 2028. The value of the issuance, at the time, totaled 750 million reais (US\$ 451.3 million).

Since the second half of last year, the country had stopped issuing bonds, mostly due to turbulence in the international financial sector, which was prompted by the United States mortgage crisis.

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