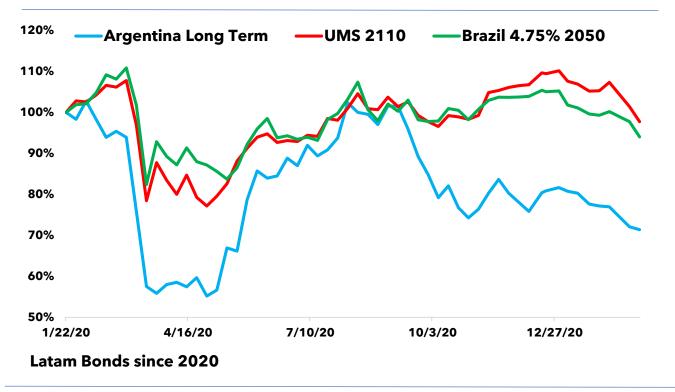
## LATAM FIXED INCOME MARKETS MONITOR

February 25, 2021 By Andres Talero

Blog: <a href="https://www.theskew.us/">https://www.theskew.us/</a>



## Latam bonds continue to sell off

Long-term **sovereign bonds** continued to sell off last week. **Quasi-sovereign bonds** also dropped. Petrobras bonds slumped as its management was shuffled and a former general was appointed to run the company.

Latam bonds have traded with weakness this year, driven by higher long term US rates. The sell off has recently intensified due to increased inflation in the US and local politics.

Regional **currencies** are also trading weak in 2021.

The Mexican Peso (**MXN**) is trading above 20 Pesos per USD after breaking through to levels below 20 in early January. The currency has lost 3% of its value this year after rallying in the second half of 2020.

The Brazilian Real (**BRL**) has stabilized in February after a weak January. The currency is now about 4% below its year end value. It has lost 23% of its USD value since the start of 2020.

**Argentina sovereign bonds** continue to trade at levels below the exchange settlement in early September. The government has not engaged in any significant structural reforms after defaulting last year. Restructured bonds are trading at prices below 40 cents of the dollar.