



**Latam Bonds since 2020**

## 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.

### DISCLOSURE OF RELATED SECURITIES HOLDINGS:

GOBIERNO FEDERAL DE LOS ESTADOS UNIDOS MEXICANOS UTD STS FEDL GOVT DEV BD CPN 8.000% DUE 11/07/47 – CUSIP P4R07XQS8; PEMEX PROJ FDG MSTR TR CPN 6.625% DUE 06/15/38 DTD 12/15/08 FC 06/15/09 – CUSIP 706451BR1; PETROLEOS MEXICANOS MEDIUM TERM NOTE SER C 144A PERPETUAL - CUSIP 71656LAF8; ARGENTINA REP BOND STEP CPN 0.125% DUE 07/09/35 – CUSIP 040114HT0; ARGENTINA REP UNSECD BOND CPN 1.000% DUE 07/09/29 – CUSIP 040114HX1; MXN (MEXICAN PESO CURRENCY); SPY; EMB. **1**