

Emerging Markets Monthly Highlights

Credit Research

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Economic Research

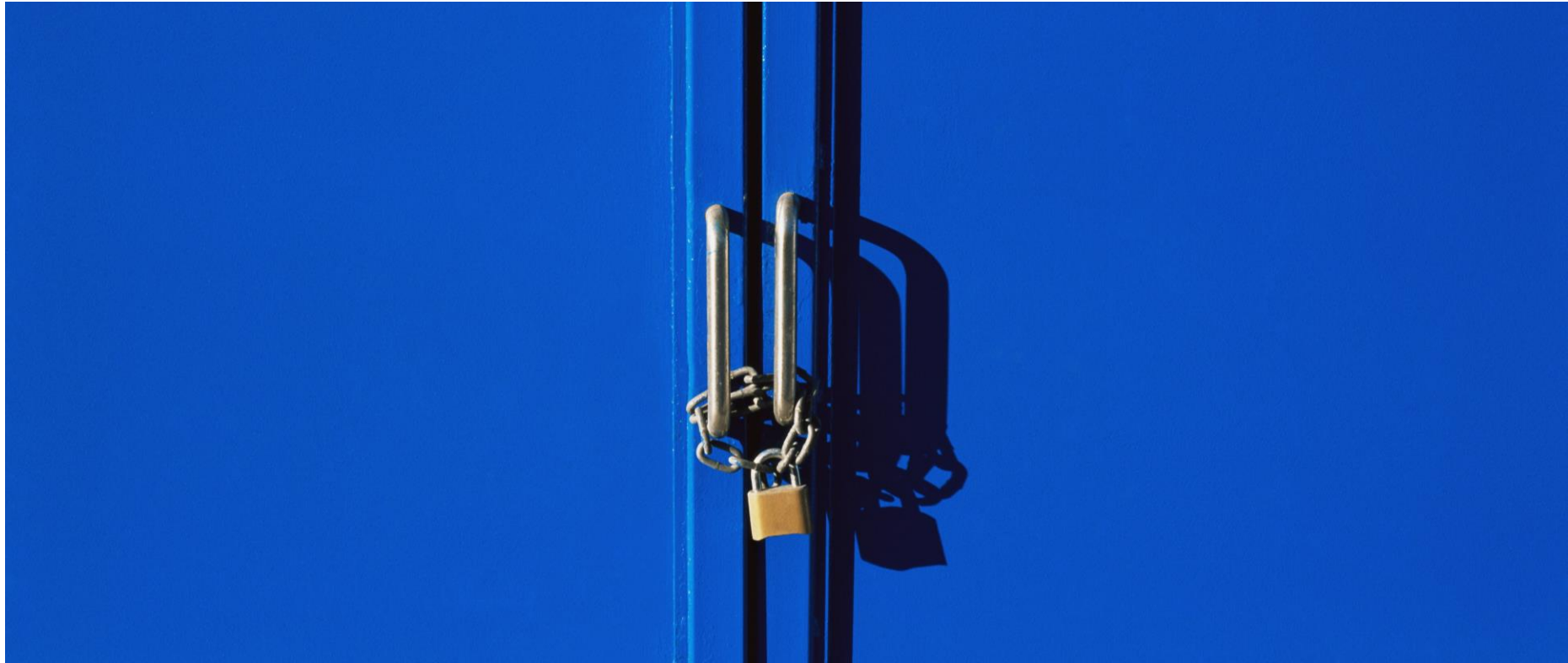
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Financial Conditions Reflect Optimism, Lockdown Fatigue Emerges

June 4, 2020



S&P Global
Ratings

Contents

- Key Takeaways
- Economic and Credit Conditions Highlights
- Macro-Credit Dashboards
 - GDP Summary
 - Monetary Policy/FX
- **Emerging Markets' Heat Map**
- Financial Conditions Highlights
- Ratings Summary

S&P Global Ratings acknowledges a high degree of uncertainty about the rate of spread and peak of the coronavirus outbreak. Some government authorities estimate the pandemic will peak about midyear, and we are using this assumption in assessing the economic and credit implications. We believe the measures adopted to contain COVID-19 have pushed the global economy into recession (see our macroeconomic and credit updates here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

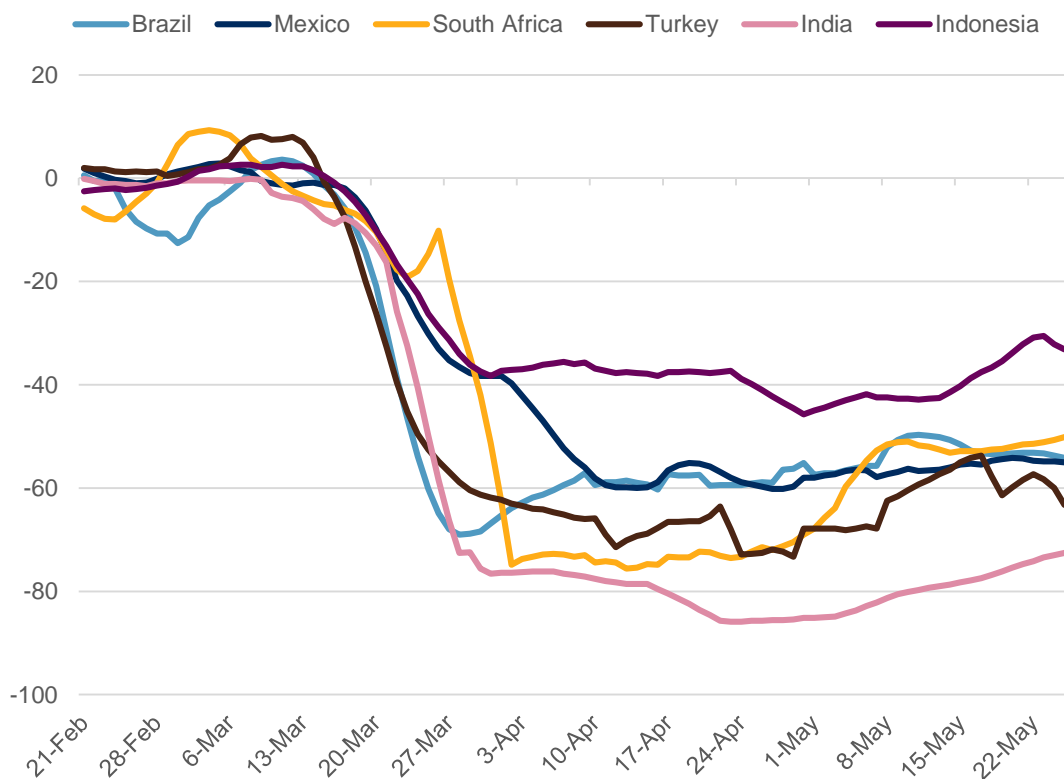
Key Takeaways

- Activity in emerging market (EM) economies is picking up, as lockdowns are eased gradually, but the recovery is still very slow. High-frequency data confirm a precipitous slowdown in activity in April across EM globally. While April was likely the weakest month in terms of activity, getting back to pre-pandemic levels will take time.
- A lockdown fatigue is developing across EMs driven by mounting political pressures and economic costs. Some EMs are gradually lifting the lockdowns after taming the pandemic. In some cases, however, lockdowns are eased despite increasing COVID-19 cases, which could undermine a potential recovery.
- We now expect the Indian economy to contract sharply in 2020. The COVID-19 outbreak in India and two months of a strict lockdown--longer in some areas--have led to a sudden stop in the economy.
- Ultra-accommodative monetary conditions in advanced economies, a gradual easing of lockdowns, and the expectation for a global economic recovery in the second half of the year are shoring up investors' risk appetite for EMs, reflected in improving financial conditions. Still, risk aversion persists.
- We expect EM banks to continue supporting financing conditions and keep credit flowing, thanks to central banks measures. Banks in EMs are not facing a capital event, despite weakening asset quality, increasing credit losses, and falling profits.



Signs That Activity Is Improving, But Very Slowly

Mobility In Retail And Recreation Sites, % Change From Baseline
(seven-day moving average)

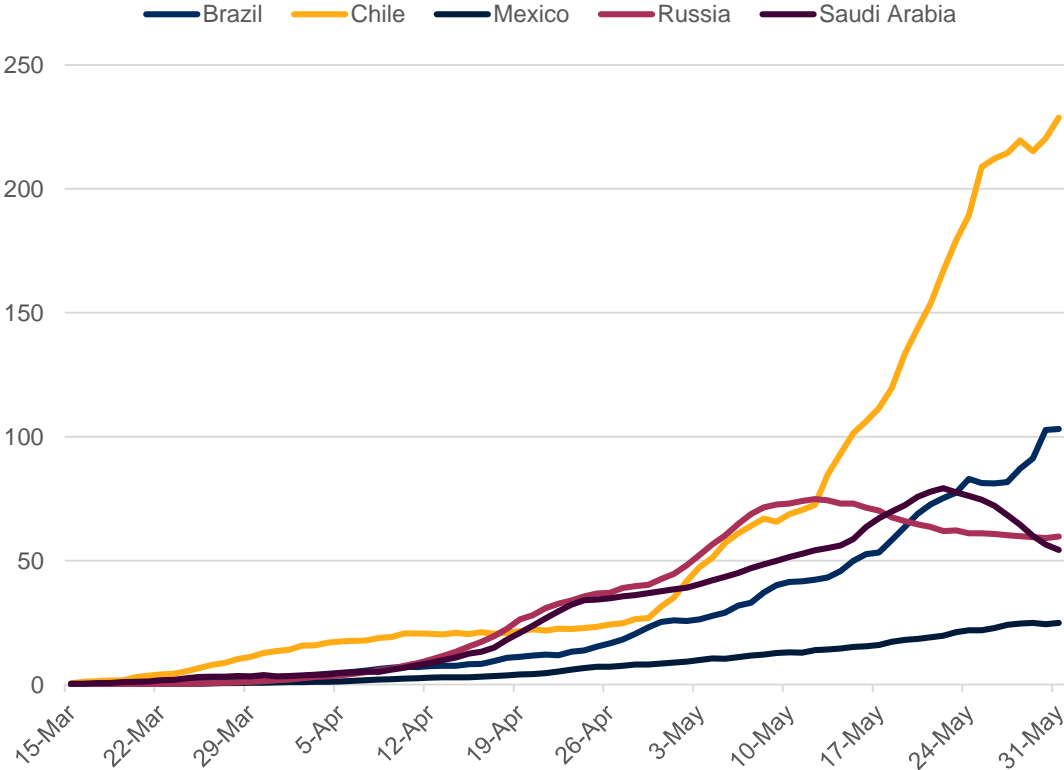


- Increasing activity in May. Mobility trends data, which track phone usage geographically and by economic sectors, suggests that the largest hit to activity across most EMs outside of China was in April.
- But recovery is still very slow, despite the improvement. For example, in retail and recreation sites in key EMs, activity was still -55% versus the levels prior to the pandemic; but slightly higher compared with -65% at the beginning of April. This suggests that even as lockdowns in most key EMs are starting to be relaxed, a cautious approach by consumers and businesses could keep the economy at a lower gear for some time.

Source: Google LLC "Google COVID-19 Community Mobility Reports", S&P Global Ratings. Notes: Retail and recreation sites include restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. The baseline is the median value, for the corresponding day of the week, during the five-week period Jan. 3 – Feb 6, 2020.

COVID-19 Far From Contained In Several EMs

Top Five Key EMs With Highest Reported Daily New Cases Per Million Inhabitants (seven-day moving average)



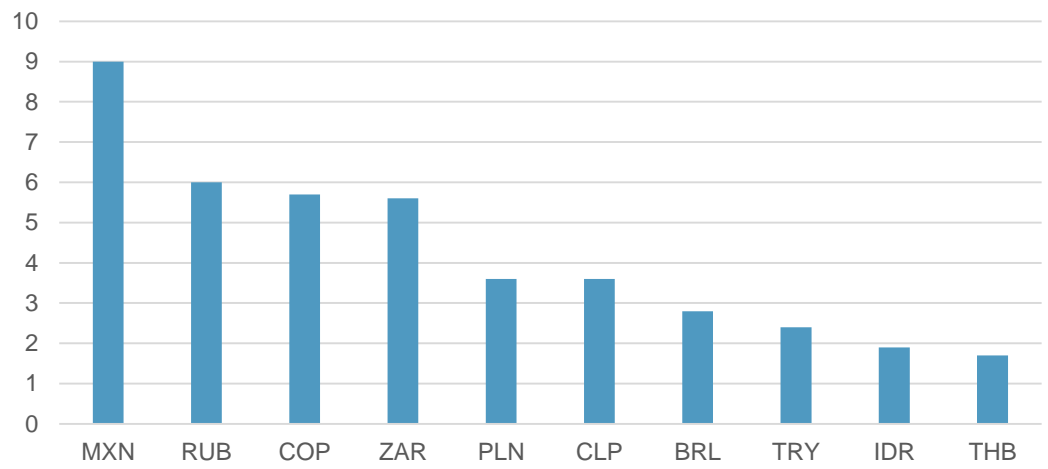
Source: Haver Analytics, Bloomberg, S&P Global Ratings. Note: To calculate per inhabitant data we use 2019 population estimates from the UN or national sources, depending on the country. Data as of May 31.

- LatAm is the new global epicenter. Brazil now has the highest confirmed COVID-19 cases outside of the U.S. and new reported cases in Chile have increased steeply in recent weeks. In Mexico, health officials estimate infections to be several multiples of those reported.
- Testing rates vary substantially. In Chile, testing rates are above 30 per 1,000, while in Mexico they are below 2, making it difficult to read too much into the reported COVID-19 cases on their own. In any event, we know that in most major LatAm countries, the new cases curve is not flattening yet.
- Turkey is seeing some success. With testing rates above 25 per 1,000, and new daily cases that falling from 2,500 to 1,000 in the last month, Turkey is showing good progress in containing the virus.

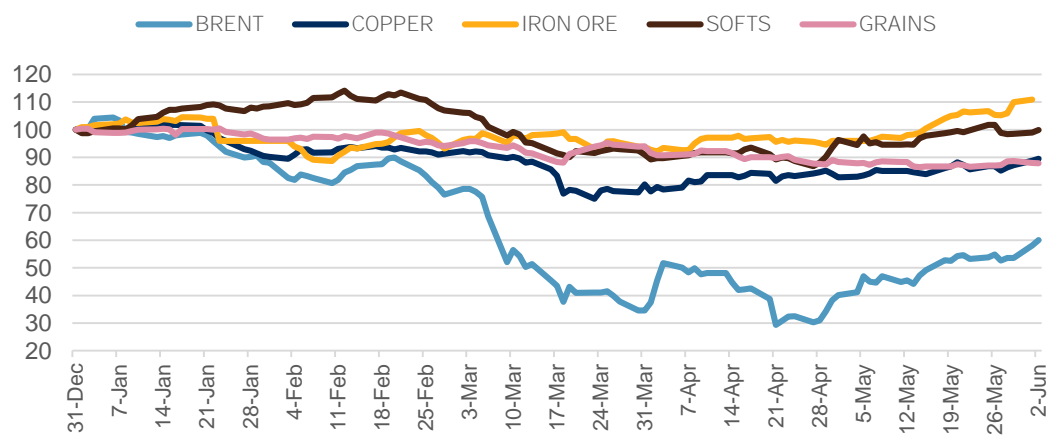
Currencies Appreciated In May, Along With Oil

Currency Spot Performance Versus USD In May (% Change),

Top 10 Performers Within 16 EMs



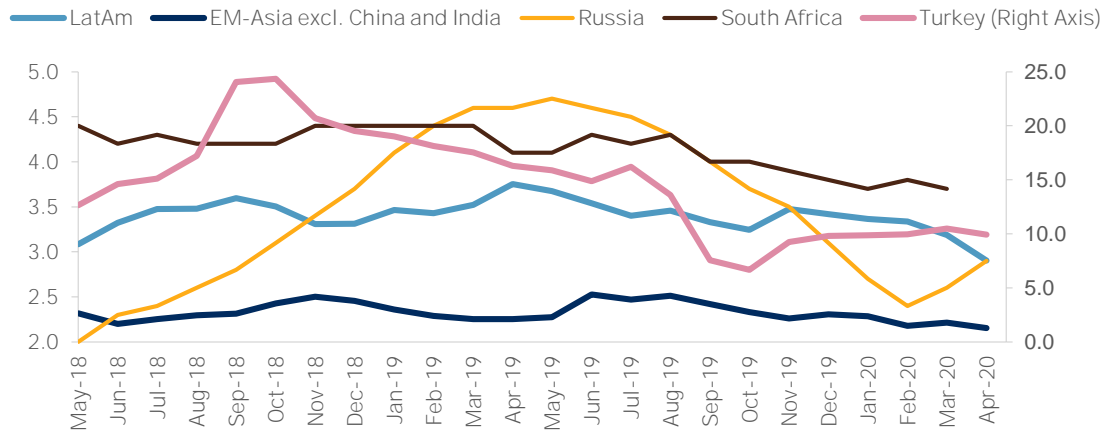
Commodity Prices, Dec. 31, 2019 = 100



- Strong bounce in EM currencies. The relief rally risk assets that took place last month was evident in EM currencies, with several seeing strong gains versus the USD.
- Oil-tied currencies were top performers. In the midst of last month's 40% rally in oil prices, unsurprisingly, oil-tied currencies, such as the MXN, RUB, and COP, appreciated the most in May.

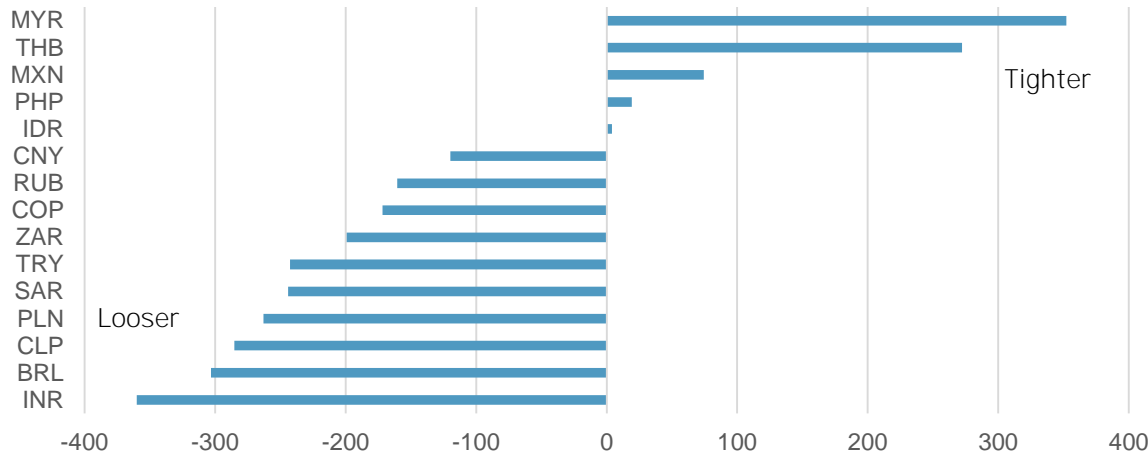
Subdued Inflation Is Making It Easier For Central Banks To Continue Lowering Rates

Core inflation. %



- Deflationary pressures dominate across EMs, reflecting the severe slump in demand. Core inflation is trending down in most key EM economies, with the exception of Turkey and Russia, and there is little evidence of the pass-through of past FX weakness on prices. However, recent currency gains have not fully offset previous losses, and once demand starts to recover, the impact could show up in prices.

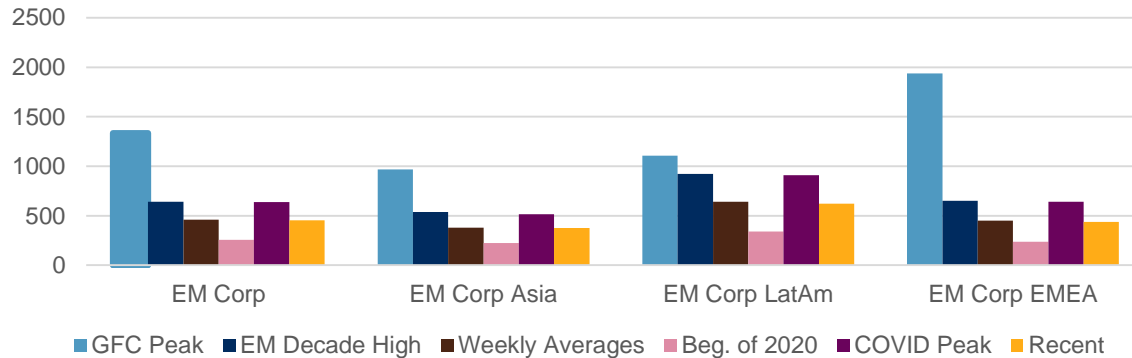
Deviation in current real benchmark interest rates from 10-year average, bps



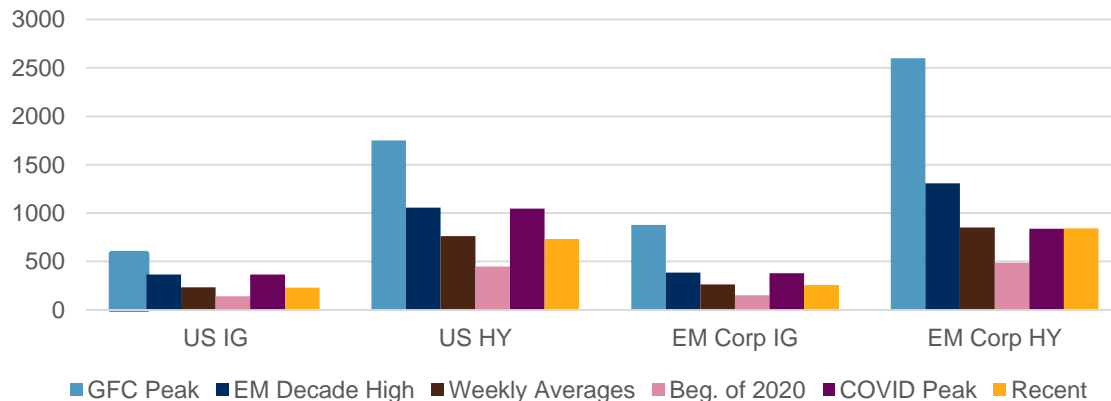
- Subdued inflation allows for further monetary easing. Unlike in the previous periods of stress, EM central banks are able to lower rates, and were not forced into pro-cyclical tightening. The median rate policy rate cut in May was 32.5 bps, compared with 150 bps year to date.

EM Financing | Lower Spreads, Risk Aversion Persists

EM Spreads By Region (levels, in bps)



U.S. And EM Spreads (levels, in bps)



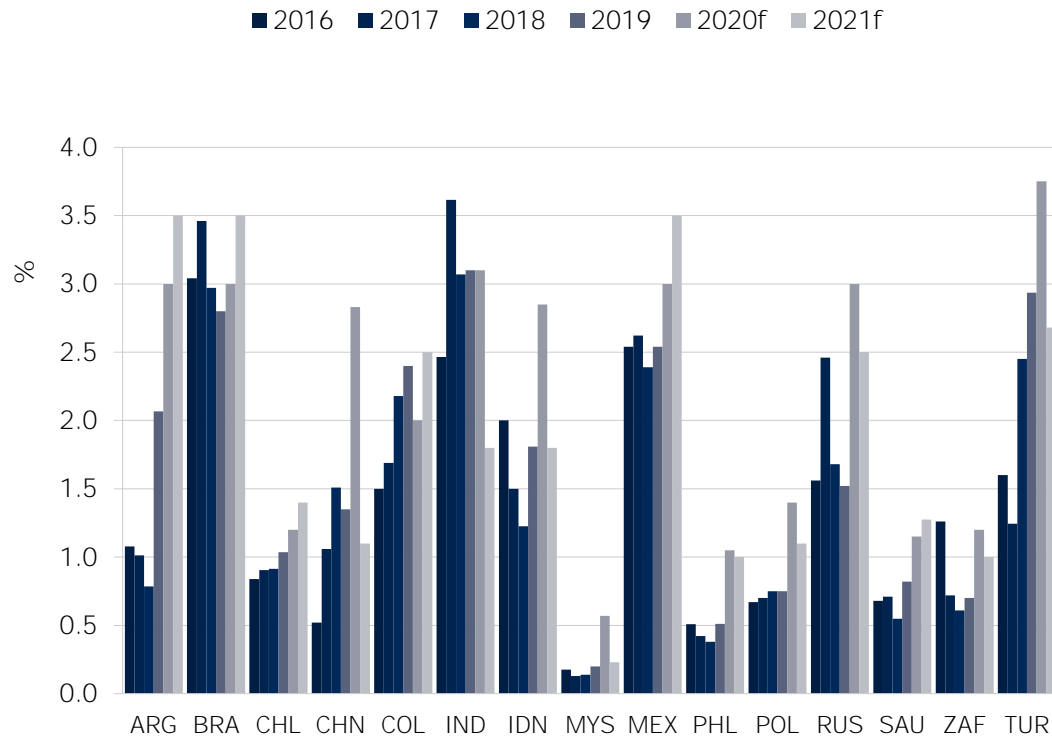
Note: Data as of May 28, 2020. Source: S&P Global Ratings Research, Thomson Reuters, ICE Data Indices, Federal Reserve Bank of St. Louis.

- Easing EM spreads. After credit spreads peaked in late March to the highest levels seen since the Great Financial Crisis, they have tightened and differentiated. Investment-grade, which is a smaller portion of emerging market credit markets, saw a meaningful reduction in risk premium after actions by the Federal Reserve, European Central Bank, and others in the form of liquidity injections, asset purchases, and lower interest rates.
- Risk aversion persists, especially for LatAm and speculative-grade issuers. LatAm continues to show the highest risk premium across EMs, despite some compression and small but meaningful improvement in debt issuances. Asia sees the tightest spread across EMs.

EM Banks | Wider Credit Losses And Falling Profits, But No Capital Event

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Expected Credit Losses 2020 - 2021



- We expect asset quality to deteriorate across the board, with NPLs increasing by more than 50% and potentially doubling in some countries.
- While credit losses will widen, we think regulatory forbearance may delay their recognition and push some of the increase into 2021.
- Measures implemented by most EM central banks are helpful, but generally do not reduce credit risk on banks' balance sheets.
- Profitability will decline due higher cost of risk. But we expect banks to remain profitable in 2020, except for those in India that are already grappling with a significant backlog of NPLs.
- EMs banks remain much more profitable than those in developed markets due to hefty interest margins and good efficiency (in most countries, labor costs remain lower).

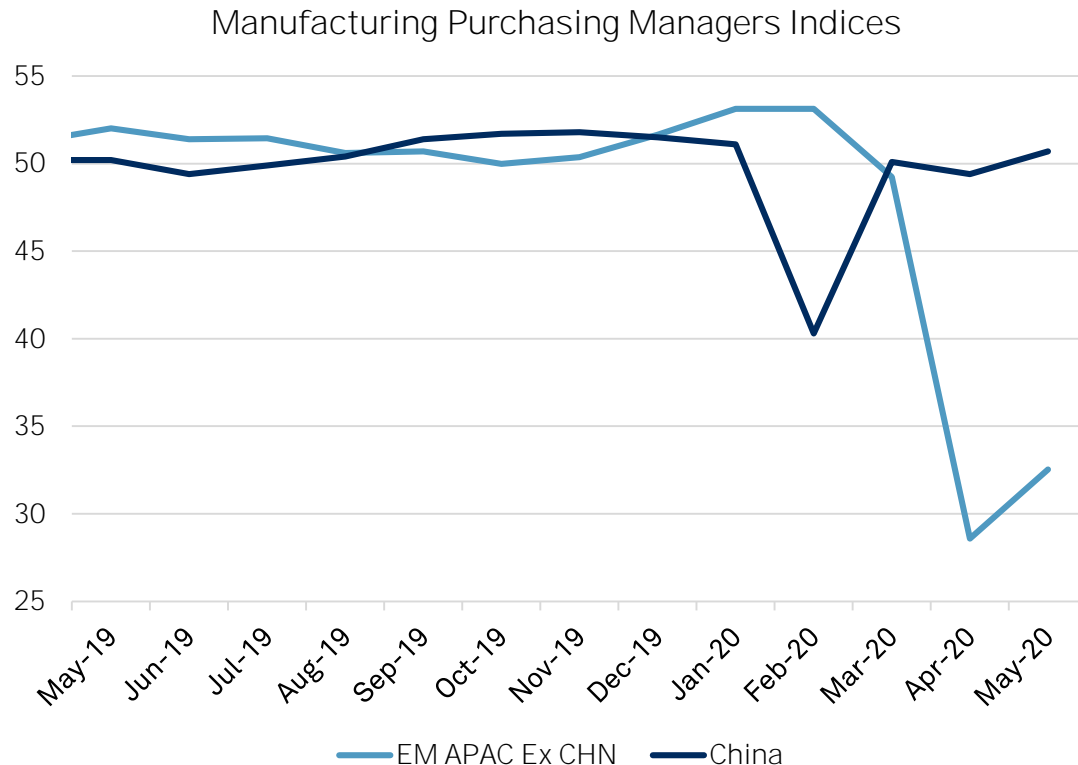
Note: Data for Argentina, Brazil, Chile, Colombia, and Mexico include net charge-offs. f--Forecast. Source: S&P Global Ratings.

Regional Economic Highlights

APAC EM Economics | Lockdowns Weighed On Activity In April

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Activity Slowed Sharply As A Result Of Lockdowns



Sources: CEIC and S&P Global Ratings

- April likely the weakest growth month in 2020. April recorded the sharpest drop in activity across Asian EMs given that lockdowns were in place across much of the region. The resulting precipitous slowdown in activity was evident in sharply weaker high frequency data. Other readings pointed to sharply weaker demand, such as India's services PMI reading of 5.4 for April, the lowest on record.
- Gradual easing of lockdown restrictions has started. Most of the APAC EMs have begun to ease some lockdown restrictions to prevent excessive economic costs. In addition, monetary policy remains highly supportive. In China, manufacturing activity is gradually normalizing.

APAC EM Economics | Indian Economy Set To Contract Sharply

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FY 2020 /21 GDP Forecast To Shrink 5.0%

India Real GDP Growth



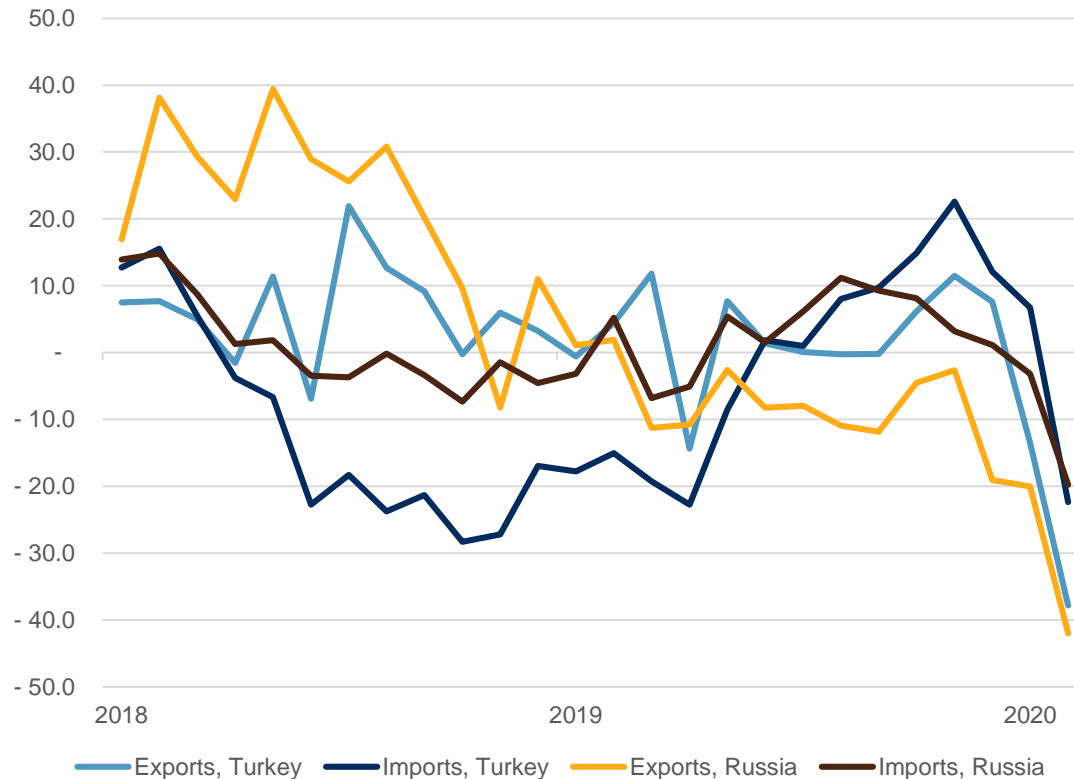
- A sudden stop in economic activity. The COVID-19 outbreak and lockdowns have frozen economic activity in India. The services sectors, which are large employers, have been severely affected, leading to widespread job losses. Migrant workers have been geographically displaced, and we expect it will take some time to unwind this process. There will be supply chain disruptions over the transition period.
- Limited policy support. The central bank has cut policy rates by 115 basis points since February, but policy traction remains low as banks remain unwilling to lend. New direct fiscal stimulus worth 1.2% of GDP won't be enough to provide significant growth support.

Note: Numbers shown are for fiscal years where fiscal year 2021 = year ending March 2021. Sources: Central Statistics Office and S&P Global Ratings

EMEA EM Economics | Slump In Foreign Trade

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Exports And Imports Drop Sharply In Russia and Turkey



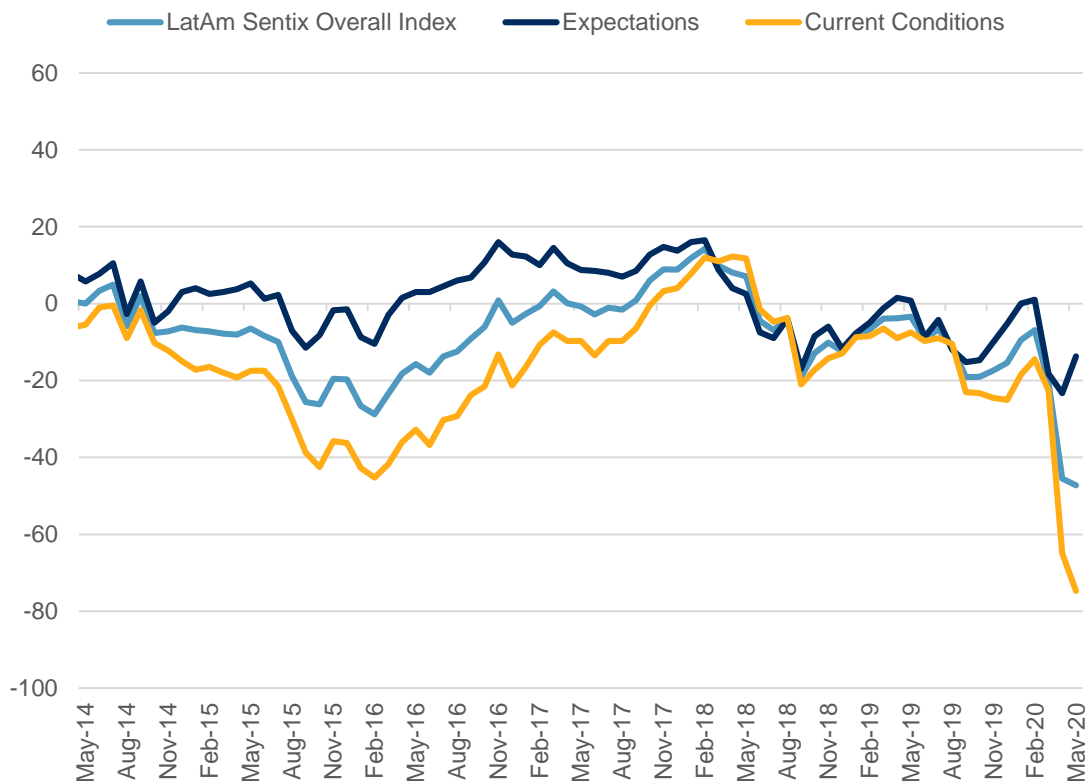
Sources: CBR, CBRT, Federal Customs Service of Russia, Datastream and S&P Global Ratings estimates

- Exports nosedive. Goods exports plummeted in April in Russia and Turkey. This reflects a sharp fall in external demand amid the lockdowns in key trading partners, especially in the Eurozone, as well as a fall in oil prices in the case of Russia.
- A plunge in imports is a signal of a sharp drop in domestic demand, but also mitigates the decline in GDP and stabilizes the external balance. Imports fell sharply in Russia and Turkey in April in response to the collapse in domestic demand and currency depreciation. Imports usually fall much more than domestic demand in these and other EMs, which helps mitigate the GDP decline and limits the worsening in the current account. We expect the current account to narrow but remain in surplus in Russia, and a small deficit in Turkey in 2020.

LatAm Economics | The Spread Of COVID-19 Is Threatening To Slow Recovery From The First-Half Slump

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Sentix Investor Confidence Index Shows Sentiment Towards LatAm Has Yet To Notably Improve



Source: Sentix Behavioral Indices, Haver Analytics.

- Q1 GDP only a glimpse of hit to activity in the second quarter. LatAm's 5 GDP declined by more than 6% q/q in annualized terms in the 2Q, with most of the drop occurring in the last two weeks of March as lockdowns were implemented in the region. The decline in the 2Q will be several multiples that of in the 1Q, as lockdowns got extended through most of the quarter. We expect several LatAm economies to contract around 40% q/q in annualized terms.
- Lockdowns loosened, but cases continue to increase. Most LatAm countries started reopening certain sectors of their economies either at the end of May or early June. However, the pace of new infections continues to increase in most of the region, which means that reopening will be very gradual, and consumer and business caution will prevail in the third quarter.

Macro-Credit Dashboards

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GDP Summary | Sharp Slump Coming In The Second Quarter

Country	Latest Reading (y/y)	Period	5Y Avg	2019	2020f	2021f	2022f
Argentina	-1.1	Q4	-0.3	-2.2	-7.0	2.6	2.5
Brazil	-0.3	Q1	-0.6	1.1	-4.6	3.3	2.9
Chile	0.4	Q1	2.1	1.0	-3.9	4.6	3.2
Colombia	1.1	Q1	2.4	3.3	-2.6	4.1	3.4
Mexico	-1.4	Q1	2.1	-0.1	-6.7	2.9	2.3
China	-6.8	Q1	6.7	6.1	1.2	7.4	4.7
India	3.1	Q1	5.0	5.0	-5.0	8.5	6.5
Indonesia	3.0	Q1	7.0	5.0	1.8	7.5	6.5
Malaysia	0.7	Q1	4.9	4.3	-1.1	7.6	5.1
Philippines	-0.2	Q1	6.4	5.9	-0.2	9.0	6.7
Thailand	-1.8	Q1	3.4	2.4	-4.2	6.2	4.2
Poland	1.9	Q1	4.2	4.2	-4.0	5.0	2.7
Russia	1.6	Q1	0.8	1.3	-4.8	4.5	3.3
Saudi Arabia	-0.3	Q4	1.6	0.3	-3.0	1.6	2.7
South Africa	-0.5	Q4	0.8	0.2	-4.5	3.5	1.5
Turkey	4.5	Q1	4.1	0.9	-3.1	4.2	3.5

Source: Haver Analytics, S&P Global Ratings.

Note: Red means GDP growth is below five-year average (2015-2019). Blue means the opposite. F— Forecast.

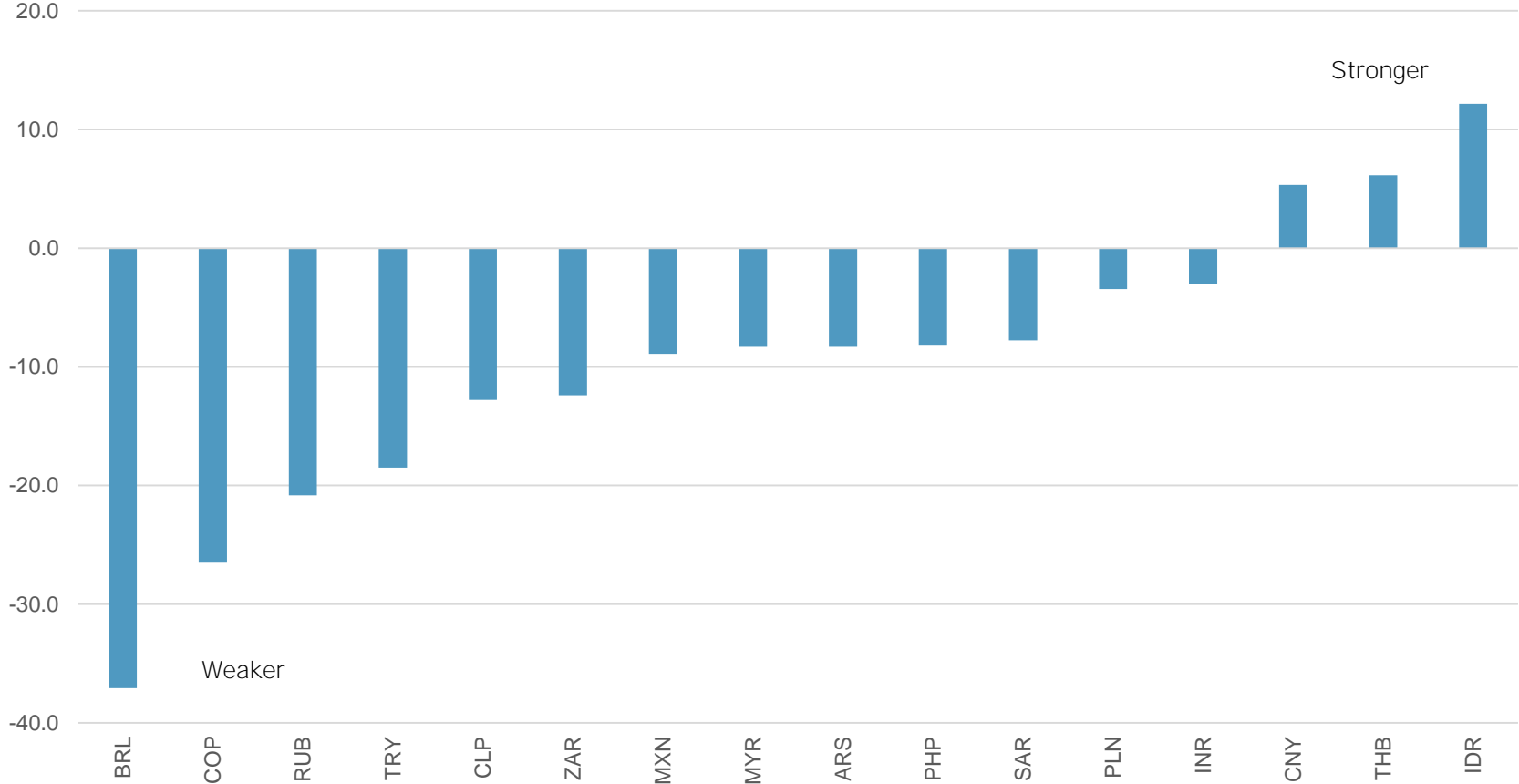
Monetary Policy/FX | Easing Continued In May, FX Bounced

Country	Policy Rate	Inflation Target	Latest Inflation Reading	Latest Rate Decision	Next Meeting	May Exchange Rate Chg.	YTD Exchange Rate Chg.
Argentina	38.00%	No Target	44.3%	N/A	N/A	-2.5%	-12.6%
Brazil	3.00%	4.25% +/-1.5%	2.4%	75 bps cut	Jun. 17	2.8%	-24.5%
Chile	0.50%	3% +/-1%	3.4%	Hold	Jun. 16	3.6%	-6.8%
Colombia	2.75%	3% +/-1%	3.5%	50 bps cut	Jun. 26	5.7%	-12.2%
Mexico	5.50%	3% +/-1%	2.2%	50 bps cut	Jun. 25	9.0%	-14.7%
China	2.20%	3%	3.3%	Hold	N/A	-1.0%	-2.4%
India	4.00%	4% +/-2%	5.8%	40 bps cut	N/A	-0.7%	-5.6%
Indonesia	4.50%	3.5% +/-1%	2.7%	Hold	Jun. 18	1.9%	-5.1%
Malaysia	2.00%	No Target	-2.9%	25 bps cut	Jul. 07	-1.0%	-5.9%
Philippines	2.75%	3% +/-1%	2.2%	50 bps cut	Jun. 25	-0.4%	0.1%
Thailand	0.50%	2.5% +/-1.5%	-3.0%	25 bps cut	Jun. 24	1.7%	-5.8%
Poland	0.10%	2.5% +/-1%	3.4%	40 bps cut	Jun. 06	3.6%	-5.3%
Russia	5.50%	4.00%	3.1%	50 bps cut	Jun. 19	6.0%	-11.6%
Saudi Arabia	1.00%	3% +/-1%	1.3%	Hold	N/A	0.0%	0.0%
South Africa	3.75%	3%-6%	4.1%	50 bps cut	Jul. 23	5.6%	-20.2%
Turkey	8.25%	5% +/-2%	10.9%	50 bps cut	Jun. 25	2.4%	-12.8%

Source: Bloomberg, Haver Analytics, S&P Global Ratings. Note: Red means inflation is above the target range, policy is tightening, and exchange rate is weakening. Blue means the opposite. A positive number for the exchange-rate change means appreciation. Argentina's central bank no longer targets inflation, nor does it set the policy rate directly (it is set based on monetary aggregates targeting). For China, we use the PBOC's seven-day reverse repo. YTD is as of May 31.

Real Effective Exchange Rates | LatAm And EM-EMEA Have Been Hit Harder Than EM-APAC

Broad Real Effective Exchange Rates, % Change From 10-Year Average



Source: S&P Global Ratings, Haver Analytics, J.P. Morgan. Note: data is computed on 10 years of the monthly average data of the J.P. Morgan Real Broad Effective Exchange Rate Index (PPI-deflated). Data as of May 29.

Emerging Markets Heat Map

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Ratings

Emerging Markets Risk Profile

Sovereign Ratings (June 1, '20)

	Argentina	Brazil	Chile	Colombia	Mexico	China	India	Indonesia	Malaysia	Philippines	Thailand	Poland	Russia	Saudi Arabia	South Africa	Turkey
FC Sovereign Rating	SD	BB-	A+	BBB-	BBB	A+	BBB-	BBB	A-	BBB+	BBB+	A-	BBB-	A-	BB-	B+
Sovereign Outlook	NM	Stable	Negative	Negative	Negative	Stable	Stable	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Institutional	6	4	2	3	3	3	3	3	3	4	4	4	5	4	4	5
Economic	5	5	4	4	5	3	4	4	4	4	4	4	5	4	5	4
External	6	3	4	6	2	1	2	4	2	1	1	2	1	1	3	6
Fiscal (BDGT)	6	5	2	3	3	4	6	3	3	3	3	3	4	5	6	4
Fiscal (DBT)	5	5	1	4	4	2	6	3	4	3	3	2	1	1	6	4
Monetary	5	3	2	3	3	3	3	3	2	3	2	2	3	4	2	4

Financial Institutions (June 1, '20)

Economic Risk	10	7	4	7	6	7	6	6	5	6	7	4	8	5	7	8
Industry Risk	7	5	3	5	3	5	5	6	3	5	4	5	7	3	5	9
Institutional Framework	High	Int.	Low	High	Int.	High	High	High	Int.	High	Int.	Int.	Very High	Int.	Int.	Very High
Derived Anchor	b+	bb+	bbb+	bb+	bbb-	bb+	bbb-	bb+	bbb	bbb-	bb+	bbb	bb-	bbb	bb+	b+
Eco. Risk Trend	Stable	Stable	Negative	Stable	Stable	Stable	Negative	Negative	Stable	Stable	Stable	Negative	Stable	Stable	Negative	Negative
Eco. Imbalances	H	Int	Lw	H	VLw	H	Lw	Lw	Lw	Lw	Lw	Lw	H	Int	H	VH
Credit Risk	EH	H	Int	H	H	VH	VH	VH	H	H	EH	Int	VH	Int	H	VH
Competitive Dynamics	H	H	Int	Int	Int	H	H	H	Int	Int	H	H	H	Int	Int	VH
Funding	VH	Int	Lw	Int	Lw	VLw	Lw	Int	Lw	Int	Lw	Int	H	Lw	H	VH

Non-Financial Corporates (Rated)

Median Rating (May 29, 2020)	CCC+	BB-	BBB	BBB-	BB+	BBB	BBB-	B+	BBB+	BBB	BBB+	BB+	BB+	BBB+	BB-	BB-
Net Debt / EBITDA	2.3	3.1	2.5	2.6	2.7	6.2	3.8	3.4	1.9	2.2	3.5	3.3	2.0	4.6	2.5	2.0
ROC Adj.*	-23.3	8.5	5.8	8.8	6.4	3.8	5.7	5.6	7.0	10.7	8.2	4.2	9.0	7.3	6.6	-2.2
EBITDA INT. COV.	4.3	3.8	6.5	5.3	5.1	2.7	3.1	3.4	7.7	7.0	5.2	7.7	5.2	5.4	4.7	5.8
FFO / DEBT	28.0	19.6	26.7	22.0	22.6	7.3	12.6	17.8	39.0	38.2	23.0	23.4	31.6	12.3	27.2	31.6
NFC FC Debt % GDP*	11.6	14.9	32.4	8.6	17.3	6.3	6.3	7.7	11.5	5.8t	7.1	13.4	12.5	9.9	15.2	36.5
NFC Debt % of GDP*	15.6	42.9	103.3	33.6	26.4	156.7	44.2	22.9	68.1	45.7t	47.6	43.8	46.0	45.5	40.2	67.3

Color Coding

Sovereign – Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). Based on Sovereign Rating Methodology, Dec. 23, 2014.

Financial Institutions BICRA—The overall assessment of economic risk and industry risk, which ultimately leads to the classification of banking systems into BICRA groups, is determined by the number of "points" assigned to each risk score on the six-grade scale. The points range from 1 to 10, with one point corresponding to "very low risk" and 10 points corresponding to "extremely high risk," based on Banking Industry Country Risk Assessment Methodology and Assumptions, Nov. 09, 2011; and Banks Rating Methodology and Assumptions Nov. 09, 2011.

Non-Financial Corporates—Ratios are derived from the Median of Rated Corporates in their respective country, we then rank them according to our Corporate Methodology, Nov. 19, 2013 by using table 17, with levels that go from minimal to highly leveraged. * - We assess return on capital by using the median of our rated corporates in their respective country, then we adjust for inflation, we then rank it based on our Corporate Methodology, Nov. 19, 2013. * - Non financial corporates debt and foreign currency denominated debt is based on IIF global debt monitor with data as of March 2020.

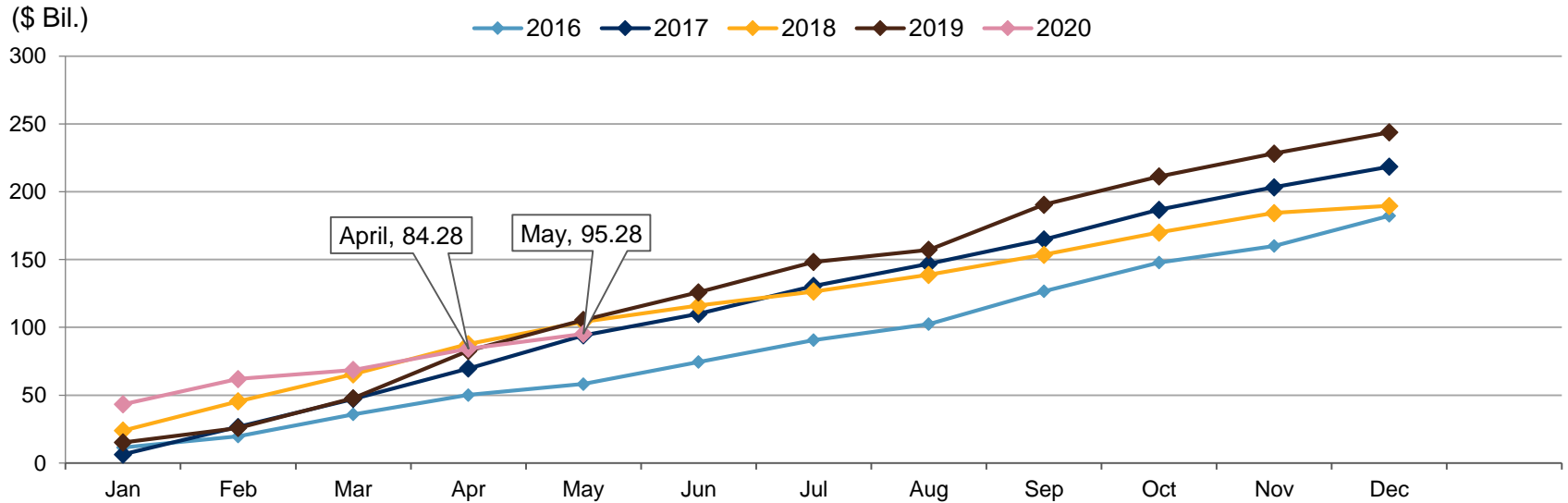
t - Source: Bangko Sentral NG Pilipinas; S&P Global Ratings.

Source: S&P Global Ratings.

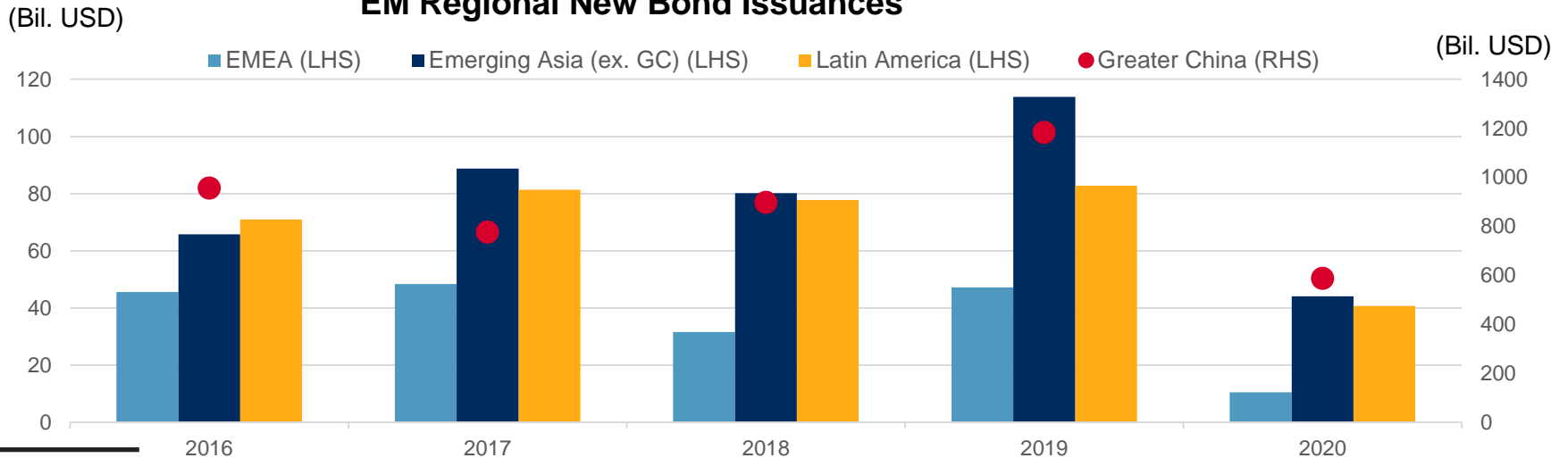
Financing Conditions

Highlights

EM (ex. China) Cumulative Corporate New Bond Issuances



EM Regional New Bond Issuances

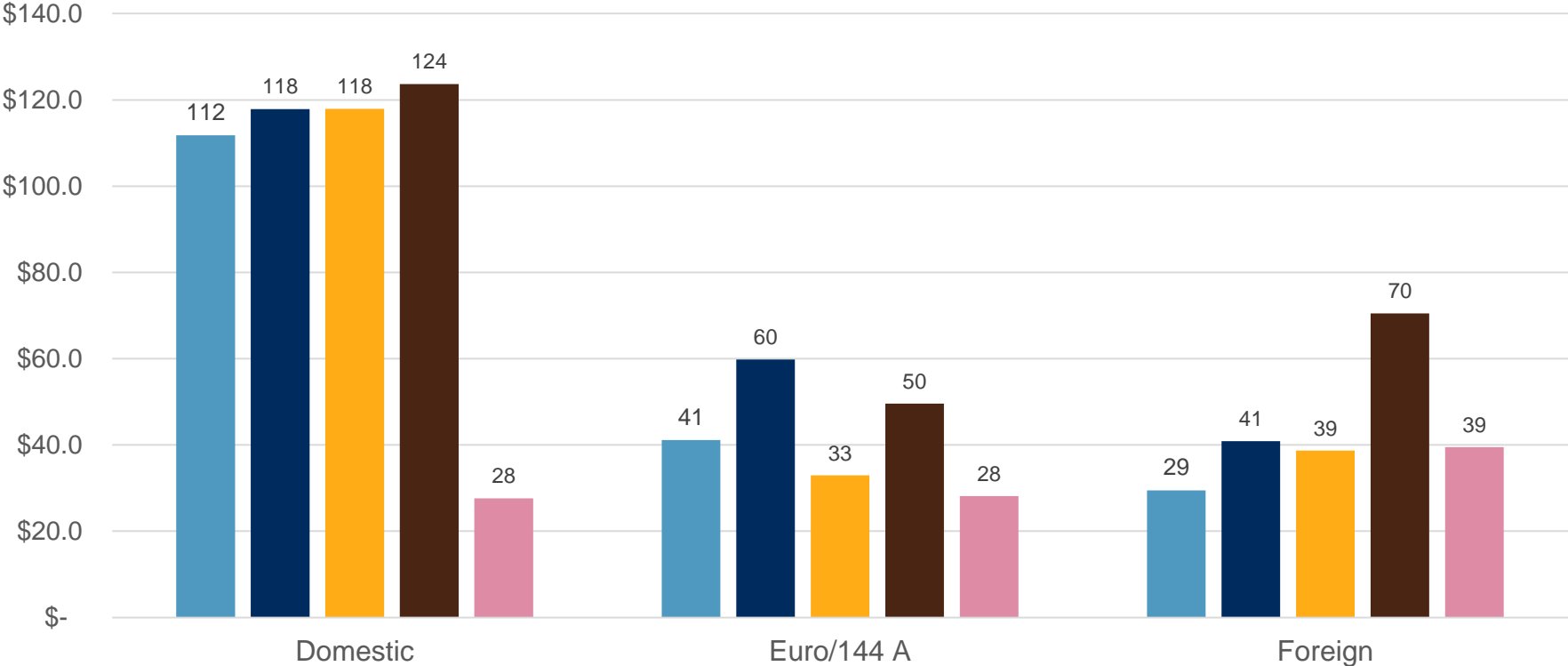


EM Corporate Issuance | By Market

EM New Issuances By Market

(Bil. USD)

2016 2017 2018 2019 2020

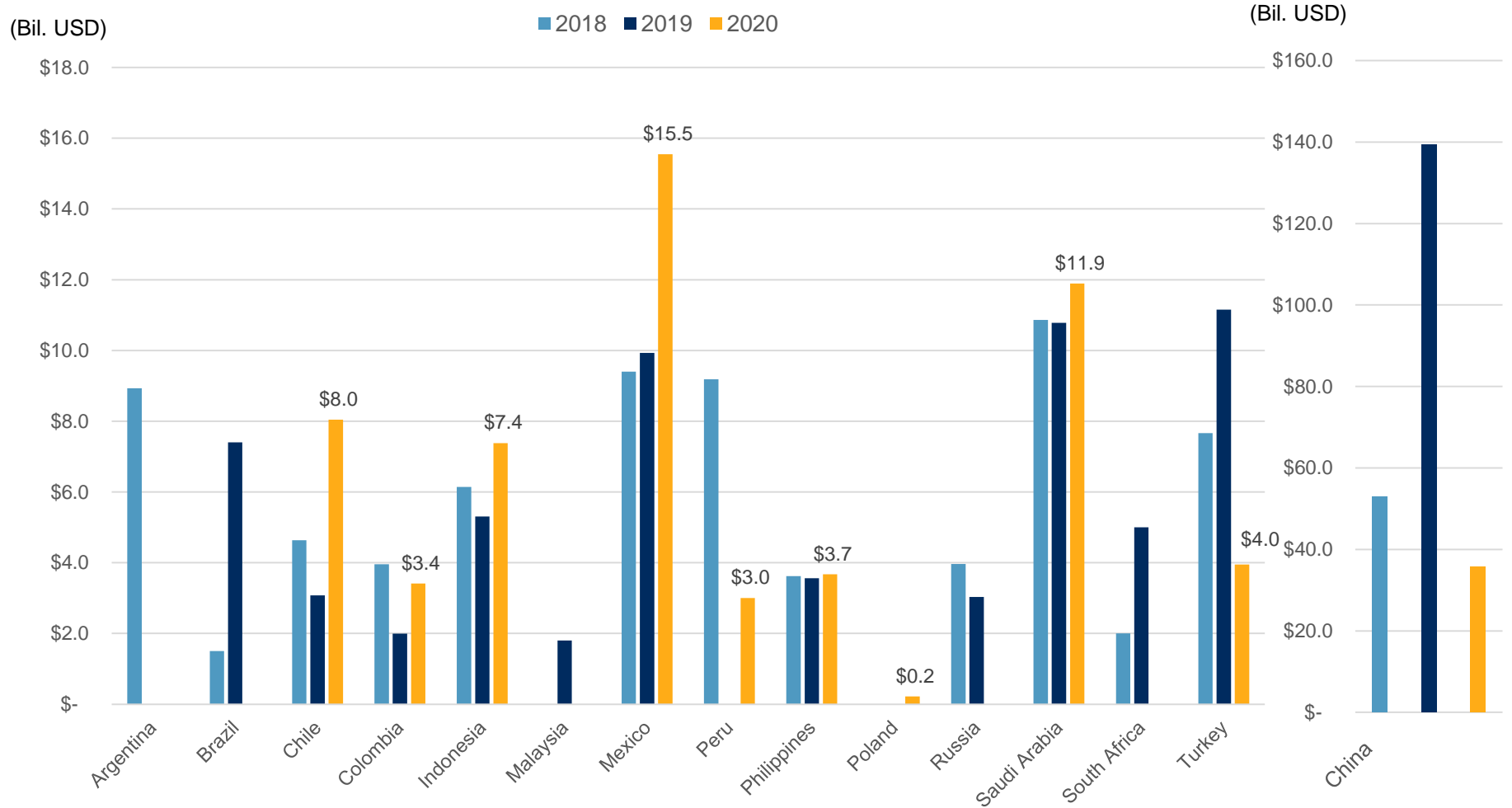


Data as of May 28, 2020. Source: S&P Global Ratings Research; Thomson Reuters.

Issuances | Sovereign Top 20 Deals In 2020 By Debt Amount

Issue Date	Issuer	Country	Market Place	S&P Sovereign Rating		Security Description	Currency	Issuance (US \$ Mil.)
				S&P Issue-Rating	(as of May 28, 2020)			
6-Jan-20	Mexico	Mexico	U.S. Public	BBB+	BBB	3.250% Global Notes due '30	USD	\$ 3,034
6-Jan-20	Mexico	Mexico	U.S. Public	BBB+	BBB	3.250% Global Notes due '30	USD	\$ 3,034
15-Apr-20	Saudi Arabia	Saudi Arabia	EURO/144A	NR	A-	4.500% Sr Med Term Nts due '60	USD	\$ 2,973
21-Jan-20	Saudi Arabia	Saudi Arabia	EURO/144A	NR	A-	3.750% Sr Med Term Nts due '55	USD	\$ 2,703
15-Apr-20	Saudi Arabia	Saudi Arabia	EURO/144A	NR	A-	2.900% Sr Med Term Nts due '25	USD	\$ 2,495
22-Apr-20	Mexico	Mexico	U.S. Public	BBB	BBB	4.750% Senior Notes due '32	USD	\$ 2,444
22-Apr-20	Mexico	Mexico	U.S. Public	BBB	BBB	5.000% Senior Notes due '51	USD	\$ 2,315
6-Feb-20	Republic of Turkey	Turkey	U.S. Public	NR	B+	4.250% Sr Unsecurd Nts due '25	USD	\$ 1,982
6-Feb-20	Republic of Turkey	Turkey	U.S. Public	NR	B+	5.250% Sr Unsecurd Nts due '30	USD	\$ 1,969
6-Apr-20	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	3.850% Global Notes due '30	USD	\$ 1,643
6-Apr-20	Indonesia Republic	Indonesia	U.S. Public	BBB	BBB	4.200% Global Notes due '50	USD	\$ 1,636
21-Jan-20	Colombia	Colombia	U.S. Public	NR	BBB-	3.000% Global Bonds due '30	USD	\$ 1,526
21-Jan-20	Colombia	Colombia	U.S. Public	NR	BBB-	3.000% Global Bonds due '30	USD	\$ 1,526
15-Apr-20	Saudi Arabia	Saudi Arabia	EURO/144A	NR	A-	3.250% Sr Med Term Nts due '30	USD	\$ 1,489
5-May-20	Chile	Chile	U.S. Public	A+	A+	2.450% Global Notes due '31	USD	\$ 1,457
21-Jan-20	Chile	Chile	Euro Public	NR	A+	1.250% Sr Unsecurd Nts due '40	EUR	\$ 1,394
21-Jan-20	Chile	Chile	Euro Public	NR	A+	1.250% Sr Unsecurd Nts due '40	EUR	\$ 1,394
17-Jan-20	Mexico	Mexico	Euro Public	BBB+	BBB	1.125% Sr Unsecurd Nts due '30	EUR	\$ 1,371
27-Apr-20	Philippines	Philippines	U.S. Private	BBB+	BBB+	2.950% Medium-Term Nts due '45	USD	\$ 1,350
21-Jan-20	Saudi Arabia	Saudi Arabia	EURO/144A	NR	A-	2.500% Sr Med Term Nts due '27	USD	\$ 1,247

Issuance | EM Sovereign Debt



YTD data as of May 27 for 2020; includes local / foreign currencies. China includes mainland China and Hong Kong. Source: S&P Global Ratings Research.

Issuance | EM (ex. China) Financial and Non-Financial Top 20 Deals

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Mil)
27-May-20	03-Jan-31	Petrobras Global Fin. BV	Brazil	Oil & Gas	U.S. Public	NR	5.600% Gtd Global Nts due '31	US	\$ 3,200
27-May-20	03-Jun-50	Petrobras Global Fin. BV	Brazil	Oil & Gas	U.S. Public	NR	6.750% Gtd Global Nts due '50	US	\$ 3,200
14-Apr-20	21-Apr-50	Petronas Capital Ltd	Malaysia	Financial Institution	U.S. Private	NR	4.550% Gtd Mdm-Trm Nts due '50	US	\$ 2,750
14-Apr-20	21-Apr-30	Petronas Capital Ltd	Malaysia	Financial Institution	U.S. Private	NR	3.500% Gtd Mdm-Trm Nts due '30	US	\$ 2,222
24-Apr-20	29-Apr-30	Ecopetrol SA	Colombia	Integrated Oil & Gas	U.S. Public	BBB-	6.875% Sr Unsecurd Nts due '30	US	\$ 1,982
9-Jan-20	20-Jan-27	Deutsche Bank SA	Brazil	Banks	Euro Public	BBB-	1.625% Sr Unsecurd Nts due '27	EUR	\$ 1,661
13-Jan-20	16-Jan-50	Fomento Econo Mexicano	Mexico	Consumer Products	U.S. Public	A-	3.500% Sr Unsecurd Nts due '50	US	\$ 1,470
11-May-20	19-May-31	Deutsche Bank SA	Brazil	Banks	Euro Public	BB+	Reset MTN's due '31	EUR	\$ 1,344
25-Feb-20	3-Mar-25	Yandex NV	Russian Federation	High Technology	Euro Public	NR	0.750% Cvt Senior Nts due '25	US	\$ 1,250
8-Jan-20	22-Jan-30	Coca-Cola FEMSA SAB de CV	Mexico	Consumer Products	Euro Public	NR	2.750% Gtd Sr Notes due '30	US	\$ 1,237
9-Jan-20	16-Dec-24	Deutsche Bank SA	Brazil	Banks	Euro Public	BBB-	2.625% Sr Unsecurd Nts due '24	STG	\$ 1,106
14-Apr-20	21-Apr-60	Petronas Capital Ltd	Malaysia	Financial Institution	U.S. Private	NR	4.800% Gtd Mdm-Trm Nts due '60	US	\$ 1,000
5-Feb-20	12-Feb-30	Adani Electricity Mumbai Ltd	India	Utility	U.S. Private	NR	3.949% Sr Secured Nts due '30	US	\$ 1,000
15-Jan-20	15-Jan-25	Bharti Airtel Ltd	India	Telecommunications	Euro Public	NR	1.500% Convertible Bds due '25	US	\$ 1,000
24-Apr-20	4-May-22	CII	Mexico	Broker	Euro Public	NR	0.750% Medium-Term Nts due '22	US	\$ 1,000
4-May-20	5-Jul-30	America Movil Sab De Cv	Mexico	Telecommunications	U.S. Public	BBB+	2.875% Senior Notes due '30	US	\$ 999
11-May-20	15-May-25	PT Indonesia Asahan Aluminium	Indonesia	Metals, Mining & Steel	U.S. Private	NR	4.750% Sr Unsecurd Nts due '25	US	\$ 990
11-May-20	15-May-30	PT Indonesia Asahan Aluminium	Indonesia	Metals, Mining & Steel	U.S. Private	NR	5.450% Sr Unsecurd Nts due '30	US	\$ 977
23-Jan-20	29-Jan-25	Bancolombia SA	Colombia	Banks	U.S. Public	BB+	3.000% Senior Notes due '25	US	\$ 943
5-Mar-20	20-Mar-50	CFE	Mexico	Utility	Foreign Public	BBB+	4.050% Gtd Sr Unsec Nt due '50	US	\$ 900

YTD data as of May 28, 2020; excludes Sovereign. Red means speculative-grade rating, blue means investment-grade rating, and gray means NR (not rated). Table is for foreign currency only without perpetuals. Source: S&P Global Ratings Research.

Maturing Debt | EM Financial and Non-Financial

Top Deals Coming Due In June And July

Issue Date	Maturity Date	Issuer	Country	Sector	Market Place	S&P Issue - Rating	Security Description	Currency	Issuance (US \$ Million)
15-Jan-15	23-Jul-20	PEMEX	Mexico	Integrated Oil & Gas	Foreign Public	BBB+	3.500% Gtd Sr Notes due '20	US	\$ 1,499
25-Jul-13	30-Jul-20	AngloGold Ashanti Hlgs Finance	South Africa	Finance Company	U.S. Public	BB+	8.500% Gtd Global Nts due '20	US	\$ 1,250
19-Jul-10	26-Jul-20	Bancolombia SA	Colombia	Banks	U.S. Public	NR	6.125% Sub Global Note due '20	US	\$ 610
13-May-15	17-Jun-20	Banco de Credito e Inversiones	Chile	Banks	Foreign Public	A	0.250% Fxd/Straight Bd due '20	SFR	\$ 164
9-Jan-15	14-Jul-20	Export Import Bank of Thailand	Thailand	Banks	Euro Public	NR	Flt Rt Sr Bonds due '20	US	\$ 150
17-Jul-17	24-Jul-20	MayBank	Malaysia	Banks	Foreign Private	NR	4.600% St Enterprise due '20	CY	\$ 148
20-Jun-19	21-Jun-20	MayBank	Malaysia	Banks	Foreign Private	A-	3.280% Sr Unsecurd Nts due '20	CY	\$ 146
6-Jun-17	10-Jun-20	Yapi ve Kredi Bankasi AS	Turkey	Banks	Euro Public	BB	13.125% Medium-Term Nts due '20	TL	\$ 142
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 123
28-Jul-10	28-Jul-20	Ekurhuleni Metropolitan Konsortium Lapangan Terjaya	South Africa	Utility	Euro Private	NR	10.560% Fxd/Straight Bd due '20	SAR	\$ 111
26-Jul-05	26-Jul-20		Malaysia	Capital Goods	Euro Private	NR	Islamic Finance due '20	RG	\$ 101
8-Jul-15	15-Jul-20	KT Kira Sertifikalar Varlk	Turkey	Finance Company	Malaysia Private	NR	5.720% Islamic Finance due '20	RG	\$ 79
8-Feb-10	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 68
8-Mar-10	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 62
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 60
1-Jun-15	8-Jun-20	EXIM Sukuk Malaysia Bhd	Malaysia	Finance Company	Euro Private	NR	2.700% Islamic Finance due '20	US	\$ 50
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 49
22-Jul-15	27-Jul-20	Clindeb Investments	South Africa	Broker	Euro Public	NR	Flt Rt Sr Bonds due '20	SAR	\$ 48
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 48
19-Jul-18	26-Jul-20	Cagamas Global Plc	Malaysia	Finance Company	Euro Private	NR	3.100% Gtd Mdm-Trm Nts due '20	HK	\$ 45
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 1,499
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 1,250
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 610
11-Aug-09	31-Jul-20	South African National Roads	South Africa	Capital Goods	Euro Private	NR	9.750% Medium-Term Nts due '20	SAR	\$ 164
15-Feb-01	30-Jun-20	BACS I Mortgage Trust 2001-1	Argentina	Finance Company	U.S. Private	NR	10.500% Senior Bonds due '20	US	\$ 150

Ratings Summary

S&P Global
Ratings

Ratings Summary | Sovereigns In May

Country	Rating	Outlook	5 Year CDS Spread	Financials Median Rating	Non-Financials Median Rating
Argentina	SD	NM	N/M		CCC+
Brazil	BB-	Stable	283		BB-
Chile	A+	Negative	93		BBB
China*	A+	Stable	58	A	BBB
Colombia	BBB-	Negative	173		BBB-
India	BBB-	Stable	141		BBB-
Indonesia	BBB	Negative	165		B+
Malaysia	A-	Stable	90		BBB+
Mexico	BBB	Negative	178	BBB-	BB+
Philippines	BBB+	Stable	74		BBB
Poland	A-	Stable	58	A-	BB+
Russia	BBB-	Stable	119	BB-	BB+
Saudi Arabia	A-	Stable	139	BBB	BBB+
South Africa	BB-	Stable	345		BB-
Thailand	BBB+	Stable	53	A-	BBB+
Turkey	B+	Stable	555		BB-

Rating Actions | Top 15 By Debt Amount (YTD)

Rating Date	Issuer	Country	Sector	Rating To	Rating From	Action Type	Debt Amount (US \$ Mil)
27-Mar-20	America Movil S.A.B. de C.V.	Mexico	Telecommunications	BBB+	A-	Downgrade	\$ 22,120
27-Mar-20	Instituto Para La Proteccion al Ahorro Bancario (United Mexican States)	Mexico	Financial Institutions	BBB	BBB+	Downgrade	\$ 18,347
31-Mar-20	Corporacion Nacional del Cobre de Chile	Chile	Metals, Mining & Steel	A	A+	Downgrade	\$ 17,543
27-Mar-20	Comision Federal De Electricidad (CFE) (United Mexican States)	Mexico	Utility	BBB	BBB+	Downgrade	\$ 6,897
2-Apr-20	Tata Motors Ltd. (Tata Sons Pte. Ltd.)	India	Automotive	B	B+	Downgrade	\$ 5,468
20-May-20	Empresas Copec S.A. (E-Copec) (AntarChile S.A.)	Chile	Diversified	BBB-	BBB	Downgrade	\$ 3,900
14-Apr-20	Tata Steel Ltd. (Tata Sons Pte. Ltd.)	India	Metals, Mining & Steel	B+	BB-	Downgrade	\$ 2,300
27-Mar-20	Banco Mercantil del Norte, S.A. Institucion de Banca Multiple Grupo Financiero Banorte (Grupo Financiero Banorte S.A.B. de C.V. y Subsidiarias)	Mexico	Bank	BBB	BBB+	Downgrade	\$ 2,120
8-May-20	YPF S.A	Argentina	Oil & Gas Exploration & Production	CCC+	B-	Downgrade	\$ 1,969
27-Mar-20	Unifin Financiera, S.A.B. de C.V.	Mexico	Finance Co.	BB-	BB	Downgrade	\$ 1,850
17-Apr-20	Shriram Transport Finance Company Limited	India	Finance Co.	BB	BB+	Downgrade	\$ 1,801
27-Mar-20	Banco Inbursa S.A. Institucion de Banca Multiple Grupo Financiero Inbursa (Grupo Financiero Inbursa)	Mexico	Bank	BBB	BBB+	Downgrade	\$ 1,750
12-May-20	MTN Group Ltd.	South Africa	Telecommunications	BB-	BB	Downgrade	\$ 1,750
11-May-20	Oi S.A.	Brazil	Telecommunications	B-	B	Downgrade	\$ 1,654
27-Apr-20	PT Pelabuhan Indonesia II (Persero) (Republic of Indonesia)	Indonesia	Utility	BBB-	BBB	Downgrade	\$ 1,600
8-May-20	Pampa Energia S.A.	Argentina	Utility	CCC+	B-	Downgrade	\$ 1,550
27-Mar-20	Coca-Cola Femsa, S.A.B. de C.V.	Mexico	Consumer Products	BBB+	A-	Downgrade	\$ 1,500
12-May-20	Transnet SOC Ltd.	South Africa	Utility	BB-	BB	Downgrade	\$ 1,464
9-Jan-20	PT Medco Energi Internasional Tbk.	Indonesia	Oil & Gas Exploration & Production	B+	B	Upgrade	\$ 1,450
24-Mar-20	Falabella S.A.	Chile	Retail/Restaurants	BBB	BBB+	Downgrade	\$ 1,411

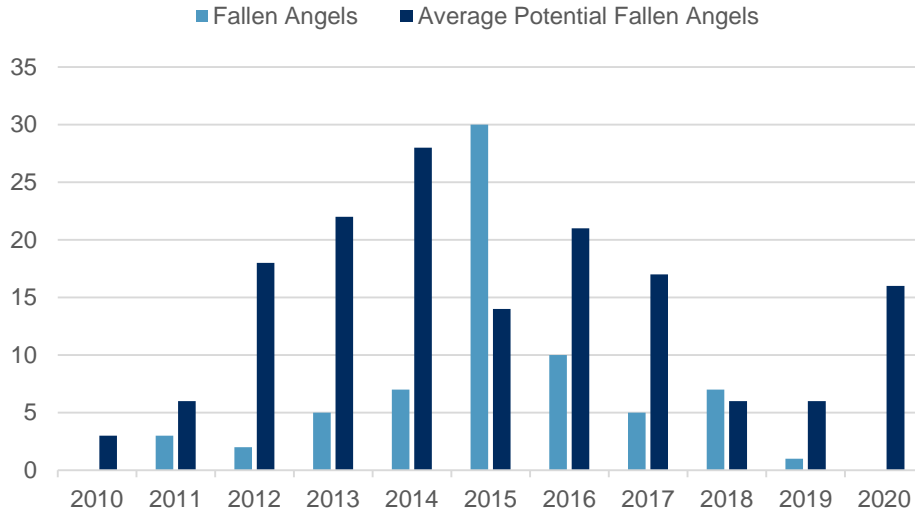
Data as of May 28, 2020, exclude sovereign and Greater China; include Red Chip companies and only I

Rating Actions | Rating Changes From 'B-' To 'CCC'

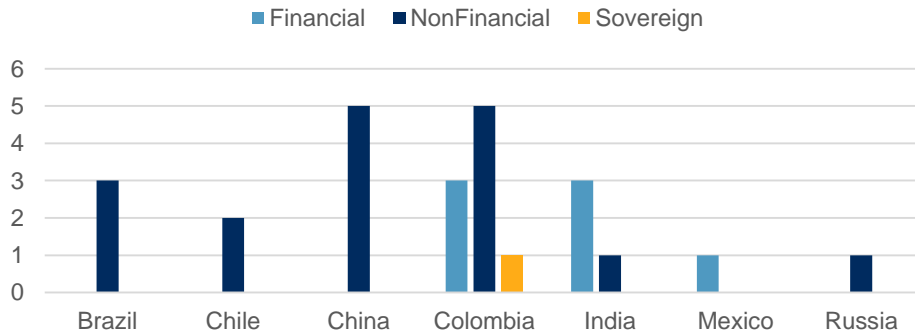
Rating Date	Issuer	Country	Sector	Rating To	Rating From	Debt Amount (US \$ Mil)
13-Jan-20	Empresa Distribuidora Y Comercializadora Norte S.A.	Argentina	Utility	CCC+	B-	300
16-Mar-20	Banco Hipotecario S.A.	Argentina	Bank	CCC	B-	350
17-Mar-20	IRSA Inversiones y Representaciones S.A. (Cresud S.A.C.I.F. y A.)	Argentina	Homebuilders/Real Estate Co.	CCC+	B-	431
19-Mar-20	PT MNC Investama Tbk.	Indonesia	Media & Entertainment	CCC	B-	231
6-Apr-20	Grupo Kaltex, S.A. de C.V.	Mexico	Consumer Products	CCC	B-	320
8-Apr-20	GCL New Energy Holdings Limited (GCL-Poly Energy Holdings Limited)	Bermuda	Utility	CCC	B-	500
8-Apr-20	Pearl Holding III Limited	China	Automotive	CCC+	B-	175
9-Apr-20	PT Gajah Tunggal Tbk.	Indonesia	Automotive	CCC+	B-	250
13-Apr-20	Compania de Transporte de Energia Electrica en Alta Tension TRANSENER S.A.	Argentina	Utility	CCC+	B-	99
27-Apr-20	CAR Inc.	Cayman Islands	Transportation	CCC	B-	557
29-Apr-20	Aeropuertos Argentina 2000 S.A.	Argentina	Utility	CC	B-	400
30-Apr-20	PT Alam Sutera Realty Tbk.	Indonesia	Homebuilders/Real Estate Co.	CCC+	B-	545
8-May-20	Pampa Energia S.A.	Argentina	Utility	CCC+	B-	1550
8-May-20	YPF S.A	Argentina	Oil & Gas Exploration & Production	CCC+	B-	1969
8-May-20	Banco De Galicia Y Buenos Aires S.A.U.	Argentina	Bank	CCC+	B-	250
8-May-20	Telecom Argentina S.A.	Argentina	Telecommunications	CCC+	B-	400
8-May-20	Transportadora de Gas del Sur S.A. (TGS) (Compania De Inversiones de Energia S.A.)	Argentina	Utility	CCC+	B-	500
8-May-20	Compania General de Combustibles S.A.	Argentina	Oil & Gas Exploration & Production	CCC+	B-	300
8-May-20	CAPEX S.A.	Argentina	Utility	CCC+	B-	300
8-May-20	AES Argentina Generacion S.A (AES Corp. (The))	Argentina	Utility	CCC+	B-	300

Rating Actions | Fallen Angels And Potential Fallen Angels

Potential fallen angels hit three-year high in EMs though fallen angels have yet to materialize so far in 2020



Pressure in Colombia raises potential knock-on impact for potential fallen angels across corporate and financial services

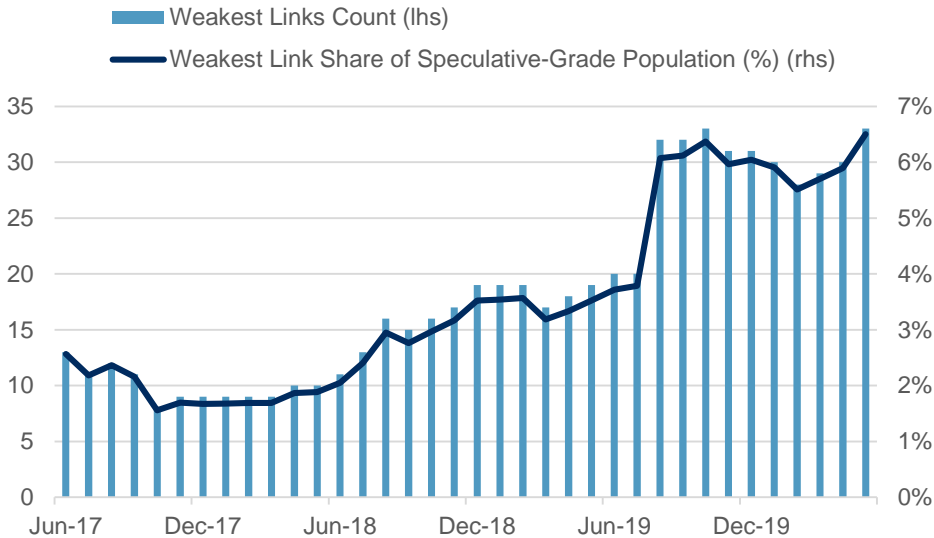


- Sasol Limited (BB/Negative; South Africa), is the only Fallen Angel among Emerging Markets so far this year.
- Potential fallen angels rise. Pressure in Colombia Sovereign Ratings raises potential knock-on impact on corporate and financial services; China has the second-largest potential fallen angels across EMs, all which are corporate issuers.
- For more information, see [“Potential Fallen Angels Hit A Record-High 111”](#) published May 14, 2020.

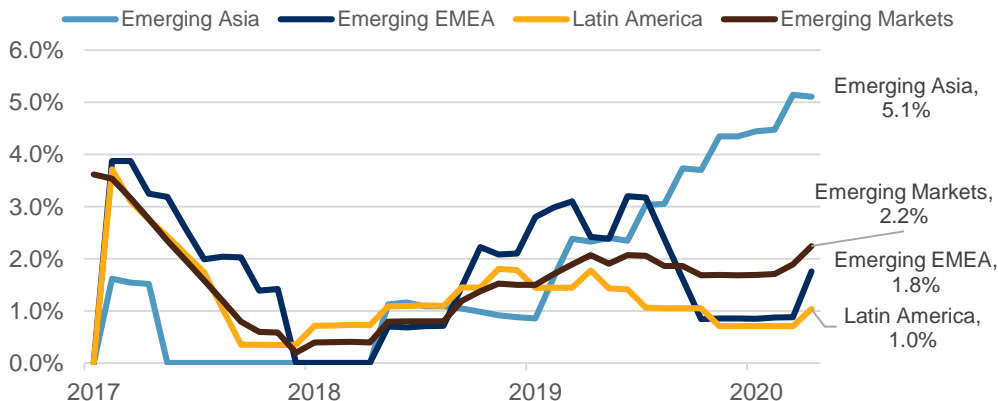
Data as of May 29, 2020. Source: S&P Global Ratings Research.

Rating Actions | Weakest Links And Default Rates

EMs weakest links rise near record highs, pointing to higher likely default rates



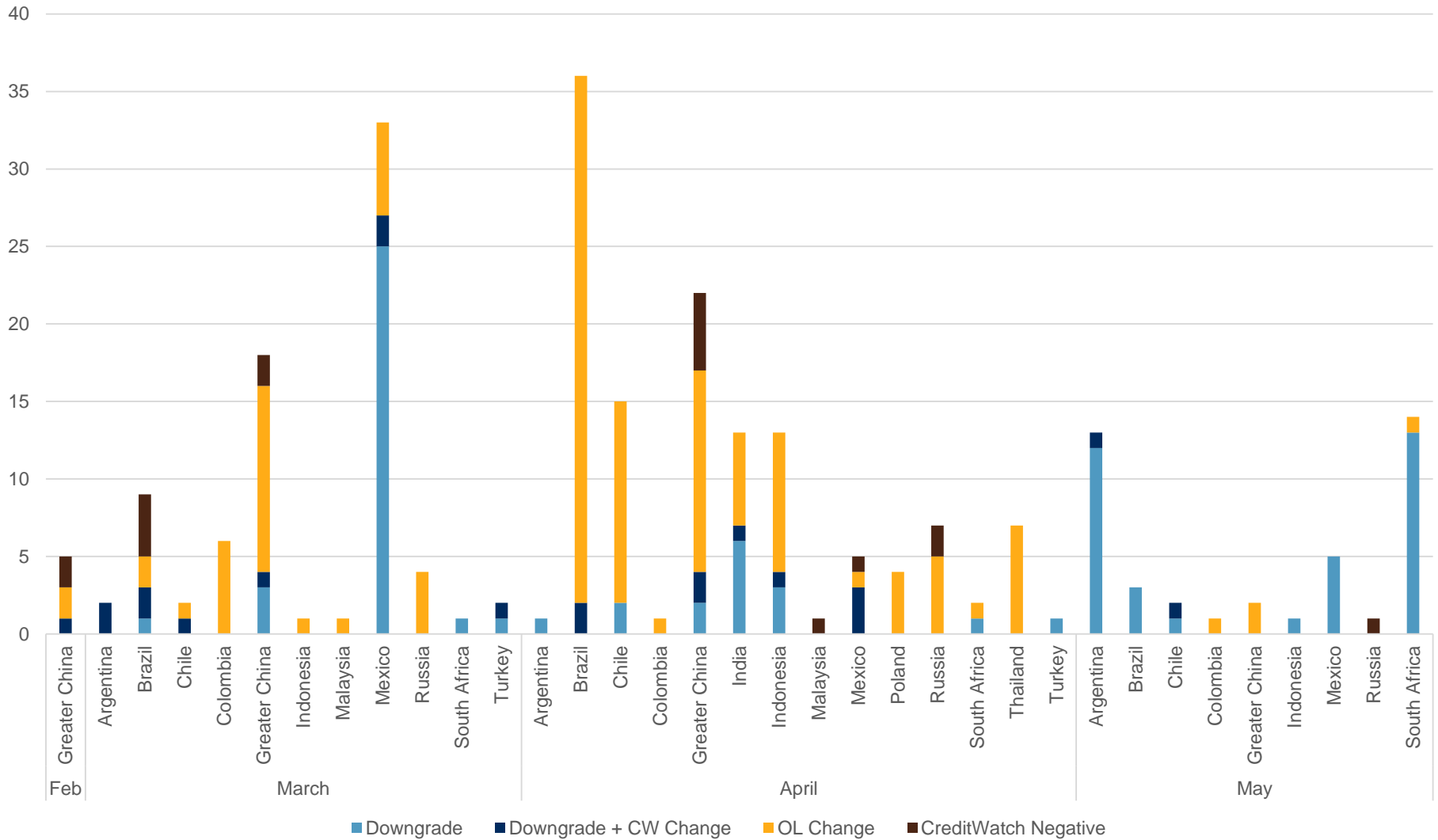
Default rates begin to rise across EMs



Data as of May 29, 2020. Source: S&P Global Ratings Research.

- Weakest links. EMs see weakest links rise to 33 issuers (nearly 7% of the speculative-grade rated population). Weakest links are issuers rated 'B-' and below with negative outlook or CreditWatch with negative implications; they typically default at rate of 8x that of broader speculative-grade issuers.
- Rising default rates Default rates are rising across EMs with Asia seeing an increase since trade tensions began to weigh on credit conditions in late 2018.
- For more information, see [“More Than One-Quarter Of Speculative-Grade Issuers Are Weakest Links”](#) published May 14, 2020.

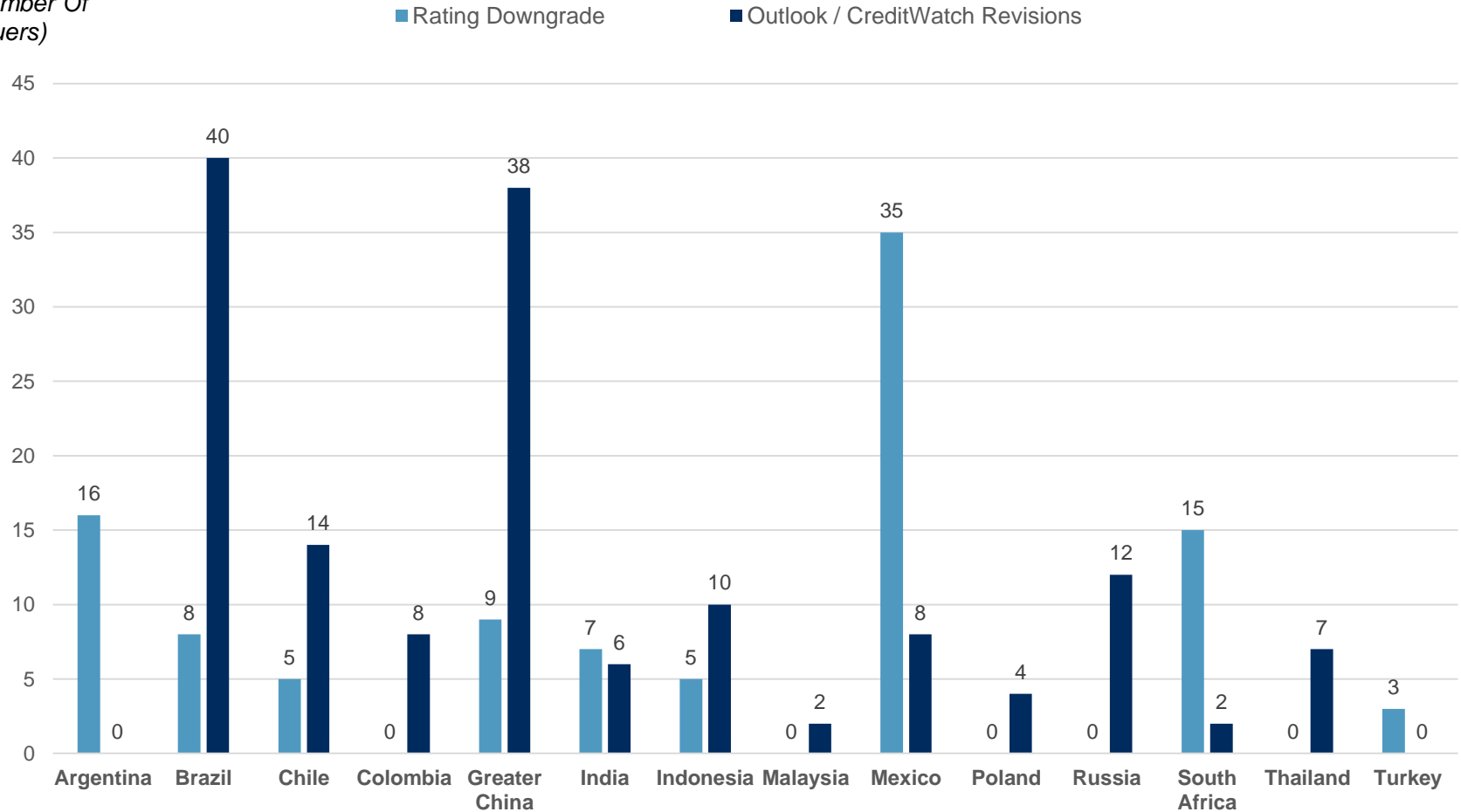
EM | COVID-19 / Oil-Related Rating Actions By Country



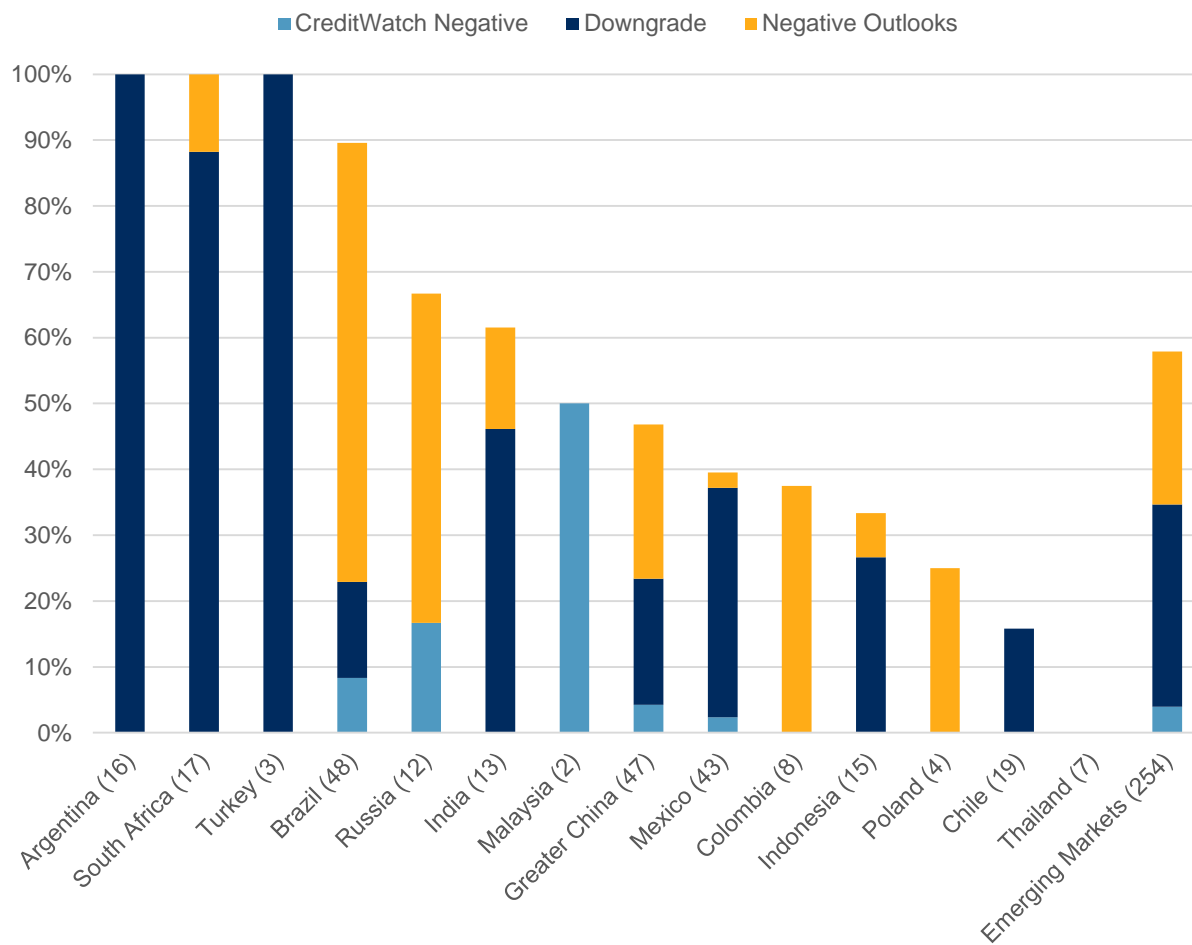
EM | COVID-19 / Oil-Related Rating Actions

(Including Downgrades And Outlook/CreditWatch Revisions)

(Number Of Issuers)



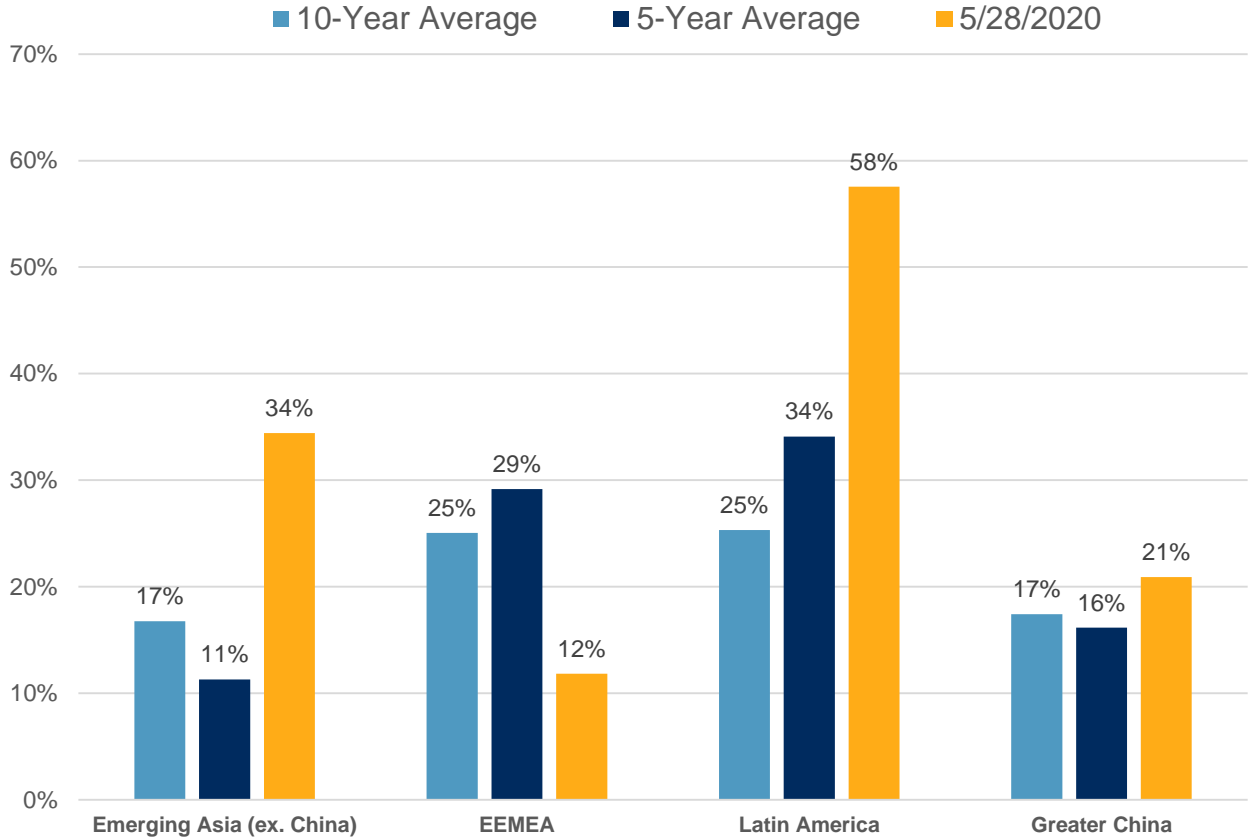
EM | COVID-19 / Oil-Related Rating Actions



- Speculative-grade dominance. Over half of the negative rating actions in are speculative-grade.
- Downgrades. Argentina, South Africa, Turkey, India, Mexico, and Indonesia saw a comparatively large number of downgrades.
- Negative outlooks. Brazil, Russia, Greater China, Colombia, and Poland saw the bulk of negative outlooks among speculative-grade issuers.

EM Downgrade Potential | Regional Negative Bias

EM Downgrade Potential
Differentiated Across Region

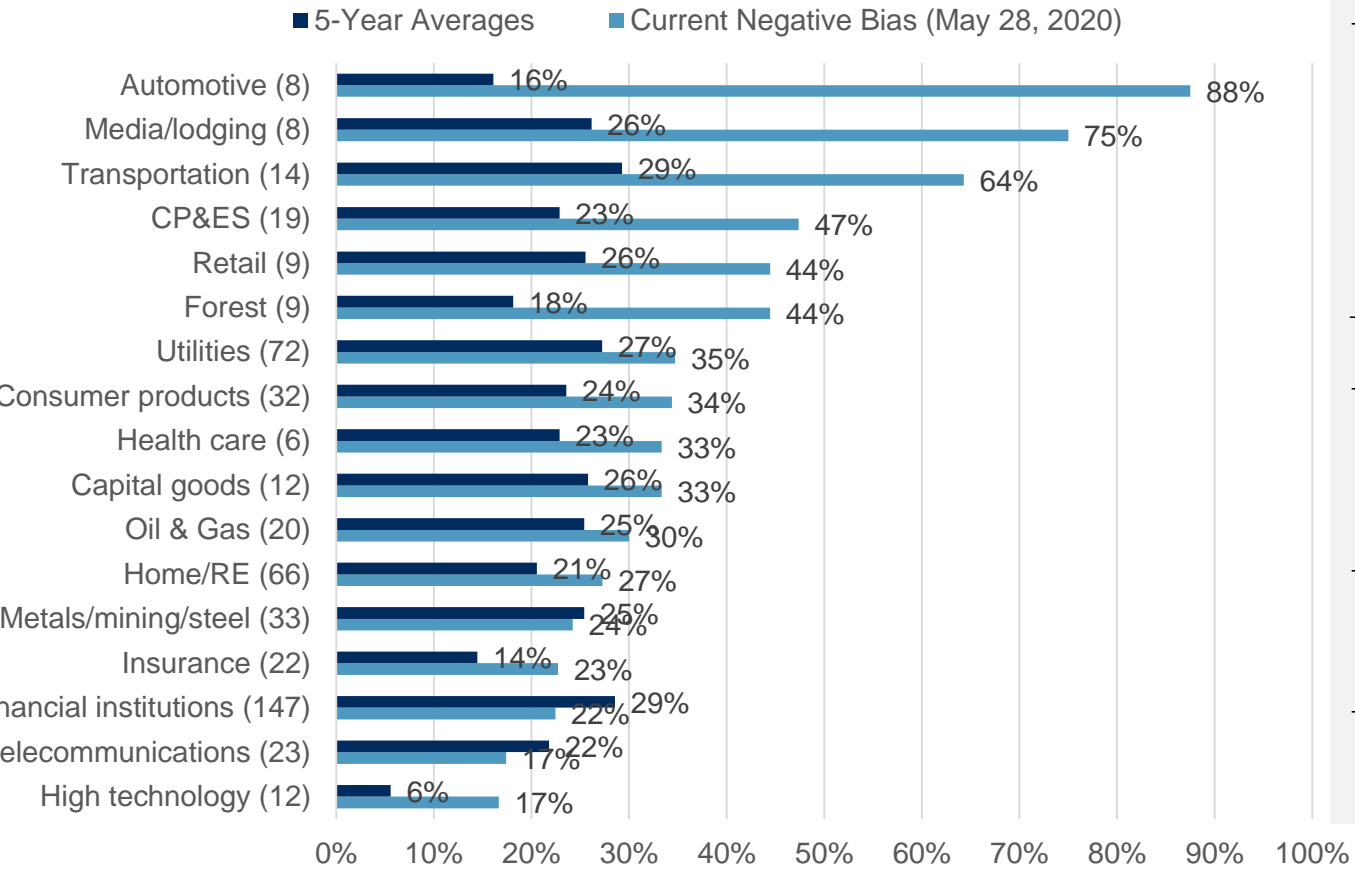


- LatAm. Downgrade potential remained high in May, above both five- and ten-year averages, as Brazil becomes new epicenter of COVID19 pandemic.
- EEMEA. Downgrade potential dropped in May below historical averages after a number of downgrades in South Africa in May.
- Asia. Downgrade potential remains elevated among emerging Asia (ex. China) while Greater China improves as we monitor the COVID-19 recovery impact.

Data as of May 28, 2020 and exclude sovereign. Source : S&P Global Ratings Research. Latin America: Argentina, Brazil, Chile, Colombia, Mexico. Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines. EMEA: Poland, Russia, Saudi Arabia, South Africa, Turkey. Greater China --- China, Hong Kong, Macau, Taiwan and Red Chip companies.

EM Downgrade Potential | By Sector

Automotive, media and lodging, and transportation lead downgrade potential



- Echoing trends in developed markets, the automotive, media and lodging, and transportation sectors in EMs vulnerable to the largest downgrade pressure.

These sectors see:

- Particularly intense revenue pressure (automotive, lodging, and transportation as well as retail).
- Structural dislocation in the automotive sector ahead of the pandemic.
- The collapse in travel has hit the airlines hard.

Data as of May 28, 2020 and include sectors with more than five issuers only; excludes Sovereign. Source : S&P Global Ratings Research. Latin America: Argentina, Brazil, Chile, Colombia, Mexico. Emerging Asia: India, Indonesia, Malaysia, Thailand, Philippines. EMEA: Poland, Russia, Saudi Arabia, South Africa, Turkey. Greater China --- China, Hong Kong, Macau, Taiwan and Red Chip companies.

Related Research

S&P Global
Ratings

Emerging Markets | Related Research

- COVID-19: Coronavirus- And Oil Price-Related Public Rating Actions On Corporations, Sovereigns, And Project Finance To Date, June 3, 2020
- Coronavirus Impact: Key Takeaways From Our Articles, June 1, 2020
- Credit FAQ: Why GCC Pegged Exchange Rate Regimes Will Remain In Place, June 1, 2020
- Credit FAQ: IMF Lending And Sovereign Ratings, May 28, 2020
- India's Economy To Shrink 5% This Fiscal Year, May 27, 2020
- Banking Industry Country Risk Assessment Update: May 2020, May 27, 2020
- Banks In Emerging Markets: 15 Countries, Three COVID-19 Shocks, May 26, 2020
- Credit Trends: Downgrade Potential Rises To All-Time High On Sharp, Deep Economic Slowdown, May 26, 2020
- Credit FAQ: How The COVID-19 Pandemic Has Affected Sovereign Creditworthiness In Latin America And The Caribbean, May 21, 2020
- Credit Conditions Emerging Markets: Longer Lockdowns, Heightened Risks; April 23, 2020
- Global Credit Conditions: Rising Credit Pressures Amid Deeper Recession, Uncertain Recovery Path; April 22, 2020
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- Economic Research: COVID-19 Deals A Larger, Longer Hit To Global GDP; April 16, 2020

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