

Day's accents

- **Nordgold 2016 results** were a little bit weaker than in 2015 due to the lower production, while the company forecasts the production recovery in 2017. We expect a neutral market reaction of the results publication to the company's Eurobonds.
- **Volatility in Agrokor bonds** remains high, as investors react to every piece of news on the company. However, the most important decisions are still to be made.
- **Nigerian Zenith bank's decision not to place additional shares** is a little bit disappointing for the bond investors, however, it should not have a material impact on the company's bonds due to the current already strong capital adequacy metrics.
- We believe that **new Alfa bank bond** is still attractive at 2.625%.
- **The S&P outlook on Ausdrill 2017** perspectives is quite positive which may attract additional investors' demand to the company's bonds.
- The news on the **results publication delay** may negatively affect **Yingde Gases** Eurobonds, as following the corporate conflict resolution, investors' attention now switches to the company's financial problems.
- **Mexico inflation** at highest rate in 8 years. Hawkish response from Central bank to follow, which may prove positive for peso-denominated assets.
- **33 out of 36 JBS Brazilian slaughterhouses are shut down** for three days. Production to be cut 35% starting next week. Short-term negative.

Schildershoven Global Bonds Value Harvester Index

YTD USD Absolute Return
1.26% as of Mar 22

SGBVHI is the Schildershoven proprietary actively rebalanced index tracked by the following Credit Suisse International notes:
ISIN XS1093388343
ISIN XS1093387709

MIND DRIVER

The markets were stable on Thursday as the vote on the health bill was postponed at least till Friday, Yellen speech added nothing new, while the US new home purchase data came relatively strong.

House Republicans postponed voting on a health-care bill, raising speculation the Trump administration's pro-growth policies will face hurdles in Congress. The vote may take place on Friday. The White House wrangled with House Republicans throughout Thursday to secure enough votes to pass the first major piece of legislation under the Trump presidency.

Purchases of new homes in the US increased in February to a seven-month high, indicating the effects of the recent rise in borrowing costs on the U.S. residential real estate market have been modest. Sales rose 6.1 percent to a 592,000 annualized pace. The median forecast in a Bloomberg survey called for a 564,000 rate. Resilient job growth and steadily improving household balance sheets continue to underpin demand.

A LONG WAY AHEAD



STATISTICS

SOVEREIGN BENCHMARKS

	YTM	Daily Change (bp)	Weekly Change (bp)
GLOBAL			
UST-10	2.43	1	-7
Bund-10	0.44	1	0
Jap-10	0.06	1	-1
UK-10	1.23	-0	-2
CEEMEA			
RUSSIA-23	3.68	-0	-1
UKRAIN-19	7.08	--	-3
BELRUS-18	4.83	12	-2
KAZAKS-25	3.97	-1	-16
POLAND-24	3.18	-0	-14
REPHUN-21	3.56	-0	-14
CZECH-22	0.15	-0	-1
TURKEY-23	4.78	-8	-19
SOAF-22	3.65	-0	-6
ISRAEL-23	2.89	-3	-10
LATAM			
COLOM'26	3.70	-4	-18
BRAZIL'21	3.57	-6	-9
CHILE'21	2.33	-0	--
MEX'22	3.06	-8	-12
VENZ'22	24.73	188	265
ASIA			
Indonesia	3.62	-1	-10
Philippine	2.86	1	-4
Korea	2.67	2	-7
Sri Lanka	5.25	-0	-9
Mongolia	6.36	3	-18
High Yield Index	Value	1D%	5D%
Bloomberg HY EM	180.03	0.14	0.26

EQUITY INDEX

	Value	1D%	5D%
CEEMEA			
Russian MICEX	2 049.08	-0.10	0.60
Turkey BIST 100	89 948.62	0.19	-0.62
Poland WSE	59 093.68	0.59	-1.91
Norway OBX	623.29	-0.10	-1.47
UAE DFM	3 461.43	-0.38	-1.70
Israel Tel Aviv 100	1 266.08	0.15	-0.50
ASIA			
China Shanghai Comp	3 269.45	0.64	0.99
Korea KOSPI	2 168.95	-0.17	0.20
Indonesia Jakarta comp	5 552.33	-0.21	0.21
Japan TOPIX	1 543.92	0.88	-1.83
LATAM			
Argentina Merval	19 705.10	0.20	0.53
Brazil Bovespa	63 530.79	0.01	-3.42
Chile Ipsa	4 727.40	0.80	2.40
Mexico Mexbol	48 676.91	0.39	2.54

CURRENCY

	Price	1D%	5D%
CEEMEA			
USD RUB	57.43	-0.14	-0.43
USD TRY	3.63	0.19	0.25
USD HUF	287.14	-0.16	0.03
USD ZAR	12.48	-0.15	2.01
ASIA			
USD CNY	6.89	-0.10	0.14
USD IDR	13 328.00	-0.02	0.13
USD INR	65.45	0.12	0.03
USD JPY	111.31	-0.33	1.25
LATAM			
USD BRL	3.14	-1.68	-0.69
USD ARS	15.60	0.11	-0.48
USD COP	2 918.43	0.10	0.13
USD MXN	18.95	-0.10	0.68

CEEMEA

REGION SUMMARY

The markets were quite stable on Thursday, will wait for the vote results in the US and Russian Central bank decision on the key rate on Friday.

CORPORATE

Nordgold 2016 results have been a little bit weaker than in 2015 due to the lower production, while the company expects the production recovery in 2017. We expect a neutral market reaction of the results publication to the company's Eurobonds.

Nordgold reported Q4 and 2016 financial and operating results. Revenue for the 4Q2016 totaled USD 277 mln (+5% YoY), for the FY 2016 revenue decreased 5% YoY to USD 1.075 mln mainly due to the lower sales volumes. EBITDA in 4Q2016 grew 27% YoY, however, for the full year was lower 6% than in 2015. Average realized gold price in 2016 increased by 7% to USD 1,246 per oz; average gold price in Q4 2016 was USD 1,198/oz, up 9% YoY and down 10% QoQ. As at 31 December 2016 net debt was USD 505 mln vs 584 mln in 2015. 2017 production is expected to be in the range of 900 – 950 koz (868.8 koz in 2016) at AISC of USD 900-950 per ounce (917/oz in 2016).

Volatility in Agrokor bonds remains high, as investors react to every piece of news on the company. However, the most important decisions are still to be made.

“Agrokor needs 2.7b kuna of funding through June, equivalent to EU364mln,” Zagreb-based newspaper Jutarnji List reports on its website, citing conference call attended by Agrokor's creditors and by financial advisors.

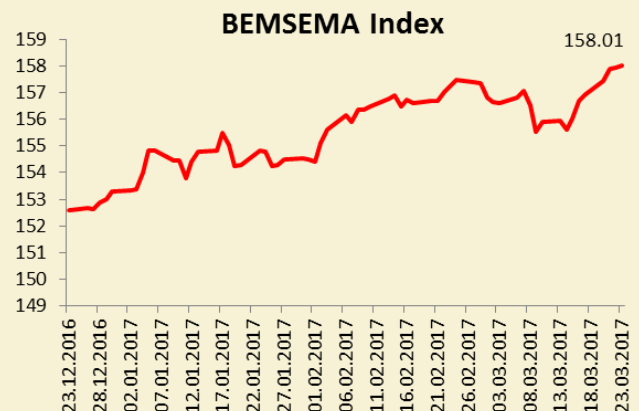
Nigerian Zenith bank's decision not to place additional shares is a little bit disappointing for the bond investors, however, it should not have a material impact on the company's bonds due to the current already strong capital adequacy metrics.

As reported, Nigerian **Zenith bank has withdrawn plan to raise equivalent of 100b naira** in foreign currency by issuing global depository receipts. “We thought we might raise additional capital via GDR but the macroeconomic condition is not improving as we thought so we had to withdraw it,” Michael Anyimah, head of investor relations, said. The economy of Africa's largest oil producer shrank 1.5% in 2016, the first full-year contraction in a quarter of a century.

NEW ISSUES

We believe that new Alfa bank bond is still attractive at 2.625%.

Alfa Holding Issuance Plc placed EUR 400mln 3Y LPN at the yield of 2.625%. Initial price thoughts were at 2.75 area.



ASIA

REGION SUMMARY

Asian market is trading flat on Friday morning.

CORPORATE

The S&P outlook on Ausdrill 2017 perspectives is quite positive which may attract additional investors' demand to the company's bonds.

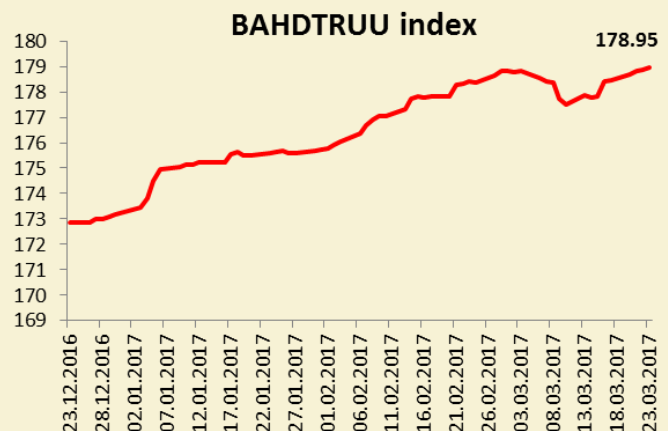
S&P has revised its rating outlook on Australian mining services provider **Ausdrill Ltd. to positive** from stable and affirmed the issuer credit rating on the company at 'B+'. S&P expects Ausdrill's credit metrics to improve over the next 12 to 24 months, due to the company's prudent cost management, deleveraging and recent contract wins.

The news on the results publication delay may negatively affect Yingde Gases Eurobonds, as following the corporate conflict resolution, investors' attention now switches to the company's financial problems.

Yingde Gases said changes in its board and senior management has **delayed the company in completing the audit of its 2016 annual results**. The company understands that auditors will not be able to get required information and resolve 2016 audit by March 31. Impairments, potential impairments and other adjustments may materially hurt management accounts for 2016, according to its preliminary assessment.

NEW ISSUES

Japfa Comfeed placed USD 150mln 5NC3 Eurobond at 5.625% vs. IPT of 5.875%. As reported, the company got more than USD 550mln orders from 85 accounts.



★ LATAM ★

REGION SUMMARY

LatAm IG sovereigns were mostly up yesterday, while HY sovereigns somewhat lagged the movement. In corporate space bids were improving chasing the offer side.

MACRO

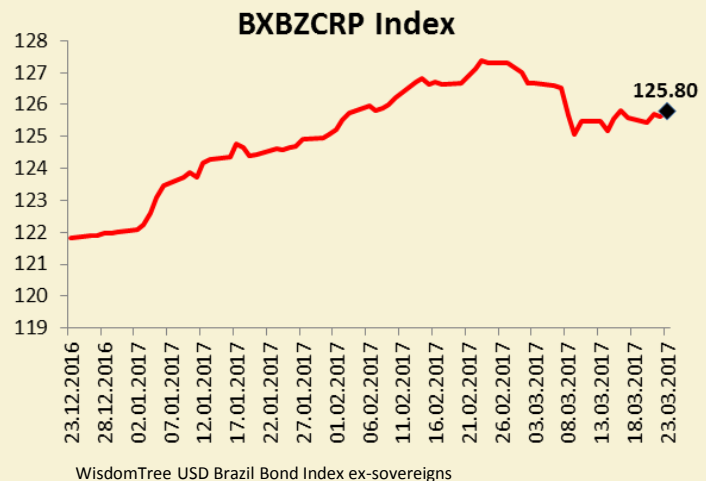
Mexico inflation at highest rate in 8 years. Hawkish response from Central bank to follow, which may prove positive for peso-denominated assets.

The inflation increased to 5,29% and expected to rise further to 5,48% by year-end. Rising consumer prices prompt rate hike from CB which recently set the rate at 6,25%.

CORPORATE

33 out of 36 JBS Brazilian slaughterhouses are shut down for three days. Production to be cut 35% starting next week. Short-term negative.

It's the company response to potential and already instated and export bans. EU asks Brazil to suspend any shipments voluntarily to avoid imposing the ban which would be hard to lift back in the short-term. Brazil refuses for now. Brazilian and EU authorities to meet on Friday to discuss the issue. 18 countries have suspended to this day imports from Brazil either partly or totally. This group include China, Hong Kong and Egypt which represent 48% of Brazilian meat exports. Misery usually needs company, so US investors in JBS equity file the suit of misleading the investors. The twist to this story most likely puts the IPO process in the US on hold.



Disclaimer:

This research is generic, not intended to be specific to any person or any entity; it should not be considered as personalized advice and is solely for information purposes only. The research document is issued in the form of the investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

The information is published by the company's desk staff members and analysts, based on public information that Schildershoven Finance B.V. considers to be reliable.

The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification.

This note and its contents are proprietary information and products of Schildershoven Finance B.V. and may not be copied or reproduced.

Head office
Kabelweg, 37, 1014BA, Amsterdam, The Netherlands
Tel. +31 20 7470002