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BCP SECURITIES

# RECENT REPORTS

JULY 2020

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# LATEST REPORTS RELEASED

EMERGING MARKET QUASI-SOVEREIGN ISSUERS

13th JULY – 68 PAGES

52 RESEARCH NOTES SENT IN JULY



# RESEARCH NOTES



07/31/20 - BCP Research: PT Gajah Tunggal Tbk (GJTLIJ GJTLIJ Caa1/CCC+/-) - Mixed 2Q20 Results

Summary: Indonesian tire and tube manufacturer PT Gajah Tunggal Tbk ("Gajah") released mixed 2Q20 results. Under COVID-19 impact, revenue decreased 47% q/q...

07/31/20 - BCP Research: Kaltex (KLTXXMX -/CCC/CC) 2Q20 Earnings - Weak, in line with our Forecast

Summary: Mexican textile company, Grupo Kaltex, reported weak 2Q20 earnings in line with our forecast. Total revenue decreased by 62% y/y as domestic retail...

07/31/20 - BCP Research: Terrafina (TERRAF Baa3/-/BBB-) 2Q20 Earnings - Stable, in line with Forecast

Summary: Mexican industrial REIT, Terrafina, reported stable 2Q20 earnings in line with our forecast. Property rental revenue decreased by 1% q/q from lowe...

07/31/20 - BCP Research: Capex (CAPXAR -/CCC+/CCC) expected weaker FY20 results - maintain 'Positive'

Summary: Argentine electricity generator CAPEX released expectedly weaker FY20 results (period ended April 2020). Revenue in real terms dropped 12% y/y on ...

07/30/20 - BCP Research: Orbia (ORBIA Baa3/BBB-/BBB) 2Q20 Earnings - Weak

Summary: Mexico's largest chemical company, Orbia (formerly Mexichem), reported weak 2Q20 earnings. Both revenue and EBITDA decreased by double digits q/q ...

07/30/20 - BCP Research: Liberty Latin America (LILAK) - Acquiring Telefónica Costa Rica Mobile Business - Reiterate 'Market Outperform' on LILAK 24s

Summary: Today, Caribbean and LatAm telecom company, Liberty Latin America (LILAK) announced an agreement to acquire Telefónica Costa Rica's (TCR) mobile ...

07/30/20 - BCP Research: Sberbank (SBERRU --- Baa3/-/BBB) --- 2Q20 IFRS Results --- Sequentially Stronger

Summary: On July 30, 2020, Sberbank (Baa3/ - /BBB-), Russia's largest state bank, reported sequentially stronger 2Q20 IFRS results and held a conference ca...

07/30/20 - BCP Research: PT Japfa Comfeed Indonesia TBK (JPFAIJ -/ BB-/ BB-) - Mixed 2Q20 Results

Summary: Indonesian agri-food company PT Japfa Comfeed Indonesia TBK ("Japfa") released mixed 2Q20 results. Revenue and reported EBITDA decreased by double...

07/30/20 - BCP Research: Garanti (GARAN B2/-/B+) sound 2Q20 results

Summary: Turkish bank Garanti reported sound 2Q20 results. While liquidity contracted a bit, the bank remained with a strong FX liquidity buffer of 3.3x it...

07/30/20 - BCP Research: CEMEX (CEMEX -/BB/BB-) 2Q20 Earnings - Mixed, Decent Liquidity

Summary: Mexican cement giant, Cemex released mixed 2Q20 earnings. Total revenue was 14% lower y/y from weakness in Mexico and Europe, partially offset by ...



# RESEARCH NOTES



**07/29/20 - BCP Research: Ukrainian Railway (RAILUA - -/B-/B) --- Maturity Extended; Rating Upgraded**

**Summary:** This week, Ukrzaliznytsia (Ukrainian Railways) shared two bits of good news: on July 27, 2020, the company successfully finalized negotiations on ...

**07/29/20 - BCP Research: DTEK Energy (DTEKUA --- Ca/-/C) --- Restructuring Proposal**

**Summary:** According to media reports, DTEK Energy (Ca/ - /C), Ukraine's largest utility and a member of SCM Group, proposed a restructuring to its bondholde...

**07/29/20 - BCP Research: Yapikredi (YKBNK B2/-/B+) sound 2Q20 results**

**Summary:** Turkish private bank Yapikredi reported sound 2Q20 results. At period-end, the bank reported a strong ST liquidity of 3.5x its next twelve-months ...

**07/29/20 - BCP Research: Mexarrend (DOCUFO -/B/B+) 2Q20 Earnings - Stable, reiterate Positive Rating**

**Summary:** Mexican leasing company Mexarrend, reported stable 2Q20 earnings. Total loans were flat q/q, as leasing loans were relatively stable in the core i...

**07/29/20 - BCP Research: Akbank (AKBNK B2/-/B+) resilient 2Q20 results**

**Summary:** Akbank opened the 2Q20 Turkish bank earnings season, reporting resilient 2Q20 results. FX liquidity buffer remains strong at nearly 4x upcoming ma...

**07/29/20 - BCP Research: Seplat (SEPLLN B2/B-/B-) weak 2Q20**

**Summary:** Nigerian oil and gas upstream company Seplat reported weak 2Q20 results. Revenue decreased 21% q/q on lower crude prices, which more than offset a...

**07/29/20 - BCP Research: CSN (CSNABZ B2/B-/B) 2Q20 Earnings - Strong, Reiterate Outperform**

**Summary:** Brazilian steel and iron ore producer, CSN, reported strong 2Q20 results. Steel revenue was relatively stable q/q as the domestic volume weakness ...

**07/28/20 - BCP Research: Chandra Asri Petrochemical Tbk PT (TPIAIJ Ba3/BB-/BB-) - Mixed 2Q20 Financials**

**Summary:** Indonesia's largest petrochemical company, naphtha-based Chandra Asri Petrochemical Tbk PT ("CAP") released mixed 2Q20 financials. Production and ...

**07/28/20 - BCP Research: Pemex (PEMEX Ba2/BBB/BB-) 2Q20 Earnings - Weak**

**Summary:** Mexico's state oil company, Pemex, reported weak 2Q20 earnings. Revenue declined q/q as crude pricing decreased to US\$24/bbl vs \$41/bbl last quart...

**07/28/20 - BCP Research: FINDEP (FINDEP -/B+/BB-) 2Q20 Earnings - Better Than Expected**

**Summary:** Mexican personal loan lender, FINDEP, reported better than expected 2Q20 earnings, yet with high provisioning. Both Mexico and US loans contracted...



# RESEARCH NOTES



**07/28/20 - BCP Research: Nemak (TNEMAK Ba1/BB+/BBB-) 2Q20 Earnings - Negative**

**Summary:** Mexican auto parts maker, Nemak, reported negative 2Q20 earnings. Revenue decreased by 60% y/y from the widespread shutdowns in light-vehicle prod...

**07/27/20 - BCP Research: Oi (OIBRBZ: /CCC-/CCC+) - Update on Assets Sale Process**

**Summary:** Interest for Oi's UPIs seems to be high across the board, and more specifically its mobile asset UPI, the highest valued structure set for sale un...

**07/27/20 - BCP Research: Intercement (INCMBZ -/CCC/C) - Exchange Offer for 24s Withdrawn**

**Summary:** Last week, multinational cement producer Intercement withdrew the exchange offer to swap senior unsecured 5.750% 2024s into new senior secured 7.0...

**07/27/20 - BCP Research: UNIFIN (UNIFIN -/BB-/BB) 2Q20 Earnings - Mixed**

**Summary:** Mexican leasing company, UNIFIN, reported mixed 2Q20 earnings. Unifin mentioned that 15% of leasing loans are currently under forbearance and clas...

**07/24/20 - BCP Research: TV Azteca (TZA -/-/B) 2Q20 Earnings - Weak, as Expected**

**Summary:** Mexican broadcaster, TV Azteca, reported weak 2Q20 earnings in line with our forecast. Domestic advertising sales decreased by 33% y/y due to lowe...

**07/24/20 - BCP Research: CYDSA (CYDSA -/BB/BB+) 2Q20 Earnings - Soft**

**Summary:** Mexican salt and chemical producer, CYDSA, reported soft 2Q20 earnings. Revenue decreased by 13% q/q driven by lower chemical pricing and lower re...

**07/24/20 - BCP Research: Arcelik (ACKAF -/BB/BB) relatively positive 2Q20 results**

**Summary:** Turkish white goods producer Arcelik reported relatively sound 2Q20 results. Operations during the quarter were significantly depressed, with reve...

**07/23/20 - BCP Research: Crédito Real (CREAL -/BB/BB+) 2Q20 Earnings - Soft**

**Summary:** Mexican payroll lender, Credito Real, reported soft 2Q20 earnings. Excluding the consolidation of the CRA leasing loans, total loans decreased by ...

**07/23/20 - BCP Research: Liverpool (LIVEPL -/BBB/BBB+) 2Q20 Earnings - Negative EBITDA**

**Summary:** Mexican department store retailer, Liverpool, reported negative EBITDA in 2Q20 as essentially all stores were closed for most of the quarter. As o...

**07/23/20 - BCP Research: LATAM High Yield Non Bank Financials - June Monthly Reports**

**Summary:** As mentioned in the previous report, we see local MXN cebures monthly reports as an alternative proxy to track collections and insight on loan per...



# RESEARCH NOTES



**07/22/20 - BCP Research: Grupo KUO (KUOBMM -/BB-/BB) 2Q20 Better Than Expected - Maintain Outperform**

**Summary:** Mexican conglomerate, Grupo KUO, reported better than expected 2Q20 earnings. Consumer revenue was 9% lower y/y as strong pork pricing and domesti...

**07/22/20 - BCP Research: Oi (OIBRBZ: /CCC-/CCC+) - RJ Amendment Proposal and Recent News**

**Summary:** Given the continued operational weakness and significant cash burn, the sale of Oi in parts has long seemed to be the only visible upside case for...

**07/20/20 - BCP Research: Axtel (AXTEL Ba3/BB/BB-) 2Q20 Earnings - Positive**

**Summary:** Mexican telecom company, Axtel, reported positive 2Q20 earnings. EBITDA increased by 19% sequentially despite the slight revenue decline. Revenue ...

**07/20/20 - BCP Research: Car Inc. (CARINC Caa1/ CCC/-) - New Buyer After SAIC Deal Terminated - Maintain Outperform on 22s**

**Summary:** On July 20, Car Inc shares were temporarily halted after SAIC announced that it had terminated the deal to buy a 29% interest as “new conditions e...

**07/17/20 - BCP Research: Alpek (ALPEKA Baa3/BBB-/BBB-) 2Q20 Earnings - Soft**

**Summary:** Mexican petrochemical company, Alpek, reported soft 2Q20 earnings. Revenue was 18% lower q/q mainly from the lower crude prices impacting PET prod...

**07/15/20 - BCP Research: KIO Networks (KIONET B2/BB-/BB-) 1Q20 Earning- Soft**

**Summary:** Mexican IT services company, KIO Networks, reported soft 1Q20 earnings. Revenue decreased q/q driven primarily by lower Govt. revenue from discoun...

**07/15/20 - BCP Research: CFE (CFELEC Baa1/BBB/BBB-) 1Q20 Earnings - Mixed**

**Summary:** Mexico’s state owned electricity generator, CFE, reported mixed 1Q20 earnings. Revenue decreased q/q primarily from lower Govt. subsidy income vs ...

**07/15/20 - BCP Research: Tanner (TANNER -/BBB-/BBB-) New USD Issue Thoughts**

**Summary:** Chilean non-bank financial lender, Tanner Servicios Financieros, is reportedly looking to issue a new USD 5-year senior unsecured bond. The issuer...

**07/13/20 - BCP Research: LATAM High Yield Non Bank Financials - Update on Securitization Reports**

**Summary:** As highlighted in our “BCP LATAM High Yield Non-Bank Financials” report published on May 11th, the main challenge going forward on these issuers w...

**07/09/20 - BCP Research: Alternatifbank (ALNTF B3/-/B+) slightly improved 1Q20**

**Summary:** Turkish second tier bank Alternatifbank, owned by the Commercial Bank of Qatar, reported slightly improved 1Q20 results. NPLs recovered 40bps q/q ...



# RESEARCH NOTES



07/08/20 - BCP Research: Grupo Televisa (TELVIS Baa1/BBB+/BBB+) 2Q20 Earnings - Soft

Summary: Mexico's largest broadcaster, Grupo Televisa, reported soft 2Q20 earnings. Revenue decreased y/y primarily from the 33% y/y decline in advertising...

07/08/20 - BCP Research: YPF (YPFDAR - Caa3/CCC+/CCC) thoughts on exchange offer

Summary: Last week, YPF launched an exchange offer for its US\$1bn YPFDAR 2021s that are set to mature in March 2021. Subject to a minimum participation rat...

07/08/20 - BCP Research: Grupo Famsa (FAMSA -/CCC-/C) Revoking of the Banking License

Summary: Last week, Mexico's CNBV revoked Grupo Famsa's banking license resulting in the IPAB taking control of the bank in order to carry out the liquidat...

07/06/20 - BCP Research: Province of Mendoza (MENDOZ Ca/CC/-) thoughts on the new restructuring offer

Summary: Today, the Province of Mendoza presented a new restructuring proposal which improved the terms of the offer presented a month ago. The new offer, ...

07/06/20 - BCP Research: Oschadbank (OSCHAD --- B3/- /B) --- 1Q20 & 4Q19 IFRS Results --- Sequentially Stronger

Summary: On July 2, 2020, Oschadbank (B3/-/B), the second largest bank in Ukraine by assets, posted both 2019 IFRS results (audited, in English) and 1Q20 f...

07/06/20 - BCP Research: Eldorado (ECELUP: -/BB-) - Weak 1Q20 results

Summary: Brazilian pulp producer, Eldorado, reported weak 1Q20 results. Lower sales volumes and realized prices on continued commodity weakness, as well as...

07/03/20 - BCP Research: Digicel (DLLTD) - 4Q20 Results, Strong - Upgrade DL 23s

Summary: Caribbean telecom provider Digicel released impressive 4Q20 (ending 3/31/20) results, reporting higher revenue, EBITDA and ARPU, despite f/x vola...

07/03/20 - BCP Research: Car Inc. (CARINC Caa1/ CCC/-) - SAIC Became Potential Shareholder - Maintain Outperform on 22s

Summary: On July 2, Car Inc announced that UCAR and Warburg Pincus together planned to sell 29% stake in Car Inc to SAIC (Shanghai Auto, 600104 CH, US\$30bn...

07/02/20 - BCP Research: Hilong Holding Ltd (Caa3/C/-) - Exchange Offer Expired - Maintain "Positive" on 20s

Summary: On June 30, PRC oil & gas service provider and pipe manufacturer Hilong announced that the exchange offer for 20s had expired, as amount tendered ...

07/02/20 - BCP Research: Metinvest (METINV --- B3/B \*-/BB-) --- April 2020 Report --- Expectedly Weaker Month

Summary: On July 1, 2020, Metinvest (B3/B \*-/BB-) posted expectedly weaker monthly results for April 2020 as the month was very quiet in terms of business ...



# RESEARCH NOTES



07/02/20 - BCP Research: Intercement (INCMBZ -/CC/C) INCMBZ 24s Exchange Offer Thoughts

Summary: Last week, multinational cement producer, Intercement, launched an exchange offer for its senior unsecured 5.750% 2024s for new senior secured 7.0...

07/01/20 - BCP Research: Aeroméxico (AERMEX Caa2/ B-/ -) - Filing for Chapter 11 - Maintain 'Positive' on GOLLBZ 3.75% 24 convert

Summary: Mexico based airline, Aeroméxico (Aeromex) has filed for Chapter 11 protection, under which it will financially restructure, while gaining additi...





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"Not Rated" or no comment – Currently, the analyst does not have adequate conviction about the bond's total return relative to the CEMBI Broad Diversified High-Yield Index over the next 3 – 6 months.



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