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WSJ: Puerto Rico Bond Plans Slip Out.

Investors got an early peek Tuesday at Puerto Rico's plan to raise \$900 million in its first bond sale since March, with the publication of some bond information on a website run by a Wall Street self-regulator.

The tax-and-revenue-anticipation notes will mature in June 2015 and have an interest rate of 7.75%, according to a notice posted on the Electronic Municipal Market Access website, which didn't include an official statement, an amount being borrowed or any price information.

The posting of the planned bonds' so-called Cusip numbers surprised some investors still waiting for the island's lawmakers to approve the deal. It was the latest twist in the saga of the financially troubled commonwealth, which has \$73 billion in debt outstanding and in June passed a law allowing some public agencies to restructure their debts, leading investors to fear losses.

A spokesman for the island's Government Development Bank declined to comment.

Some investors have complained about Puerto Rico's lack of transparency, saying the island often provides confusing or inconsistent information to bondholders and gives information to some creditors but not to others.

Daniel Solender, head of municipal-bond management at Lord Abbett & Co., which oversees about \$15.5 billion in municipal-related holdings, including some from Puerto Rico, said he rarely sees Cusips posted on the Electronic Municipal Market Access, or Emma, website before a deal's public release.

"The whole thing is kind of a bizarre situation," he said. "But it's a positive sign if they think they can get a deal done, given concerns about their access to the market."

A spokeswoman for the Municipal Securities Rulemaking Board, which oversees the website, said it isn't unusual for Cusips to appear on Emma in advance of a deal.

The sale would mark the first time Puerto Rico has raised money from the credit markets since the legislation passed by legislators in June that allowed some public agencies to restructure their debts. The island's power, water and highway authorities have almost \$20 billion outstanding, according to Barclays. The law doesn't apply to Puerto Rico's general-obligation or sales-tax debt.

Puerto Rico last sold bonds in March, when a \$3.5 billion sale was billed as crucial to give officials time to turn around the economy and reduce the budget deficit, which stood at about \$2.2 billion when Gov. Alejandro García Padilla took office at the beginning of 2013. The sale came after major credit-rating firms downgraded Puerto Rico to junk status.

Puerto Rico's debt is widely held by mutual funds and individuals, and some analysts worry its problems could spread beyond the island. Overhauling the commonwealth's public corporations has become a priority for the administration of Gov. Padilla as it tries to restart the economy, eliminate budget deficits and reassure investors that its fiscal position is improving.

Some economic indicators are still bleak. The Puerto Rico Economic Activity Index was down 1.1% in August from the year-earlier month, reaching the lowest level in two decades, according to the commonwealth's Government Development Bank. The index also showed declines in electric-power generation and cement sales.

Some bonds from the March sale were trading at about 88 cents on the dollar this week, down from the 93 cents on the dollar that month.

Robert Donahue, managing director at the research firm Municipal Market Advisors, said that while issuers or their advisers will sometimes designate identification numbers in advance on the website, it is unusual that the Puerto Rico senate hasn't acted on the House-approved legislation authorizing the borrowing.

Lord Abbett's Mr. Solender said a successful short-term financing deal would show that the commonwealth still has access to credit, at a price, thanks in part to hedge funds that have teamed up to preserve the island's liquidity.

"If they can get this done, it's definitely a positive," he said. "They need liquidity. They need access."

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