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Fitch: Rating Changes May Be On the Horizon for Some U.S. Ports.

Fitch Ratings-New York-25 July 2016: Increased rating activity is possible for stand-alone U.S. ports over the next 12 months, according to Fitch Ratings in its latest U.S. Ports Peer Review.

During the past 12 months, Fitch revised Outlooks on three ports among the 16 it rated publicly during the period. Ratings adjustments may follow during the next review cycle as Fitch considers resolution for these credits with either a Positive or Negative Rating Outlook. That said, Fitch maintains Stable Outlooks on roughly 75% of its port sector and does not envision movement of any great magnitude in the coming months. Credit risk is still relatively low among U.S. ports thanks in part to their cash flow resiliency amid volume fluctuations during economic downturns. As such, ratings for most ports continue to fall in the 'A' rating category.

Since its last U.S. Ports Peer Review, Fitch revised the Rating Outlook for the Alabama State Port Authority to Negative from Stable; the North Carolina State Ports Authority to Positive from Stable; and the Port of Palm Beach to Positive from Stable. Fitch also maintained the Positive Outlook on the Hillsborough County Port District.

Ports with the highest Fitch ratings are typically those with a strong underlying market or franchise driving demand, overall stability of cash flow through contractual agreements, or tariff policy and healthy financial metrics. Conversely, Fitch's weakest rated ports include those serving weaker markets with competition for cargo, less contractual protection for revenues or thinner financial metrics.

Fitch's latest 'Peer Review of U.S. Ports' is available at 'www.fitchratings.com'

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