

EXCHANGE MARKET REPORT

Year 15
June 2019



Ecoanalítica

acompañando las buenas decisiones

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CONTENT

Al quiet on the foreign exchange front.....	2
Parallel Exchange Rate projections	9
Foreign Currency Availability Indicators	12
Monetary Indicators	14
You should take into account.....	15
Venezuela - Pdvsá Debt report.....	17

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All quiet on the foreign exchange front

There were no major changes in the foreign exchange policy in June: the banks' legal reserve requirements that had been raised to restrict credit continued in place and the system of money desks established by the Central Bank of Venezuela completed its second month of operations. So, the Central Bank continued to focus its efforts on containing the exchange rate as its main anti-inflation policy, despite having abandoned de facto its last explicitly acknowledge nominal anchor¹.

Since the end of the DICOM system in mid-May, the dynamic of the foreign exchange market has become one in which its main markers, both official and unofficial, tend to grow continuously², leaving behind the period of stabilization experienced in February and March. This has happened in an environment in which inflation has slowed down, but still not enough for the US dollar to substantially recover the purchasing power it had at the start of the year.

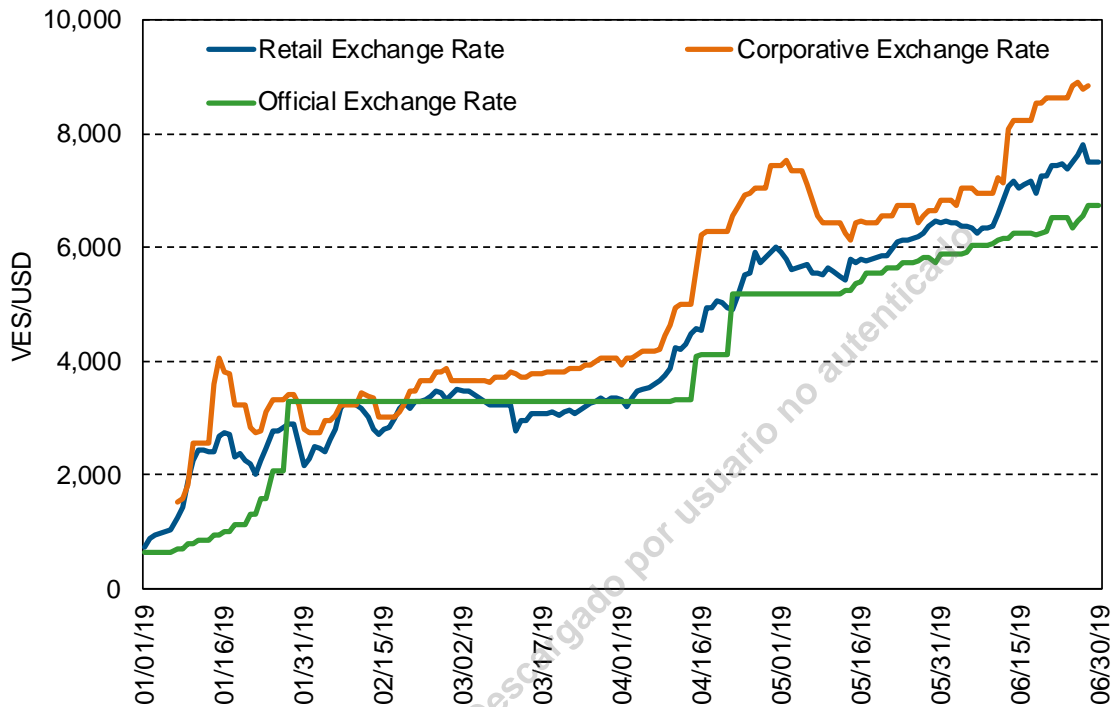
All on (practically) the same path

In the first week of April, the relative convergence that the small transactions and official exchange rates had been experiencing at around VES 3,300/USD was interrupted. After a series of devaluations of the official rate and the entry into force of the money desk system, the Central Bank's exchange rate has lagged behind the small operations and corporate exchange rates every day, with the biggest differences appearing in the week of April 19th.

¹ From VES 5,200/USD announced on April 23rd, 20 days prior to the start of the money desk system.

² Even with inter-daily downward fluctuations, the result is an upward trend.

Exchange Rates in 2019

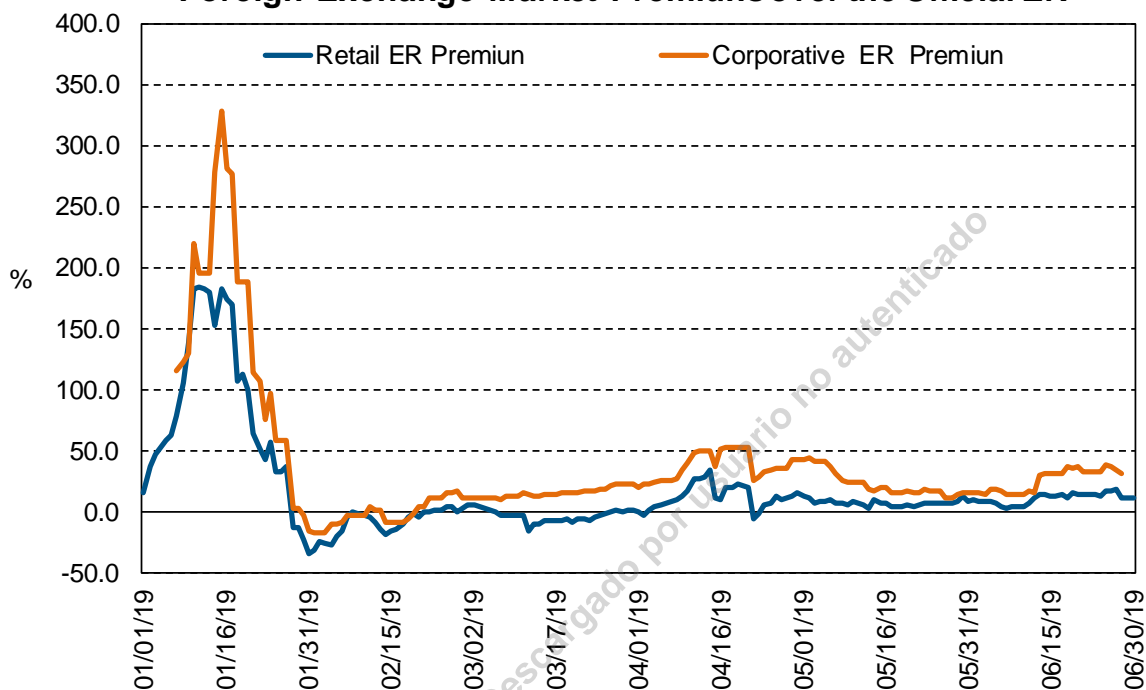


Sources: BCV, LocalBitcoin and Ecoanalítica

This has resulted in the persistence of positive premiums between the unofficial markets and the rate acknowledged by the Central Bank, which averaged 11.6% for the small transactions exchange rate and 26.4% for the corporate rate. The existence of these premiums, added to the absence of official information on the amounts traded at these money desks, would indicate that the new system is not deep enough to absorb the corporate market³, which, in theory, it should replace.

³ The existence of premiums identifies opportunities for arbitrage, given that there is insufficient foreign currency available at the official rate.

Foreign Exchange Market Premiums over the Official ER



Sources: BCV, LocalBitcoin and Ecoanalítica

In a way, the Central Bank is doing a balancing act between two extremes of a policy in conflict. On the one hand, we have facilitating the convergence of the exchange rates with a view to minimizing distortions and encouraging participation in the official system⁴; and on the other, we have trying to keep the exchange rate contained⁵ as an instrument for anchoring prices.

When everything changes, nothing changes

At first sight, the combination of a slowdown in inflation⁶ caused, in part, by an aggressive bank legal reserve policy, and attempts to make the official market “more flexible” through

⁴ In addition to a competitive rate, participation in the system also depends on other factors such as confidence in the pertinent institutions, which is not helped by a prolonged period of arbitrary foreign exchange policy, and the risk of sanctions imposed by the US Government on April 17th, 2019.

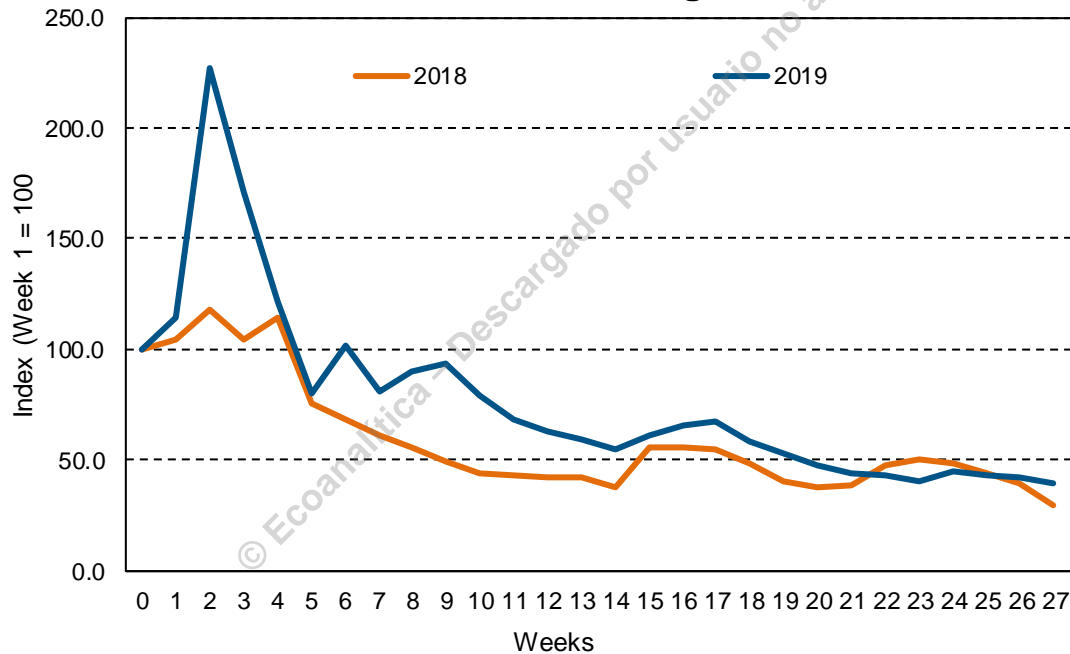
⁵ As explained in the May 2019 Foreign Exchange Bulletin *Foreign Exchange Desks: A first review*, a resultant rate that is lower than it would otherwise be is “forced” in the system through the participation of state-owned banks, which results in exchange rates below the rates of private banks.

⁶ June inflation closed at 26.2%, compared to 261.2% in January this year and 134.2% in June 2018.

the money desks would constitute a substantial change in the foreign exchange market paradigm. However, the net result for the first half of 2019 is not very different from 2018.

Comparing the evolution of the purchasing power of the US dollar⁷ in the Venezuelan economy during the first 27 weeks of 2018 with the same period in 2019, we find that the US dollar followed a very similar path in terms of its loss of value throughout the year, there being only nine weeks in which it posted an increase in its purchasing power in both half-years. The final result is a drop of 70.9% in 2018 and a drop of 60.6% in 2019 during the periods analyzed.

Dollar Value Loss during First Semester

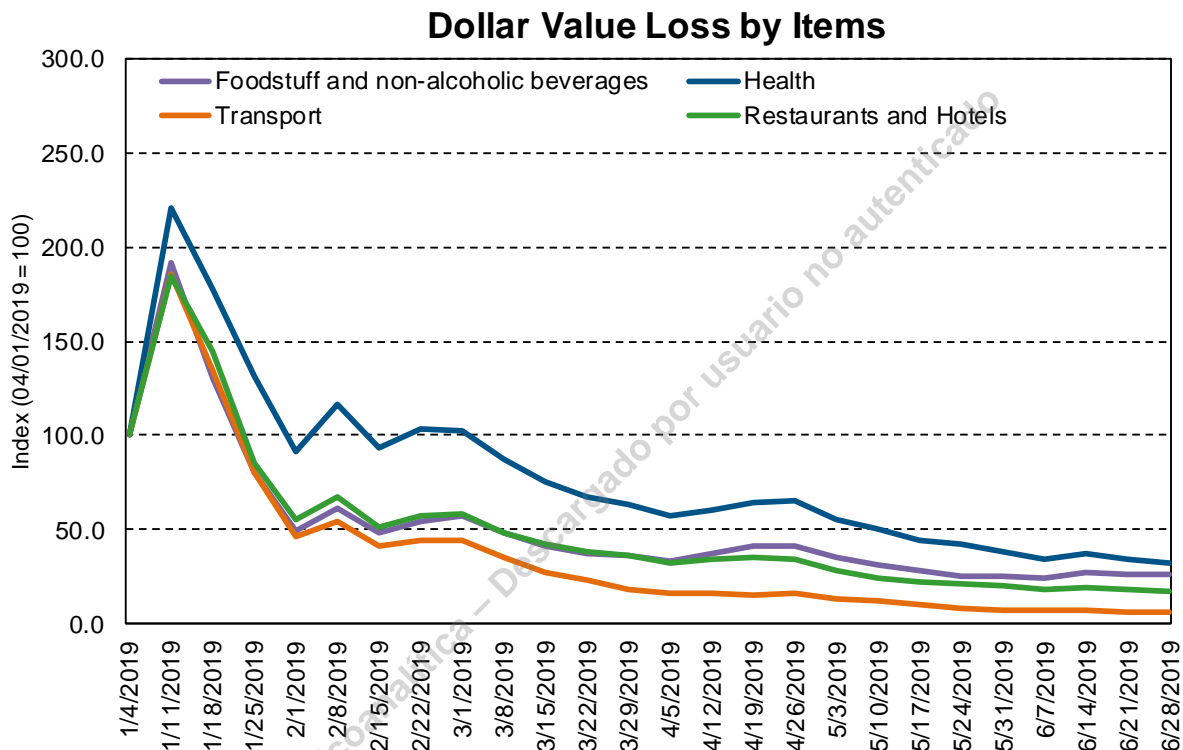


Sources: LocalBitcoin and Ecoanalítica

The appreciation of the exchange rate continues to be the dominant trend in the foreign exchange market. Given that the exchange rate is the price of a foreign currency in local currency, it can be compared to the prices of other items. This means that the dollar is susceptible to the changes in and adjustments to relative prices that the different goods and services in the Venezuelan economy experience. Looked at from this point of view, when the dollar loses purchasing power it becomes relatively cheaper compared to other goods.

⁷ Measured as the percentage variation in increases in the exchange rate on increases in prices

So, in the first half of the year the dollar became cheaper compared to all the other items monitored by **Ecoanalítica** except for four⁸, the losses in purchasing power of 94.4% compared to Transport and 84.4% compared to Restaurants and Hotels being the most remarkable.



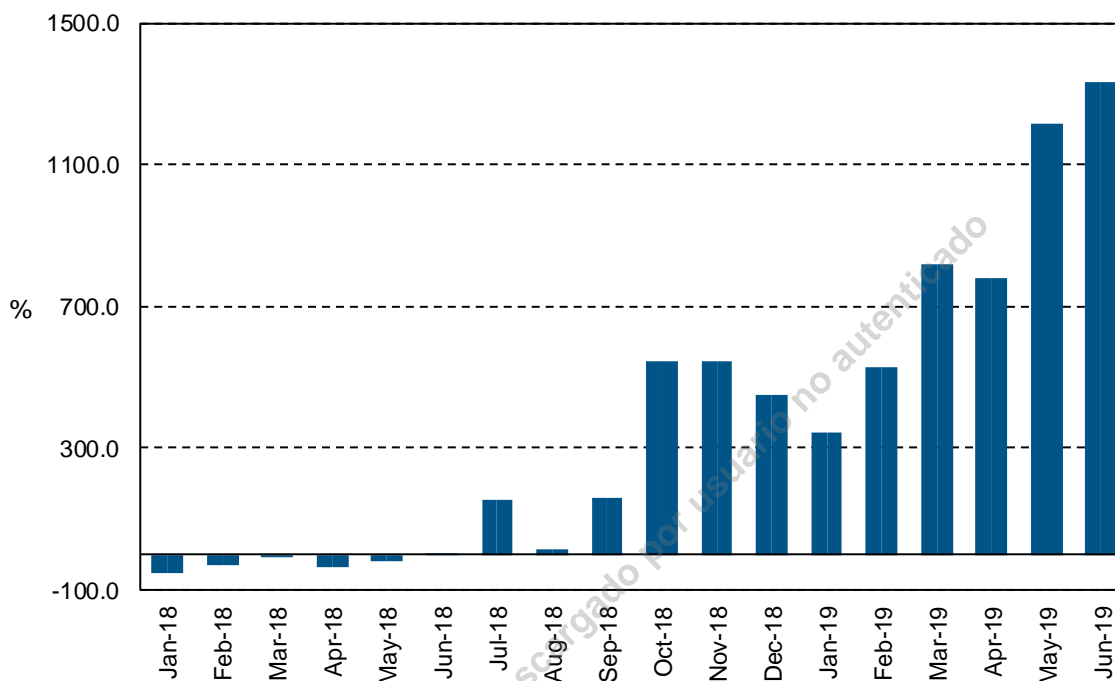
Sources: LocalBitcoin and Ecoanalítica

The phenomenon of the dollar becoming relatively cheaper is not limited only to specific items, it is also has to do with the exchange rate that would “correspond” to the Venezuelan economy and bring it into equilibrium with its trading partners. If we compare the average exchange rate for imports (AIER) with the national parity exchange rate (NPER)⁹ or the commercial equilibrium exchange rate, we would find that the former has lagged far behind the latter and that the gap widened from 346.6% in January to 1,334% in June.

⁸ Clothing and Footwear, Housing Rental, Household Equipment, and Education Services

⁹ The exchange rate that, by incorporating the variations in price levels among trading partners, determines the point of equilibrium at which a basket of goods costs the same as in other countries and Venezuela ceases being “expensive” or “cheap” compared to its trading partners.

Differential between Equilibrium ER and Imports ER



Sources: BCV, Dólar Web and Ecoanalítica

Because the exchange rate at which imports are brought in does not absorb sufficient inflation, imports become relatively cheap compared to both locally produced goods and what it would cost to buy them at a rate closer to the equilibrium rate¹⁰. In this context, imports will continue to be an attractive option for companies that wish to supply the Venezuelan market and have the resources to do so.

A clash of forces

At **Ecoanalítica** we consider that the exchange rate will continue to appreciate throughout the remainder of 2019. The new dynamic of relatively lower inflation and an exchange rate more prone to grow could make the phenomenon of the dollar becoming relatively cheaper more pronounced in the second half of the year than in the first half. In any event, we have identified a series of conditions that could mitigate this tendency:

¹⁰ Even with a downward re-estimation of an NPER using a more recent base period, this difference would continue to be positive given the substantial distance between the increase in prices and the increase in the exchange rate.

- **A positive shock to money supply:** Either because of a relaxation of the legal reserve policy or because of increases in spending in the event of possible elections, if the government allows the quantity of bolivars in circulation to grow, a not insignificant portion of those bolivars will push up the exchange rate.
- **Coverage because of political uncertainty:** The exchange rate is prone to spiking when people and companies react to announcements or outcomes of a political nature that shape more negative future expectations regarding the national economy.
- **Transactional and transitional dollarization:** As the use of other currencies for performing daily transactions spreads, the demand for foreign currency grows as an operational necessity, and this will be reflected in upward pressures on the exchange rate.

These pressures come up against a status quo where general demand -and with it the demand for dollars- is severely inhibited by the continuous contraction of economic activity and a pro-cyclical government anti-inflation strategy that accentuates that contraction.

Giorgio Cunto

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Parallel Exchange Rate projections

Updates Fundamentals:

Dadas las dificultades técnicas para hacer proyecciones de tipo de cambio nominal en un entorno hiperinflacionario, señaladas en informes anteriores, en **Ecoanalítica** nos encontramos realizando ajustes a nuestro modelo predictivo. Los resultados mostrados en la presente edición obedecen a dicho proceso de ajuste. Por ello, presentan cambios relativamente significativos respecto a la edición anterior.

Projections

Non-official exchange rate forecasts								
Date	Actual value *	Forecast range						
		Low		Medium		High		
2018M01	2.36	0.00	0.00	0.00	0.00	0.00	0.00	
2018M02	2.15	1.06	1.45	1.71	2.21	2.61	3.84	
2018M03	2.36	1.32	1.84	2.20	2.92	3.50	5.31	
2018M04	6.21	1.77	2.53	3.06	4.17	5.07	7.91	
2018M05	12.54	1.78	2.84	3.60	5.39	6.99	11.94	
2018M06	31.82	4.48	7.05	9.13	14.07	18.62	33.00	
2018M07	35.79	6.36	10.35	13.65	22.14	30.39	58.27	
2018M08	87.22	12.96	21.75	28.90	49.18	69.06	137.99	
2018M09	106.81	35.93	57.23	72.70	108.71	140.91	240.84	
2018M10	225.92	53.06	83.49	108.04	166.47	220.32	390.55	
2018M11	473.47	55.19	89.80	118.47	192.18	263.76	505.74	
2018M12	739.71	73.79	123.88	164.58	280.08	393.29	785.82	
2019M01	2,174.86	849.4	1,186.5	1,414.8	1,880.7	2,596.4	3,418.1	
2019M02	3,424.05	809.0	1,153.4	1,393.1	1,899.2	2,311.7	3,604.1	
2019M03	3,362.09	553.4	881.5	1,119.7	1,674.4	2,170.2	3,709.4	
2019M04	6,028.46	714.2	1,123.7	1,454.1	2,240.7	2,965.5	5,256.6	
2019M05	6,450.38	915.7	1,204.4	1,588.9	2,577.5	3,537.5	6,782.7	
2019M06	7,517.06	1,080.6	1,548.7	2,057.5	4,911.9	7,538.7	9,823.7	
2019M07		2,468.1	3,447.7	4,111.0	5,464.9	9,078.3	9,932.1	
2019M08		3,260.3	4,648.1	5,614.0	10,173.6	10,949.0	14,524.0	
2019M09		3,529.9	3,731.6	6,088.5	11,111.5	13,996.0	20,171.0	
2019M10		5,470.7	8,206.0	10,089.0	12,272.1	23,867.2	36,471.3	
2019M11		7,457.4	8,389.5	23,304.3	30,761.6	47,390.5	93,217.1	
2019M12		8,301.5	9,223.9	33,206.0	36,895.6	82,875.6	184,478.0	

Sources: BCV, Ecoanalítica and own calculations.

*End-of-month; otherwise, if indicated.

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Foreign Exchange Market Indicators

Exchange rates indicators

Exchange Rate Indicators (VEF/USD)			
	Jun-19	m/m (%)	y/y (%)
M2/IR*	916.7	20.3	39455
RER**	97,042.8	55.9	854845
Dicom	6,733.3	14.4	585403
WER (Consumers)	7,233.1	18.0	63623

Source: BCV, other Central Banks and Ecoanalítica

* End of month. ** Monthly average.

Annual exchange rates indicators

Exchange Rates (VES/USD)				
	2017	2018	Devaluation	Real Depreciation/ Apreciation
Public Sector ER¹	0.001	61.9	99.998	-98.3
Imports ER1	0.03	102.9	99.97	-97.2
Real exchange rate²	0.2	3,616	97.97	0.0
M2/RRII ²	0.1	91.1	99.9	-97.5

Sources: BCV and Ecoanalítica

¹ Annual average. ² At the end of the year.

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Weighted Foreign Exchange Rate

Weighted Foreign Exchange Rates*				
Exchange Rates	2017	Total Imports Weight	2018P	Total Imports Weight
Public Imports	0.001	75.1%	46	77.0%
SITME	-	-	-	-
SICAD	-	-	-	-
SICAD II	-	-	-	-
CENCOEX - DIPRO	0.0001	5.6%	-	-
SIMADI - DICOM	0.021	6.0%	634,176	0.8%
Not official	0.242	13.3%	116.0	23.1%
Weighted exchange rate (M)	0.03		61.9	
Variation	1030.8%		179675.0%	
Devaluation	91.2%		99.9%	

Sources: BCV, CADIVI/CENCOEX and Ecoanalítica

*Annual Average.

Weighted Exchange Rate of Private Exports

Weighted Exchange Rate of Private Exports*				
Exchange Rate	2017	Weight	2018F	Weight
CENCOEX - DIPRO	0.0001	22.6%	-	-
SIMADI - DICOM	0.02	24.0%	45.7	18.6%
Not Official	0.2	53.4%	116.0	81.4%
Weighted exchange rate (Imports)	0.1		102.9	
Variation	1832.4%		76432.5%	
Devaluation	94.8%		99.9%	

Sources: BCV, CADIVI/CENCOEX and Ecoanalítica

*Annual Average

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Foreign Currency Availability Indicators

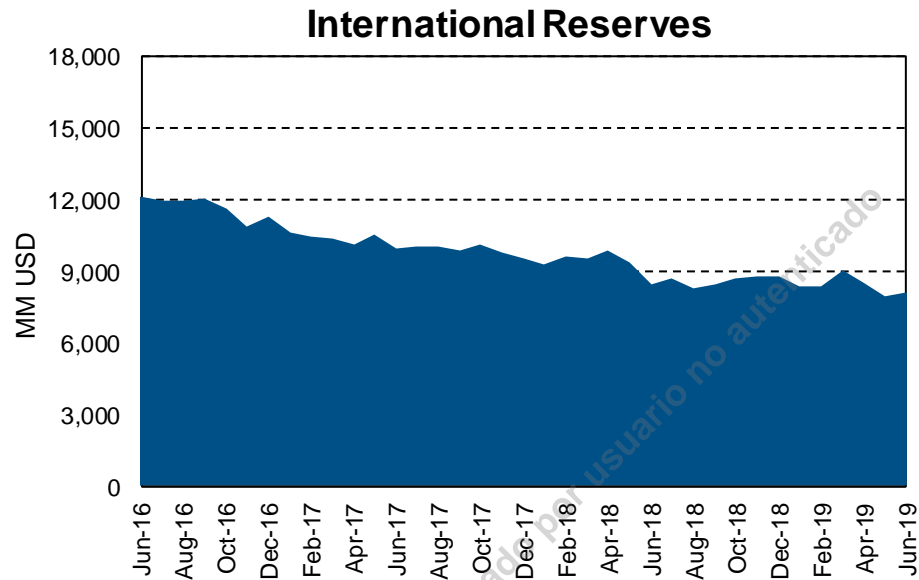
Daily liquidations to the Private Sector

Daily liquidations to the Private Sector (MM USD)					
	Cencoex/ Dipro	Sicad I	Sicad II	Simadi/ Dicom	Total
Average 2015	41.4	1.3	14.2	4.2	48.8
Average 2016	9.2	1.3	-	8.5	17.9
Average 2017	2.6	-	-	2.7	5.4
Jan-18	-	-	-	0.0	0.0
Feb-18	-	-	-	0.1	0.1
Mar-18	-	-	-	4.6	4.6
Apr-18	-	-	-	5.6	5.6
May-18	-	-	-	6.2	6.2
Jun-18	-	-	-	1.3	1.3
Jul-18	-	-	-	0.7	0.7
Aug-18	-	-	-	1.2	1.2
Sep-18	-	-	-	0.7	0.7
Oct-18	-	-	-	5.4	5.4
Nov-18	-	-	-	2.8	2.8
Dec-18	-	-	-	3.5	3.5
Jan-19	-	-	-	0.7	0.7
Feb-19	-	-	-	1.8	1.8
Mar-19	-	-	-	1.3	1.3
Apr-19	-	-	-	13.0	13.0

Sources: BCV, Mefbp and Ecoanalítica

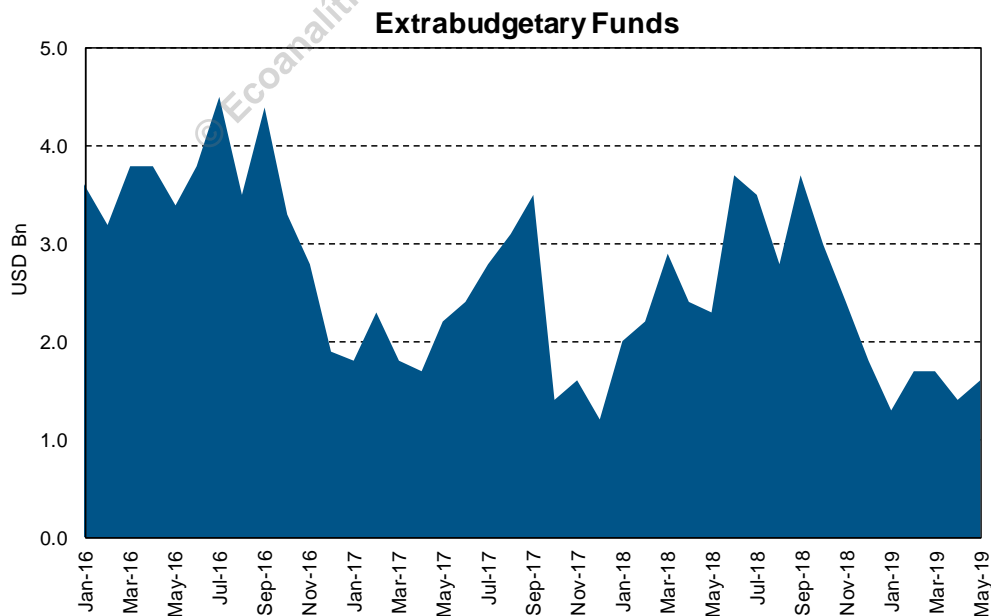
*Public sector foreign currency asignment to the private sector.

International Reserves



Sources: BCV and Ecoanalítica

Extrabudgetary Funds



Source: Ecoanalítica

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13

Non-Financial Debt with the Private Sector

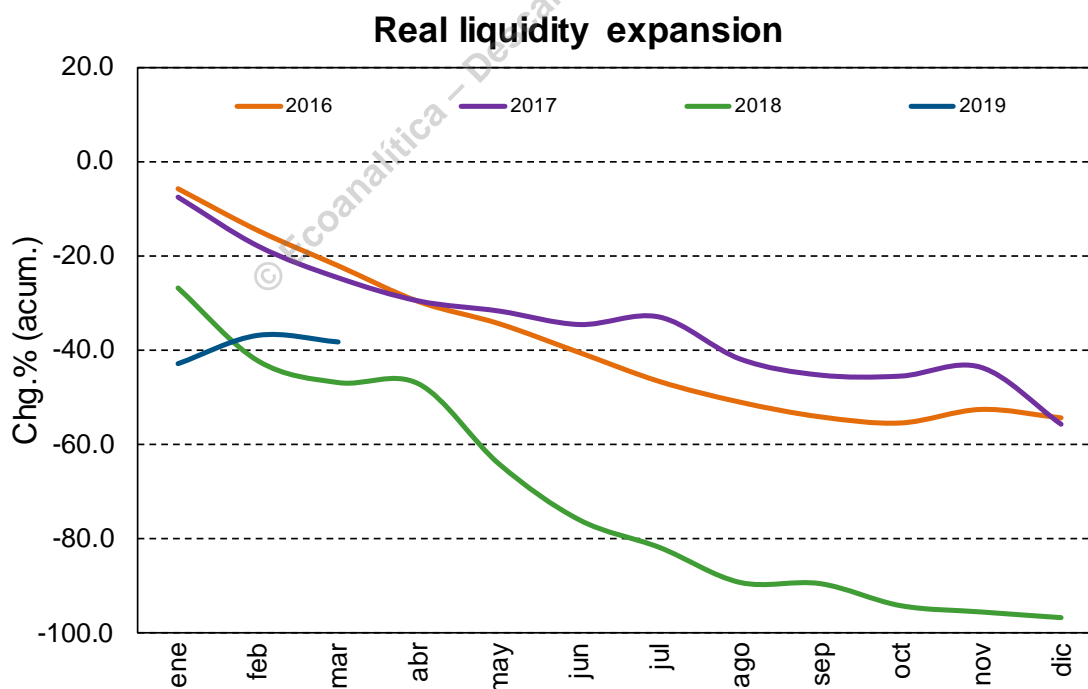
Non-Financial Debt with the Private Sector (USD MM)					
	2017	2018	1Q2019	y/y (%)	q/q (%)
CADIVI -Non-settled imports	8,726	6,294	5,917	16.0%	2.8%
CADIVI -Dividends approved and unpaid	1,626	393	203	0.8%	-0.2%
CADIVI -Rent and Services*	3,412	1,411	1,126	30.4%	-2.3%
Mixed Companies - PDVSA partners	12,091	12,109	12,087	55.3%	18.4%
Total	25,855	20,207	19,333	26.4%	5.1%

Source: Ecoanalítica

* Includes debt with airlines.

Monetary Indicators

Liquidity (M2)



Sources: BCV and Ecoanalítica

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You should take into account

- ✓ Venezuela has fallen into default with Deutsche Bank AG due to failure to pay interest on a USD 750 million gold swap, according to Bloomberg. The news agency reports that the gold served as a guarantee for the contract signed in 2016.
- ✓ Sources consulted by Reuters said that Citibank and Deutsche Bank AG had taken control of USD 1.4 billion in gold (USD 400 million by Citibank and USD 1.0 billion by Deutsche Bank) that Venezuela had put up as collateral for loans. The reason for this is the uncertainty surrounding Venezuela as a result of US sanctions.
- ✓ At the same time, the team headed by Juan Guaidó requested that the difference in price between the date of acquisition of the gold and the current date be deposited in funds beyond Nicolás Maduro's reach.
- ✓ That amount comes to USD 120 million. Deutsche Bank has not issued any comment in this regard, despite the fact that people in Guaidó's team say that they have been communicating with the bank.
- ✓ The agency Bloomberg reports that Venezuela has sold around USD 570 million of the Central Bank's gold reserves in the past two weeks.
- ✓ This amount represents 9.7 tons of gold sold on May 10 and a further 4 tons sold on May 13.
- ✓ This sale resulted in the country's reserves dropping from USD 7.9 billion to their lowest level in 29 years.
- ✓ Venezuela has sold around 23 tons of gold since April. Bloomberg comments that this has been a way of challenging the US economic blockade on the Nicolás Maduro regime's operations.
- ✓ According to a piece of investigative reporting by *The Washington Post*, the Nicolás Maduro regime is selling off the country's gold reserves through companies in Uganda
- ✓ According to this report, at least 7.4 tons of gold (valued at more than USD 300 million) were moved from Venezuela to a refinery in Uganda in early March. The gold was transported by Russian aircraft in two separate flights.
- ✓ Sources inside Uganda's police force said that the documents accompanying the ingots stated that the gold came from the Central Bank of Venezuela, but that the identification markings had been scratched off.
- ✓ According to *The Washington Post*, the final destination of Venezuela's gold is Turkey, where it will be sold. Between the end of 2017 and February 2019, the Central Bank sold 73.3 tons of gold. Buyers include companies in the United Arab Emirates and Turkey.
- ✓ A piece of investigative reporting published in *The New York Times* claims that Russia's support for Venezuela has become weaker as Venezuela's economic collapse has got worse.
- ✓ According to the article, Russian state-owned companies have been reducing their activities in Venezuela in order to protect their financial results.

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15

- ✓ Added to this, Russia has refused to grant Venezuela fresh lines of credit or make new investments, although it has condoned existing debts.
- ✓ What is more, two sources said that Russia's biggest banks have refused requests by Nicolás Maduro to transfer the Venezuelan Government's accounts in order to avoid US sanctions.
- ✓ This is because they do not want US sanctions to affect Russia's financial system, which uses US currency extensively.
- ✓ Consequently, none of Russia's 15 main banks granted Venezuela credit in April. Most worthy of note were the measures taken by Gazprombank, which eliminated almost all its portfolio of loans to Venezuela in April.
- ✓ Finance Minister Simón Zerpa announced that the amount of USD 200 million would be paid against the USD 4.0 billion debt that the Republic incurred with Russia in 2011.
- ✓ On June 12, the Central Bank of Venezuela published the expansion of the monetary cone on its webpage with the introduction of VES 10,000, VES 20,000 and VES 50,000 banknotes
- ✓ The last negotiation of the foreign exchange desks was on July 11th, where the foreign exchange rate was VES 7,159/USD.
- ✓ This rate represents a devaluation of 0.17% compared to the previous rate, and a 26.5% devaluation compared to the first negotiation in the foreign exchange rates.
- ✓ Compared to June's last auction, the devaluation has been of 5.9%.
- ✓ Secondary sources reported to the Organization of Oil Exporting Countries (OPEC) that June's production was 734 kb/d. This represents a fall of 16 kb/d compared to May, when production was estimated in 750 kb/d.
- ✓ Baker Hughes reported that the number of active drills in Venezuela for the month of June was 24, which represents 2 more drills than the amount of the previous month.

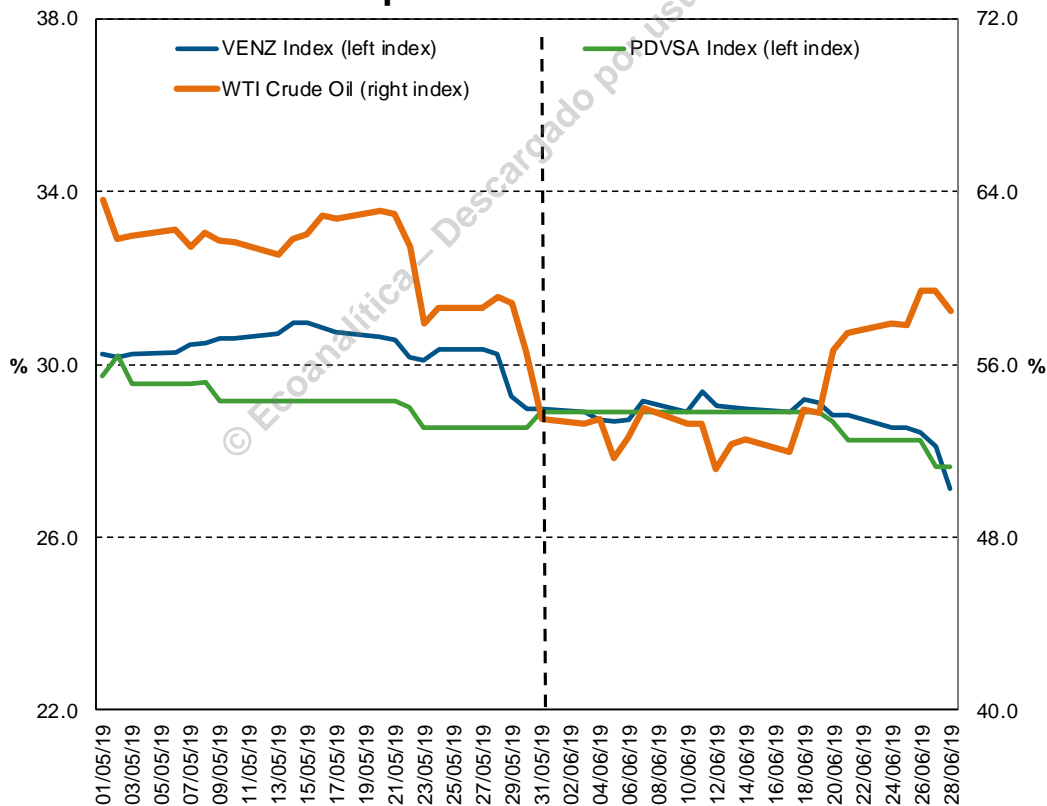
Venezuela - Pdvsa Debt report

Por: Knossos Asset Management

Ending June, Venezuelan debt market reaches five months practically paralyzed due to OFAC sanctions put in place on January 28th when the Treasury Department included PDVSA and Venezuela on the SDN list, banning US citizens and corporations from Venezuelan debt trading.

Since then illiquidity and spreads turned almost worthless any price and yield curve analysis. Prices available at the end of June remain misleading, as they don't reflect reasonable prices to close an operation under the current market conditions.

Bond's prices vs. WTI Evolution



Sources: Bloomberg BGN and Knossos Asset Management

According to our indexes, Venezuelan debt average prices were around 28 cents at the close of June, with monthly average near to 29 cents. Nevertheless, Bloomberg News

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17

reports JPMorgan Chase and Jefferies quoting around 20 cents for the sovereign debt, and around 15 cents for PDVSA, at the end of June.

These price levels appeared in Bloomberg terminal with some delay, during July's second week. They would have resulted after a sharp selloff related to the portfolio rebalances carried out by traders trying to anticipate Venezuelan bonds exclusion from JPMorgan EMBIG Diversified Index, in which this debt represents 1%.

At the moment, there's no information about volumes negotiated, or who participated in the trades. We can only assume that they were transactions between non-US persons, or involving an US person on the sell side, and a non-US person on the buy side.

VENZ/PDVSA bonds development, June 2019

Security	31/05/2019	28/06/2019	Total Return	Total Return (2019 YTD)
VENZ 13 5/8 08/15/18	31.10	31.10		+31.53%
VENZ 7 12/01/18	28.30	28.30		+32.41%
VENZ 7 3/4 10/13/19	28.30	27.75	-1.94%	+16.86%
VENZ 6 12/09/20	28.60	25.70	-10.14%	+11.51%
VENZ 12 3/4 08/23/22	28.80	27.20	-5.56%	+13.87%
VENZ 9 05/07/23	29.45	27.15	-7.81%	+17.88%
VENZ 8 1/4 10/13/24	28.50	26.95	-5.44%	+16.72%
VENZ 7.65 04/21/25	28.80	27.75	-3.65%	+21.24%
VENZ 11 3/4 10/21/26	29.00	26.75	-7.76%	+8.82%
VENZ 9 1/4 09/15/27	29.85	26.65	-10.72%	+14.70%
VENZ 9 1/4 05/07/28	28.40	26.65	-6.16%	+15.93%
VENZ 11.95 08/05/31	28.80	26.75	-7.12%	+13.71%
VENZ 9 3/8 01/13/34	29.15	27.35	-6.17%	-3.75%
VENZ 7 03/31/38	28.10	26.85	-4.45%	+18.11%
PDVSA 8 1/2 10/27/20	89.80	89.20	-0.67%	-4.71%
PDVSA 9 11/17/21	27.55	22.45	-18.51%	+21.93%
PDVSA 12 3/4 02/17/22	27.30	27.00	-1.10%	+40.92%
PDVSA 6 05/16/24	24.75	22.60	-8.69%	+50.12%
PDVSA 6 11/15/26	23.30	22.45	-3.65%	+49.31%
PDVSA 5 3/8 04/12/27	24.25	22.35	-7.84%	+48.39%
PDVSA 9 3/4 05/17/35	28.70	23.35	-18.64%	+22.14%
PDVSA 5 1/2 04/12/37	22.70	22.10	-2.64%	+46.66%

Sources: Bloomberg CBBT and Knossos Asset Management

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The decision of JPMorgan, expected for June 28th, was released on July 9th when they announced Venezuelan debt weight is going to be gradually reduced, but it's not going to be excluded, within the next five months. We think this decision will turn Venezuelan debt market into a smaller a less liquid market.

It will also have significant impact on ETF's in comparison with mutual funds, which we expect to be less prone to reduce Venezuelan debt holdings. We also think Venezuelan debt sold by ETFs could be bought for more litigious and aggressive funds, which increases the risk of holdouts at the moment of the restructuring.

In an effort to recover control over CITGO Maduro's administration recently introduced a demand in a US court. Considering the relative success Guaidó and his team have had when safeguarding Venezuelan assets in US courts, we think this won't have any significant effects so the interim government will continue managing the refinery.

Negotiations promoted by Norway are expected to be resumed during the second week of July. These were deferred after a navy soldier, Rafael Acosta Arévalo, died under the custody of the DGCIM, a military counterintelligence agency.

Just one thing is for sure: more time spent is always lower recovery value

As we have said along the first half of 2019, expected recovery value of the Venezuelan debt is highly sensitive to time consumed by the political crisis, and its results. Passage of time plays against creditors' interests, given worsening economic conditions in the country increasing financing needs to rebuild the nation and return to the growth path translates in decreasing availability of resources for creditors.

However, passage of time has also narrowed the spectrum of possible outcomes for this situation, allowing market participants to discard some options while others are confirmed, or new clues about the restructuring process are revealed.

On July 1st Guaidó's administration through the Office of the Attorney General issued a document to let know its intentions to carry out a comprehensive, orderly and consensual restructuration. This document which can also be referred as "Guidelines for the renegotiation of the public external debt inherited from the Chávez/Maduro period" also stated that restructuring process will only begin after usurpation ends.

We would like to highlight some aspects of the guidelines. First, all liabilities will receive the same treatment, regardless the type of financial instrument that supports it. Second, there will be a reconciliation agent to perform an audit of the claims. At the moment it is

unclear if the reconciliation agent is going to be a person or a team, nor the criteria to execute the assigned tasks.

Also, the guidelines clearly establish that claims guaranteed with assets belonging to the Republic or the public sector will benefit legitimate preferential treatment. This confirms the conditions in which PDVSA 2020 bond would be restructured.

Even though there isn't any reference to the expected recovery value, guidelines point that debt refinancing will be influenced by recommendations from an IMF assessment, to be done once the transition begins and an assistance program can be put in place. Finally, the document asks creditors to refrain from starting or continuing legal actions against Venezuelan issuers, since these will not give any advantage to those claims during the restructuring process.

This statement is far from constituting the "non-aggression agreement" we have suggested in previous reports, but it is a signal of the good faith of the transitional government to assume the task of renegotiating the debt. Nonetheless, we believe this action will be enough to please less hostile and larger holders, as in fact was confirmed by the statement issued on July 9 by the Venezuelan Creditors Committee.

It is in creditors' best interests that Venezuela keeps the assets that will facilitate its recovery, but in our opinion the document issued by the Attorney General is not sufficient to contain the attacks of the most aggressive creditors. The Attorney General seems to be aware of this, as he has declared that he expects an asset protection order to be issued by the time the next pay date of PDVSA 2020 arrives, revealing that the interim government will need to do more to protect the country's assets while getting around the uncertain road to transition.

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