



**HD Moody's: Asian Liquidity Stress Index declines in March, reversing trend**

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**LP**

Moody's Investors Service says that its Asian Liquidity Stress Index (Asian LSI) decreased to 22.0% in March from 23.3% in February.

"The index -- which decreases when speculative-grade liquidity appears to improve - decreased to 22.0% in March, ending three consecutive months of increases," says Annalisa Di Chiara, a Moody's Vice President and Senior Analyst.

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"The month-on-month decrease reflects an increase of two companies, to 118, in the high yield space and the decrease of one **company** to a total of 26 with Moody's lowest or weakest speculative-grade liquidity score of SGL-4," says Di Chiara.

Di Chiara was speaking on the release of Moody's latest report on the index, entitled "Asian Liquidity Stress Index."

"The reading for March remains well below the record high 37% reached during the fourth quarter of 2008 amid the global financial crisis and is just above the long-term rolling average (20%) and the trailing 12-month average (21.9%) for the index," says Di Chiara.

The liquidity sub-index for **Chinese** speculative-grade companies declined to 23.1% from 25.4% in February, according to the report.

The number of high-yield **Chinese** companies climbed to 65 from 63 in February. Meanwhile, the number with an SGL-4 score decreased by one to 15 in March from 16 in February.

**China's** high-yield **property** sub-index also decreased to 20.5% from 21.1% in February, with eight of 39 companies in the sub-sector having SGL-4 scores.

The Indonesian sub-index increased to 8.0% from 4.0% as the number of SGL-4 companies doubled to two whilst the number of speculative-grade Indonesian companies was unchanged at 25.

The Australian index, which does not factor into the Asian LSI, decreased for a fourth month, to 17.6% in March from 23.5% in February. The number of companies with an SGL-4 score declined by one to three, while the number of speculative-grade Australian companies was unchanged at 17.

Moody's had assigned speculative-grade ratings to 118 issuers in Asia (excluding Japan and Australia) covering \$65.0 billion of rated debt by the end of March, versus 116 issuers and \$64.3 billion of rated debt in February.

Subscribers can access this report via this link:

[https://www.moodys.com/research/Moodys-Asian-Liquidity-Stress-Index-April-2014--PBC\\_166735](https://www.moodys.com/research/Moodys-Asian-Liquidity-Stress-Index-April-2014--PBC_166735)

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