



HD **Moody's: Asian Liquidity Stress Index climbs to 24.4%**

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Moody's Investors Service says that its Asian Liquidity Stress Index climbed to 24.4% in May from 22.3% in April, and which was little changed from March.

The rise reflects a net increase of three to 30 in the number of companies with Moody's lowest (weakest) speculative-grade liquidity score (SGL-4) and an increase of two to 123 in the number of companies with a speculative-grade rating.

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"The index -- which increases when speculative-grade liquidity appears to decrease - remains well below the record high of 37.0% reached during the fourth quarter of 2008 amid the global financial crisis," says Annalisa Di Chiara, a Moody's Vice President and Senior Analyst.

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

The liquidity sub-index for **Chinese** speculative-grade companies surged to 26.9% in May after holding at 23.1% in March and April.

And the number of high-yield **Chinese** companies climbed to 67 from 65 in April.

Meanwhile, the number with an SGL-4 score rose to 18 from 15.

China's high-yield **property** sub-index also increased, to 22.0% from 20.5% in March and April, with nine of 41 companies in the sub-sector having SGL-4 scores.

The Indonesian sub-index was unchanged from April's reading of 7.7% as the number of speculative-grade companies remained at 26 and the number of those with an SGL-4 score was unchanged at two.

The Australian index, which doesn't factor into the Asian Liquidity Stress Index, continued the downward trend seen since the start of the year.

It dipped to 15.8% in May from 16.7% in April as the number of companies with an SGL-4 score remained at three and the net number of speculative-grade Australian companies rose by one to 19.

Moody's had assigned speculative-grade ratings to 123 issuers in Asia (excluding Japan and Australia) covering \$67.5 billion of rated debt by end-May, versus 121 issuers and \$65.5 billion of rated debt in April.

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