



HD **Moody's: Asian Liquidity Stress Index rises slightly in December**

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Moody's Investors Service says that its Asian Liquidity Stress Index (Asian LSI) rose to 20% in December from 19% in November.

"The index, which decreases when speculative-grade liquidity appears to increase, has held in a tight 19.0%-21.1% range since July, having declined gradually from its recent high of 29.1%, established 14 months ago in October 2012," says Laura Acres, a Moody's Senior Vice President.

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"The month-on-month increase reflects a decrease of one **company**, to 115, in the high yield space and the addition of one **company** to a total of 23 with Moody's lowest or weakest speculative-grade liquidity score of SGL-4," says Acres.

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

"The reading for December is well below the record high of 37% reached during fourth quarter of 2008 amid the global financial crisis and is now in line with the long-term rolling average for the Asian LSI," says Acres.

The liquidity sub-index for **Chinese** speculative-grade companies increased for a second consecutive month, to 22.2% from 20.3% in November, according to the report.

The number of high-yield **Chinese** companies decreased to 63 from 64 in November. Meanwhile, the number with an SGL-4 score increased to 14 in December from 13 in November.

China's high-yield **property** sub-index also rose to 21.1% from 18.4% in November with eight of 38 companies in the sub-sector having SGL-4 scores.

The Indonesian sub-index was flat for a third month as the composition remained static: one **company** out of 26 has a SGL-4 score.

The Australian index, which does not factor into the Asian LSI, declined to 28.6% in December from 33.3% in November as the number of high-yield Australian companies decreased to 14 from 15. The number of Australian high-yield companies with a score of SGL-4 also declined to four from five in November.

Moody's had assigned speculative-grade ratings to 115 issuers in Asia (excluding Japan and Australia) covering \$61.7 billion of rated debt by the end of December, versus 116 issuers and \$61.5 billion of rated debt in November.

Subscribers can access this report via this link:

https://www.moodys.com/research/Moodys-Asian-Liquidity-Stress-Index-January-2014--PBC_162057

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