

Moody's cuts country ceiling ratings for Portugal, Ireland

NEW YORK, Sept. 5 (Xinhua) -- Moody's Investors Service on Wednesday cut its country-ceiling ratings for Portugal and Ireland, citing the economic and financial risks in both countries. The rating agency lowered the country ceiling for Portugal by nine notches to Baa3, one level from junk territory, from top triple-A, reflecting its assessment of the risks of economic and financial stability in Portugal.x The country ceiling means the highest rating one issuer inside one country can get from Moody's. For example, the highest rating one issuer in Portugal can get now is Baa3. The firm also downgraded Ireland's country ceiling rating by six notches to A3 from triple A, saying that the country's economic weakness continued posing risks to domestic nongovernment issuers. Moody's said these changes have no ratings implications for rated issuers in Portugal, because none of them are currently rated above the new ceiling level, while the changes have limited ratings implications for fundamental credits in Ireland. It meant that structured finance transactions backed by Irish receivables could likely be downgraded to a maximum rating of A3. Currently, Moody's holds a sovereign debt rating of Ba3 for Portugal, three levels into junk territory, while Ireland's credit rating stood at Ba1, on notch into junk territory.