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## **AZERBAIJAN PLACES BONDS FOR SOUTHERN GAS CORRIDOR WITH ALMOST 7% YIELD**

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By Anvar Mammadov – Trend

Azerbaijan's Southern Gas Corridor Company printed its \$1bn 10year bond on Thursday 80bp back of the sovereign curve, benefiting from an explicit state guarantee, Global Capital agency reported.

Initial price thoughts for the 10 year bond were released at 7% yield area on Thursday morning, but leads UniCredit, Citi and JP Morgan were unable to move pricing tighter before pricing in line with that level later in the day, said in report.

The bond was sold at 99.112 with a coupon of 6.875%. Demand was largely driven by investors in the UK and US.

Azerbaijani government held a bond roadshow for the Southern Gas Corridor on international market in March 10-16 at main world financial centers - London, New-York and Boston.

Three manager banks, namely, Citibank, JP Morgan, and Unicredit have been chosen for the bond issuance.

Fitch Ratings has assigned CJSC Southern Gas Corridor's (SGC) senior unsecured Eurobonds a 'BB+(EXP)' expected foreign currency long-term rating.

The Southern Gas Corridor projects (SGC) net financial needs for operations and capex will be close to \$8.4 billion in 2016-2019, said the message of the international ratings agency Fitch Ratings.

The Southern Gas Corridor is one of the priority energy projects for the EU. It envisages the transportation of gas from the Caspian region to the European countries through Georgia and Turkey.

At the initial stage, the gas to be produced as part of the Stage 2 of development of Azerbaijan's Shah Deniz field is considered as the main source for the Southern Gas Corridor project. Other sources can also connect to this project at a later stage.

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Kaynak/Source: