

ARGENTINA: ADCAP INDICES

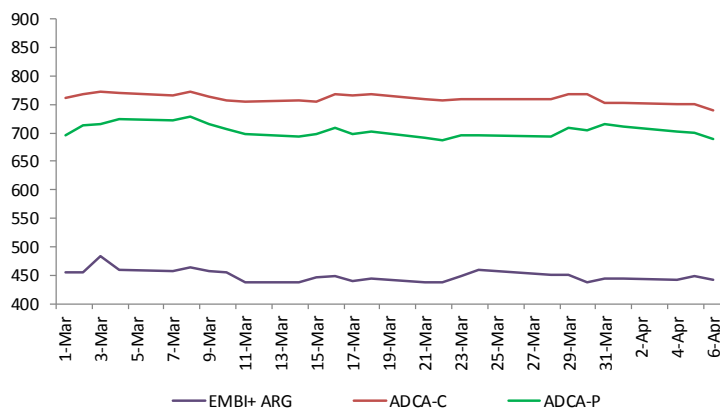
Very limited price action on average but significant rotation in the index this month

Argentine corporate and provincial bonds continue to trade strong but on small volume and price action on average. This is a continuation of what we have seen all year 2015 and in 1Q16, but that should pick up somehow in the second half of the year as more issuers come to market and appetite on Argentine paper (other than the sovereign) resurfaces.

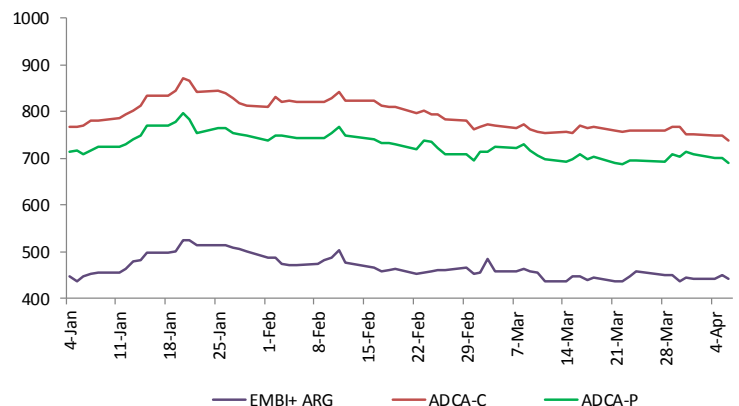
Given the strong corporate debt maturities in 2017 and 2018, we continue to see significant rotation in the composition of the ADCA-C (this month Capex 18 and Mendoz 18 left the indices). Moreover, we expect to see new bonds entering the indices as issuance picks up. During 1Q16, there were new issuance of IRSA (IRCPAR 23), YPF (YPFDAR 21) and BUENOS (BUENOS 24). As YPF and BUENOS continue to be the top issuers, (both in terms of numbers of issues and size) they account for the majority of the ADCA-C and ADCA-P, respectively. Including the recent issues, YPF accounts for 58% of the corporate index, while BUENOS for 82% of the provincial index. We expect this to change as more corporates and provinces issue this and next year. Many corporates and provinces have expressed their interest but the exact timing is still uncertain and will partly depend of the upcoming sovereign issuance and its success in causing a compression in yield going forward.

In terms of performance, while on average the bonds showed little change, some names experienced attractive spread compression and returns. This was the case for ARCO, TRAGAS, AEROAR, MASHER in corporates, and BUENOS 21 and 21 new in provincials, just to name a few. Moreover, all corporate and BUENOS bonds experienced at least some spread compression both last month and YTD.

ADCA Spread Indices Performance (in bps) -1 Month



ADCA Spread Indices Performance (in bps) -YTD



ADCAP INDICES— Top & Bottom Performers - Since March 1 to yesterday's close

ADCA-C SPREAD INDEX: -23bps

Best Performers (Spread in bps)		Worst Performers (Spread in bps)	
Arco 23	-110	YpfDar 18 frn	8
Tragas 20	-47	Clisa 19	-5
AeroAr 20	-45	Bmaar 36	-7
Irsaar 20	-45	YpfDar 24	-11
Masher 21	-45	Paname 21	-15

ADCA- P SPREAD INDEX: -7bps

Best Performers (Spread in bps)		Worst Performers (Spread in bps)	
Buenos 21	-54	Bueair 21	16
Buenos 21 New	-28	Salta 22	1
Neuque 21	-26	Buenos 28	-7

ADCA-C TOTAL RETURN INDEX:

Best Performers (%)		Worst Performers (%)	
Ypfdar 25	1.6	YpfDar 18 frn	-0.8
Masher 21	1.5	AeroAr 20	0.1
Ednar 22	1.4	Galiar 18	0.2
Irsaar 20	1.3	YpfDar 18	0.2
Tragas 20	0.8	Clisa 19	0.3

ADCA-P TOTAL RETURN INDEX:

Best Performers (%)		Worst Performers (%)	
Buenos 35	2.0	Bueair 21	-0.7
Buenos 21	1.4	Buenos 18	0.2
Buenos 21 New	0.9	Neuque 21	0.2

**More information and daily pricing of the ADCA Indices can be found on ADCAP's research page on BBG*

ADCAP INDICES— Top & Bottom Performers - YTD Analysis
ADCA-C SPREAD INDEX: -28bps

Best Performers (Spread in bps)		Worst Performers (Spread in bps)	
Ednar 22	-130	Clisa 19	55
Galiar 18	-128	Bmaar 36	-18
Galiar 19	-117	YpfDar 18 frn	-39
YpfDar 18	-115	Paname 21	-41
Irsaar 20	-112	YpfDar 24	-56

ADCA- P SPREAD INDEX: -25bps

Best Performers (Spread in bps)		Worst Performers (Spread in bps)	
Buenos 21	-127	Neuque 21	82
Buenos 35	-102	Salta 22	53
Buenos 21 New	-91	Buenos 28	-36

ADCA-C TOTAL RETURN INDEX:

Best Performers (%)		Worst Performers (%)	
Ednar 22	6.3	Clisa 19	-1.1
Ypfdar 25	3.8	YpfDar 18 frn	0.7
Irsaar 20	3.6	Tragas 20	0.7
Masher 21	3.2	AeroAr 20	1.1
Ypfdar 24	3.0	Bmaar 36	1.4

ADCA-P TOTAL RETURN INDEX:

Best Performers (%)		Worst Performers (%)	
Buenos 35	9.6	Neuque 21	-2.0
Buenos 21	3.8	Salta 22	-1.5
Buenos 21 New	3.1	Buenos 18	1.2

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ADCA Indices provide a unique tool for investors to track the performance of Argentine corporates and provincial bonds, and to identify relative value opportunities between asset classes within the Argentine fixed income universe. The ADCA-C Index and ADCA-P indices measure the spread (ADCA-C and ADCA-P Spread Indices) and total return (ADCA-C TR and ADCA-P TR indices) of Argentine corporates and provincial bonds in US\$, on a daily basis.

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