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Carlos Navarro

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Grupo Serfin & Finance Secretariat Announce Plans To Issue Debt Instruments In U.S. Financial Markets

by Carlos Navarro
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In early December, Mexico's Grupo Financiero Serfin and the Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP), initiated separate efforts to raise funds for capital projects via US financial markets. On Dec. 1, Grupo Serfin launched primary and secondary offerings in stock markets in New York, Mexico City and Europe. More than half of the total offering, valued at US$97.4 million, took the form of American Depository Receipts (ADRs) placed in the New York Stock Exchange (NYSE). According to El Financiero daily business newspaper, the Grupo Serfin listing was the first by a Mexican financial group on the NYSE. The Mexican telephone company Telefonos de Mexico (TELMEX) is one of the most prominent Mexican companies listed in the New York Exchange. Separately, on Dec. 6, the SHCP formally asked the US Securities and Exchange Commission (SEC) to approve a request authorizing the Mexican government to issue US$500 million in debt instruments in US markets. Under the plan, government entities will issue medium-term notes, with terms announced on the day of the issue. According to the SHCP, under the proposal, the principal US intermediary would be Citicorp Securities Inc., although some support business would be handled by Chase Securities, CS First Boston, Salomon Brothers and Swiss Bank Corp. On a related matter, the US-based financial rating company Standard & Poor's Corp. (S&P) announced an agreement with the Mexican rating company S.D. Índeal to restructure the securities identification system for Mexican stocks to match the US and Canadian systems. Under the changes, each publicly traded Mexican security will receive its own International Securities Identification Number (ISIN) similar to those for US and Canadian stocks. Under the agreement, Índeal will become the exclusive agent of S&P's Committee on Uniform Security Identification Procedures, or CUSIP. "This historic agreement provides the growing Mexican securities market with a globally recognized numbering standard," said Harry Lopez, a director of S&P's CUSIP Service Bureau. S&P has assigned CUSIP numbers to more than three million publicly traded securities in the US and Canada. "We are pleased to provide our customers with an ISIN-compatible standard, and we look forward to further globalization of the Mexican securities market now that the North American Free Trade Agreement (NAFTA) has been confirmed by all signatories," said Gerardo Flores, chief executive officer of S.D. Índeal. (Sources: El Financiero, 11/30/93; Siglo 21, 12/01/93; La Jornada, United Press International, 12/02/93; El Financiero International, Notimex, 12/06/93)