

Russia's LUKoil Eyes International Bond Float in Autumn

By [The Moscow Times](#)

August 07, 2014

The  **Moscow Times**

LONDON — Russia's LUKoil might issue bonds on the international market in autumn, a company spokesperson said.

"It will still happen," the spokesperson told IFR. "It should be in autumn, but it could be later."

IFR reported in March that the Baa2/BBB-rated borrower had mandated Citigroup and JP Morgan to lead manage a potential U.S. dollar-denominated bond.

LUKoil is the second Russian issuer this week to say it might still come to the bond market for fundraising this year despite restrictive sanctions from the U.S. and Europe.

On Tuesday, Russian private bank Alfa-Bank, rated Ba1/BB+/BBB-, told IFR that it was aiming to issue new U.S. dollar-denominated subordinated debt in September or October.

JP Morgan is also mandated to arrange Alfa-Bank's deal, alongside fellow U.S. houses Bank of America Merrill Lynch and Goldman Sachs, according to two sources.

Neither LUKoil nor Alfa Bank is on either the U.S. or EU sanctions lists, which have largely targeted the state-owned banks.

Analysts had expected the Russian primary bond market to be shut down for the rest of the year, as the political deadlock in eastern Ukraine continues.

Last Friday, ratings agency Fitch said it expected Russian entities to be locked out of capital markets in 2014-2015.

No Russian bank or corporate has priced an international bond deal since private lender Promsvyazbank printed a \$300 million seven-year tier-2 note on July 15.

On Thursday, Moscow retaliated to the Western sanctions by imposing a one-year ban on imports of fruit, vegetables, meat, poultry, fish, milk and dairy products from the EU, U.S., Australia, Canada and Norway.

See also:

[How Sanctions Against Russia Have Affected European Companies](#)

Original url:

<https://www.themoscowtimes.com/2014/08/07/russias-lukoil-eyes-international-bond-float-in-autumn-a-38104>