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## Fitch Upgrades Argentine Local & Regional Governments After Country Ceiling Upgrade

Fitch Ratings-Monterrey-30 March 2016: Fitch Ratings has upgraded several Argentine local and regional governments' long-term foreign and local currency Issuer Default Ratings (IDRs) and related issue ratings.

A full list of rating actions follows at the end of this release.

### KEY RATING DRIVERS

These rating actions follow Fitch's upgrade of Argentina's Country Ceiling to 'B' from 'CCC' (see 'Fitch Affirms Argentina's FC IDR at 'RD'; Upgrades LC IDR to 'B'; Outlook Stable', dated March 22, 2016 at [www.fitchratings.com](http://www.fitchratings.com)).

The long-term and local currency IDRs and Country Ceiling upgrades are driven by the improved consistency and sustainability of Argentina's policy framework, reduced external vulnerability, and the expected easing of fiscal financing constraints. These improvements balance risks related to relatively weak external liquidity, continued macroeconomic underperformance compared with peers, and deterioration of public finances in recent years. Argentina's ratings also balance structural strengths such as GDP per capita and social indicators against a weak debt repayment record.

Fitch has upgraded the following ratings:

#### City of Buenos Aires

- Long-term foreign and local currency IDR to 'B' from 'CCC'; assigned Outlook Stable;
- Short-term foreign and local currency IDR to 'B' from 'C';
- Euro medium-term note programme (EMTN) to USD2,290 million long-term rating to 'B' from 'CCC';
- Series 10 for USD415 million long-term rating to 'B' from 'CCC';
- Programme of Short-Term Treasury Bills up to ARP950 million: short-term rating to 'B' from 'C'.

#### Municipality of La Plata

- Long-term foreign and local currency IDR to 'B' from 'CCC'; assigned Outlook Stable.



Province of Salta

--Long-term foreign and local currency IDR to 'B' from 'CCC'; assigned Outlook Stable;

--Secured Note (Provincial Law 7,691) for USD 185 million long-term rating to 'B' from 'CCC'.

Province of Neuquen

--Long-term foreign and local currency IDR to 'B' from 'CCC'; assigned Outlook Stable.

#### RATING SENSITIVITIES

An upgrade in the Sovereign's country ceiling accompanied by a sound fiscal performance of the subnationals could lead to a change in the same direction on the Argentine Local and Regional Governments' ratings.

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Additional information is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

### **Applicable Criteria**

[International Local and Regional Governments Rating Criteria \(pub. 18 May 2015\)](#)

[Tax-Supported Rating Criteria \(pub. 14 Aug 2012\)](#)

### **Additional Disclosures**

[Dodd-Frank Rating Information Disclosure Form](#)

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