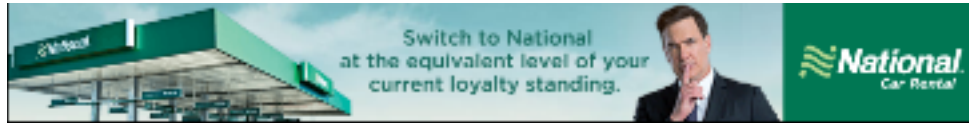


[Business](#) [Markets](#) [World](#) [Politics](#) [Tech](#) [Opinion](#) [Breakingviews](#) [Money](#) [Life](#)



Markets | Wed Sep 17, 2014 2:32pm EDT

Related: BONDS, MARKETS

UPDATE 1-Moody's downgrades Puerto Rico's PREPA revenue bonds

SEPT 17

(Adds bond price, context)

Ratings agency Moody's cut \$8.8 billion of Puerto Rico Electric Power Authority's (PREPA) revenue bonds further into junk on Wednesday, saying bondholders could lose up to 35 percent of their investment if PREPA defaults.

Moody's cut its ratings on the bonds to 'Caa3' from 'Caa2' and said any restructuring at the troubled utility could be influenced by political considerations, adding that were risks around the utility's plans to convert its fuel supply.

The ratings agency estimated the recovery rate from a PREPA restructuring at 65 percent to 80 percent. It said that it viewed a restructuring as "highly likely."

"The downgrade considers the uncertainty that persists regarding the details of the expected restructuring plan by PREPA," Moody's said. (bit.ly/1o3w4gk)

PREPA entered into a forbearance agreement with a majority of its bondholders in September. As part of that agreement it hired Lisa Donahue from Alix Partners to produce a restructuring plan by next March.

In an interview with Reuters earlier this month, Donahue said it was too earlier to say if bondholders would take a writedown in the event of a restructuring but said all options were on the table.

Moody's said PREPA's ratings were not expected to move upward over the near-to-medium term.

PREPA bonds that mature in 2030 and carry a 5.95 percent coupon traded on Wednesday at an average price of 53.856 cents on the dollar. That compared to an average price of 54.205 cents on Tuesday. Last week the bonds' average price was as high as 57.816 cents on the dollar. (Reporting by Abinaya Vijayaraghavan in Bangalore; Editing by Simon Jennings and Tom Brown)



Huge win in NY could right Trump's ship



PICTURES OF THE DAY

More from Reuters

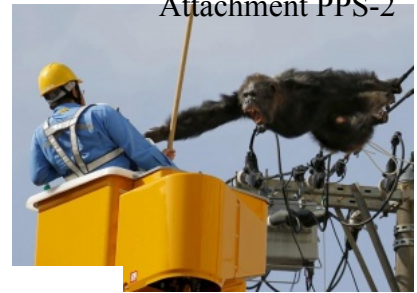
- [When will Russia break?](#) | 14 Apr
- [Short skirts, bad stars, chow mein: why rape happens in India](#) | 13 Apr

- **Before defecting, North Korean waitresses shopped for backpacks** | 12 Apr
- **What is Squad X, and how much will it change the U.S. Army?** | 10 Apr
- **Trump and Bernie are both right: 'Free trade' is killing us** | 12 Apr
- **Why the F-35 Joint Strike Fighter might not stink** | 7 Apr
- **In Iowa corn fields, Chinese national's seed theft exposes vulnerability** | 11 Apr
- **Disappointed Ukrainians turn fire on leaders after Dutch vote** | 7 Apr
- **Former doubles champion Bob Hewitt expelled from Hall of Fame** | 6 Apr
- **A new kind of battlefield awaits the U.S. military – megacities** | 6 Apr

Sponsored Financial Content



- **5 myths about U.S. government debt** *J.P. Morgan Funds*
- **How Long Can Your Retirement Savings Last?** *American Funds*
- **Digitally weary users switch to 'dumb' phones** *Financial Times*
- **2 Dudes reveal a trillion-dollar idea on Shark Tank** *The Motley Fool*
- **A Simple Trick To Pay Off Your Credit Card Balance** *Lending Tree*



Our top photos from the last 24 hours. [Slideshow »](#)

INSIDE THE NORTH KOREAN MILITARY



BUILD YOUR PERFECT CANDIDATE



Download Reuters' White House Run from the App Store

TRENDING ON REUTERS

- North Korea's failed missile launch prompts 'saber-rattling' jibe from China media | [VIDEO](#)
- White House hopefuls Clinton, Sanders joust in Brooklyn brawl
- Microsoft sues U.S. government over data requests | [VIDEO](#)
- Global stocks, dollar and oil cool ahead of Doha meeting
- Oil falls on low expectations for Doha meeting

From The Web

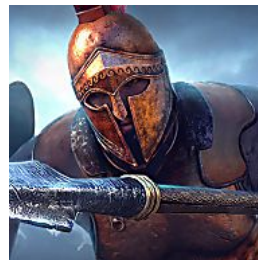
Sponsored Links by Taboola



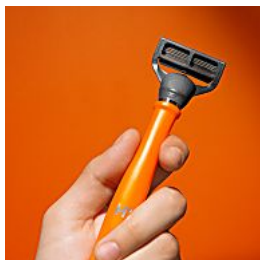
The Best Credit Card for Small Businesses Has Arrived
NextAdvisor



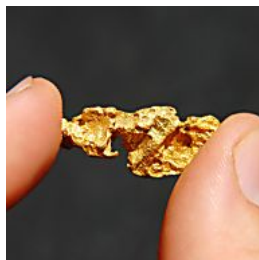
The Stunning Evolution of Millennials: They've Become th...
The Huffington Post | Wealthfront



Are you a strategic thinker? Test your skills with millions of...
Sparta - Free Online Game



What Sets This Razor Apart From Drugstore Brands?
Harry's



Ron Paul Issues Warning On Gold
Stansberry Research



11 Stars From Commercials - Who Are They Really?
Definition

Sponsored Topics

High Yield Corporate Bonds

Bond Yield Calculators

How to Invest in Bonds

Retirement Annuity Rates

Series EE Savings Bonds

New Honda CRV

Daily Treasury Yield Rates

IRA Interest Rates



The largest automated investing service,
empowering you to achieve your goals

**Lower Fees**

A fraction of the cost
of traditional
financial services

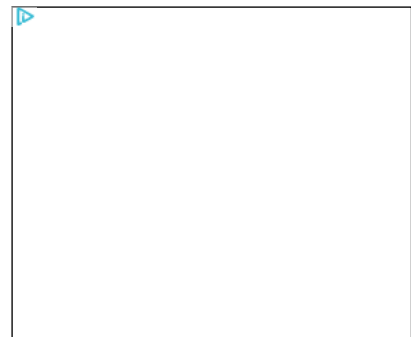
**Easy to Start**

60-second rollovers
and next-day
deposits

[EXPERIENCE SMARTER INVESTING TODAY >](#)

SPONSORED TOPICS

1. [High Yield Corporate Bonds](#)
 2. [How to Invest in Bonds](#)
 3. [Series EE Savings Bonds](#)
 4. [Daily Treasury Yield Rates](#)
 5. [Bond Yield Calculators](#)
 6. [Reverse Mortgage Calculator](#)
-



Follow Reuters

More from Reuters [Newsletters](#) | [Podcasts](#) | [Apps](#)

News and Media Division of [Thomson Reuters](#)

Thomson Reuters is the world's largest international multimedia news agency, providing investing news, world news, business news, technology news, headline news, small business news, news alerts, personal finance, stock market, and mutual funds information available on Reuters.com, video, mobile, and interactive television platforms. Thomson Reuters journalists are subject to an [Editorial Handbook](#) which requires fair presentation and disclosure of relevant interests.

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, please [click here](#).

© 2016 Reuters All Rights Reserved

[Site Feedback](#) | [Advertise With Us](#) | [Advertising Guidelines](#) | [AdChoices](#) | [Terms of Use](#) | [Privacy Policy](#) | [Copyright](#)