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ОСОБЕННОСТИ РАЗМЕЩЕНИЯ ОБЛИГАЦИОННЫХ ЗАЙМОВ СТРОИТЕЛЬНЫМИ КОМПАНИЯМИ ЗА РУБЕЖОМ

***Аннотация**: статья посвящена анализу особенностям размещения облигационных займов строительными компаниями за* рубежом *. С использованием различных методов финансового анализа была получена полноценная картина финансового положения компании и объяснены результаты.*

***Ключевые слова**: облигация, финансовые рынки, финансовый анализ, строительные компании.*

PECULIARITIES OF BOND ISSUING BY CONSTRUCTION COMPANIES ABROAD

***Annotation**: The article is devoted to peculiarities of bond issuing by construction companies abroad. Using various methods of financial analysis, a comprehensive picture of the company's financial position was obtained, and the results were explained.*

***Keywords**: bonds, financial markets, financial analysis, construction companies*

PECULIARITIES OF BOND ISSUING BY CONSTRUCTION COMPANIES ABROAD

The role of corporate bonds in a particular country is largely determined by the current model of the securities market and its development trends. The model of the national securities market, as a rule, is stable and develops under the influence of fundamental factors acting on the market, the main of which is the ownership structure in the country. Taking into account the value of this factor is of great importance for predicting the processes occurring on it both in the short and in the long term. Attempts to regulate or develop the market by misjudging its model can seriously damage its ability to perform its main function — the transformation of savings into investments.

In research, the Anglo-American model of the securities market, German (or continental) and mixed, is usually distinguished. For the German model is characterized by the predominance of debt financing (bank lending), the role of universal banks in the banking system is high. The formation of share capital of companies occurs mainly at the expense of large owners, so the role of the stock market is not so high. The American model in the sources of financing is characterized by the predominance of shares, fragmented share capital and, consequently, the presence of a mass stock market and the separation of commercial banks from the corporate securities market. [1]

In transition economies, which are the countries of Central and Eastern Europe, the CIS countries, including and Russia, where property is concentrated enough, respectively, and securities markets are limited and slow in their development. In these countries, in conditions of underdevelopment of the financial sector based in the recent past only on banks, debt markets are superior to equity markets, and banks have a great influence on corporate securities markets, forming their basis either directly or through subsidiaries. That is, the ownership structure in these countries impedes the formation of a mass and retail securities market.

Since the mid 1990s. under the influence of globalization, the Anglo-American and German models and the organization of financial markets of countries are converging. So, both the USA and Germany show examples of the convergence of the two systems of financing the economy. Under the influence of the global financial crisis

[1] Brealey, R.A. & S.C. Myers, (1984). Principles of Corporate Finance. New York: McGraw-Hill, 2nd edition.

at the end of 2008, investment banks in the USA were allowed to engage in attracting deposit resources and placing these funds in loans to individuals and businesses. This means that the banking system has become universal in the United States, as the segment of investment banks has ceased to exist. Despite the scale of globalization and the related opportunities for fast and extensive exchange of information, the peculiarities of investing in domestic securities remain.

For example, Japanese and Spanish investors prefer to invest in national stocks (88% and 80%, respectively), and the largest percentage of investments in domestic bonds are from investors from Canada and the US (93% and 92%, respectively). An analysis of the financing structure (debts versus shares) for 75 (23 developed and 52 developing) securities markets is given in Table 2.1. [2] Of the 75 countries reviewed (including industrialized) in 53 countries (70.7% of the sample), debt financing is greater than the capitalization of the equity market, i.e. these markets are predominantly debt in nature. Most of them are emerging markets (43 markets or 57.3% of the sample), which reflects the wholesale nature of ownership in developing countries, with a predominance of large or controlling shareholders. The latter is unprofitable to dilute their property, so they are more prone to debt financing.

Table 1 - the ratio of debt and equity (shares) financing for a sample of countries

Debt financing / stock market capitalization,%							
Financial markets with a predominance of stocks				Financial markets with a predominance of debt financing			
(Debt financing <Capitalization of stock market)				(Debt financing> Capitalization of stock market)			
0-25	> 25-50	> 50-75	> 75-100	> 100-150	> 150-200	> 200-300	> 300
Great Britain	Hong Kong	Argentina	Australia	Brazil	Belgium	Germany	Austria, Bangladesh,

[2] Aldasoro, I. and T. Ehlers (2018), "Global Liquidity: Changing Instrument and Currency Patterns", BIS Quarterly Review, September, pp. 17-27

Finland	Singapore	Jordan	Greece	Israel	Hungary	Egypt	Zambia, Indonesia, Kenya,
	South Africa	Mexico	Denmark,	Ireland	Venezuela	China	Latvia, Luxembourg,
		USA,	Canada,	Spain,	Ghana, India,	Colombia	Moldova, Namibia,
		Trinidad and Tobago,	Malaysia	Italy	Cote d '	Korea	N. Zelandia, Pakistan,
		Turkey	Netherlands	Lithuania	Yvoire	Costa Rica	Panama, Paraguay, Romania,
		Switzerland	Zimbabwe	Nigeria	Mongolia	Mauritius	Slovakia, Slovenia,
		Sweden	France	Norway	Poland	Morocco	Thailand, Tunisia, Ukraine,
			Chile	Peru	Russia	Portugal	Croatia, Sri Lanka,
				Philippines,	Japan	Czech Republic	Ecuador
Total 22 countries, incl. 12 developed markets					Total 53 countries	Including 10 developed markets	

Source: Developed by the author

In most developed countries, the sector of corporate bonds originated from the market of bills of exchange and interbank loans, i.e. from a large wholesale market of a small number of participants and high par value of securities, modern stock exchanges abroad perform mainly representative functions in the field of bonds, since institutional investors' operations prohibit many of them from purchasing bonds that are not listed on any of the stock exchanges; it should be noted that listing on These exchanges are a rather expensive service (in some cases measured in hundreds of thousands of dollars), therefore, it is mainly resorted to by large issuers. Medium-sized businesses prefer to be listed either on national sites (if they are companies from developing countries or on exchanges with a simplified listing procedure (for example, on the Luxembourg stock exchange).

One of the advantages of over-the-counter trading is the absence of restrictions on the parameters of transactions from the trading systems (meaning there are no price restrictions, requirements for the delivery time of settlements and a number of additional conditions, as well as the ability to make a deal with those types of securities that are often not allowed to trading on the stock exchanges or for which the counterparty cannot be found on the exchange market. In addition, the dynamics of the market prices of debt securities are more predictable and less susceptible to strong and sudden fluctuations than stocks.[3]

The institutional debt market is a recognized source of project financing and an attractive alternative to bank loans. In 2017, bond issuance levels of construction companies reached record highs in most regions and sectors, with global volumes of $ 64 billion, as construction companies' bond loans continued to remain a viable source of financing in all sectors.

In 2017, the bond issue for the implementation of large investment projects rose sharply to record highs at $ 26 billion. And now it is the largest sector in terms of volume. Infrastructure offers have steadily grown and reached $ 23 billion.

[3] Sawant, R.J.Emerging Market Infrastructure Project Bonds: Their Risks and Returns // The journal of structured finance. – 2019. №4. – P. 75-83.

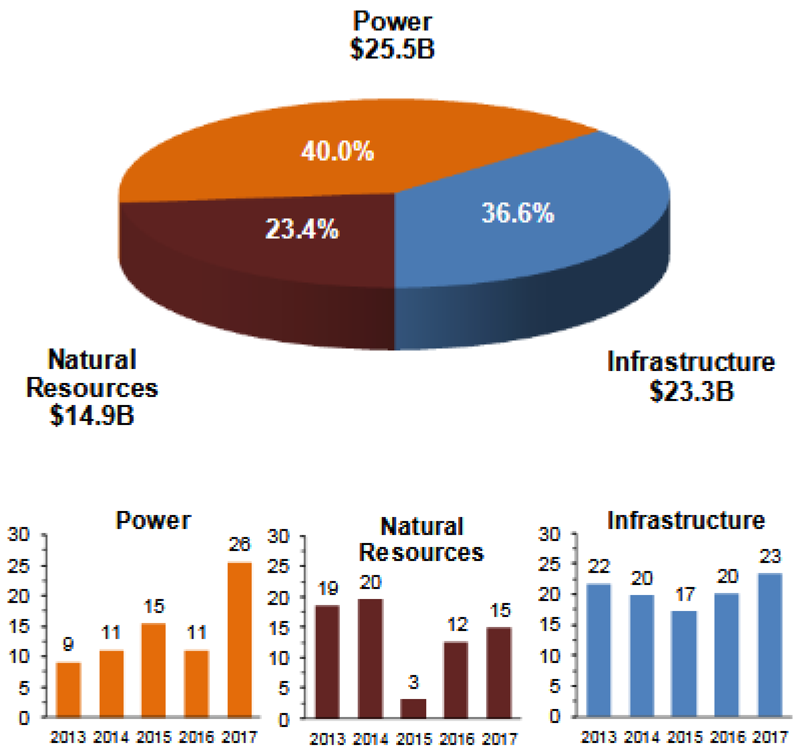
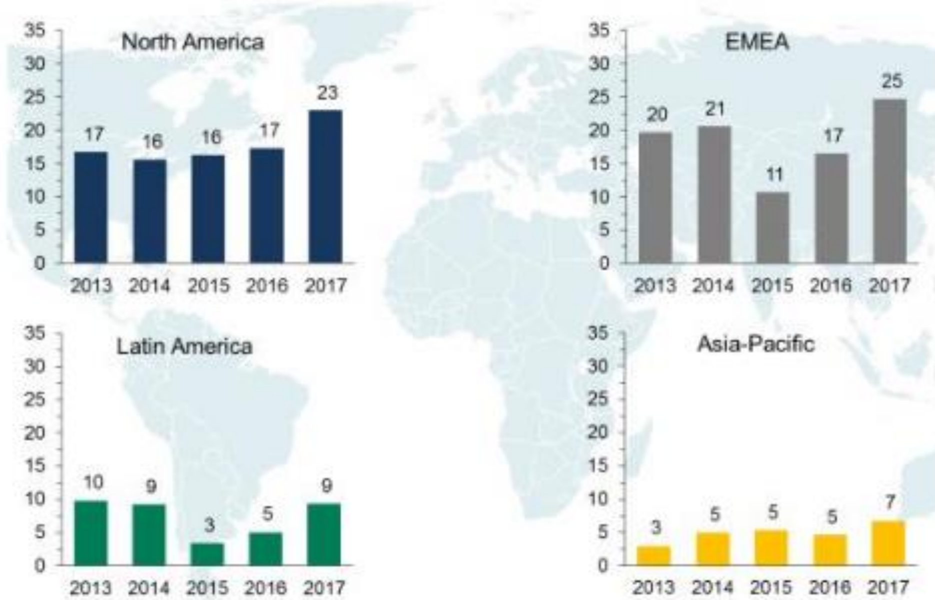


Figure 1 - Issue of bonds for the implementation of large investment projects by industry in 2017 ($ billion)

Source: Developed by the author based on Albrizio, S., M. Conesa, D. Dlugosch and C. Timiliotis (2019), "Unconventional Monetary Policy and Productivity: Evidence on the Risk-seeking Channel from US Corporate Bond Markets"

The United States continues to lead the world in terms of the volume of bonds of construction companies, with a volume of issue of $ 19 billion in 2017.



Rank	Country	Volume
1	United States	18.9
2	United Kingdom	8.7
3	Mexico	4.7
4	Canada	3.8
5	United Arab Emirates	3.4

Figure 2 - Issue of bonds of construction companies by region 2017 (volume in billions of dollars. USA) [4]

Source: Developed by the author based on Albrizio, S., M. Conesa, D. Dlugosch and C. Timiliotis (2019), "Unconventional Monetary Policy and Productivity: Evidence on the Risk-seeking Channel from US Corporate Bond Markets"

A total of $ 4 billion in construction company bonds was made in Canada, resulting in a total amount for North America of $ 23 billion, compared with $ 17 in 2016. EMEA emission levels continued to grow strongly, from $ 25 billion in

[4] Albrizio, S., M. Conesa, D. Dlugosch and C. Timiliotis (2019), "Unconventional Monetary Policy and Productivity: Evidence on the Risk-seeking Channel from US Corporate Bond Markets"

construction companies' bonds, compared with $ 17 billion in 2016. The volume of bonds of construction companies in Latin America in 2017 almost doubled over the year from 9 billion dollars to 5 billion dollars in 2016. The surge is partly due to large transactions made in the region, such as the new Mexico City International Airport $ 4 billion. In the Asia-Pacific region, the bond market for construction companies also grew steadily: in 2017, about $ 7 billion was released, which was caused by large issues in Indonesia and Malaysia.

Investors who invest in bonds of construction companies still prefer long-term acquisitions, such as power purchase agreements or availability-based contracts with investment-level counterparties to ensure stable and predictable cash flows. However, investors also demonstrate comfort with transactions that partially include income at risk of demand and prices, such as trading cash flows in transactions with the government, as reflected in some recent case law.

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4. Albrizio, S., M. Conesa, D. Dlugosch and C. Timiliotis (2019), "Unconventional Monetary Policy and Productivity: Evidence on the Risk-seeking Channel from US Corporate Bond Markets" – p. 7-13