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Subject: FW: (BN) Soros Stake-Sale Report Sinks Petrobras as Brazil's Stocks [C]
Date: Fri, 12 Jun 2015 15:37:55 +0000

Classification: Confidential

-----Original Message-----

From: Daniel Sabba (DEUTSCHE BANK SECURI) [mailto:sabbdan@bloomberg.net]
Sent: Friday, June 12, 2015 11:38 AM
Subject: (BN) Soros Stake-Sale Report Sinks Petrobras as Brazil's Stocks

(BN) Soros Stake-Sale Report Sinks Petrobras as Brazil's Stocks Drop

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Soros Stake-Sale Report Sinks Petrobras as Brazil's Stocks Drop
2015-06-12 15:20:43.667 GMT

By Denyse Godoy

(Bloomberg) -- A report saying billionaire investor George Soros's firm sold its stake in Petroleo Brasileiro SA sank shares of the oil producer at the center of Brazil's largest corruption scandal. The Ibovespa led losses in the Americas.

Petrobras fell for the first time this week after newspaper O Estado de S. Paulo said the firm also sold its options in the company, citing a document sent to the U.S. Securities and Exchange Commission. While the report shows the sale was done in the first quarter, traders say that should weigh negatively on the state-run company's shares. "Soros is an eagle of investments," Paulo Henrique Amantea, an analyst at brokerage H.H. Picchioni, said by telephone from Belo Horizonte, Brazil. "When he buys a stock, he gives it some support. When he sells everything, indicating that he does not see good prospects for the company, it's a very negative signal." Petrobras's Chief Executive Officer Aldemir Bendine is seeking to contain damage from a decade of alleged kickbacks and inflated construction contracts that spurred writedowns of 50.8 billion reais. The most-indebted global oil company is also struggling to reduce leverage and boost production in deep waters amid a slump in oil prices. Michael Vachon, a spokesman for Soros, didn't immediately respond to a request for comment on the investment firm's holdings during the first quarter.

The Ibovespa lost 0.9 percent to 53,182.72 at 12:18 p.m. in Sao Paulo, trimming its weekly gain to 0.4 percent. Petrobras retreated as much as 1.7 percent.

Embraer, Tim

After boosting its holdings in Petrobras in the third quarter, Soros trimmed its stake in the oil producer by 60 percent in the last three months of 2014, Folha de S. Paulo newspaper reported on Feb. 19.

Besides Petrobras, Soros also sold shares of planemaker Embraer SA and mobile carrier Tim Participacoes SA, eliminating its holdings in Brazilian companies, according to Estado.

Soros gained a wide reputation for his investing prowess in 1992 by netting \$1 billion with a bet that the U.K. would be forced to devalue the pound. With a net value of \$28.4 billion, he's the 24th-richest person in the world, according to the Bloomberg Billionaires Index.

Brazilian shares had entered a bull market in April, after rallying more than 20 percent from their 2015 low, on speculation government measures to shore up the budget would restore confidence and help Brazil keep its investment-grade credit rating. Since then, the benchmark stock gauge has slipped 6 percent amid bets the economy will slow further.

The Ibovespa also joined a slide in global equities Friday amid growing concern Greece won't reach a deal to stave off default, curbing demand for emerging-market assets.

"The mood is negative today with all this uncertainty regarding Greece," Alvaro Bandeira, a partner at Orama Asset Management, which oversees 280 million reais (\$89.7 million), said by phone from Rio de Janeiro. "The impasse makes investors more cautious around the globe."

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