Brazil Credit Rating Hinges on New Government: Moody's

Brasilia, October 9 (RHC-Xinhua) -- Brazil's credit rating doesn't depend on who wins the presidential elections, but on the winner's ability to change the country's economic course, rating agency Moody's said Wednesday.

The agency issued a report analyzing Brazil's economic outlook following Sunday's first-round presidential elections which led to a runoff on Oct. 26 between the incumbent President Dilma Rousseff of the Workers' Party and the Brazilian Social Democracy Party's Aecio Neves.

The report, titled "Brazil heads into second round of elections amid mounting economic and fiscal challenges," claimed that the two finalists have so far failed to clearly spell out their own strategies.

"Based on prior actions and declarations, we believe Dilma's economic message will probably emphasize growth and social programs, while Aecio's must focus more on macroeconomic stability," the agency said.

Brazil's credit rating will depend on how the next administration tackles growing public-sector debt, and handles fiscal policy and the stagnating economy, said the report.

The financial markets' "positive" reaction to the first round vote indicates that investors are expecting a "tight" race in the runoff, said Moody's.

The agency warned that "more of the same" economic policy could negatively impact Brazil's credit rating.

Last month, Moody's revised its outlook on Brazil's Baa2 rating to negative from stable.

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