

Corporacion De Reservas Estrategicas de Productos Petroliferos Outlook Revised To Stable After Similar Sovereign Action; 'BBB-/A-3' Ratings Affirmed

Overview

- We revised our outlook on Spain to stable from negative on Nov. 29, 2013.
- We equalize our ratings on Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) with that on Spain, reflecting our opinion that there is an "almost certain" likelihood it would receive timely and sufficient extraordinary support from the Spanish government.
- We are consequently revising our outlook on CORES to stable from negative, and affirming our 'BBB-/A-3' ratings.
- The stable outlook reflects that on Spain.

Rating Action

On Nov. 29, 2013, Standard & Poor's Ratings Services revised its outlook on Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES), the company responsible for managing Spain's strategic oil reserves, to stable from negative. At the same time, we affirmed our 'BBB-/A-3' long- and short-term ratings on CORES.

Rationale

The revision reflects a similar action on the **Kingdom of Spain** (BBB-/Stable/A-3) on Nov. 29, 2013. In accordance with our criteria for rating government-related entities, we believe that there is an "almost certain" likelihood that Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) would receive timely and sufficient extraordinary support from the Spanish government in the event of financial distress. As a result, we equalize the long- and short-term issuer credit ratings on CORES with those on Spain.

Our opinion that there is an "almost certain" likelihood of government support reflects our view that CORES:

- Plays a "critical" role for the Spanish government through its key public policy mandate; and

- Has an "integral" link with the Spanish government.

Outlook

The stable outlook reflects that on Spain.

Related Criteria And Research

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- "Outlook On Spain Revised To Stable From Negative On Economic Rebalancing; 'BBB-/A-3' Ratings Affirmed" Nov. 29, 2013
- CORES, Spanish Strategic Oil Reserves Manager, Ratings Affirmed At 'BBB-/A-3'; Outlook Negative, Oct. 22, 2013