

SECTOR IN-DEPTH

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Sovereign Risk Report

Jamaican Austerity Lowers Sovereign Risk But Hurts the Economy

Market-based measures of sovereign risk in Jamaica have fallen steadily over the past several years as the government implements a steady stream of austerity and reform measures to keep its payments to the IMF and other creditors on track. In recent weeks, Jamaica's risk gauges have shown the sharpest improvement in our database of 84 sovereigns. In the fortnight to May 8th, the one-year Sovereign EDF™ (Expected Default Frequency)¹ fell to 0.62%, a decline of 36 basis points or 37% in relative terms. The five-year Sovereign EDF showed a similar decline, dropping from 1.46% to 1.03% over the same period. The rating implied by both the one-and five-year Sovereign EDF now sits at B3. This is an improvement on recent months (the one-year implied rating was Caa2 in mid-2014) but still comfortably within speculative grade. The recent improvement in Jamaica's sovereign risk profile has been driven by both falling investor risk aversion and a decline in the five-year CDS spread, with the spread narrowing from 709bps to 588bps over the past fortnight.

FIGURE 1. JAMAICA'S ONE-AND FIVE-YEAR SOVEREIGN EDF

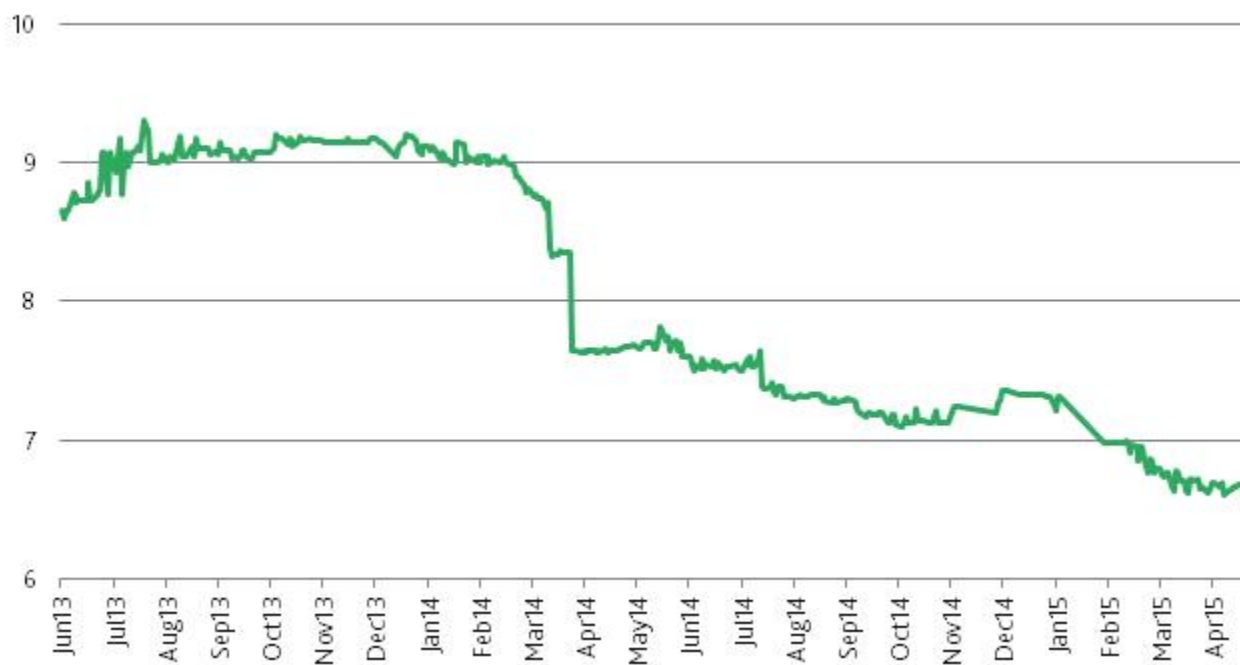


Signals from government bond markets mirror this trend of declining sovereign risk. Yields on Jamaican government bonds have fallen across the curve, driven by lower risk of default and

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several cuts in official interest rates, which also makes it a little easier for the government to service its debt. The yield on benchmark ten-year government bonds has fallen to 6.59%. In April, the government issued US\$3.5 million worth of 182 day treasury bills at a yield of 6.79%.

FIGURE 2. JAMAICA'S TEN-YEAR GOVERNMENT BOND YIELD

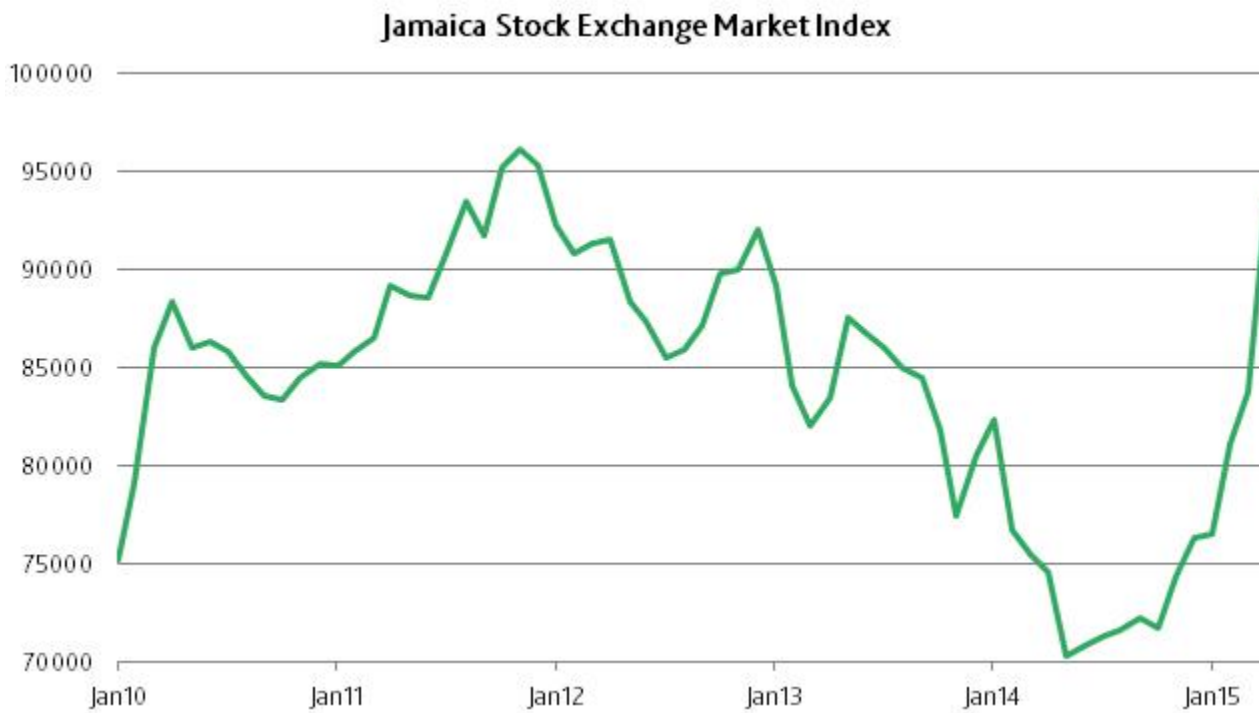


The improvement in Jamaica's sovereign risk profile comes as the government has been vigilant in meeting the reforms and austerity measures required by its creditors. Since 2010, when government debt was over 140% of GDP, the Jamaican government has received a series of bailouts from the IMF and the Inter-American Development Bank, to help rein in the country's unsustainable debt burden. The conditions around these bailout funds have been strict. The Jamaican government is required to hit a primary budget surplus of 7.5% of GDP in 2015, while the overall budget will be close to balanced and heading into steady surplus from 2016 onwards.

However, these reforms and austerity have come at the expense of the Jamaican economy. The government's budget has been balanced largely through spending cuts. According to the IMF's projections, which include the continued implementation of its austerity and reform program, the economy is expected to grow just 1.7% in 2015. Government revenue has stagnated despite increases in taxes on income, consumption, fuel and electricity, and education. In real terms, the economy is no bigger today than it was in 2006. The unemployment rate now sits above 15%, compared to a peak of 12% through the Great Recession and, by the IMF's own projections, it is not expected to fall below 15% between now and 2020.

Jamaica's equity market, meanwhile, has benefitted from the improved economic stability, with stock prices rising sharply in recent months. Stock prices have risen 28% since the start of the year, though they remain 22% below their peak from 2005. Lower inflation, linked to both a more stable fiscal environment and the sharp fall in global oil prices, allowed the Jamaican central bank to cut interest rates to 5.5% in April, adding further momentum to the equity market's recent gains.

FIGURE 3. JAMAICA'S STOCK MARKET



Asia-Pacific

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Australia (75300)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	-1bps
CDS Implied-Rating	Aa3	A1	A1	A1	Aa3	A2	+2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
China (599085)							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.05%	-1bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	-1
Bond Implied-Rating	A3	A3	A3	A2	A3	A3	0
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Hong Kong (375515)							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.01%	0.02%	-1bps
CDS Implied-Rating	Baa1	Baa1	A3	A3	A3	A3	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
Indonesia (405130)							
Sovereign EDF (1-Year)	0.07%	0.08%	0.08%	0.09%	0.09%	0.11%	-2bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Japan (423746)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	-1bps
CDS Implied-Rating	A1	A1	A1	A1	A1	A2	+1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	A1	A1	A1	A1	A1	Aa3	-1
Korea (440230)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	-2bps
CDS Implied-Rating	A3	A3	A3	A3	A3	Baa1	+1
Bond Implied-Rating	A2	A2	A2	A3	A2	A2	0
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Malaysia (460522)							
Sovereign EDF (1-Year)	0.05%	0.06%	0.06%	0.06%	0.06%	0.05%	+1bps
CDS Implied-Rating	Baa3	Baa3	Ba1	Ba1	Baa3	Baa3	0
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Senior Rating	A3	A3	A3	A3	A3	A3	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
New Zealand (553700)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	-1bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa3	Aa2	A2	+3
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Philippines (607410)							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.06%	-2bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Bond Implied-Rating	A3	Baa1	Baa1	A3	A3	Baa1	+1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Singapore (680430)							
Sovereign EDF (1-Year)	--	--	--	--	--	--	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Sri Lanka (600023158)							
Sovereign EDF (1-Year)	0.22%	0.22%	0.22%	0.21%	0.21%	0.30%	-9bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B2	-1
Bond Implied-Rating	B1	B1	B1	B1	B1	B1	0
Senior Rating	B1	B1	B1	B1	B1	B1	0
Taiwan (732845)							
Sovereign EDF (1-Year)	--	--	--	--	--	--	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Thailand (747330)							
Sovereign EDF (1-Year)	0.04%	0.05%	0.05%	0.05%	0.05%	0.07%	-2bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Bond Implied-Rating	--	--	--	--	--	Ba3	--
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
Vietnam (600023790)							
Sovereign EDF (1-Year)	0.08%	0.08%	0.08%	0.07%	0.07%	0.11%	-4bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1
Senior Rating	B1	B1	B1	B1	B1	B2	+1

Europe

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Austria (76100)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aa1	Aa2	Aa2	Aa2	Aa1	Aa2	+1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Belgium (100220)							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0 bps
CDS Implied-Rating	A3	A3	A3	A3	A2	A1	-1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Bulgaria (126630)							
Sovereign EDF (1-Year)	0.08%	0.08%	0.09%	0.09%	0.09%	0.07%	+2 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	--	Baa3	--
Bond Implied-Rating	Baa2	Baa3	Baa2	Baa2	Baa2	Baa2	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Croatia (600020489)							
Sovereign EDF (1-Year)	0.13%	0.14%	0.14%	0.13%	0.13%	0.23%	-10 bps
CDS Implied-Rating	B2	B2	B2	B2	B2	B2	0
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba3	2
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Cyprus (377200)							
Sovereign EDF (1-Year)	0.36%	0.37%	0.32%	0.29%	0.29%	0.27%	+2 bps
CDS Implied-Rating	B3	Caa1	B3	B3	B3	B3	0
Bond Implied-Rating	B2	B2	Ba3	Ba3	Ba3	B2	+2
Senior Rating	B3	B3	B3	B3	B3	Caa3	+3
Czech Republic (218505)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	-2 bps
CDS Implied-Rating	A3	A3	A3	A3	A3	A3	0
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa1	Aa2	Aa2	0
Senior Rating	A1	A1	A1	A1	A1	A1	0
Denmark (230700)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Bond Implied-Rating	Aa1	Aaa	Aa1	Aa1	Aa1	Aa1	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Estonia (600046984)							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa1	A3	-1
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A1	A1	A1	A1	A1	A1	0
Finland (278070)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
France (639500)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	-1bps
CDS Implied-Rating	A1	A2	A1	A1	Aa3	A2	+2
Bond Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
Germany (333700)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	--	Aaa	--	Aaa	--
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Greece (348330)							
Sovereign EDF (1-Year)	6.47%	7.97%	6.58%	5.65%	5.40%	0.49%	+491bps
CDS Implied-Rating	C	C	C	C	C	B3	-5
Bond Implied-Rating	Caa3	Ca	Ca	Caa3	Caa3	B3	-3
Senior Rating	Caa1	Caa1	Caa1	Caa2	Caa2	Caa3	+1
Hungary (381030)							
Sovereign EDF (1-Year)	0.04%	0.05%	0.05%	0.05%	0.05%	0.11%	-6 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba2	+2
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Iceland (392575)							
Sovereign EDF (1-Year)	0.08%	0.08%	0.08%	0.08%	0.08%	0.12%	-4 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	--	Ba1	Ba2	+1
Bond Implied-Rating	Baa2	Baa2	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Ireland (423933)							
Sovereign EDF (1-Year)	0.01%	0.02%	0.02%	0.02%	0.02%	0.03%	-1bps
CDS Implied-Rating	A3	A3	A3	A3	A3	Baa1	+1
Bond Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa3	+2
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa3	+2
Italy (423690)							
Sovereign EDF (1-Year)	0.05%	0.07%	0.07%	0.06%	0.06%	0.07%	-1bps
CDS Implied-Rating	Baa3	Baa3	Ba1	Baa3	Baa3	Baa3	0
Bond Implied-Rating	A2	A3	A3	A2	A2	Baa1	+2
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Latvia (600016806)							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.07%	-4 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa1	Aa3	Baa2	+5
Senior Rating	A3	A3	A3	A3	A3	Baa2	+2
Lithuania (600018187)							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.07%	-4 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	Aa3	Aa2	Aa2	Aa3	Aa3	Baa2	+5
Senior Rating	Baa1	Baa1	Baa1	Baa1	A3	Baa1	+1
Malta (600012947)							
Sovereign EDF (1-Year)	0.12%	0.12%	0.13%	0.13%	0.13%	0.16%	-3 bps
CDS Implied-Rating	--	--	--	--	--	Ba3	--
Bond Implied-Rating	A1	A2	Aa3	Aa2	Aa3	Baa1	+4
Senior Rating	A3	A3	A3	A3	A3	A3	0
Netherlands (543005)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aa1	+1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Norway (565700)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Poland (613900)							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	-1bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
Bond Implied-Rating	Aa3	Aa3	Aa2	Aa2	Aa3	A1	+1
Senior Rating	A2	A2	A2	A2	A2	A2	0
Portugal (614650)							
Sovereign EDF (1-Year)	0.05%	0.06%	0.07%	0.05%	0.05%	0.09%	-4bps
CDS Implied-Rating	Baa3	Ba1	Ba1	Ba1	Ba1	Ba1	0
Bond Implied-Rating	A2	Baa2	Baa1	Baa1	Baa1	Baa3	+2
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba3	+2
Romania (651437)							
Sovereign EDF (1-Year)	0.04%	0.05%	0.05%	0.05%	0.05%	0.09%	-4bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Russian Federation (600018921)							
Sovereign EDF (1-Year)	0.30%	0.34%	0.32%	0.34%	0.29%	0.27%	+2bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B2	-1
Bond Implied-Rating	Ba1	Ba2	Ba2	Ba2	Ba2	Ba2	0
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa1	-3
Serbia (600035271)							
Sovereign EDF (1-Year)	0.10%	0.11%	0.10%	0.10%	0.10%	0.29%	-19bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--
Slovakia (600011880)							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0bps
CDS Implied-Rating	A3	A3	A3	A3	A3	A3	0
Bond Implied-Rating	Aaa	Aa1	Aaa	Aaa	Aaa	Aa2	+2
Senior Rating	A2	A2	A2	A2	A2	A2	0
Slovenia (600019535)							
Sovereign EDF (1-Year)	0.05%	0.05%	0.05%	0.05%	0.05%	0.10%	-5bps
CDS Implied-Rating	Baa3	Baa3	Baa3	--	Baa3	Ba1	+1
Bond Implied-Rating	Aa3	Aa3	Aa3	Aa3	A1	Baa3	+5
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Spain (704550)							
Sovereign EDF (1-Year)	0.03%	0.05%	0.05%	0.04%	0.04%	0.05%	-1bps
CDS Implied-Rating	Baa2	Baa3	Baa3	Baa2	Baa2	Baa2	0
Bond Implied-Rating	A3	Baa1	A3	A3	Baa2	Baa1	-1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Sweden (730900)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Switzerland (731810)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	--	--	--	Aaa	--	Aaa	--
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Ukraine (600037040)							
Sovereign EDF (1-Year)	35.00%	35.00%	30.83%	29.21%	35.00%	3.17%	+3183 bps
CDS Implied-Rating	C	C	C	C	C	Caa2	-3
Bond Implied-Rating	Ca	Ca	Ca	Ca	Ca	C	+1
Senior Rating	Ca	Ca	Ca	Ca	Ca	Caa3	-1
United Kingdom (788250)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aa1	Aaa	Aaa	Aaa	0
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
Latin America & Caribbean							
	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Argentina (61720)							
Sovereign EDF (1-Year)	--	--	--	--	--	5.83%	--
CDS Implied-Rating	--	--	--	--	--	Ca	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Caa2	Caa2	Caa2	Caa2	Caa2	Caa1	-1

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Barbados (849700)							
Sovereign EDF (1-Year)	--	--	--	--	--	--	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa1	Caa2	+1
Senior Rating	B3	B3	B3	B3	B3	Ba3	-3
Brazil (114650)							
Sovereign EDF (1-Year)	0.17%	0.17%	0.15%	0.17%	0.15%	0.09%	+6 bps
CDS Implied-Rating	B2	B2	Ba3	Ba3	Ba3	Ba1	-2
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Chile (171693)							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0 bps
CDS Implied-Rating	Baa3	Baa2	Baa2	Baa3	Baa2	Baa2	0
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	A3	+4
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Colombia (186200)							
Sovereign EDF (1-Year)	0.08%	0.08%	0.07%	0.08%	0.08%	0.05%	+3 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa2	Baa3	Baa3	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Costa Rica (600023791)							
Sovereign EDF (1-Year)	0.23%	0.23%	0.22%	0.23%	0.22%	0.17%	+5 bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B2	-1
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	-1
Dominican Republic (600045733)							
Sovereign EDF (1-Year)	0.20%	0.20%	0.20%	0.21%	0.20%	0.33%	-13 bps
CDS Implied-Rating	B3	B3	B3	B2	B3	--	--
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1
Senior Rating	B1	B1	B1	B1	B1	B1	0
El Salvador (600045734)							
Sovereign EDF (1-Year)	0.33%	0.32%	0.32%	0.30%	0.30%	0.39%	-9 bps
CDS Implied-Rating	B3	Caa1	B3	B3	B3	B3	0
Bond Implied-Rating	B1	B1	B1	B2	B1	B1	0
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Guatemala (600011455)							
Sovereign EDF (1-Year)	0.17%	0.18%	0.16%	0.15%	0.15%	0.14%	+1bps
CDS Implied-Rating	B2	B3	B2	B2	B2	B1	-1
Bond Implied-Rating	Ba1	Ba1	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Jamaica (600036085)							
Sovereign EDF (1-Year)	1.03%	1.05%	0.98%	0.63%	0.62%	1.32%	-70bps
CDS Implied-Rating	Caa2	Caa3	Caa2	Caa1	Caa1	Caa1	0
Bond Implied-Rating	B1	B1	B1	B1	B1	Caa1	+3
Senior Rating	Caa3	Caa3	Caa3	Caa3	Caa3	Caa3	0
Mexico (489500)							
Sovereign EDF (1-Year)	0.06%	0.06%	0.06%	0.07%	0.06%	0.04%	+2bps
CDS Implied-Rating	Ba1	Baa3	Baa3	Ba1	Baa3	Baa2	-1
Bond Implied-Rating	A2	A3	Baa2	Baa2	Baa2	Baa2	0
Senior Rating	A3	A3	A3	A3	A3	A3	0
Panama (591640)							
Sovereign EDF (1-Year)	0.08%	0.08%	0.07%	0.08%	0.07%	0.05%	+2bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa2	-2
Bond Implied-Rating	Baa2	Baa3	Baa3	Baa3	Baa2	Ba1	+2
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Peru (601500)							
Sovereign EDF (1-Year)	0.07%	0.08%	0.07%	0.07%	0.07%	0.06%	+1bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	-1
Bond Implied-Rating	Baa2	Baa2	Baa1	Baa1	Baa1	Baa1	0
Senior Rating	A3	A3	A3	A3	A3	Baa2	+2
Trinidad and Tobago (3055)							
Sovereign EDF (1-Year)	0.06%	0.06%	0.06%	0.06%	0.06%	0.09%	-3bps
CDS Implied-Rating	Ba1	Baa3	Baa3	Baa3	--	Ba1	--
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa1	Baa1	Baa1	0
Senior Rating	Baa1	Baa1	Baa1	Baa2	Baa2	Baa1	-1
Uruguay (15210)							
Sovereign EDF (1-Year)	0.16%	0.17%	0.15%	0.17%	0.16%	0.09%	+7bps
CDS Implied-Rating	B1	B2	B1	Ba3	Ba3	Ba1	-2
Bond Implied-Rating	Baa2	Baa3	Baa2	Baa2	Baa2	Baa3	+1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Venezuela (800876)							
Sovereign EDF (1-Year)	23.47%	24.97%	18.81%	20.41%	18.79%	2.29%	+1650 bps
CDS Implied-Rating	C	C	C	C	C	Caa2	-3
Bond Implied-Rating	C	Ca	Ca	Ca	Ca	C	+1
Senior Rating	Caa3	Caa3	Caa3	Caa3	Caa3	Caa1	-2

Middle East & Africa

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Angola (806356845)							
Sovereign EDF (1-Year)	0.47%	0.46%	0.44%	0.43%	0.35%	0.38%	-3 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1

Bahrain (600018600)							
Sovereign EDF (1-Year)	0.23%	0.24%	0.24%	0.23%	0.23%	0.11%	+12 bps
CDS Implied-Rating	B3	B3	B3	B2	B2	Ba2	-3
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa2	Baa3	Baa3	Baa3	Baa3	Baa2	-1

Egypt (258330)							
Sovereign EDF (1-Year)	0.20%	0.20%	0.20%	0.20%	0.20%	0.33%	-13 bps
CDS Implied-Rating	B3	B3	B3	B2	B3	B3	0
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B1	+2
Senior Rating	B3	B3	B3	B3	B3	Caa1	+1

Ghana (806356876)							
Sovereign EDF (1-Year)	0.68%	0.94%	0.94%	0.90%	0.89%	0.81%	+8 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa1	Caa2	+1
Senior Rating	B3	B3	B3	B3	B3	B1	-2

Iraq (600018912)							
Sovereign EDF (1-Year)	0.56%	0.56%	0.53%	0.53%	0.52%	0.46%	+6 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Israel (423305)							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	-1bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Bond Implied-Rating	Aa2	Aa3	Aa3	Aa2	Aa2	A3	+4
Senior Rating	A1	A1	A1	A1	A1	A1	0
Jordan (600018522)							
Sovereign EDF (1-Year)	0.25%	0.25%	0.25%	0.24%	0.24%	0.33%	-9bps
CDS Implied-Rating	B3	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	B1	--
Senior Rating	B1	B1	B1	B1	B1	B1	0
Kazakhstan (600021080)							
Sovereign EDF (1-Year)	0.20%	0.17%	0.16%	0.15%	0.15%	0.11%	+4 bps
CDS Implied-Rating	B2	B2	B2	Ba3	B1	Ba2	-2
Bond Implied-Rating	Ba1	Ba1	Baa3	Baa3	Baa3	--	--
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Lebanon (600014506)							
Sovereign EDF (1-Year)	0.26%	0.26%	0.25%	0.24%	0.24%	0.23%	-5bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B3	0
Bond Implied-Rating	B2	B1	B2	B1	B1	B2	+1
Senior Rating	B2	B2	B2	B2	B2	B1	-1
Morocco (600020405)							
Sovereign EDF (1-Year)	0.10%	0.10%	0.11%	0.11%	0.11%	0.15%	-4 bps
CDS Implied-Rating	--	--	--	--	--	Ba2	--
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Nigeria (551435)							
Sovereign EDF (1-Year)	0.66%	0.65%	0.64%	0.62%	0.62%	0.37%	+25bps
CDS Implied-Rating	Caa1	Caa3	Caa1	Caa1	Caa1	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0
Oman (96600)							
Sovereign EDF (1-Year)	--	--	--	--	--	0.15%	--
CDS Implied-Rating	--	--	--	--	--	Ba3	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A1	A1	A1	A1	A1	A1	0

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Pakistan (600014774)							
Sovereign EDF (1-Year)	0.76%	0.71%	0.70%	0.68%	0.71%	1.14%	-43 bps
CDS Implied-Rating	Caa2	Caa1	Caa1	Caa1	Caa1	Caa1	0
Bond Implied-Rating	B3	B3	B2	B2	B2	Caa1	+2
Senior Rating	Caa1	Caa1	Caa1	Caa1	Caa1	Caa1	0
Qatar (600048045)							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	A3	-2
Bond Implied-Rating	A3	A3	A3	A3	A3	Baa1	+1
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
Saudi Arabia (660260)							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%	+1bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	A3	-2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
South Africa (686830)							
Sovereign EDF (1-Year)	0.12%	0.14%	0.13%	0.13%	0.13%	0.13%	0 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba2	0
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa1	-1
Tunisia (600046595)							
Sovereign EDF (1-Year)	--	--	--	--	--	0.31%	--
CDS Implied-Rating	--	--	--	--	--	B3	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0
Turkey (768337)							
Sovereign EDF (1-Year)	0.13%	0.15%	0.15%	0.15%	0.14%	0.14%	0 bps
CDS Implied-Rating	Ba2	B2	B2	Ba2	Ba3	Ba2	-1
Bond Implied-Rating	Baa3	Ba1	Ba1	Ba1	Baa3	Ba1	+1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
United Arab Emirates (600018601)							
Sovereign EDF (1-Year)	0.29%	0.29%	0.29%	0.30%	0.29%	0.23%	+6 bps
CDS Implied-Rating	--	B3	B3	B3	--	B2	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0

North America

	10-APRIL-15	17-APRIL-15	24-APRIL-15	01-MAY-15	08-MAY-15	YEAR AGO	12 MO CHANGE
Canada (137160)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	--	--	--	Aa1	--	Aaa	--
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
United States of America (790575)							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	--	Aaa	--
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

Endnotes

- 1 Sovereign EDF™ (Expected Default Frequency) credit measures are forward-looking probabilities of default extracted from credit default swap spreads. Spot CDS spreads are adjusted for loss-given default and the market price of risk to arrive at estimates of actual future default risk.

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