

### SECTOR IN-DEPTH

14 November 2016

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### Sovereign Risk Report

# US Political Shock Jolts Global Credit Risk Measures

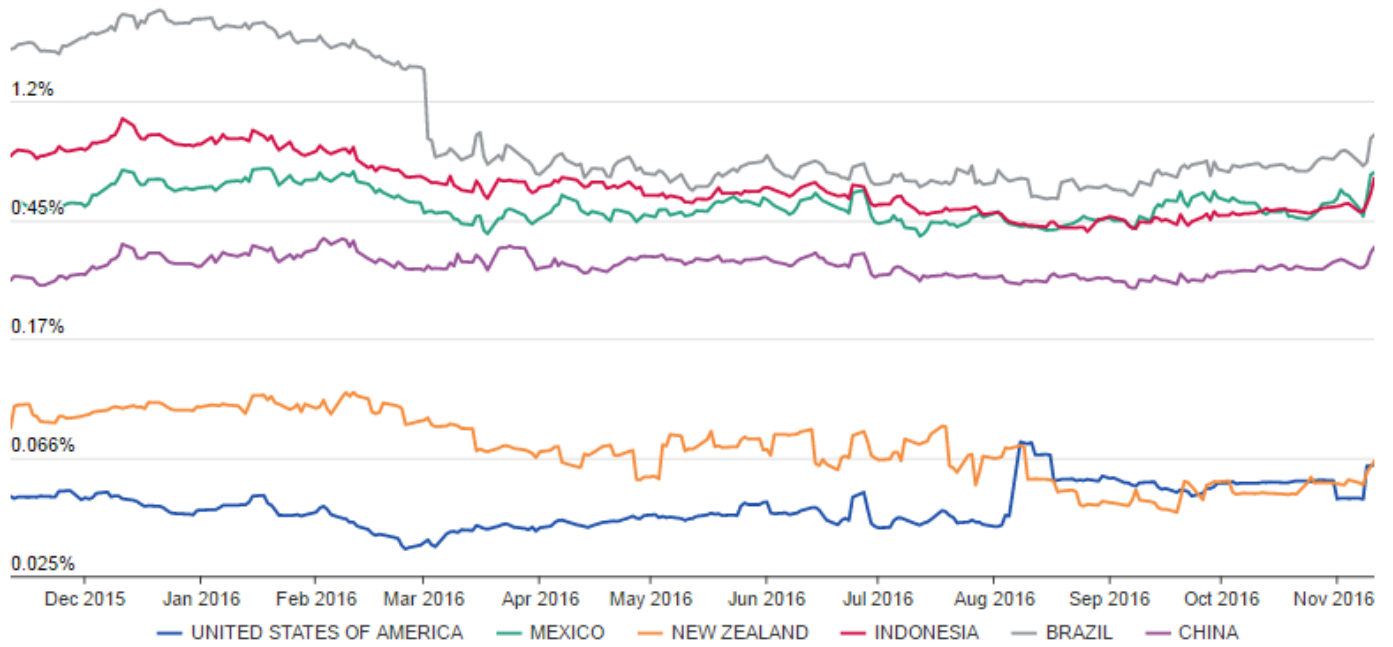
Donald Trump's stunning win over his Democratic Party opponent, Hillary Clinton, was the dominant factor driving global market-based measures of credit risk since the election. The reaction has been mostly negative. Since the beginning of November, global five-year Sovereign EDF™ (Expected Default Frequency) measures<sup>1</sup> broadly declined as national polls revealed Secretary Clinton had a steady but narrow lead over Mr. Trump. After the election results, most of the risk metrics for the 70 sovereign entities that we track increased somewhat. The behavior of these probability of default measures indicates that market participants are wary of a period of intense uncertainty sparked by President-elect Trump's campaign promises to tear up trade deals, restrict immigration, and dismantle the Affordable Care Act, among other notions. Not surprisingly, the United States' Sovereign EDF showed one of the largest increases relative to its previous level since Tuesday, rising from 0.04% to 0.06% as of November 11.

Mexico's Sovereign EDF measure showed the largest absolute deterioration, rising from 0.46% to 0.66% over the past week (Exhibit 1). The measure had been volatile in the months leading up to the US presidential election. Trump's election challenges the country's growth prospects and debt dynamics as the president-elect promised to end or overhaul US trade deals with Mexico, including the North American Free Trade Agreement. Mexico's currency plunged by 12% to 20.5 pesos per US dollar, its biggest decline in 22 years.

Amid rising fears that the Trump administration will pursue policies that spur capital outflows in emerging markets countries and weaken their exports, central banks in India, Malaysia, and Indonesia have stepped in to stabilize local currency and bond markets. Indonesia, for example, saw its currency plunge 2.2% to a 13,383 rupiah per dollar, its biggest decline in five months. The country's Sovereign EDF measure rose from 0.48% to 0.62% over the past week. Indonesia's Senior Deputy Governor, Mirza Adityasware, announced that the government is ready to buy government bonds and intervene in the foreign-exchange market to maintain stability.

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Exhibit 1  
 Five-Year Sovereign EDF Measure of Selected Countries (%)



Source: CreditEdge

## Asia-Pacific

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Australia (75300)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.06%	0.06%	0.06%	0.06%	0.05%	0.10%	-5 bps
CDS Implied-Rating	Aa3	Aa2	Aa3	Aa3	Aa2	A1	+2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>China (599085)</b>							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0 bps
Sovereign EDF (5-Year)	0.30%	0.31%	0.30%	0.32%	0.34%	0.28%	+6 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	-1
Bond Implied-Rating	A2	Baa1	A3	Baa1	Baa1	A2	-2
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
<b>Hong Kong (375515)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.06%	0.06%	0.06%	0.06%	0.07%	0.09%	-2 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
<b>Indonesia (405130)</b>							
Sovereign EDF (1-Year)	0.05%	0.05%	0.05%	0.06%	0.06%	0.13%	-7 bps
Sovereign EDF (5-Year)	0.48%	0.48%	0.49%	0.51%	0.55%	0.79%	-24 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	B1	+3
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Japan (423746)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.08%	0.08%	0.08%	0.08%	0.07%	0.12%	-5 bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa3	Aa3	A2	+2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Korea (440230)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.09%	0.09%	0.10%	0.11%	0.12%	0.14%	-2 bps
CDS Implied-Rating	A1	A1	A1	A2	A2	A3	+1
Bond Implied-Rating	Aa1	Aa1	Aaa	Aaa	Aaa	Aa3	+3
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa3	+1

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Malaysia (460522)</b>							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.04%	0.08%	-4 bps
Sovereign EDF (5-Year)	0.34%	0.34%	0.35%	0.35%	0.40%	0.53%	-19 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Ba1	Ba3	+2
Bond Implied-Rating	A3	A3	A3	A3	A3	A3	0
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>New Zealand (553700)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.05%	0.05%	0.05%	0.06%	0.06%	0.10%	-4 bps
CDS Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa3	A1	+1
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Philippines (607410)</b>							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0 bps
Sovereign EDF (5-Year)	0.36%	0.35%	0.35%	0.34%	0.35%	0.29%	+6 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	-1
Bond Implied-Rating	A3	A3	A3	A3	A3	A1	-2
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>India (401565)</b>							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.06%	-2 bps
Sovereign EDF (5-Year)	0.43%	0.43%	0.43%	0.41%	0.40%	0.47%	-7 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Baa3	Baa3	Ba2	+2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Thailand (747330)</b>							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.02%	0.04%	-2 bps
Sovereign EDF (5-Year)	0.29%	0.28%	0.27%	0.27%	0.28%	0.39%	-11 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Vietnam (600023790)</b>							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.05%	0.05%	0.07%	-2 bps
Sovereign EDF (5-Year)	0.43%	0.43%	0.44%	0.45%	0.47%	0.51%	-4 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B2	+3
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Senior Rating	B1	B1	B1	B1	B1	B1	0

## Europe

14-OCTOBER-16 21-OCTOBER-16 28-OCTOBER-16 04-NOVEMBER-16 10-NOVEMBER-16 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
Sovereign EDF (5-Year)	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	+1 bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1

**Belgium (100220)**

Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.07%	0.06%	0.06%	0.07%	0.07%	0.08%	-1 bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa3	Aa3	A1	+1
Bond Implied-Rating	Aa3	Aa3	Aaa	Aaa	Aa1	Aaa	-1
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0

**Bulgaria (126630)**

Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.06%	-3 bps
Sovereign EDF (5-Year)	0.41%	0.39%	0.39%	0.43%	0.43%	0.61%	-18 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba3	+2
Bond Implied-Rating	A2	A3	A2	A2	A3	A3	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0

**Croatia (600020489)**

Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.06%	-2 bps
Sovereign EDF (5-Year)	0.47%	0.47%	0.46%	0.47%	0.49%	0.64%	-15 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B2	+3
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba1	-1

**Cyprus (377200)**

Sovereign EDF (1-Year)	0.09%	0.08%	0.08%	0.08%	0.08%	0.04%	+4 bps
Sovereign EDF (5-Year)	0.77%	0.73%	0.75%	0.72%	0.74%	0.48%	+26 bps
CDS Implied-Rating	Ba3	Ba3	Ba3	Ba3	B1	B1	0
Bond Implied-Rating	Ba2	Ba1	Ba1	Ba1	Ba1	Ba1	0
Senior Rating	B1	B1	B1	B1	B1	B1	0

**Czech Republic (218505)**

Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.10%	0.10%	0.10%	0.10%	0.10%	0.14%	-4 bps
CDS Implied-Rating	A1	A1	A1	A1	A1	A2	+1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aa2	+2
Senior Rating	A1	A1	A1	A1	A1	A1	0

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Denmark (230700)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.05%	0.05%	0.05%	0.05%	0.05%	0.03%	+2 bps
CDS Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa1	-1
Bond Implied-Rating	--	--	--	--	--	Aaa	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Estonia (600046984)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.16%	0.16%	0.16%	0.16%	0.16%	0.15%	+1 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Finland (278070)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.06%	0.06%	0.06%	0.06%	0.06%	0.04%	+2 bps
CDS Implied-Rating	A3	A3	A3	A3	A3	A3	0
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1
<b>France (639500)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.07%	0.07%	0.07%	0.07%	0.08%	0.06%	+2 bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Germany (333700)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.04%	0.04%	0.04%	0.04%	0.05%	0.03%	+2 bps
CDS Implied-Rating	Aa1	Aa2	Aa2	Aa1	Aa2	Aaa	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Greece (348330)</b>							
Sovereign EDF (1-Year)	1.31%	1.29%	1.24%	1.05%	1.07%	0.98%	+9 bps
Sovereign EDF (5-Year)	3.74%	3.71%	3.62%	3.25%	3.30%	3.14%	+16 bps
CDS Implied-Rating	Caa2	Caa2	Caa2	Caa2	Caa2	Caa1	-1
Bond Implied-Rating	Caa2	Caa2	Caa2	Caa1	Caa1	B3	-1
Senior Rating	Caa3	Caa3	Caa3	Caa3	Caa3	Caa3	0
<b>Hungary (381030)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.02%	0.01%	+1 bps
Sovereign EDF (5-Year)	0.26%	0.27%	0.25%	0.24%	0.35%	0.26%	+9 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba2	+2
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2	+1
Senior Rating	Ba1	Ba1	Ba1	Baa3	Baa3	Ba1	+1

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Iceland (392575)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.02%	0.04%	-2 bps
Sovereign EDF (5-Year)	0.28%	0.28%	0.28%	0.27%	0.30%	0.46%	-16 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa3	Ba2	+2
Bond Implied-Rating	A2	A3	A2	A2	A2	Baa1	+2
Senior Rating	A3	A3	A3	A3	A3	Baa2	+2
<b>Ireland (423933)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.16%	0.17%	0.16%	0.17%	0.18%	0.11%	+7 bps
CDS Implied-Rating	A3	A3	A3	A3	A3	A1	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aa1	Aaa	-1
Senior Rating	A3	A3	A3	A3	A3	Baa1	+1
<b>Italy (423690)</b>							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.05%	0.05%	0.02%	+3 bps
Sovereign EDF (5-Year)	0.50%	0.46%	0.51%	0.54%	0.55%	0.29%	+26 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa2	-2
Bond Implied-Rating	A2	Baa2	Baa2	Baa1	Baa1	Aa1	-6
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Latvia (600016806)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.13%	0.12%	0.12%	0.12%	0.13%	0.21%	-8 bps
CDS Implied-Rating	A2	A2	A2	A2	A2	Baa1	+2
Bond Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa3	+2
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>Lithuania (600018187)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.12%	0.12%	0.12%	0.13%	0.13%	0.22%	-9 bps
CDS Implied-Rating	A2	A2	A2	A2	A2	Baa1	+2
Bond Implied-Rating	A1	Aa3	A1	Aa3	Aaa	Aa3	+3
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>Netherlands (543005)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.06%	0.05%	0.05%	0.05%	0.06%	0.03%	+3 bps
CDS Implied-Rating	Aa3	Aa2	Aa2	Aa2	Aa3	Aa1	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aa2	Aaa	-2
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Norway (565700)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.04%	0.04%	0.05%	0.04%	0.05%	0.03%	+2 bps
CDS Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aaa	-2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Poland (613900)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.21%	0.21%	0.21%	0.22%	0.23%	0.21%	+2 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
Bond Implied-Rating	Aa3	A3	Aa3	Aa3	Aa3	Aa2	-1
Senior Rating	A2	A2	A2	A2	A2	A2	0
<b>Portugal (614650)</b>							
Sovereign EDF (1-Year)	0.11%	0.10%	0.10%	0.10%	0.10%	0.03%	+7 bps
Sovereign EDF (5-Year)	0.88%	0.83%	0.82%	0.83%	0.82%	0.40%	+42 bps
CDS Implied-Rating	B1	B1	B1	B1	B2	B1	-1
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa1	-2
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Romania (651437)</b>							
Sovereign EDF (1-Year)	0.02%	0.01%	0.02%	0.02%	0.02%	0.03%	-1bps
Sovereign EDF (5-Year)	0.28%	0.28%	0.30%	0.28%	0.31%	0.43%	-12 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa2	Baa3	Ba1	+1
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa2	A3	-2
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Russian Federation (600018921)</b>							
Sovereign EDF (1-Year)	0.05%	0.05%	0.05%	0.06%	0.05%	0.06%	-1bps
Sovereign EDF (5-Year)	0.58%	0.58%	0.56%	0.61%	0.58%	0.62%	-4 bps
CDS Implied-Rating	Ba3	Ba3	Ba3	Ba3	Ba3	B2	+2
Bond Implied-Rating	Baa3	Baa3	Baa3	Ba1	Ba1	Baa3	-1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Serbia (600035271)</b>							
Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.06%	-2 bps
Sovereign EDF (5-Year)	0.50%	0.50%	0.51%	0.51%	0.51%	0.62%	-11 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--



	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Slovakia (600011880)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.11%	0.11%	0.11%	0.11%	0.11%	0.14%	-3 bps
CDS Implied-Rating	A1	A1	A1	A1	A1	A2	+1
Bond Implied-Rating	Aa1	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	A2	A2	A2	A2	A2	A2	0
<b>Slovenia (600019535)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	-1 bps
Sovereign EDF (5-Year)	0.26%	0.26%	0.26%	0.24%	0.25%	0.32%	-7 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Bond Implied-Rating	Aa1	Aa2	Aa1	Aa2	Aa2	Aa2	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Spain (704550)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.22%	0.21%	0.22%	0.22%	0.23%	0.27%	-4 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2	+1
Bond Implied-Rating	A2	A2	A2	A2	A2	A2	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Sweden (730900)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.05%	0.06%	0.06%	0.06%	0.06%	0.03%	+3 bps
CDS Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aaa	-2
Bond Implied-Rating	A2	A2	A2	A2	A2	Aa1	-4
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Switzerland (731810)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.06%	0.06%	0.06%	0.06%	0.06%	0.04%	+2 bps
CDS Implied-Rating	Aa2	Aa3	Aa3	Aa3	Aa3	Aa1	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Ukraine (600037040)</b>							
Sovereign EDF (1-Year)	0.73%	0.73%	0.66%	0.66%	0.65%	--	--
Sovereign EDF (5-Year)	2.64%	2.64%	2.50%	2.48%	2.48%	--	--
CDS Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa1	--	--
Bond Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa2	Caa3	+1
Senior Rating	Caa3	Caa3	Caa3	Caa3	Caa3	Ca	+1
<b>United Kingdom (788250)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.09%	0.10%	0.10%	0.10%	0.10%	0.04%	+6 bps
CDS Implied-Rating	A1	A1	A1	A1	A1	Aa2	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0

## Latin America &amp; Caribbean

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Argentina (61720)</b>							
Sovereign EDF (1-Year)	0.23%	0.19%	0.21%	0.21%	0.23%	--	--
Sovereign EDF (5-Year)	1.27%	1.16%	1.23%	1.23%	1.29%	--	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	B1	Ba3	B1	Ba3	B1	--	--
Senior Rating	B3	B3	B3	B3	B3	Caa2	+2
<b>Brazil (114650)</b>							
Sovereign EDF (1-Year)	0.09%	0.08%	0.10%	0.11%	0.13%	0.46%	-33 bps
Sovereign EDF (5-Year)	0.69%	0.67%	0.74%	0.77%	0.86%	1.84%	-98 bps
CDS Implied-Rating	Ba3	Ba3	B1	B1	B2	B3	+1
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Baa3	-2
<b>Chile (171693)</b>							
Sovereign EDF (1-Year)	0.02%	0.02%	0.02%	0.02%	0.03%	0.05%	-2 bps
Sovereign EDF (5-Year)	0.27%	0.25%	0.26%	0.28%	0.32%	0.42%	-10 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa3	Ba1	+1
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa3	A1	+1
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
<b>Colombia (186200)</b>							
Sovereign EDF (1-Year)	0.07%	0.06%	0.07%	0.08%	0.09%	0.14%	-5 bps
Sovereign EDF (5-Year)	0.60%	0.55%	0.58%	0.64%	0.70%	0.82%	-12 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Baa3	Baa2	Baa2	Baa3	Baa3	Baa3	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Costa Rica (600023791)</b>							
Sovereign EDF (1-Year)	0.17%	0.17%	0.17%	0.18%	0.18%	0.14%	+4 bps
Sovereign EDF (5-Year)	0.90%	0.89%	0.90%	0.92%	0.94%	0.87%	+7 bps
CDS Implied-Rating	B1	B1	B1	B1	B2	B2	0
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba3	Ba3	0
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>El Salvador (600045734)</b>							
Sovereign EDF (1-Year)	0.34%	0.34%	0.33%	0.37%	0.36%	0.19%	+17 bps
Sovereign EDF (5-Year)	1.42%	1.40%	1.39%	1.47%	1.45%	1.03%	+42 bps
CDS Implied-Rating	B2	B2	B2	B2	B3	B3	0
Bond Implied-Rating	B3	B3	B2	B2	B2	B2	0
Senior Rating	B1	B1	B1	B1	B3	Ba3	-3

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Guatemala (600011455)</b>							
Sovereign EDF (1-Year)	0.26%	0.26%	0.26%	0.28%	0.26%	0.15%	+11 bps
Sovereign EDF (5-Year)	1.20%	1.18%	1.18%	1.24%	1.19%	0.89%	+30 bps
CDS Implied-Rating	B2	B2	B2	B2	B2	B2	0
Bond Implied-Rating	Ba1	Ba1	Baa3	Baa3	Ba1	Ba1	0
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Mexico (489500)</b>							
Sovereign EDF (1-Year)	0.05%	0.05%	0.06%	0.06%	0.08%	0.07%	+1 bps
Sovereign EDF (5-Year)	0.48%	0.46%	0.51%	0.55%	0.64%	0.52%	+12 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba2	Ba2	0
Bond Implied-Rating	A2	A1	A1	A3	A3	Baa1	+1
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>Panama (591640)</b>							
Sovereign EDF (1-Year)	0.05%	0.05%	0.05%	0.05%	0.06%	0.08%	-2 bps
Sovereign EDF (5-Year)	0.42%	0.39%	0.41%	0.42%	0.47%	0.60%	-13 bps
CDS Implied-Rating	Ba1	Baa3	Ba1	Baa3	Ba1	Ba2	+1
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2	+1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Peru (601500)</b>							
Sovereign EDF (1-Year)	0.03%	0.02%	0.03%	0.03%	0.04%	0.09%	-5 bps
Sovereign EDF (5-Year)	0.31%	0.28%	0.30%	0.33%	0.38%	0.64%	-26 bps
CDS Implied-Rating	Baa3	Baa2	Baa3	Baa3	Baa3	Ba3	+3
Bond Implied-Rating	A3	A3	A3	A3	A3	Baa1	+1
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>Uruguay (15210)</b>							
Sovereign EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.03%	0.06%	-3 bps
Sovereign EDF (5-Year)	0.30%	0.30%	0.32%	0.31%	0.32%	0.50%	-18 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Bond Implied-Rating	Baa3	Baa3	Ba1	Baa3	Baa2	Baa2	0
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Venezuela (800876)</b>							
Sovereign EDF (1-Year)	10.30%	14.50%	11.07%	12.23%	11.23%	14.35%	-312 bps
Sovereign EDF (5-Year)	15.81%	20.49%	16.63%	17.97%	16.83%	18.58%	-175 bps
CDS Implied-Rating	C	C	C	C	C	C	0
Bond Implied-Rating	C	C	C	C	C	C	0
Senior Rating	Caa3	Caa3	Caa3	Caa3	Caa3	Caa3	0

## Middle East &amp; Africa

14-OCTOBER-16 21-OCTOBER-16 28-OCTOBER-16 04-NOVEMBER-16 10-NOVEMBER-16 YEAR AGO 12 MO CHANGE

**Algeria (21566)**

Sovereign EDF (1-Year)	0.04%	0.04%	0.04%	0.04%	0.04%	0.02%	+2 bps
Sovereign EDF (5-Year)	0.45%	0.46%	0.47%	0.46%	0.46%	0.36%	+10 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--

**Bahrain (600018600)**

Sovereign EDF (1-Year)	0.20%	0.19%	0.19%	0.18%	0.18%	0.23%	-5 bps
Sovereign EDF (5-Year)	1.22%	1.22%	1.19%	1.18%	1.18%	1.34%	-16 bps
CDS Implied-Rating	B2	B2	B2	B2	B2	B2	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Baa3	-2

**Egypt (258330)**

Sovereign EDF (1-Year)	0.35%	0.35%	0.35%	0.32%	0.32%	0.17%	+15 bps
Sovereign EDF (5-Year)	1.70%	1.71%	1.71%	1.61%	1.62%	1.13%	+49 bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B3	0
Bond Implied-Rating	B2	B2	B2	B1	B2	B1	-1
Senior Rating	B3	B3	B3	B3	B3	B3	0

**Iraq (600018912)**

Sovereign EDF (1-Year)	0.99%	0.99%	1.01%	1.00%	1.00%	0.86%	+14 bps
Sovereign EDF (5-Year)	3.16%	3.16%	3.21%	3.19%	3.19%	2.89%	+30 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--

**Israel (423305)**

Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.18%	0.17%	0.17%	0.18%	0.18%	0.21%	-3 bps
CDS Implied-Rating	Baa1	A3	A3	Baa1	Baa1	Baa1	0
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa3	Aa2	Aa2	0
Senior Rating	A1	A1	A1	A1	A1	A1	0

**Kazakhstan (600021080)**

Sovereign EDF (1-Year)	0.08%	0.08%	0.08%	0.08%	0.08%	0.23%	-15 bps
Sovereign EDF (5-Year)	0.62%	0.63%	0.62%	0.64%	0.62%	1.17%	-55 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B2	+3
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa3	Baa3	Baa3	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	-1

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>Saudi Arabia (660260)</b>							
Sovereign EDF (1-Year)	0.03%	0.03%	0.02%	0.02%	0.03%	0.05%	-2 bps
Sovereign EDF (5-Year)	0.44%	0.38%	0.37%	0.37%	0.38%	0.55%	-17 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Baa3	Ba1	Ba2	+1
Bond Implied-Rating	--	--	Baa1	Baa1	Baa1	--	--
Senior Rating	A1	A1	A1	A1	A1	Aa3	-1
<b>Lebanon (600014506)</b>							
Sovereign EDF (1-Year)	0.35%	0.36%	0.39%	0.39%	0.41%	0.14%	+27 bps
Sovereign EDF (5-Year)	1.70%	1.73%	1.83%	1.82%	1.86%	1.02%	+84 bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B3	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	B2	B2	B2	B2	B2	B2	0
<b>Morocco (600020405)</b>							
Sovereign EDF (1-Year)	0.03%	0.04%	0.04%	0.04%	0.04%	0.03%	+1 bps
Sovereign EDF (5-Year)	0.45%	0.45%	0.46%	0.45%	0.45%	0.37%	+8 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba1	Ba2	Ba3	+1
Bond Implied-Rating	--	--	--	--	--	Baa3	--
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Nigeria (551435)</b>							
Sovereign EDF (1-Year)	0.40%	0.40%	0.46%	0.44%	0.44%	0.26%	+18 bps
Sovereign EDF (5-Year)	1.85%	1.85%	1.99%	1.98%	1.97%	1.43%	+54 bps
CDS Implied-Rating	B3	B3	B3	B3	B3	B3	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	B1	B1	B1	B1	B1	Ba3	-1
<b>Pakistan (600014774)</b>							
Sovereign EDF (1-Year)	0.22%	0.22%	0.21%	0.21%	0.21%	0.22%	-1 bps
Sovereign EDF (5-Year)	1.25%	1.24%	1.21%	1.19%	1.20%	1.13%	+7 bps
CDS Implied-Rating	B2	B2	B2	B2	B3	B3	0
Bond Implied-Rating	B2	B2	B2	B2	B2	B1	-1
Senior Rating	B3	B3	B3	B3	B3	B3	0
<b>Qatar (600048045)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.24%	0.23%	0.23%	0.23%	0.23%	0.21%	+2 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa1	-1
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	A2	-2
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0

	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>South Africa (686830)</b>							
Sovereign EDF (1-Year)	0.11%	0.11%	0.11%	0.10%	0.10%	0.16%	-6 bps
Sovereign EDF (5-Year)	0.90%	0.86%	0.88%	0.80%	0.84%	1.06%	-22 bps
CDS Implied-Rating	Ba3	Ba3	Ba3	Ba3	Ba3	B2	+2
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	-1
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Turkey (768337)</b>							
Sovereign EDF (1-Year)	0.07%	0.07%	0.07%	0.08%	0.09%	0.13%	-4 bps
Sovereign EDF (5-Year)	0.66%	0.65%	0.66%	0.73%	0.79%	0.94%	-15 bps
CDS Implied-Rating	Ba3	Ba3	Ba3	Ba3	B2	B1	-1
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Baa3	-2
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	-1
<b>North America</b>							
	14-OCTOBER-16	21-OCTOBER-16	28-OCTOBER-16	04-NOVEMBER-16	10-NOVEMBER-16	YEAR AGO	12 MO CHANGE
<b>United States of America (790575)</b>							
Sovereign EDF (1-Year)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0 bps
Sovereign EDF (5-Year)	0.05%	0.05%	0.05%	0.05%	0.06%	0.05%	+1bps
CDS Implied-Rating	Aa3	Aa3	Aa3	Aa2	Aa3	Aa2	-1
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

## Endnotes

- 1 Sovereign EDF<sup>TM</sup> (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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