MOODY'S ANALYTICS

Sovereign Risk Analysis

DURATION

2 Days

DELIVERY CHANNEL

Virtual
Instructor-Led

OR

In-Person
Classroom

PROGRAM LEVEL

Intermediate &
Advanced

PREREQUISITES

N/A

ADVANCE PREPARATION

None

Overview

Sovereign Risk Analysis is a two-day, facilitated course that introduces participants to an in-depth process for analyzing sovereign credit risk.

It begins by exploring the economic data that underpins the analysis, the potential causes of stress, and issues around timely and accurate data reporting. Participants then examine causes of sovereign default and analyze recent defaults to understand their causes. They next consider the impact of external support, focusing on the role of the International Monetary Fund and other providers of sovereign support.

They then learn how Moody's Investors Service, Moody's Analytics' sister company, uses available data to develop its sovereign rating methodology. Participants consider the aftermath of a default, including the restructuring of sovereign debt and the losses taken by investors in default. The course concludes with an examination of local and foreign currency ceilings.

Case studies are woven throughout the course, in order to bring concepts to life.

Learning Objectives

By the end of this course, you will be able to:

- Analyse underlying macro economic data and issues
- Understand the causes of sovereign default and potential early warning signals
- Discuss the availability and effectiveness of external support
- Use the Moody's Investors Service rating scorecard to estimate a sovereign rating
- Learn what happens when a sovereign defaults

Who Should Attend?

This course is recommended for credit professionals with two or more years' experience, or individuals who have an understanding of macro-economics.

This could include:

- Sovereign and/or commercial credit analysts
- Investment, commercial and/or central bankers
- Investor relations or relationship managers
- Fixed income professionals

Virtual Delivery

You are able to access virtual courses from any location. Some courses, however, include content specific to the host region. For example, a course hosted in New York City may reference U.S. GAAP, while a course hosted in London may reference IFRS. Please contact us at learningsolutions@moodys.com for region-related content queries.

Course Outline

MODULE		TOPICS	
1	**National Accounts and Statistics**	1	GDP and GDP growth
		2	GDP sectoral balance
		3	Primary balance and government deficit/surplus
		4	External balances: Current and capital accounts
		5	Accounting and misreporting
2	**Causes of Sovereign Default**	6	Standard causes of sovereign default
		7	Early warning signals
		8	Behaviour of financial metrics around default
		9	Local versus foreign currency debt
		10	Case studies: Lebanon (2020) and Suriname (2020)
3	**External Support**	11	International Monetary Fund • IMF support for low-income countries • Extended, standby and rapid credit facilities • Catastrophe containment and relief • Heavily indebted poor countries (HIPC) initiative • Example: Ghana (2015, 2020)
		12	European Stability Mechanism
4	**MIS Framework for Sovereign Ratings**	13	Economic strength
		14	Institutional and governance strength
		15	Fiscal strength
		16	Susceptibility to event risk
		17	Mapping to the rating
		18	Case study: Rating Nigeria and South Africa

MODULE		TOPICS	
5	**Default and Restructuring**	19	Defining default
		20	Consent solicitation
		21	Example: Zambia (2020)
		22	Restructuring and bond exchanges
		23	COVID-19: Debt Service Suspension Initiative (DSSI) and common framework for debt treatment
		24	Empirical evidence of loss given default in sovereign default
		25	Investor reactions • Holdouts • Impact of collective action clauses
		26	Examples: Barbados (2018), Ecuador (2020)
		27	Market re-access
6	**Country Ceilings and Applications**	28	Local and foreign currency ceilings
		29	Inferring country risk from the LCC-FCC gap
7	**Sovereign Risk Outlook**	30	Sovereign risk drivers
		31	Pandemic impacts

Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Students should check for up-to-date information directly from the NASBA website: www.nasbaregistry.org.

Why Moody's Analytics?

Current and Consultative

We work with you to understand the distinct needs of your organization to design, implement and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation and enhancement.

Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales, fintech, negotiation and leadership development.

Unparalleled Expertise

In delivery, our people make the difference – combining deep experience with intellectual passion for content, and having earned superior academic credentials, they are committed to delivering outstanding quality.

Register Online

If you are interested in this program, visit us at www.moodysanalytics.com/learningandcertifications

TAILOR ANY COURSE FOR YOUR ORGANIZATION

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

GROUP DISCOUNTS

Special rates may be available for multiple course or group bookings. Please contact us for details.

FEES AND CANCELLATIONS

The fee listed is per participant. Course fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the course. Registrations may be canceled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another course, but fees will not be refunded. We reserve the right to cancel or reschedule courses at any time. For further information on our refund and complaint policy, please contact us.

Contact Us

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