

“Learn how to take a structured approach to the analysis of country and sovereign risk in both mature and emerging markets

Sovereign & Country Risk Workshop

Understanding the key drivers of country and sovereign risk

26th & 27th March
2012
Central London, UK

Your Expert Trainer:
Simon Ling-Locke
Risk Reward Limited

Key benefits include:

- Limited spaces on a first come, first accepted basis
- Pre-course questionnaires to establish your individual and business concerns
- Detailed case studies and discussion sessions for a practical understanding
- Take-away comprehensive course documentation

Programme

What can we learn from the past

- History of sovereign default and crisis
- Economic crises: what causes them and their impact on differing types of economies
- Sovereign v country risk
- Roles and impact of multilateral agencies

Analytic Overview

- Rating agencies approach to sovereign risk - capacity and willingness to repay debt
- Transfer and convertibility risk
- Which market indicators can be used to estimate probability
- How to approach sovereign analysis

Macro-economic Risk Analysis

- Economic indicators: growth, FDI, inflation, income levels
- Types of risks under differing foreign exchange regimes
- Purchasing power parity – how relevant
- Key performance indicators in mature and emerging economies

External Finances

- Balance of payments
- Composition of exports and imports: sustainability and trends
- Commodities risks
- External financing: exposure to volatile hot capital flows
- Net external sovereign and private debt burden relative to key matrices
- Capital flows, savings and investment
- Reserves and liquidity

Public Finances, Political and Governance Risks

- Fiscal policies, budgetary flexibility; central and wider public sector
- Political risk: regime effectiveness and legitimacy, income disparity, conflict risk
- Governance structure and effectiveness: legal system, property rights, judicial process and corruption, business environment
- International trade and political links
- On-balance sheet and off-balance sheet risks including contingent risks
- What is sustainable debt and debt service burdens in the public sector?

Banking and Financial sector

- Macro-prudential and financial strength indicators
- Size and strength of banking system
- Financial intermediation levels
- How effective are the regulators?

Impact from Public Sector Entities

- Types of PSEs
- Rating criteria and notching – stand alone or linked to sovereign rating
- Levels of support and commitment: statutory through to implied
- Criteria for analyzing state support

Risk Analysis: Sovereign Default and Restructuring

- Interpreting Market Risk Indicators, both quantitative and qualitative indicators
- Default and restructuring events, distressed debt exchanges
- Official and multilateral creditor restructuring - Paris Club, IMF
- Private claims
- Export credit agency buyer and supplier credit
- Transfer risk and country risk insurance
- Managing Sovereign and Country risk limit

the course

This two-day course will offer a structured approach to the analysis of country and sovereign risk, particularly in emerging markets as well as emerged markets which will provide delegates with an understanding of the key drivers of country and sovereign risk. The workshop will also identify the qualitative and quantitative indicators of vulnerability as well as the various market indicators of increasing risk along with the appreciation of the impact of sovereign support and country risk on other exposures, including public sector entities. Particular attention will be given to the assessment of the causes and lessons learned from the various crises around the world over the decades.

To view our full course calendar, please go to www.me-financialtraining.com

how will you benefit?

- Learn from past sovereign default and restructurings
- Discuss key features from previous crises and consider how applicable those issues are to current events and potential future scenarios
- Consider the different strands of quantitative risk analysis from economic, financial and market data and qualitative analysis from political and business environment
- Gain an understanding of how quantitative and qualitative research can help to set country limits and predict changes in risk over time
- Review and analyse data to consider what sensitivities and scenarios could be used as a predictive tool for sovereign risk

who should attend?

From Banks, Asset Management Firms, Hedge Funds, Pension Funds, Multilateral Lending Institutions, Government Agencies, Consultancy Firms and Insurance Companies:

- Sovereign Risk Managers
- Risk Officers
- Heads of Trading
- Counterparty Credit Risk Managers/Economists
- Fixed Income Strategists/Research
- Risk Analyst
- Country/ Political Risk Manager
- Credit & Market Risk Managers
- Government/ Euro Bond
- Rates Trading/ Strategy
- Inflation
- Sovereign CDS Trading/ Analysis
- Portfolio Managers
- Banking System Regulators and Supervisory Staff
- Investors

about...

about your expert trainer

Simon Ling-Locke has over 30 years banking experience in the international markets. He has spent the last 24 years working in the syndicated loan market gaining a wide range of experience across the credit and distressed debt markets in major banking organisations including Barclays, Tokai and UFJ banks, where he led leverage finance and corporate teams, and at the Loan Market Association where he headed up and developed their training activities providing courses and lectures across Europe, Middle East, Russia and USA to bankers, institutional investors and lawyers.

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