

## MARKET SIGNALS SOVEREIGN RISK REPORT

Moody's Capital Markets Research, Inc.

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## Ireland Leads Deterioration Among European Sovereign Market-Based Risk Measures

Market-price-based measures of sovereign credit risk improved or were unchanged nearly everywhere last week except in developed Europe. But the deterioration in Europe was major. Ireland's 1-year CDS-Implied EDF measure rose 48% to 2.84%, and is up 99% over the last three weeks. Its 5-year risk neutral PD is now 7.14%, up 24% on the week. With the two drivers of the CDS-I EDF model — the market price of risk and loss given default — flat over the period, the unrelenting rise in CDS spreads is driving the risk signal. Ireland, however, is not alone in the rapid deterioration of its CDS-I EDF signal. Portugal, Austria, Germany, Spain, Belgium, and France all experienced increases of at least 25% in their CDS-I EDF metrics in the week. Figure 1 shows the 5-year CDS spreads and 1-year CDS-I EDF for several European countries. Note Ireland's trajectory toward Greece, and Latvia now approaching Spain. What a difference a year makes.

There appears to be a buyers' strike on Irish debt, with the ECB the only recent bidder in the market. While the country has funded itself through early next year, it has ongoing commitments to its banking system, and that appears to be spooking the market. Sovereign bond spreads as of Friday equated to median credit spreads of Ba3-rated companies, and the bond spreads deteriorated further today. According to Moody's, the total bank recapitalization costs for 2009 and 2010 will have come to nearly €60 billion, but the government is also, as of now, guaranteeing €12.3 billion of NAMA debt, plus bank deposits. The issue of senior debt is still in the balance. The market appears to be concerned about the ability to finance these explicit and contingent liabilities.

Sovereign and related bank problems are pulling up market-based signals of default probability in developed Europe, making it second-highest among the world's regions, despite the fact that the region includes such low-risk countries as Germany, Switzerland and the Nordics. Greece, Ireland, and Portugal are signaling among the highest 1-year physical probabilities of default, based on CDS-I EDF metrics (Figure 2).

Figure 1 - Sovereign CDS-Spreads and CDS-I EDF

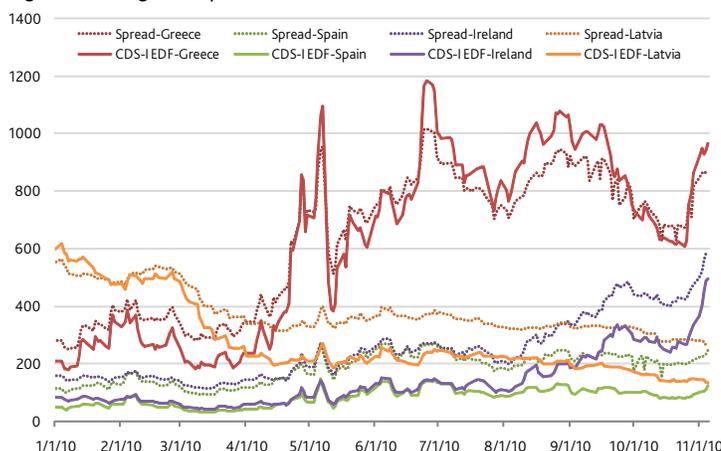


Figure 2

### Average 1-Year CDS-I EDF metrics:

North America	0.04%
Mid East and Africa	0.32%
Asia Pacific	0.50%
Emerging Europe	0.55%
Developed Europe	0.75%
Latin America	1.21%

### Highest 1-Year CDS-I EDF metrics:

Sri Lanka	1.34%
Portugal	1.67%
Ukraine	2.31%
Ireland	2.84%
Argentina	3.25%
Pakistan	4.00%
Jamaica	4.72%
Greece	5.51%
Venezuela	6.65%

## Asia-Pacific

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Australia (75300)</b>							
CDS Implied-EDF (1-Year)	0.05%	0.05%	0.06%	0.06%	0.06%	0.06%	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
<b>China (599085)</b>							
CDS Implied-EDF (1-Year)	0.07%	0.08%	0.08%	0.09%	0.07%	0.16%	-9 bps
CDS Implied-Rating	Aa1	Aa1	Aa2	Aa2	Aa1	A3	+5
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa1	-1
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Hong Kong (375515)</b>							
CDS Implied-EDF (1-Year)	0.06%	0.06%	0.06%	0.06%	0.05%	0.11%	-6 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	A1	+4
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa3	Aa2	Aa1	-1
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Indonesia (405130)</b>							
CDS Implied-EDF (1-Year)	0.24%	0.23%	0.23%	0.25%	0.23%	0.64%	-41 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba2	0
<b>Japan (423746)</b>							
CDS Implied-EDF (1-Year)	0.07%	0.07%	0.07%	0.07%	0.07%	0.13%	-6 bps
CDS Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	A2	+4
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Korea (440230)</b>							
CDS Implied-EDF (1-Year)	0.13%	0.13%	0.12%	0.13%	0.12%	0.23%	-11 bps
CDS Implied-Rating	A3	A3	A3	A3	A3	Baa1	+1
Bond Implied-Rating	A3	A3	A3	A3	A3	A3	0
Senior Rating	A1	A1	A1	A1	A1	A2	+1
<b>Malaysia (460522)</b>							
CDS Implied-EDF (1-Year)	0.10%	0.10%	0.10%	0.10%	0.09%	0.21%	-12 bps
CDS Implied-Rating	A2	A2	A2	A2	A1	Baa1	+3
Bond Implied-Rating	A3	A3	A3	A3	A3	Aa3	-3
Senior Rating	A3	A3	A3	A3	A3	A3	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>New Zealand (553700)</b>							
CDS Implied-EDF (1-Year)	0.08%	0.07%	0.07%	0.07%	0.07%	0.07%	0 bps
CDS Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
Bond Implied-Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Philippines (607410)</b>							
CDS Implied-EDF (1-Year)	0.24%	0.23%	0.22%	0.25%	0.22%	0.51%	-29 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	A3	Baa2	+2
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0
<b>Singapore (680430)</b>							
CDS Implied-EDF (1-Year)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aa1	+1
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Sri Lanka (600023158)</b>							
CDS Implied-EDF (1-Year)	1.24%	1.21%	1.15%	1.35%	1.35%	2.56%	-121 bps
CDS Implied-Rating	Ba3	Ba3	Ba3	Ba3	--	--	--
Bond Implied-Rating	--	Ba1	Ba1	Ba1	Ba1	--	--
Senior Rating	B1	B1	B1	B1	B1	--	--
<b>Taiwan (732845)</b>							
CDS Implied-EDF (1-Year)	--	--	--	--	--	--	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
<b>Thailand (747330)</b>							
CDS Implied-EDF (1-Year)	0.14%	0.14%	0.13%	0.15%	0.13%	0.26%	-13 bps
CDS Implied-Rating	A3	A3	A3	Baa1	A3	Baa2	+2
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Vietnam (600023790)</b>							
CDS Implied-EDF (1-Year)	0.70%	0.65%	0.63%	0.76%	0.70%	0.69%	+1 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba2	Ba1	-1
Bond Implied-Rating	Ba1	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0

## Europe

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Austria (76100)</b>							
CDS Implied-EDF (1-Year)	0.10%	0.08%	0.08%	0.09%	0.11%	0.10%	+1 bps
CDS Implied-Rating	A3	A2	A2	A2	A3	A1	-2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Belgium (100220)</b>							
CDS Implied-EDF (1-Year)	0.19%	0.18%	0.18%	0.18%	0.22%	0.07%	+15 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa3	Aa1	-8
Bond Implied-Rating	Aa1	Aa1	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	0
<b>Bulgaria (126630)</b>							
CDS Implied-EDF (1-Year)	0.65%	0.58%	0.57%	0.56%	0.51%	0.70%	-19 bps
CDS Implied-Rating	Ba2	Ba1	Ba1	Ba1	Ba1	Ba1	0
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa2	Baa2	Baa2	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Croatia (600020489)</b>							
CDS Implied-EDF (1-Year)	0.60%	0.57%	0.56%	0.58%	0.51%	0.92%	-41 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	1
Bond Implied-Rating	Ba1	Baa3	Baa3	Baa3	Baa3	Baa3	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Czech Republic (218505)</b>							
CDS Implied-EDF (1-Year)	0.14%	0.12%	0.12%	0.13%	0.12%	0.15%	-3 bps
CDS Implied-Rating	A3	A3	A2	A3	A3	A3	0
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa3	+1
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Denmark (230700)</b>							
CDS Implied-EDF (1-Year)	0.04%	0.03%	0.03%	0.04%	0.04%	0.05%	-1 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
<b>Estonia (600046984)</b>							
CDS Implied-EDF (1-Year)	0.13%	0.13%	0.14%	0.12%	0.12%	0.76%	-64 bps
CDS Implied-Rating	Baa1	A3	Baa1	A3	A3	Ba1	+4
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A1	A1	A1	A1	A1	A1	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Finland (278070)</b>							
CDS Implied-EDF (1-Year)	0.04%	0.03%	0.03%	0.03%	0.03%	0.03%	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
<b>France (639500)</b>							
CDS Implied-EDF (1-Year)	0.10%	0.08%	0.08%	0.09%	0.10%	0.04%	+6 bps
CDS Implied-Rating	A2	A1	A2	A2	A3	Aaa	-6
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Germany (333700)</b>							
CDS Implied-EDF (1-Year)	0.04%	0.03%	0.03%	0.04%	0.04%	0.03%	+1 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
<b>Greece (348330)</b>							
CDS Implied-EDF (1-Year)	4.08%	3.65%	3.57%	4.95%	5.51%	0.39%	+512 bps
CDS Implied-Rating	Caa1	B3	B3	Caa2	Caa2	Baa3	-8
Bond Implied-Rating	Caa1	B3	Caa1	Caa2	Caa3	Aa2	-16
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	A1	-6
<b>Hungary (381030)</b>							
CDS Implied-EDF (1-Year)	0.86%	0.82%	0.86%	0.94%	0.94%	0.64%	+30 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba1	-1
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa2	-2
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Iceland (392575)</b>							
CDS Implied-EDF (1-Year)	0.94%	0.86%	0.85%	0.87%	0.84%	1.50%	-66 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1
Bond Implied-Rating	B1	B2	B1	B1	B2	B1	-1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa1	-2
<b>Ireland (423933)</b>							
CDS Implied-EDF (1-Year)	1.59%	1.44%	1.59%	1.93%	2.84%	0.39%	+245 bps
CDS Implied-Rating	B1	B1	B1	B2	B3	Baa3	-6
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba2	Ba3	Aa2	-10
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa1	-1

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Italy (423690)</b>							
CDS Implied-EDF (1-Year)	0.41%	0.36%	0.36%	0.38%	0.46%	0.14%	+32 bps
CDS Implied-Rating	Ba1	Baa3	Baa3	Baa3	Ba1	A3	-4
Bond Implied-Rating	Aa3	Aa3	Aa3	Aa3	A2	Aaa	-5
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Latvia (600016806)</b>							
CDS Implied-EDF (1-Year)	0.93%	0.82%	0.80%	0.84%	0.77%	3.04%	-227 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B2	+3
Bond Implied-Rating	Ba1	Ba1	Ba1	Baa3	Baa3	Ba3	+3
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Lithuania (600018187)</b>							
CDS Implied-EDF (1-Year)	0.69%	0.62%	0.67%	0.68%	0.66%	1.35%	-69 bps
CDS Implied-Rating	Ba2	Ba1	Ba1	Ba2	Ba2	Ba3	+1
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Malta (600012947)</b>							
CDS Implied-EDF (1-Year)	0.29%	0.28%	0.28%	0.30%	0.43%	0.16%	+27 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Ba1	A3	-4
Bond Implied-Rating	Aa2	Aa2	Aa2	Aa2	Aa2	--	--
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Netherlands (543005)</b>							
CDS Implied-EDF (1-Year)	0.05%	0.04%	0.05%	0.05%	0.06%	0.04%	+2 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
<b>Norway (565700)</b>							
CDS Implied-EDF (1-Year)	0.03%	0.02%	0.02%	0.03%	0.03%	0.02%	+1 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Poland (613900)</b>							
CDS Implied-EDF (1-Year)	0.24%	0.21%	0.21%	0.22%	0.20%	0.27%	-7 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Bond Implied-Rating	A2	A2	A1	A1	A2	A1	-1
Senior Rating	A2	A2	A2	A2	A2	A2	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Portugal (614650)</b>							
CDS Implied-EDF (1-Year)	1.34%	1.12%	0.98%	1.21%	1.67%	0.11%	+156 bps
CDS Implied-Rating	B1	Ba3	Ba3	B1	B2	A1	-10
Bond Implied-Rating	Ba1	Baa3	Baa3	Baa3	Ba1	Aaa	-10
Senior Rating	A1	A1	A1	A1	A1	Aa2	-2
<b>Romania (651437)</b>							
CDS Implied-EDF (1-Year)	0.97%	0.86%	0.93%	0.90%	0.74%	1.21%	-47 bps
CDS Implied-Rating	Ba3	Ba2	Ba2	Ba2	Ba2	Ba2	0
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Russian Federation (600018921)</b>							
CDS Implied-EDF (1-Year)	0.28%	0.26%	0.28%	0.29%	0.25%	0.56%	-31 bps
CDS Implied-Rating	Baa3	Baa2	Baa3	Baa3	Baa3	Ba1	+1
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Serbia (600035271)</b>							
CDS Implied-EDF (1-Year)	1.07%	1.04%	1.15%	1.25%	1.23%	1.27%	-4 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--
<b>Slovakia (600011880)</b>							
CDS Implied-EDF (1-Year)	0.13%	0.11%	0.11%	0.11%	0.11%	0.12%	-1 bps
CDS Implied-Rating	A3	A3	A2	A2	A2	A2	0
Bond Implied-Rating	A1	A1	A1	A1	A1	Aa2	-2
Senior Rating	A1	A1	A1	A1	A1	A1	0
<b>Slovenia (600019535)</b>							
CDS Implied-EDF (1-Year)	0.11%	0.09%	0.09%	0.09%	0.08%	0.10%	-2 bps
CDS Implied-Rating	A2	A2	A1	A1	Aa3	Aa3	0
Bond Implied-Rating	Aa2	Aa1	Aa2	Aa2	Aa3	Aa1	-2
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Spain (704550)</b>							
CDS Implied-EDF (1-Year)	0.56%	0.48%	0.47%	0.54%	0.70%	0.14%	+56 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba2	A3	-5
Bond Implied-Rating	A3	A2	A2	A2	Baa1	Aaa	-7
Senior Rating	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa	-1

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Sweden (730900)</b>							
CDS Implied-EDF (1-Year)	0.03%	0.03%	0.03%	0.03%	0.04%	0.08%	-4 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aa2	+2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>Switzerland (731810)</b>							
CDS Implied-EDF (1-Year)	0.05%	0.05%	0.05%	0.05%	0.05%	0.06%	-1 bps
CDS Implied-Rating	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
<b>Ukraine (600037040)</b>							
CDS Implied-EDF (1-Year)	2.47%	2.33%	2.33%	2.62%	2.32%	11.26%	-894 bps
CDS Implied-Rating	B2	B2	B2	B3	B2	Caa3	+4
Bond Implied-Rating	B1	B1	B1	B1	B1	Caa2	+4
Senior Rating	B2	B2	B2	B2	B2	B2	0
<b>United Kingdom (788250)</b>							
CDS Implied-EDF (1-Year)	0.08%	0.07%	0.07%	0.07%	0.07%	0.09%	-2 bps
CDS Implied-Rating	Aa2	Aa1	Aa1	Aa1	Aa1	Aa3	+2
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0

## Latin America & Caribbean

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Argentina (61720)</b>							
CDS Implied-EDF (1-Year)	4.07%	4.21%	4.18%	3.39%	3.25%	7.76%	-451 bps
CDS Implied-Rating	B3	Caa1	Caa1	B3	B3	Caa1	+1
Bond Implied-Rating	--	--	--	--	--	Caa1	--
Senior Rating	B3	B3	B3	B3	B3	B3	0
<b>Barbados (849700)</b>							
CDS Implied-EDF (1-Year)	0.44%	--	--	--	--	1.15%	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba1	-1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Brazil (114650)</b>							
CDS Implied-EDF (1-Year)	0.17%	0.17%	0.17%	0.19%	0.17%	0.32%	-15 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2	+1
Bond Implied-Rating	A3	A2	A3	A3	A2	A3	+1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
<b>Chile (171693)</b>							
CDS Implied-EDF (1-Year)	0.09%	0.09%	0.10%	0.10%	0.10%	0.15%	-5 bps
CDS Implied-Rating	Aa3	Aa3	A2	A1	A1	A3	+2
Bond Implied-Rating	A3	A3	Baa1	A3	A3	Aa1	-5
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	A1	+1
<b>Colombia (186200)</b>							
CDS Implied-EDF (1-Year)	0.19%	0.18%	0.18%	0.19%	0.17%	0.38%	-21 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2	+1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Costa Rica (600023791)</b>							
CDS Implied-EDF (1-Year)	0.25%	0.28%	0.31%	0.31%	0.27%	0.42%	-15 bps
CDS Implied-Rating	Baa2	Baa2	Baa3	Baa3	Baa3	Baa3	0
Bond Implied-Rating	Baa3	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
<b>Dominican Republic (600045733)</b>							
CDS Implied-EDF (1-Year)	0.96%	0.72%	0.69%	0.75%	0.73%	3.82%	-309 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	B2	+3
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	B1	B1	B1	B1	B1	B2	+1
<b>El Salvador (600045734)</b>							
CDS Implied-EDF (1-Year)	0.85%	0.81%	0.78%	0.71%	0.69%	1.12%	-43 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba1	Ba2	Ba2	0
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Baa3	-1
<b>Guatemala (600011455)</b>							
CDS Implied-EDF (1-Year)	0.42%	0.33%	0.32%	0.34%	0.33%	1.00%	-67 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba2	+2
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba2	+1

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Jamaica (600036085)</b>							
CDS Implied-EDF (1-Year)	5.16%	4.81%	4.52%	4.76%	4.73%	5.98%	-125 bps
CDS Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa1	B3	-1
Bond Implied-Rating	B2	B2	B2	B2	B3	Caa1	+1
Senior Rating	B3	B3	B3	B3	B3	B2	-1
<b>Mexico (489500)</b>							
CDS Implied-EDF (1-Year)	0.18%	0.18%	0.19%	0.19%	0.19%	0.43%	-24 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa2	Baa1	Baa3	+2
Bond Implied-Rating	A2	A2	A3	A2	A2	Baa1	+2
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Panama (591640)</b>							
CDS Implied-EDF (1-Year)	0.16%	0.15%	0.15%	0.17%	0.15%	0.39%	-24 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa3	+2
Bond Implied-Rating	Baa1	Baa1	A3	A2	Baa1	Baa1	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
<b>Peru (601500)</b>							
CDS Implied-EDF (1-Year)	0.18%	0.17%	0.18%	0.20%	0.18%	0.32%	-14 bps
CDS Implied-Rating	Baa1	Baa1	Baa1	Baa2	Baa1	Baa3	+2
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
Senior Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba1	+1
<b>Trinidad and Tobago (3055)</b>							
CDS Implied-EDF (1-Year)	0.19%	0.23%	0.22%	0.23%	0.24%	0.60%	-36 bps
CDS Implied-Rating	Baa1	Baa2	Baa2	Baa2	Baa2	--	--
Bond Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	-1
Senior Rating	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1	0
<b>Uruguay (15210)</b>							
CDS Implied-EDF (1-Year)	0.30%	0.28%	0.32%	0.31%	0.29%	0.98%	-69 bps
CDS Implied-Rating	Baa2	Baa2	Baa3	Baa3	Baa2	Ba2	+3
Bond Implied-Rating	Baa3	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Senior Rating	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	0
<b>Venezuela (800876)</b>							
CDS Implied-EDF (1-Year)	7.15%	7.15%	7.50%	7.77%	6.66%	8.39%	-173 bps
CDS Implied-Rating	Caa2	Caa3	Caa3	Caa3	Caa3	Caa1	-2
Bond Implied-Rating	Ca	C	Ca	C	C	Caa2	-3
Senior Rating	B2	B2	B2	B2	B2	B2	0

## Middle East &amp; Africa

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Angola (806356845)</b>							
CDS Implied-EDF (1-Year)	5.48%	5.39%	--	--	--	10.63%	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	B1	B1	B1	B1	B1	--	--
<b>Bahrain (600018600)</b>							
CDS Implied-EDF (1-Year)	0.38%	0.37%	0.38%	0.39%	0.39%	0.41%	-2 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	0
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A3	A3	A3	A3	A3	A2	-1
<b>Cyprus (377200)</b>							
CDS Implied-EDF (1-Year)	0.34%	0.31%	0.34%	0.39%	0.46%	0.15%	+31 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Ba1	A3	-4
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Aa3	-5
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	0
<b>Egypt (258330)</b>							
CDS Implied-EDF (1-Year)	0.64%	0.60%	0.57%	0.60%	0.55%	0.70%	-15 bps
CDS Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Bond Implied-Rating	Baa3	Baa2	Baa2	Baa2	Baa2	--	--
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Ghana (600022862)</b>							
CDS Implied-EDF (1-Year)	1.71%	1.40%	1.39%	1.49%	1.48%	3.30%	-182 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--
<b>Iraq (600018912)</b>							
CDS Implied-EDF (1-Year)	1.58%	1.56%	1.47%	1.52%	1.33%	2.66%	-133 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--
<b>Israel (423305)</b>							
CDS Implied-EDF (1-Year)	0.21%	0.20%	0.20%	0.20%	0.19%	0.22%	-3 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Bond Implied-Rating	A2	A1	A1	A1	A1	Aa3	-1
Senior Rating	A1	A1	A1	A1	A1	A1	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Jordan (600018522)</b>							
CDS Implied-EDF (1-Year)	0.18%	0.17%	0.16%	0.18%	0.18%	0.18%	0 bps
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa3	Baa3	Baa3	Baa3	Ba2	Baa3	-2
<b>Kazakhstan (600021080)</b>							
CDS Implied-EDF (1-Year)	0.31%	0.30%	0.30%	0.35%	0.34%	0.89%	-55 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	Baa3	Baa3	Ba2	+2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Lebanon (600014506)</b>							
CDS Implied-EDF (1-Year)	0.99%	0.97%	0.92%	0.99%	0.97%	0.89%	+8 bps
CDS Implied-Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba2	0
Bond Implied-Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
Senior Rating	B1	B1	B1	B1	B1	B2	+1
<b>Morocco (600020405)</b>							
CDS Implied-EDF (1-Year)	0.25%	0.25%	0.23%	0.25%	0.24%	0.24%	0 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa1	-1
Senior Rating	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	0
<b>Nigeria (551435)</b>							
CDS Implied-EDF (1-Year)	--	--	--	--	--	0.20%	--
CDS Implied-Rating	--	--	--	--	--	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	--	--	--	--	--	--	--
<b>Oman (96600)</b>							
CDS Implied-EDF (1-Year)	0.30%	0.33%	0.32%	0.34%	0.34%	1.08%	-74 bps
CDS Implied-Rating	Baa3	Baa3	Baa3	--	Baa3	Ba2	+2
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	A1	A1	A1	A1	A1	A2	+1
<b>Pakistan (600014774)</b>							
CDS Implied-EDF (1-Year)	4.00%	3.93%	3.78%	4.01%	4.01%	5.24%	-123 bps
CDS Implied-Rating	B3	B3	B3	--	--	--	--
Bond Implied-Rating	Caa1	Caa1	Caa1	Caa1	Caa1	B2	-2
Senior Rating	B3	B3	B3	B3	B3	B3	0

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Qatar (600048045)</b>							
CDS Implied-EDF (1-Year)	0.14%	0.13%	0.13%	0.14%	0.13%	0.17%	-4 bps
CDS Implied-Rating	A3	A3	A3	A3	A3	A3	0
Bond Implied-Rating	Baa1	Baa1	Baa1	Baa1	Baa1	A3	-1
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0
<b>Saudi Arabia (660260)</b>							
CDS Implied-EDF (1-Year)	0.12%	0.11%	0.11%	0.11%	0.11%	0.14%	-3 bps
CDS Implied-Rating	A2	A2	A2	A2	A2	A3	+1
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa3	Aa3	Aa3	Aa3	Aa3	A1	+1
<b>South Africa (686830)</b>							
CDS Implied-EDF (1-Year)	0.24%	0.21%	0.21%	0.21%	0.18%	0.40%	-22 bps
CDS Implied-Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa3	+1
Bond Implied-Rating	A2	A3	A3	A3	A3	Baa2	+2
Senior Rating	A3	A3	A3	A3	A3	A3	0
<b>Tunisia (600046595)</b>							
CDS Implied-EDF (1-Year)	--	--	--	--	--	0.28%	--
CDS Implied-Rating	--	--	--	--	--	Baa2	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	0
<b>Turkey (768337)</b>							
CDS Implied-EDF (1-Year)	0.30%	0.27%	0.26%	0.27%	0.23%	0.50%	-27 bps
CDS Implied-Rating	Baa3	Baa2	Baa3	Baa2	Baa2	Ba1	+2
Bond Implied-Rating	Baa2	Baa2	Baa2	Baa1	Baa1	Baa2	+1
Senior Rating	Ba2	Ba2	Ba2	Ba2	Ba2	Ba3	+1
<b>United Arab Emirates (600018601)</b>							
CDS Implied-EDF (1-Year)	0.48%	0.47%	0.43%	0.46%	0.42%	1.09%	-67 bps
CDS Implied-Rating	Ba1	--	Baa3	--	Baa3	--	--
Bond Implied-Rating	--	--	--	--	--	--	--
Senior Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	0

## North America

	08-OCT-10	15-OCT-10	22-OCT-10	29-OCT-10	05-NOV-10	YEAR AGO	12 MO CHANGE
<b>Canada (137160)</b>							
CDS Implied-EDF (1-Year)	0.05%	0.05%	0.05%	0.05%	0.05%	0.17%	-12 bps
CDS Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	A3	+6
Bond Implied-Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
Senior Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	0
<b>United States of America (790575)</b>							
CDS Implied-EDF (1-Year)	0.05%	0.04%	0.04%	0.04%	0.05%	0.04%	+1 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

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 Report Number: 128670

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