

1. Record Nr.	UNINA9910959813703321
Autore	Kodres Laura
Titolo	Emerging Market Spread Compression : : Is it Real or is it Liquidity? / / Laura Kodres, Kristian Hartelius, Kenichiro Kashiwase
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
ISBN	9786613820969 9781462323524 1462323529 9781452766249 145276624X 9781282447738 1282447734 9781451913255 1451913257
Edizione	[1st ed.]
Descrizione fisica	1 online resource (38 p.)
Collana	IMF Working Papers
Altri autori (Persone)	HarteliusKristian KashiwaseKenichiro
Disciplina	338.2357
Soggetti	Bonds - Developing countries - Econometric models Liquidity (Economics) - Econometric models Credit ratings - Developing countries - Econometric models Banks and Banking Capital market Credit ratings Derivative securities Emerging and frontier financial markets Finance Finance: General Financial Instruments Financial services industry Futures General Financial Markets: General (includes Measurement and Data) Institutional Investors Interest rates Interest Rates: Determination, Term Structure, and Effects Investments: Futures Monetary economics Monetary Policy, Central Banking, and the Supply of Money and Credit: General

Money and Monetary Policy  
Non-bank Financial Institutions  
Pension Funds  
Securities markets  
Yield curve  
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"January 2008."
Nota di bibliografia	Includes bibliographical references (p. 35-36).
Nota di contenuto	<p>Contents; I. Introduction; II. Data; A. Variables; Emerging Market Bond Spreads; Tables; 1. Availability of EMBI and EMBI Global; Credit Ratings and Outlooks; Fed Funds Futures; Figures; 1. Changes in Sovereign Credit Ratings and Outlook: January 1991~February 2007; Volatility in the Fed Funds Futures Market; Volatility Index of S&amp;P 500 (VIX); 2. Volatility of Fed Funds Futures Market and Emerging Market Bond Spread; B. Total Credit Rating-Outlook Index (CROI); Log Linearity Between the Spreads and Ratings; 3. VIX and Emerging Market Bond Spread</p> <p>Construction of the Total Credit Rating-Outlook Index (CROI)4. Average vis-a-vis Estimated Bond Spreads on Long-Term Sovereign Credit Ratings; 2. Total Credit Rating-Outlook Index (CROI); III. Results; A. Basic Model; 5. Aggregate Fundamentals: Total Credit Rating-Outlook Index (CROI) vis-a-vis Long-Term Credit-Rating Index (LTCR); 3. Basic Model Results: CROI vs. LTCR, December 1991~February 2007; B. Extended Model with Volatility; 4. Extended Model Results: CROI vs. LTCR, January 1991~February 1997; C. Graphical Interpretation of the Models</p> <p>6. Actual vs. Estimated Spreads Extended Model with CROI as FundamentalsD. Contributions to EMBI Spreads; 5. Determinants of Change in the EMBIG Spread, December 2002-February 2007; IV. Conclusions; Appendix; Appendix 1.A: A Procedure of Constructing the CROI; Appendix Figure; 1. Actual and Estimated Spreads: Extended Model with CROI as Fundamentals; References</p>
Sommario/riassunto	<p>Despite recent turmoil, spreads on emerging market countries' sovereign bonds have fallen dramatically since mid-2002. Some have attributed the fall to improved economic fundamentals while others to ample global liquidity. The paper models spreads and attempts to empirically distinguish between the two factors. The results indicate that fundamentals, as embedded in credit ratings, are very important, but that expectations of future U.S. interest rates and volatility in those expectations are also a key determinant of emerging market spreads.</p>