

Sovereign Watch List

February 2020



Highlights

- Upgrades outnumber downgrades for Sovereigns globally.
- With the economic collapse in Venezuela, major street protests in Argentina, Chile, and Colombia, and other geopolitical issues, countries in **Latin America** saw more downgrades than upgrades over the last six months.
- **Greece's** credit situation continues to improve. Probability of default is down 6.5% month-over month and 44% year-over-year as the economy improves and additional growth is expected. Indeed, Greece appears on the Sovereign Watch List with an **improving** status because it saw upgrades from a like-for-like set of Credit Benchmark contributors over the last six months.
- Earlier this month, **Malawi's** judges overturned last year's election results after evidence of fraud. However, Malawi appears on the Sovereign Watch List with an **improving** status, suggesting business as usual for lenders.
- Ahead of the end of German chancellor Angela Merkel's final term, her experimental splitting of the Christian Democratic Union (CDU) party leader and chancellor roles have created uncertainty for the party and the country, which is reflected in **deteriorating** German credit quality. Because **Germany** has been subject to downgrades from a like-for-like set of Credit Benchmark contributors over the last six months, Germany is on the February 2020 Sovereign Watch List.
- Following Brexit and the republican Sinn Fein party receiving the largest share of first-preference votes in **Ireland's** general election, the possibility of a united Ireland is growing. Credit sentiment on Ireland remains strong, and the sovereign appears on the Sovereign Watch List with an **improving** status.

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For more information about how Credit Benchmark can improve your counterparty credit risk management with new insights into entities and sectors that are experiencing changes in credit quality, contact us:

Global Sovereign Trends: Highlights

Credit Benchmark collects, anonymizes, and aggregates credit risk views from the world's leading financial institutions on 50,000+ entities across sovereigns, corporates, financials and funds. This section of the Sovereign Watch List summarizes recent highlights from Credit Benchmark's dataset of 137 global Sovereigns.

Selected Significant Movers (1 Month)

Country	Region	Consensus	
		Rating	Δ1M Change
Algeria	Africa	bb-	Deteriorating
Angola	Africa	b-	-1
Tanzania, United Republic of	Africa	b+	Deteriorating
Ukraine	Europe	ccc+	1
Indonesia	Asia and Pacific	bbb	1
Cote d'Ivoire	Africa	b+	Improving
Greece	Europe	b+	Improving
Slovenia	Europe	a-	Improving
Kazakhstan	Asia and Pacific	bb+	Improving
Latvia	Europe	a-	Improving
Jordan	Middle East	bb-	Improving
Kenya	Africa	b+	Improving
Hungary	Europe	bbb-	Improving
Poland	Europe	a-	Improving
Portugal	Europe	bbb-	Improving
Saudi Arabia	Middle East	a	Improving
Spain	Europe	a-	Improving
Thailand	Asia and Pacific	bbb+	Improving

Selected Significant Movers (6 Months)

Country	Region	Consensus	
		Rating	Δ6M Change
Argentina	Latin America	ccc+	-3
Malaysia	Asia and Pacific	a-	Deteriorating
Uruguay	Latin America	bbb-	Deteriorating
Turkey	Europe	bb-	Deteriorating
Bahrain	Middle East	bb-	Deteriorating
Indonesia	Asia and Pacific	bbb	1
Hungary	Europe	bbb-	1
Greece	Europe	b+	1
El Salvador	Latin America	b	1
Egypt	Middle East	b	1
Austria	Europe	aa+	1
Denmark	Europe	aaa	Improving
India	Asia and Pacific	bbb-	Improving
Viet Nam	Asia and Pacific	bb-	Improving
United Kingdom	Europe	aa	Improving
United Arab Emirates	Middle East	aa-	Improving
Thailand	Asia and Pacific	bbb+	Improving
Poland	Europe	a-	Improving

Sovereigns with limited NRSO coverage

Country	Region	Consensus	
		Rating	Δ1M Change
Saint Kitts and Nevis	North America	b	Deteriorating
Malawi	Africa	ccc+	Stable
Libya	Africa	ccc+	Stable
Brunei Darussalam	Asia	a-	Stable
Algeria	Africa	bb-	Deteriorating
Dominican Republic	Latin America	bb	Stable
Sierra Leone	Africa	b	Stable
Turkmenistan	Asia	b+	Stable

New additions

Country	Region	Consensus	
		Rating	Δ1M Change
Barbados	Africa	ccc	Stable
Venezuela, Bolivarian Republic of	Africa	ccc-	Stable

Deteriorating - Indicates that contributing financial institutions are downgrading this entity

Improving - Indicates that contributing financial institutions are upgrading this entity

-1/1 - Indicates by how many notches the CB Consensus has downgraded/upgraded

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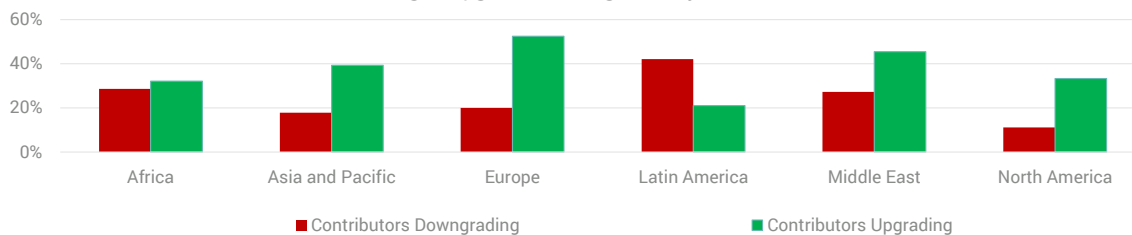
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Global Sovereign Trends: Summary

This section of the Watch List summarizes sovereign credit sentiment of Credit Benchmark's contributing financial institutions. It displays the sovereigns that have been subject to upgrades and downgrades from a like-for-like set of contributors over the last six months.

% Sovereigns Upgraded/Downgraded by Contributors over 6M



Country	Region	Consensus	
		Rating	Δ6M Change
Algeria	Africa	bb-	Deteriorating
Botswana	Africa	a-	Deteriorating
Cameroon	Africa	b	Deteriorating
South Africa	Africa	bb+	Deteriorating
Tanzania, United Reput	Africa	b+	Deteriorating
Tunisia	Africa	bb-	Deteriorating
Uganda	Africa	b+	Deteriorating
Zambia	Africa	ccc+	Deteriorating
Benin	Africa	b	Improving
Cote d'Ivoire	Africa	b+	Improving
Ethiopia	Africa	b	Improving
Ghana	Africa	b	Improving
Kenya	Africa	b+	Improving
Malawi	Africa	ccc+	Improving
Mauritius	Africa	bbb	Improving
Morocco	Africa	bb+	Improving
Rwanda	Africa	bb-	Improving
Bangladesh	Asia and Pacific	b+	Deteriorating
Cambodia	Asia and Pacific	b+	Deteriorating
China	Asia and Pacific	a	Deteriorating
Malaysia	Asia and Pacific	a-	Deteriorating
Sri Lanka	Asia and Pacific	b	Deteriorating
Azerbaijan	Asia and Pacific	bb	Improving
Georgia	Asia and Pacific	bb-	Improving
India	Asia and Pacific	bbb-	Improving
Indonesia	Asia and Pacific	bbb	Improving
Japan	Asia and Pacific	aa-	Improving
Kazakhstan	Asia and Pacific	bb+	Improving
Korea, Republic of	Asia and Pacific	aa-	Improving
Mongolia	Asia and Pacific	b-	Improving
Philippines	Asia and Pacific	bbb	Improving
Thailand	Asia and Pacific	bbb+	Improving
Viet Nam	Asia and Pacific	bb-	Improving
Albania	Europe	bb-	Deteriorating
Belgium	Europe	aa-	Deteriorating
Germany	Europe	aaa	Deteriorating
Montenegro	Europe	bb-	Deteriorating
Norway	Europe	aaa	Deteriorating
Romania	Europe	bbb-	Deteriorating
Switzerland	Europe	aaa	Deteriorating
Turkey	Europe	bb-	Deteriorating
Austria	Europe	aa+	Improving
Belarus	Europe	b-	Improving
Croatia	Europe	bb+	Improving
Cyprus	Europe	bb+	Improving
Czech Republic	Europe	aa-	Improving
Denmark	Europe	aaa	Improving
Greece	Europe	b+	Improving
Hungary	Europe	bbb-	Improving
Iceland	Europe	a	Improving
Ireland	Europe	a	Improving

Country	Region	Consensus	
		Rating	Δ6M Change
Latvia	Europe	a-	Improving
Malta	Europe	a	Improving
Netherlands	Europe	aaa	Improving
Poland	Europe	a-	Improving
Portugal	Europe	bbb-	Improving
Russian Federation	Europe	bbb-	Improving
Slovenia	Europe	a-	Improving
Spain	Europe	a-	Improving
Sweden	Europe	aaa	Improving
Ukraine	Europe	ccc+	Improving
United Kingdom	Europe	aa	Improving
Argentina	Latin America	ccc+	Deteriorating
Bolivia, Plurinational St	Latin America	bb-	Deteriorating
Brazil	Latin America	bb	Deteriorating
Dominican Republic	Latin America	bb	Deteriorating
Mexico	Latin America	bbb+	Deteriorating
Panama	Latin America	bbb	Deteriorating
Uruguay	Latin America	bbb-	Deteriorating
Belize	Latin America	b-	Improving
Chile	Latin America	a+	Improving
Ecuador	Latin America	b	Improving
El Salvador	Latin America	b	Improving
Bahrain	Middle East	bb-	Deteriorating
Lebanon	Middle East	ccc+	Deteriorating
Oman	Middle East	bb+	Deteriorating
Egypt	Middle East	b	Improving
Israel	Middle East	a+	Improving
Jordan	Middle East	bb-	Improving
Saudi Arabia	Middle East	a	Improving
United Arab Emirates	Middle East	aa-	Improving
Jamaica	North America	b+	Deteriorating
Bahamas	North America	bbb-	Improving
Saint Kitts and Nevis	North America	b	Improving
Trinidad and Tobago	North America	bb+	Improving

Deteriorating - Indicates that contributing financial institutions are downgrading this entity

Improving - Indicates that contributing financial institutions are upgrading this entity

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