Sovereign risk Analysis Of Developing Countries: Findings from Credit Default Swap Premium Behaviour

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Abstract / Anotation

This Study conducts econometric analysis CDS Premium relations towards variables usually used as a sovereign rating explanatory. Estimation with data panel econometric found that global risk appetite is the most important influencing variable followed by foreign exchange reserve and yield spread. This item is consistent with the existing empiric literature and shows a high correlation between developing countries economy and world economic cycle.