

# Country Risk

Breaking news presentation  
10/27/2017

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# Kenya

Political Crisis



# Presidential Vote



Uhuru Kenyatta  
Declared as the President



Raila Odinga

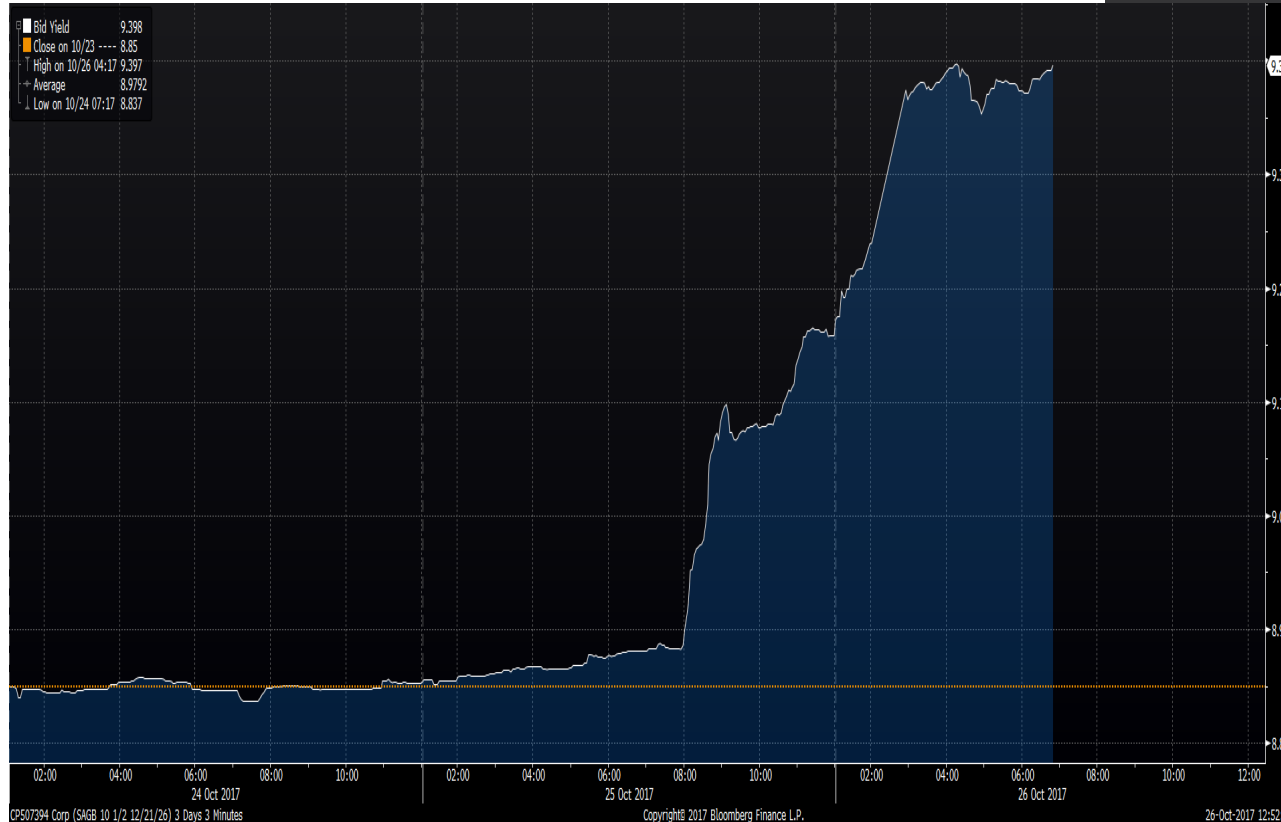
## South Africa – Cut in GDP growth forecasts



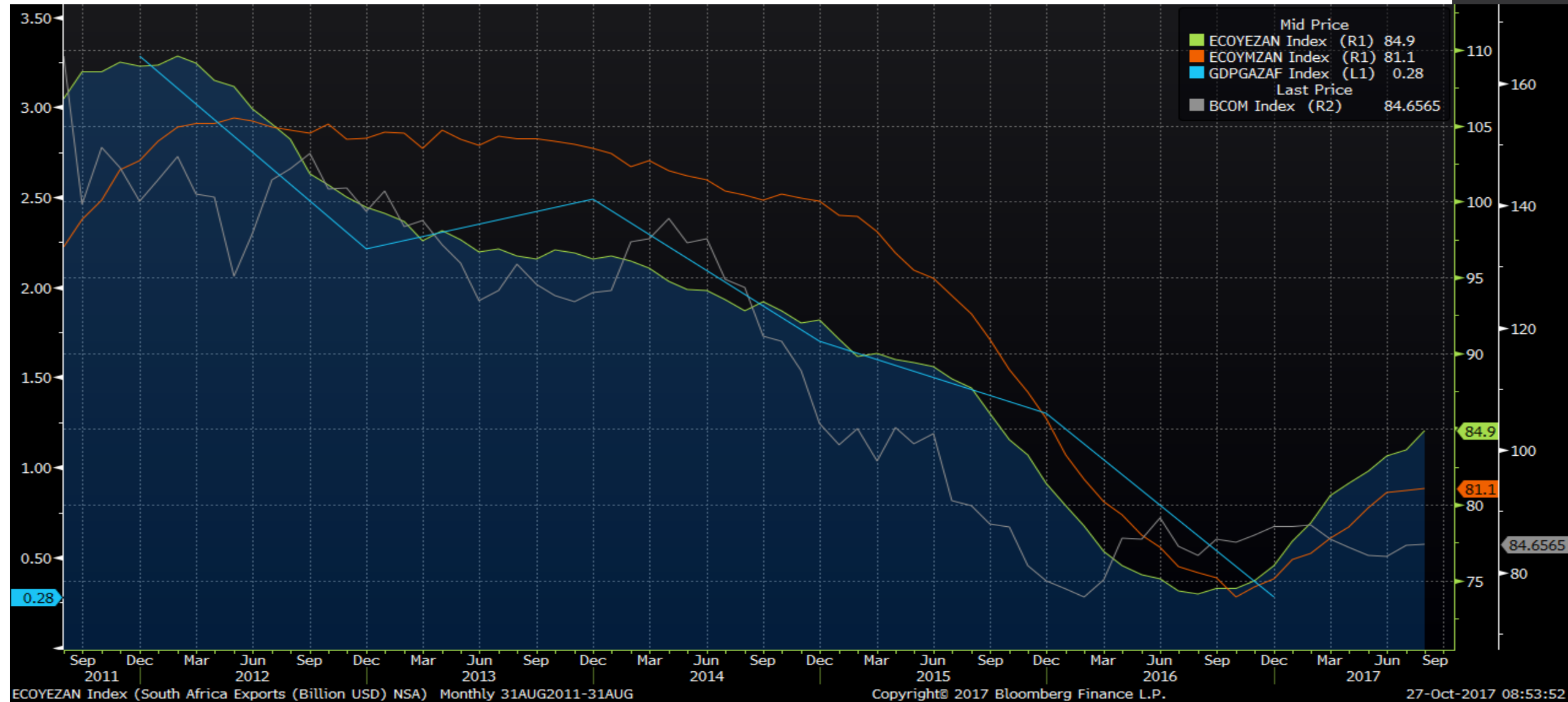
# SOUTH AFRICA CDS



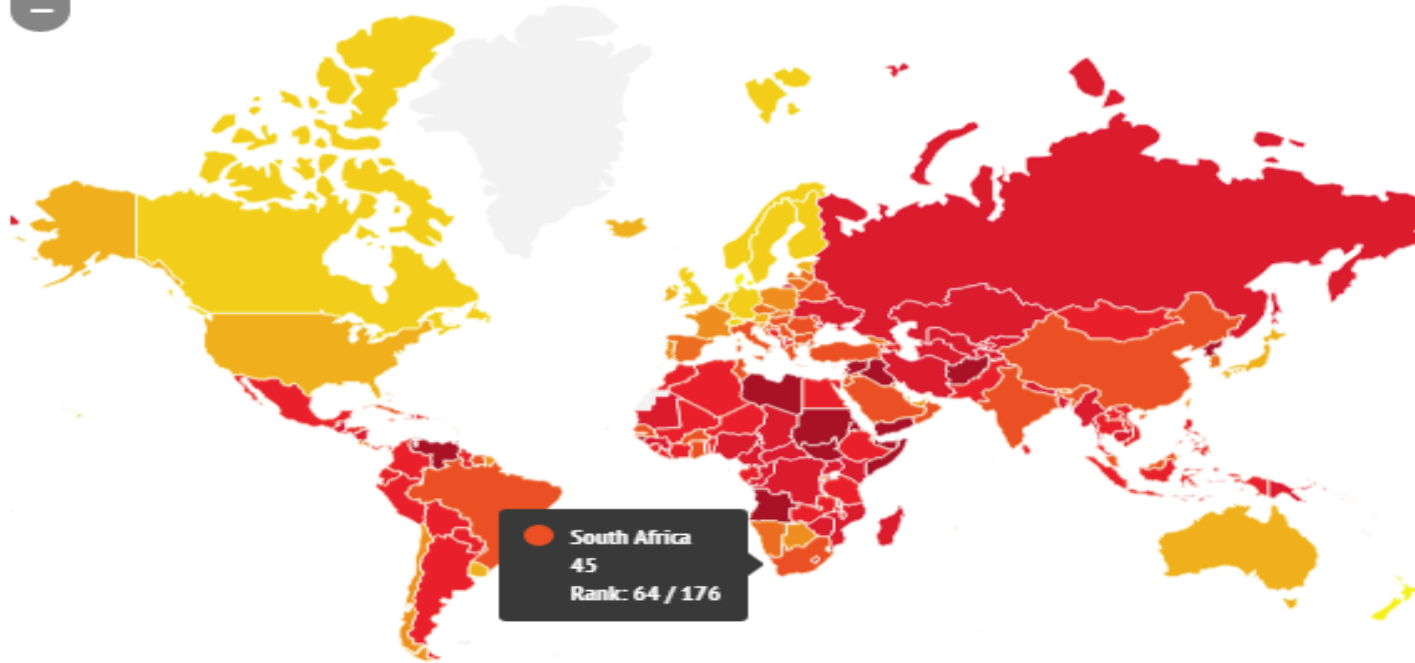
# 10 Yield to Maturity



# COMMODITIES INDEX – IMPORTS & EXPORTS – real GDP



# CORRUPTION PERCEPTIONS INDEX 2016



Visit [www.transparency.org/cpi2016](http://www.transparency.org/cpi2016) for more information



# President Xi Jinping and China's new Politburo Standing Committee



- ❖ Xi Jinping - Communist Party General Secretary
- ❖ Li Keqiang – Premier
- ❖ Li Zhanshu
- ❖ Wang Yang
- ❖ Wang Huning - Secretary of the central committee secretariat
- ❖ Zhao Leji – Secretary of the Central Committee on Discipline Inspection
- ❖ Han Zheng

# Draghi's speech

- Most important announcement of the year  
→ major split in the monetary policy

## 1/ **INTEREST RATES:** no change

- IR on the main refinancing operations : 0.00%
- IR on the marginal lending facility : 0.25%
- Deposit facility : -0.40%



## 2/ QE PROGRAM:

Cut by half from January 2018 to September 2018

QE's effects since 2015:

- ↗ of output
- ↘ of unemployment
- Inflation : 1,5%

## 3/ REINVESTMENT OF MATURING ASSETS

- More favorable liquidity conditions
- Will support the monetary policy

Since QE started Eurozone growth has matched that of the US

Real GDP (Indices, Q1 2015=100)

— Eurozone  
— US



Source: Thomson Reuters Datastream

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## The ECB has spent €2.1 trillion on asset purchases since 2015

ECB balance sheet (€bn)



Source: Thomson Reuters Datastream

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## MARKET'S REACTION

- No over-reaction

### Main reactions on the market

- €  $\searrow$  1.3% against the \$ to \$1.1663
- €  $\searrow$  1% against the ¥ to ¥132.95
- €  $\searrow$  0,5% against the £ to £0.8857
  
- German 10-year bond yields fell three bp to 0.447%
- Spanish  $\searrow$  10 bp to 1.53%





# Rama IX

- 70 years of reign
- Died on 13 October 2016
- Burial on 26 October 2017
- Highly revered by his people
- Active politically
- Richest leader, \$35billion



# Rama X

- Ascends to the throne with 64 years old
- Former military pilot
- Lived many years in Germany
- Not well accepted by the population
- Tumultuous personal life





- Amended constitution for more prerogatives
- More censure and repression

*Is the playboy a new tyrant ?*

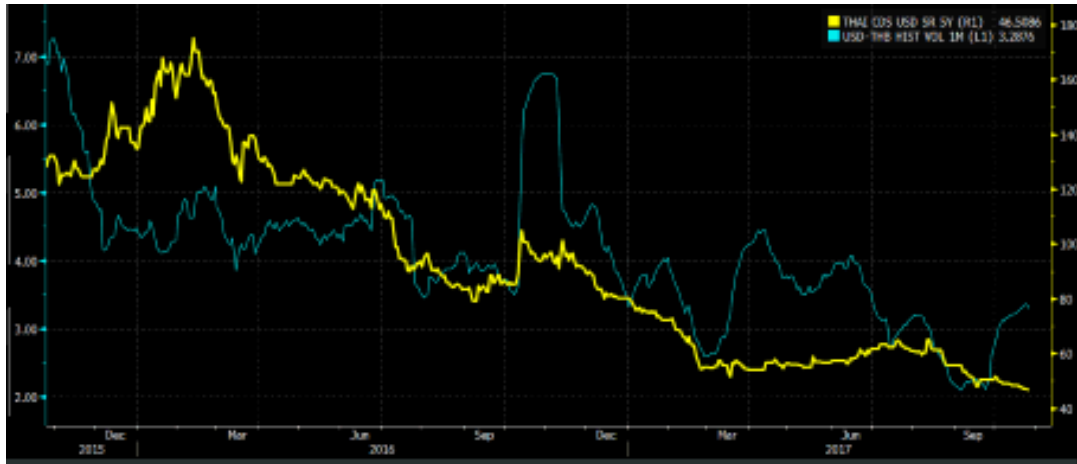


# Economic Instability

- Military's ability to manage the economy questioned
- Worst drought of the las 20 years
- Lack of public investments
- Tourism decline
- Exports threatened by China



## USD/THAI BAHT Volatility Index



## Thailand Govt Bond 10 Year Note

