

The Impact of Sovereign Credit Ratings on Foreign Portfolio Investment Flows to Emerging Markets

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Abstract: The study investigated the impact of sovereign credit ratings on foreign portfolio investment (FPI) flows to emerging markets through panel data for seven markets (Argentina, Brazil, Egypt, India, Nigeria, South Africa and the United Arab Emirates) during the period from 2015 to 2019 on a quarterly basis. The study created an index of equal weights based on Fitch, Moody's and Standard & Poor's assessments. There is a significant impact of sovereign credit ratings on foreign portfolio investment (FPI) flows to emerging markets under the exchange rate of the local currency against the USD at the level of 1%. This explains (39.6762%) of foreign portfolio investment (FPI) flows to emerging markets. The study can estimate other factors impacting the flow of foreign portfolio investment, including factors such as market size, market diversity, and market efficiency. It is recommended that these factors be tested in future studies.

Keywords: Sovereign Credit Ratings; Indirect Investment; Foreign Portfolio Investment; Emerging Markets.

JEL Classification: E22, F21; G10

Introduction

The drivers of flows into financial markets are founded on portfolio theory principles, which emphasise the importance of expected returns, risk, and risk preferences (Ahmed and Zlate, 2014). These principles for both domestic and international portfolios, but the international portfolio has higher performance compared to domestic portfolios (Arnold et al., 2004). An international portfolio is a collection of financial instruments that focuses on overseas equity markets rather than domestic ones. An international portfolio, when carefully planned, provides an investor with exposure to emerging and international equity markets as well as diversification. This supports better performance for international portfolios vs. domestic portfolios (see Fig.1).

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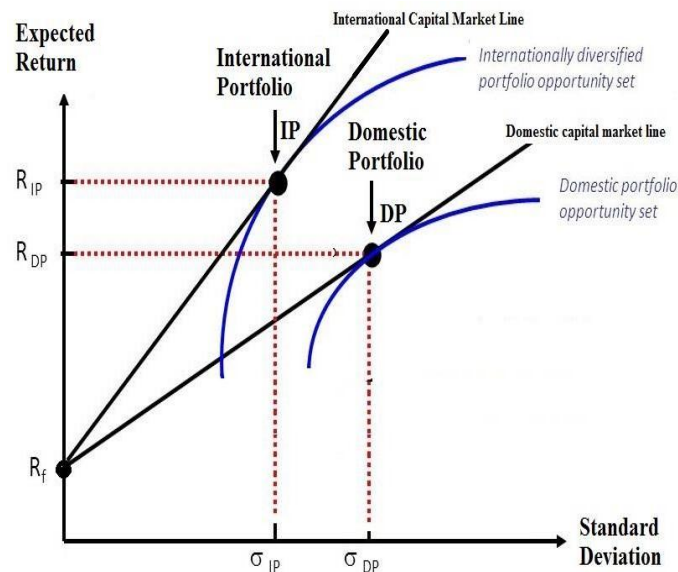


Figure No. (1):
International portfolio vs. Domestic portfolio

The conventional wisdom on the benefits of international diversification has depended heavily on the occurrence of low and stable cross-country correlations. The reason is due to the low correlation coefficient of international stocks compared to domestic stocks from one market. This allows the systematic risk reduction for efficient diversified portfolios; The same is true of total risk (See Fig.2) much of the attention in the studied has turned to the diversification benefits afforded by emerging markets (Li et al., 2003; Phylaktis and Ravazzolo, 2005; Bouslama and Ouda, 2014; Pirgaip et al., 2021) after the emergence of studies covering developed markets (Levy and Sarnat, 1970). Now, studies are trying to compare them (Prelipcean and Boscoianu, 2020)

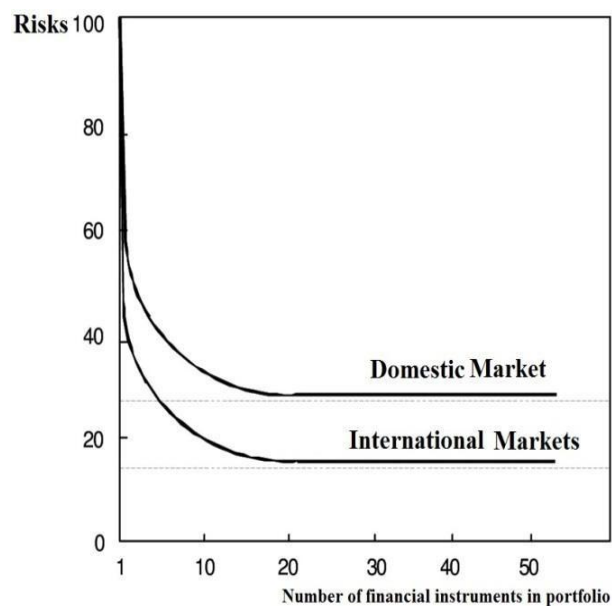


Figure No. (2):
Risk under International diversification Vs. Domestic diversification

On the other hand, the international portfolio significant risks due to the prospect of economic and political instability in some foreign equities markets, as well as the chance of home currency devaluation relative to international currencies such as the US Dollar and the Euro. In other words, an international portfolio provides investment opportunities subject to the hazards associated with a non-domestic risk pattern; this includes systematic risk, such as political risks and currency exchange rates. It possesses the ability to create profit for shareholders by capitalising on foreign and emerging markets (Driessen and Laeven. 2007). By offering a theoretical framework and conducting a statistical test, the current study tries to address the influence of sovereign risks on foreign investment in emerging markets under Sovereign Credit Ratings weights based on Fitch, Moody's and Standard & Poor's assessments.

Theoretical framework and Literature Review

Globalization of financial markets and the quest of higher potential returns by foreign investors have resulted in significant international equity investments, particularly in emerging economies (Lin & Swanson, 2003; Richards, 2005; Kim, J. B., & Cheong, 2015). Foreign investors' international portfolio flows into these markets have been extensively studied in the literature, with an emphasis on their behavior and impact on stock prices. The majority of empirical financial research has concentrated on price impact effects (Bohn and Tesar, 1996; Brennan and Coa, 1997; Froot et al., 2001; Dahlquist and Robertsson, 2004; Richards, 2005; Gul et al., 2010, He and Shen, 2014; Lim et al., 2016; Kim and Jo, 2019; Kim et al., 2020; Iwatsubo and Watkins, 2021; Richards, 2005 (Bowe and Domuta, 2004). Foreign portfolio investment (FPI) had an effect on more than just market performance; it also affected the cost of financing in this sector (Vo, 2017; Tsagkanos et. al., 2019; Tran, 2021)

However, because the foreign investor often lacks access to local sources of information, they are prone to information asymmetry, and so rely heavily on credit rating agencies. Credit rating agencies (CRAs) such as Fitch, Moody's, and Standard & Poor's assign ratings to businesses and sovereign governments, as well as to certain financial products (Yalta and Yalta, 2018; Driss et. al., 2019). The three major credit rating agencies assess a country's competence and present and future debt commitments using a combination of economic, social, and political criteria; both "Fitch" and "S&P" assigned a "AAA" rating to long-term issues, while "Moody's" assigned a "Aaa" rating. When it comes to country ratings, Moody's produces the most optimistic estimates. Moody's is followed by Standard and Poor's, while Fitch is the most gloomy credit rating agencies (Genc and Basar, 2019).

The current study believes that an investor in foreign stock exchanges found an indication of the attractiveness of foreign stock exchanges for investment according to the high rating of the host country. By other words, there is a positive relationship between sovereign credit ratings and foreign portfolio investment (FPI) flows. Sovereign Credit Ratings methodology depends on a set of factors through which the drivers of return can be assessed on the one hand versus systemic risk on other hand; this is core of the rational investment declaration.

The sovereign credit ratings report seeks to offer investors a clear view of the dimensions of financial investment in foreign countries. It defines a sovereign as a country that

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administers its own government and is not subject to or dependent on another sovereign for all or most prerogatives. For instance, one of the most essential prerogatives of a sovereign is the ability to select the currency it uses, as well as the political and budgetary frameworks in which it functions. Thus, it defines "economic assessment", "monetary assessment", "fiscal assessment"; "political; government system and institutional assessment" and "regional security assessment". Figure No. (3): illustrates the relationship between sovereign credit ratings information and determinants of foreign portfolio investment (FPI) flows to financial market.

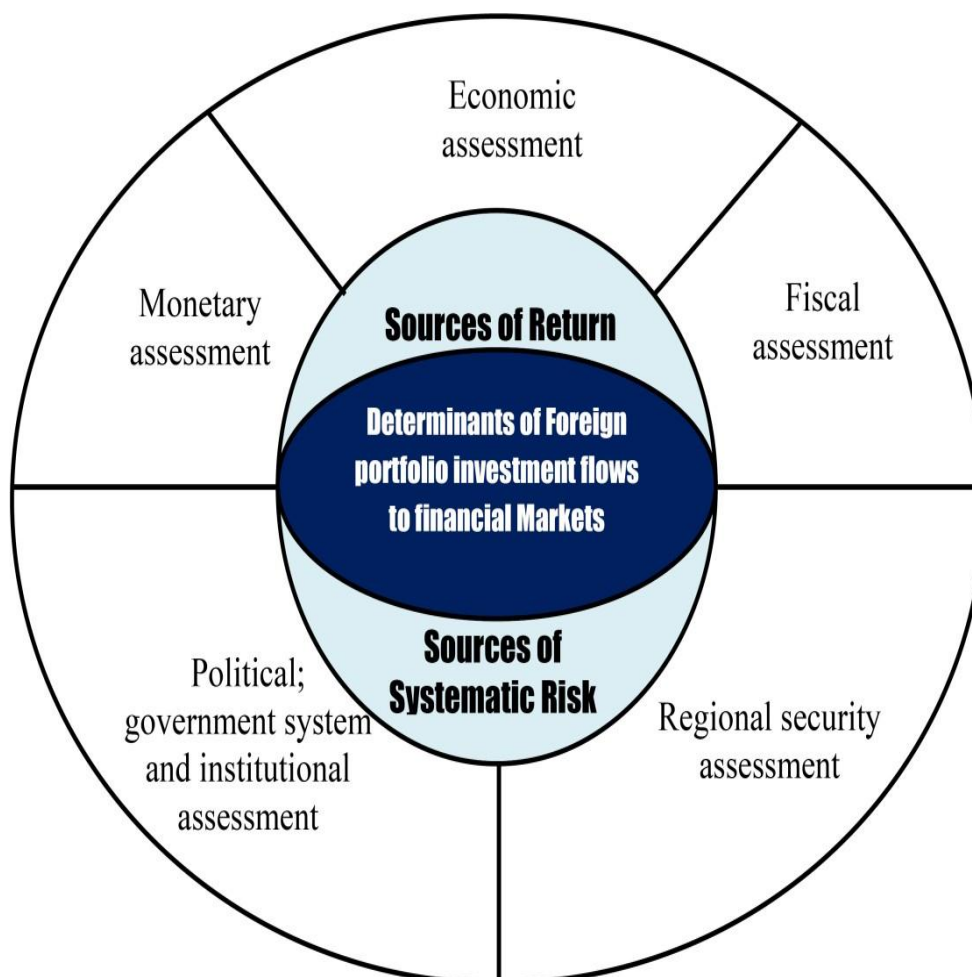


Figure No. (3):

Determinants of Foreign Portfolio Investment (FPI) flows to financial Markets under sovereign credit report

Thus, the sovereign credit ratings report gives investors a clear view of the business environment in foreign countries. In other words, the report helps international investors analyze macroeconomic variables, economic policies, and political risks in the host countries for their investment in financial instruments by identifying the drivers of return on the one hand, and the sources of systematic risks on the other hand. So; the sovereign credit ratings report gives investors refers to the inherent risks associated with conducting business in another country's economic, social, and political climate.

Several factors contributed attention to detail of sovereign credit ratings report, including the increasing frequency of debt restructuring in the 1980s, as a result of the massive amount of money lent to developing and socialist countries during the 1970s; the change in political systems following the fall of communism; and the implementation of market-oriented economic and financial reforms in the 1990s, In addition to the Asian financial crisis 1997-1998; the banking crisis of 2005; and the European sovereign debt crisis at 2008. These incidents have served as a reminder to foreign investors that the globalization of open financial markets entails risk (Eichengreen, 2010; Lane, 2012; Beirne and Fratzscher, 2013; Becker and Ivashina, 2018; Hannan, 2017).

Through literary reviews, there are many studies indicating the relationship between the performance of stock exchanges and macroeconomic variables (Jamaludin et al., 2017; Ullah et al., 2017; Bhuiyan and Chowdhury, 2020; Igoni et al., 2020; Lee and Brahmaasrene, 2020; Nawindra and Wijayanto, 2020; Banchit et al., 2020). In addition to a study on political risks and stock exchange performance (Diamonte et al., 1996; Helmy and Wagdi, 2016), the sovereign credit ratings report supports the foreign investor's investment decision by disclosing the return drivers on one hand and the sources of systematic risk on the other, thereby improving the foreign investor's ability to assess emerging markets.

Methodology and Study Design

The study make a cross-sectional time-series model to assess the sovereign credit ratings in seven emerging markets (Argentina, Brazil, Egypt, India, Nigeria, South Africa and United Arab Emirates) based on Fitch, Moody's and Standard & Poor's assessment. The study created an index of equal weights from the three assessments for the five-year, period from 2015 to 2019, with the index value updated on a quarterly basis, with the last announced assessment in 2014 being the base points for each emerging markets. Table No. (1) illustrates the assessments' contribution to the index's value based on Points for each credit rating agencies according to equation No. 1.

Table No. (1) The assessments' contribution of Sovereign Credit Ratings to the index's value

Grade	Moody's	S&P	Fitch	Points
Prime	Aaa	AAA	AAA	100
High grade	Aa1	AA+	AA+	95
	Aa2	AA	AA	90
	Aa3	AA-	AA-	85
Upper medium grade	A1	A+	A+	80
	A2	A	A	75
	A3	A-	A-	70
Lower medium grade	Baa1	BBB+	BBB+	65
	Baa2	BBB	BBB	60
	Baa3	BBB-	BBB-	55
Non-investment grade speculative	Ba1	BB+	BB+	50
	Ba2	BB	BB	45
	Ba3	BB-	BB-	40

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Continue; **Table No. (1)** The assessments' contribution of Sovereign Credit Ratings to the index's value

Grade	Moody's	S&P	Fitch	Points	
Highly speculative	B1	B+	B+	35	
	B2	B	B	30	
	B3	B-	B-	25	
Substantial risks	Caa1	CCC+	CCC+	20	
	Caa2	CCC	CCC	15	
	Caa3	CCC-	CCC-	10	
Extremely speculative	Ca	CC	CC	5	
			C	0	
In default with little prospect for recovery In default	C	D	SD	RD	0
			D	D	0
				DD	0
				DDD	0

Index's Sovereign credit Ratings

$$= \sum \{(\text{Rating Points of Moody's} + \text{Rating Points of S\&P} + \text{Rating Points of Fitch}) \div 3\}$$

Equation No. 1

On the other hand, the study collected the published data on foreign portfolio investment (FPI) flows to seven emerging markets (Argentina, Brazil, Egypt, India, Nigeria, South Africa and United Arab Emirates) from 2015 to 2019 on a quarterly basis. There are factors that affect foreign portfolio investment flows to emerging Markets; according to (Garg and Dua, 2014) traditional determinants of portfolio flows are domestic equity performance, exchange rate, interest rate differential and GDP growth. So; the study variables are classified into three types: the independent variable, the dependent variable, and the control variables; Table No. (2) Illustrates these variables.

Table (2): Study variables for quantitative analysis

Independent Variable	Control Variables				Dependent Variable
ISCR	DMR	EX	IRD	GDP	FPI
Index's Sovereign Credit Ratings	Domestic equity return as performance of the market according to the return on the main index of the domestic market with lag one year	The value logarithmic exchange rate of the local currency against USD	The interest rate differential between the emerging market and the source country also determines portfolio flows. The study uses US interest rates as basis for this variable	The GDP growth of emerging economy	The value logarithmic foreign portfolio investment (FPI) flows to emerging markets.

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The study analysed the stationarity of data to guarantee that the mean and variance were invariant using a unit root test. Additionally, the study evaluated the stationarity of time series of the fundamental independent and dependent indicators at level zero using the constant level. At a significance level of less than 0.05, this was accomplished using the Augmented Dickey–Fuller (ADF), Philips–Perron (PP), Im, Pesaran, and Shin W-statistic (IPSW), Levin, and Lin and Chu t (LLC) tests. Along with the Tau-statistic, the Z-statistic criteria were less than 0.05. The study investigated the impact of Sovereign Credit Ratings on Foreign portfolio investment (FPI) flows to emerging markets through the panel data for seven emerging markets from 2015 to 2019; But data has been excluded since the first quarter of 2020 has been excluded according to the impact of the COVID-19 epidemic on financial markets (see: Alber, 2020; Zhang and Hamori, 2021; Lai and Hu, 2021).

Examining the impact of sovereign credit ratings on foreign portfolio investment flows to emerging markets

Based on the theoretical framework and literature review, the study's test following hypotheses:

$H_{(0)}$: There isn't a significant impact of sovereign credit ratings on foreign portfolio investment flows to emerging markets.

$H_{(1)}$: There is a significant impact of sovereign credit ratings on foreign portfolio investment flows to emerging markets.

The study used the panel data within Fixed-effects for seven emerging markets within from 2015 to 2019 on a quarterly basis; Table No. (3) Illustrates the panel analysis output

Table No. (3) The panel analysis output with four control variables

Model 1: WLS, using 35 observations Included 7 cross-sectional units Dependent variable: FPI
Weights based on per-unit error variances

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
Const.	-3.71277	1.60159	-2.318	0.0277	**
ISCR	0.0764926	0.0230586	3.317	0.0025	***
DMR	1.44350	2.13257	0.6769	0.5038	
EX	-0.770346	0.297125	-2.593	0.0148	**
IRD	5.77020	12.9426	0.4458	0.6590	
GDP	-1.50603	0.985018	-1.529	0.1371	

Statistics based on the weighted data:

Sum squared resid	26.06677	S.E. of regression	0.948079
R-squared	0.347091	Adjusted R-squared	0.234520
F(5, 29)	3.083315	P-value(F)	0.023683
Log-likelihood	-44.50583	Akaike criterion	101.0117
Schwarz criterion	110.3437	Hannan-Quinn	104.2331

Statistics based on the original data:

Mean dependent var	1.448777	S.D. dependent var	1.041940
Sum squared resid	28.78805	S.E. of regression	0.996339

Source: Gnu Regression, Econometrics and Time-series Library output.

According to table no. (3), the study doesn't found a significant impact of some control variables on foreign portfolio investment flows to emerging markets. Therefore, the test will be re-tested after deleting this variable.

Table No. (4) The panel analysis output with one control variable

Model 2: WLS, using 35 observations Included 7 cross-sectional units Dependent variable: FPI
Weights based on per-unit error variances

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
Const.	-2.94543	0.938086	-3.140	0.0036	***
ISCR	0.0683122	0.0144968	4.712	<0.0001	***
EX	-0.517929	0.194602	-2.661	0.0121	**

Statistics based on the weighted data:

Sum squared resid	29.32814	S.E. of regression	0.957342
R-squared	0.432246	Adjusted R-squared	0.396762
F(2, 32)	12.18123	P-value(F)	0.000117
Log-likelihood	-46.56884	Akaike criterion	99.13768
Schwarz criterion	103.8037	Hannan-Quinn	100.7484

Statistics based on the original data:

Mean dependent var	1.448777	S.D. dependent var	1.041940
Sum squared resid	32.24552	S.E. of regression	1.003829

Source: Gnu Regression, Econometrics and Time-series Library output.

The statistical results in table no. (4), illustrates (F) was 12.18, which is significant at the level of 1%, so table (4) Illustrates a significant impact of sovereign credit ratings on foreign portfolio investment (FPI) flows to emerging markets under exchange rate of the local currency against USD. Now, the study rejects the Null hypothesis and accepts the following alternative hypothesis:

$H_{(1)}$: There is a significant impact of sovereign credit ratings on foreign portfolio investment flows to emerging markets.

Conclusions and Recommendations

There are many studies related to foreign direct investment (FDI) based on its relationship to economic growth (Pradhan, 2011; Ali et al., 2018; Cicea and Marinescu, 2021), but Foreign portfolio investment (FPI) does not have that, as Foreign portfolio investment (FPI) is more volatile than foreign direct investment (FDI), and it is easier to revert trends at a minimal cost. This foreign portfolio investment (FPI) reversal might have a negative impact on countries' balance of payments and precipitate a financial crisis in emerging economies, prompting governments to prefer FDI or foreign direct investment (see: UNCTAD, 1999).

Scholars became interested in governance study when La Porta et al., (1997) showed that legal origin and country law influence corporate governance. Emerging countries tend to have poorer quality country government (Qian et. al., 2018); Sovereign credit report evaluates that aspect in addition to other dimensions that represent sources of return and risks for the foreign investor. Emerging markets have as a significant asset class. Investing in these emerging markets can provide investors with higher returns, greater volatility, and a broader range of investment options (Barry et al., 1998).

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The study investigated the impact of Sovereign Credit Ratings on Foreign portfolio investment (FPI) flows to emerging markets, using panel data for the period from 2015 to 2019 on a quarterly basis for seven markets (Argentina, Brazil, Egypt, India, Nigeria, South Africa and the United Arab Emirates). The sovereign credit ratings report is supplied to investors them a clear view of the business climate in foreign markets, in addition to assessment various macroeconomic indicators and political risks. The sovereign credit ratings report support the foreign investor's investment decision by disclosing the return drivers on the one hand versus the sources of systematic risk on the other, thereby enhancing the foreign investor's ability to assessment foreign markets on similar bases and in a very short time.

The study found a significant impact of sovereign credit ratings on foreign portfolio investment (FPI) flows to emerging markets under the exchange rate of the local currency against the USD at the level of 1%. This explains (39.6762%) of foreign portfolio investment (FPI) flows to emerging markets. This result is consistent with the results of (Garg and Dua, 2014) which were restricted to India only for a higher currency risk discourages portfolio flows. While the study (Izzulhaq et al., 2021) was limited on domestic factors are relatively dominant in determining the capital bonanzas, and the federal funds rate has a more significant impact on inducing the probability of capital sudden stops.

As for the reasons for rejecting other control variables, this can be explained as the exchange rates reflect the differentials in international interest rates (Auten, 1963); In addition, financial markets do not adequately represent the emerging economy; finally, not all foreign flows go to the equity markets. The study found a higher weight of foreign portfolio investment (FPI) flows to government debt instruments in emerging markets. The study can estimate other factors impacting the flow of foreign portfolio investment, including factors such as market size, market diversity, and market, efficiency. It is recommended that these factors be tested in future studies. Emerging economies should improve their sovereign rating, which would improve investment flows, whether direct or indirect, which would support economic development plans in those economies.

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Disclosure statement

The dataset is available from the authors upon request. The authors declare no competing interests exist. All study participants provided informed consent, and the study design was approved by the appropriate ethics review board. We have read and understood your journal's policies, and we believe that neither the manuscript nor the study violates any of these. There are no conflicts of interest to declare.

Author contributions

"Osama Wagdi" make substantial contributions to conception and design analysis and interpretation of data; In addition to suggestion of executive layout for advance action plan for analysis the Impact of Sovereign Credit Ratings on Foreign Portfolio Investment Flows to Emerging Markets; but " Eman SALMAN " participate in acquisition of data and drafting the article or revising it critically for important intellectual content.

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Appendix A

Sovereign Credit Ratings for Egypt

Date	Outlook	Rating	Agency
Nov-19	Developing	B	Standard & Poor's
Nov-19	Stable	B+	Fitch
Apr-19	Developing	B	Standard & Poor's
Apr-19	Stable	B2	Moody's
Mar-19	NR	B	Standard & Poor's
Mar-19	Stable	B+	Fitch
Jan-19	Stable	B3	Moody's
Aug-18	Positive	B3	Moody's
Aug-18	Positive	B	Fitch
May-18	Stable	B	Standard & Poor's
Jan-18	Positive	B	Fitch
Aug-17	Stable	B3	Moody's
Jun-17	Stable	B	Fitch
Dec-16	Stable	B	Fitch
Nov-16	Stable	B-	Standard & Poor's
Aug-16	Stable	B3	Moody's
Jul-16	Stable	B	Fitch
May-16	Negative	B-	Standard & Poor's
May-16	Stable	B	Fitch
Dec-15	Stable	B	Fitch
Nov-15	Stable	B-	Standard & Poor's
May-15	Positive	B-	Standard & Poor's
Apr-15	Stable	B3	Moody's
Oct-14	Stable	Caa1	Moody's

Sovereign Credit Ratings for India

Date	Outlook	Rating	Agency
Dec-19	Stable	BBB-	Fitch
Nov-19	Negative	Baa2	Moody's
Apr-19	Stable	BBB-	Fitch
Apr-18	Stable	BBB-	Fitch
Nov-17	Stable	Baa2	Moody's
May-17	Stable	BBB-	Fitch
Nov-16	Positive	Baa3	Moody's
Jul-16	Stable	BBB-	Fitch
Dec-15	Stable	BBB-	Fitch
Apr-15	Positive	Baa3	Moody's
Sep-14	Stable	BBB-	Standard & Poor's

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Sovereign Credit Ratings for South Africa

Date	Outlook	Rating	Agency
Dec-19	Negative	BB+	Fitch
Nov-19	Negative	BB	Standard & Poor's
Nov-19	Negative	Baa3	Moody's
Sep-19	Developing	BB	Standard & Poor's
Jul-19	Negative	BB+	Fitch
May-19	NR	NR	Standard & Poor's
Dec-18	Stable	BB+	Fitch
Jun-18	Stable	BB+	Fitch
Mar-18	Stable	Baa3	Moody's
Nov-17	Stable	BB	Standard & Poor's
Nov-17	Stable watch	Baa3	Moody's
Nov-17	Stable	BB+	Fitch
Jun-17	Negative	Baa3	Moody's
Jun-17	Stable	BB+	Fitch
Apr-17	Negative	BB+	Standard & Poor's
Apr-17	Negative watch	Baa2	Moody's
Apr-17	Stable	BB+	Fitch
Dec-16	Negative	BBB-	Standard & Poor's
Nov-16	Negative	BBB-	Fitch
Jul-16	Stable	BBB-	Fitch
Jun-16	Stable	BBB-	Fitch
May-16	Negative	Baa2	Moody's
Mar-16	Negative watch	Baa2	Moody's
Dec-15	Negative	BBB-	Standard & Poor's
Dec-15	Negative	Baa2	Moody's
Dec-15	Stable	BBB-	Fitch
Nov-14	Stable	Baa2	Moody's

Sovereign Credit Ratings for Argentina

Date	Outlook	Rating	Agency
Dec-19	Developing	CC	Standard & Poor's
Dec-19	Negative	CC	Standard & Poor's
Dec-19	Developing	CC	Fitch
Sep-19	Developing	CC	Fitch
Aug-19	Negative	B-	Standard & Poor's
Aug-19	Negative	CCC-	Standard & Poor's
Aug-19	Under Review	Caa2	Moody's
Aug-19	Developing	RD	Fitch
Aug-19	Developing	CCC	Fitch
Jul-19	Negative	B2	Moody's
May-19	Negative	B	Fitch
Mar-19	NR	NR	Standard & Poor's
May-18	Stable	B	Fitch

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Sovereign Credit Ratings for Brazil

Date	Outlook	Rating	Agency
Dec-19	Positive	BB-	Standard & Poor's
Nov-19	Developing	BB-	Standard & Poor's
Nov-19	Stable	BB-	Fitch
Oct-19	NR	NR	Moody's
May-19	Stable	BB-	Fitch
Apr-19	Developing	BB-	Standard & Poor's
Aug-18	Stable	BB-	Fitch
Apr-18	Negative	Ba2	Moody's
Feb-18	Stable	BB-	Fitch
Jan-18	Stable	BB-	Standard & Poor's
Nov-17	Negative	BB	Fitch
Aug-17	Negative	BB	Standard & Poor's
May-17	Negative	Ba2	Moody's
May-17	Negative	BB	Fitch
Mar-17	Stable	Ba2	Moody's
Nov-16	Negative	BB	Fitch
Jul-16	Negative	BB	Fitch
May-16	Negative	BB	Fitch
Feb-16	Negative	BB	Standard & Poor's
Feb-16	Negative	Ba2	Moody's
Dec-15	Under Review	Baa3	Moody's
Dec-15	Negative	BB+	Fitch
Sep-15	Negative	BB+	Standard & Poor's
Aug-15	Stable	Baa3	Moody's
Jul-15	Negative	BBB-	Standard & Poor's
Sep-14	Negative	Baa2	Moody's
Nov-17	Positive	B	Fitch
Oct-17	Stable	B+	Standard & Poor's
May-17	Stable	B	Fitch
Apr-17	Stable	B	Standard & Poor's
Mar-17	Positive	B3	Moody's
Oct-16	Stable	B	Fitch
Jul-16	Stable	B	Fitch
May-16	Stable	B-	Standard & Poor's
May-16	Stable	B	Fitch
Apr-16	Stable	B3	Moody's
Nov-15	Positive	Caa1	Moody's
Jul-14	Negative watch	CCC-	Standard & Poor's

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Sovereign Credit Ratings for United Arab Emirates

Date	Outlook	Rating	Agency
May-21	Stable	Aa2	Moody's
Nov-20	Stable	AA-	Fitch
Oct-19	Stable	Aa2	Moody's
Oct-19	Stable	AA	Fitch
Sep-19	Developing	AA	Standard & Poor's
Aug-19	Developing	A	Fitch
Mar-19	Stable	Aa2	Moody's
Jan-19	Stable	Aa2	Moody's
Aug-18	Stable	A	Fitch
Dec-17	Stable	AA	Fitch
Aug-17	Stable	AA	Fitch
Aug-17	Stable	AA	Fitch
May-17	Stable	Aa2	Moody's
Jan-17	Stable	AA	Fitch
Dec-16	Stable	AA	Fitch
Jul-16	Stable	AA	Fitch
May-16	Negative	Aa2	Moody's
May-16	Stable	AA	Fitch
Mar-16	Under Review	Aa2	Moody's
Feb-16	Stable	AA	Fitch
Nov-14	Stable	AA	Fitch

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Sovereign Credit Ratings for Nigeria

Date	Outlook	Rating	Agency
Dec-19	Negative	B3	Moody's
Dec-19	Negative	B+	Fitch
Jun-19	Stable	B+	Fitch
May-18	Negative	B+	Fitch
Nov-17	Stable	B2	Moody's
Aug-17	Negative	B+	Fitch
Jan-17	Negative	B+	Fitch
Dec-16	Stable	B1	Moody's
Sep-16	Stable	B	Standard & Poor's
Jul-16	Stable	B+	Fitch
Jun-16	Stable	B+	Fitch
Apr-16	Stable	B1	Moody's
Mar-16	Negative	B+	Standard & Poor's
Mar-16	Negative watch	Ba3	Moody's
Dec-15	Stable	Ba3	Moody's
Sep-15	Negative	BB-	Fitch
Mar-15	Stable	B+	Standard & Poor's
Feb-15	Negative watch	BB-	Standard & Poor's
Oct-14	Stable	BB-	Fitch