

Webinaire

Méthodologie RiskMonitor et cas d'application sur la plateforme ClientGate

9 Octobre 2025



Conceptual framework for country risk assessment

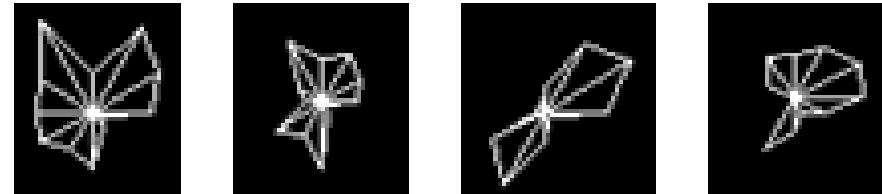
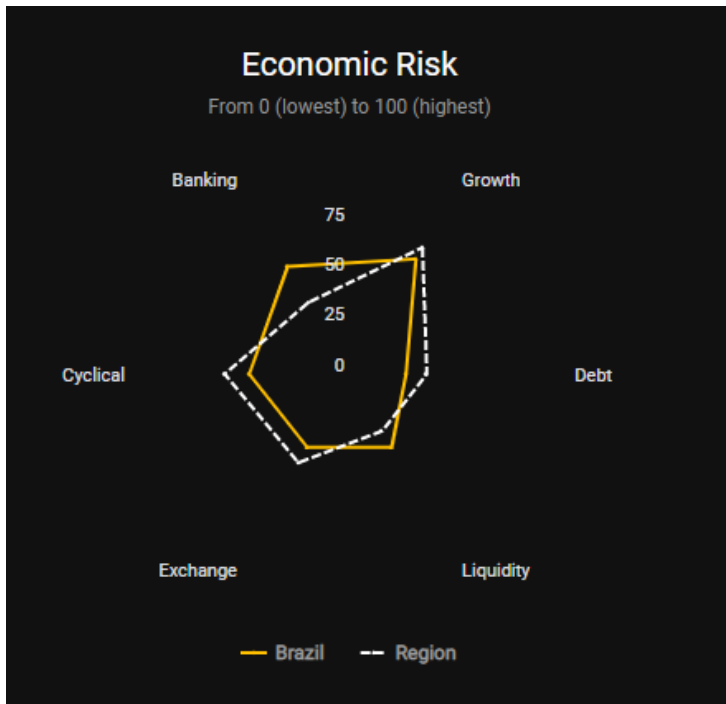
- Country risk defined as the uncertainties stemming from macro developments (economic performances, international vulnerability, political risks.....) that can have a broad / cross-cutting influence on projects and investment / financial decisions, from a foreign investor's perspective (the "non-project, non-counterparty" component of risk).
- Transmission or relations from country to counterparty risks in a second step: how the country risk is affecting groups of borrowers or investors.

Country-risk methodologies will aim at

- Measuring the degree of uncertainty (if possible, reducing it)
- Assessing the likelihood of negative / unfavorable events

For operational purposes, the concept and characteristics of country-risk assessment must be adapted to the project / company / institution's objectives and characteristics

- Time horizon and crisis intensity as two defining variables
- Critical stakeholders and their own interest



Des milliers de « papillons » analysés
sur plus de 100 pays depuis les années 1970

50 ans × 4 trimestres × 100 pays
=
20 000 schémas / « papillons » à analyser

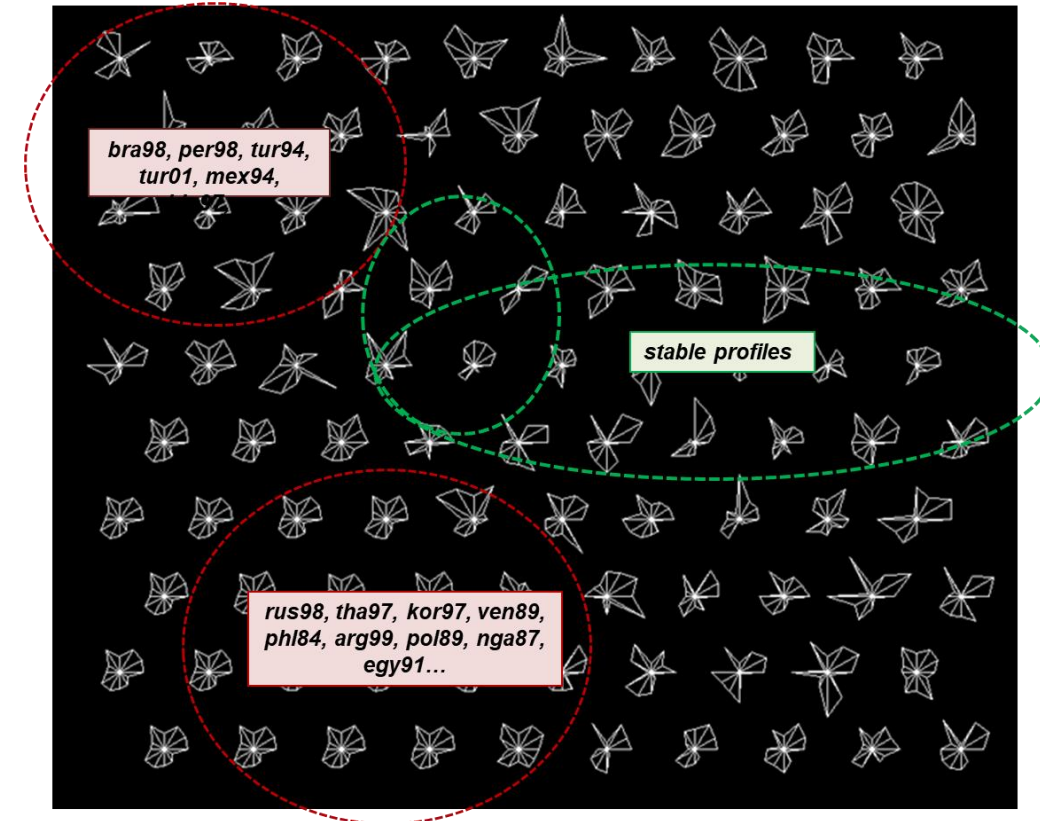
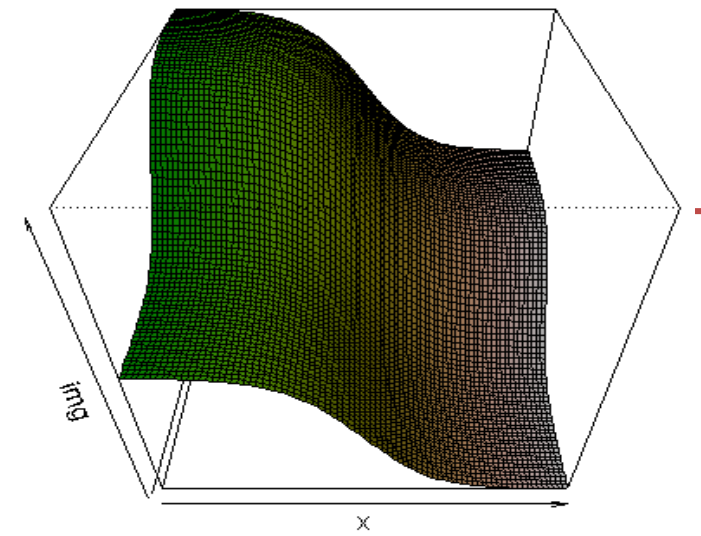
Five founding principles of TAC ECONOMICS' RiskMonitor system:

- Risk materialization is a **non-linear result** of economic circumstances (conditional logic with threshold effects)
- Rating and Signal : A difference between the « **quality** » of a country regarding economic and financial difficulties, and the **risks of a major / systemic shock** (crisis)
- Need to be very precise on **what is measured** and what is not: focus on clearly defined "macro events"
- **Unbiased quantitative models** using no forecasts or estimates, combined with qualitative appreciation / comments / knowledge
- **Avoiding as far as possible the « black-box »** problem of quants through a graphic representation allowing users to grasp the logic of the method.

964	64.4	89.4	97	56	60	100	100	13
606	49.6	63.8	51	45	72	60	58	51
480	37.4	66.4	58	47	4	59	63	53
763	46.3	69.6	62	57	58	60	44	20
1137	62.4	82.3	54	41	52	83	100	100
845	54.4	63.0	76	63	51	79	63	15
563	57.2	46.3	90	69	44	33	88	30
586	47.5	50.8	53	28	44	48	56	60
378	50.2	64.5	41	21	11	79	71	73
426	36.7	57.9	61	25	23	68	71	15
657	39.5	67.5	71	26	18	79	77	20
855	50.8	88.6	14	53	0	86	100	43
1149	55.1	82.7	96	54	51	15	100	22
539	60.9	43.7	59	50	71	62	54	63
412	47.7	34.5	86	69	43	56	79	30
970	57.4	39.5	59	70	61	59	35	57
507	43.2	64.4	56	25	50	57	25	43
321	50.8	49.8	51	41	52	72	36	48
569	55.6	57.2	59	46	55	34	59	64
708	46.2	58.7	59	57	26	67	58	24
809	43.4	84.2	52	3	53	78	80	13
645	50.4	68.0	62	34	33	74	61	37
570	58.2	47.0	49	100	63	33	71	47
380	52.8	48.7	70	39	20	70	64	59
689	45.3	57.7	49	32	43	85	55	26
148	52.4	29.5	42	62	42	50	56	64
478	37.9	66.1	72	32	1	61	41	45
402	43.2	51.2	43	46	10	62	58	58
641	40.1	60.1	55	17	43	56	36	32
485	58.6	39.8	44	94	41	50	69	79

Conceptual design focusing on:

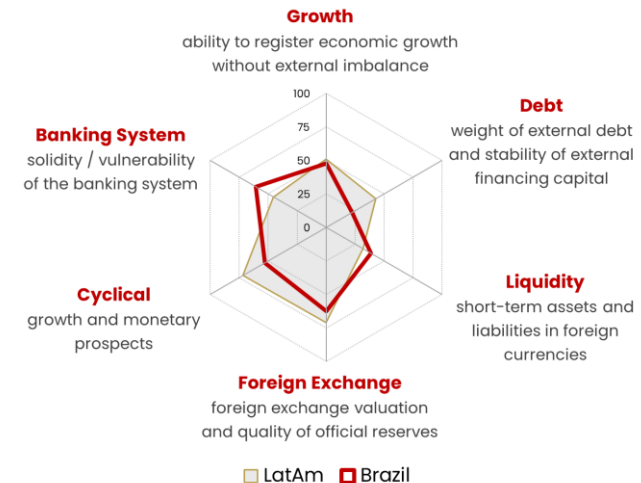
- Combinatorial approaches (risk is more likely to materialize when a combination of performance is observed, e.g. fx reserves and currency valuation ...) with “conditional logics” included in the method, e.g. if... then... rules; more important than the number of indicators or variables used.
- Threshold effects and non-linearities (e.g. so called sudden stop).
- Major difference between “degree of risk in normal circumstances” (akin to quality / strength of borrowers) and risk of major break and systemic crisis (e.g. default).



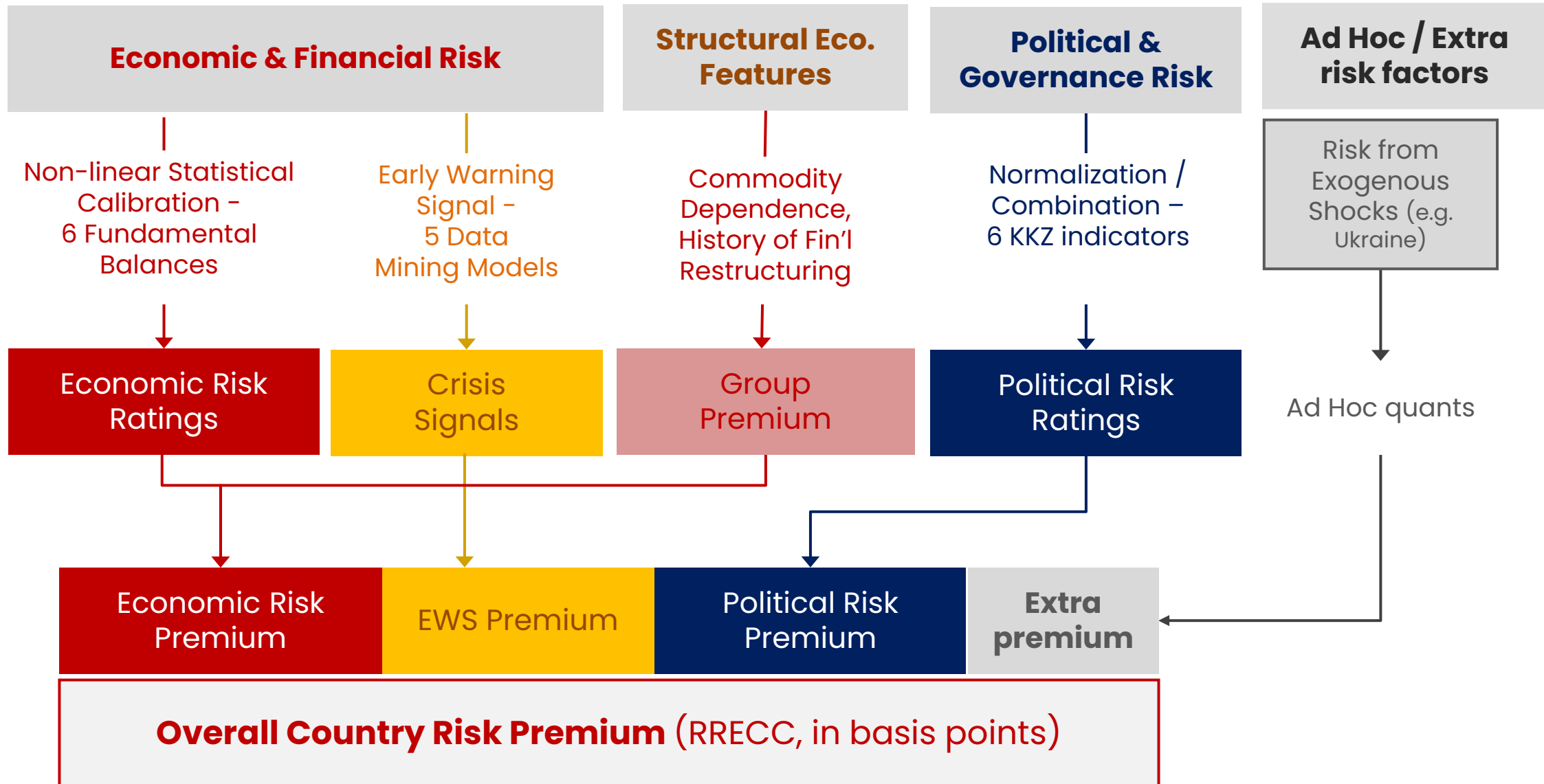
- **Economic & Financial Risk Ratings** combine the information provided by 6 Fundamental Balances, with non-linear relations
- A distinction between Country Ratings and Crisis Signals.
- Three horizons (<1 year, 1-3 years, 3-5 years) and three types of difficulties: cross-border payments, exchange rate, cyclical
- **Political Risk Ratings** based on World Bank KKZ indicators, provided on a yearly basis by the World Bank.
- **Risk-Related Cost of Capital** through econometric modelling and including smoothed market price measures
- An extra premium, to evaluate the risk of contagion of exogenous shocks (GFC, EU debt crisis, Covid-19, Russia War in Ukraine).
- Data updated on 100 countries on a monthly basis.

Economic Risk	Political Risk	Country Groups
Growth Balance Real GDP, current account,...	KKZ Methodology	Three groups
Debt Balance External debt, FDI	Voice & Accountability	Major arbitrage markets
Liquidity Balance Short-Term debt, rfx level	Political Stability	Commodity exporters
Exchange Rate Balance Currency overvaluation, rfx dynamic	Regulatory Quality	High number of past restructuring
Cyclical Balance Business cycle, monetary policy	Government Effectiveness	
Banking System Balance Domestic credit, intern. refinancing	Rule of Law	
	Control of Corruption	

Risk Scores on Fundamental Balances
From 0 (lowest risk) to 100 (highest risk)

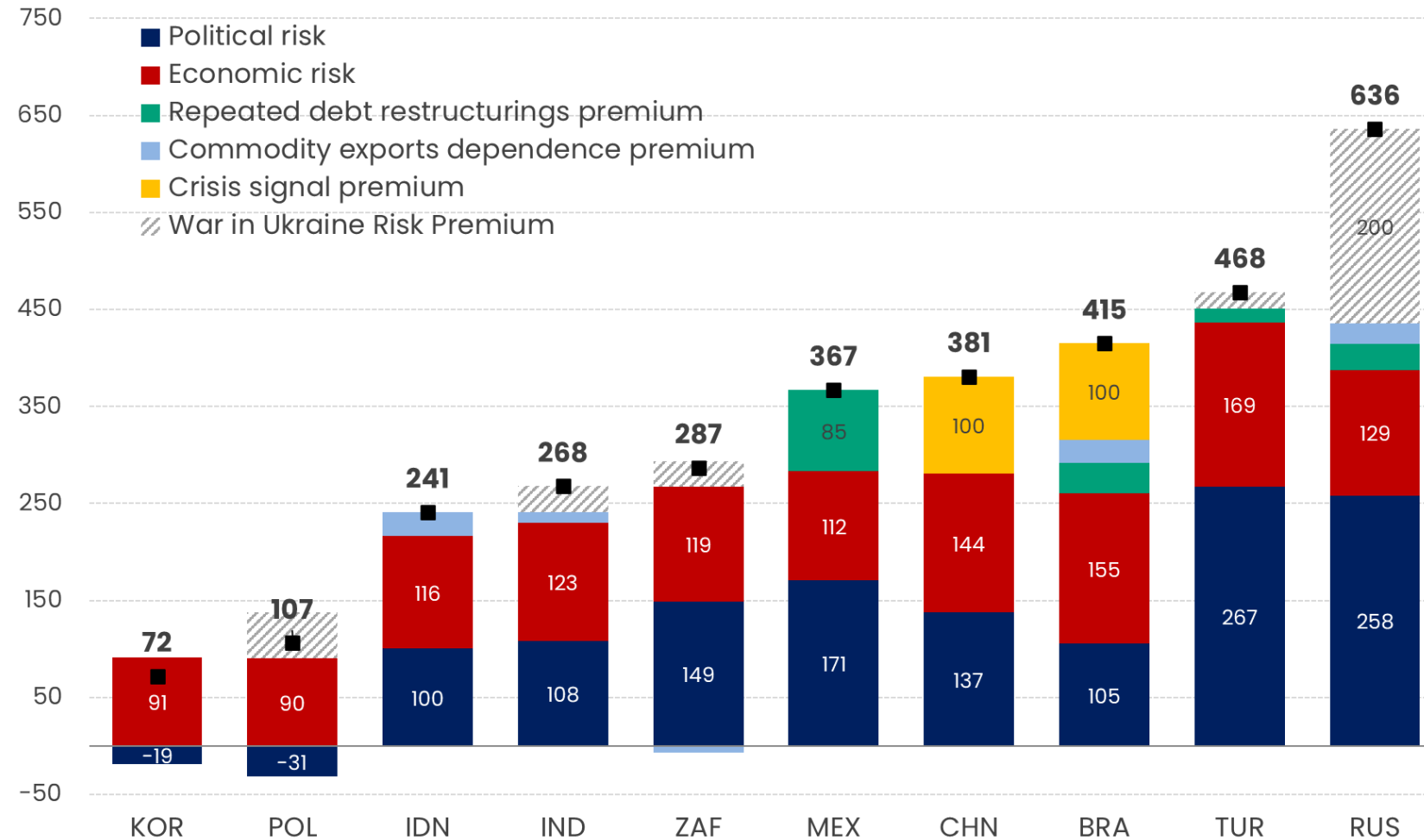


RiskMonitor: a comprehensive set of tools for country-risk assesment



Country Risk Premium

TAC RRECC, in basis points



Source: TAC ECONOMICS Datalab

RiskMonitor Methodology

Risk information provided by some of the largest risk analysis institutions

	Standard & Poor's (1)	Institutional Investor's (2)	EIU (3)
Oct. 1999	BB	42.4 (rank 59 / 145)	C
Apr. 2000	BB	43.0 (rank 60 / 145)	C
Jan. 2001	BB-	45.8 (rank 65 / 145)	C
Jul. 2001	B	39.8 (rank 68 / 145)	D
Oct. 2001	CC	34.7 (rank 73 / 145)	D
Jan. 2002	SD	34.7 (rank 73 / 145)	E

(1) - Standard & Poor's Long-Term Foreign Currency Ratings are expressed in terms of categories (AAA, AA, A, BBB, BB, ...) The highest rating is AAA (not vulnerable to non payment), CC is currently highly vulnerable to non payment, and SD is a non payment default.

(2) - Institutional Investor's Country Credit Ratings. These ratings lie in the interval 0 (which is the best possible rating for a country) to 100 (which is the worst rating). The 145 countries covered by Institutional Investor's Ratings are classified twice a year, in September and March.

(3) - EIU Country Risk Ratings (from A to E, E being the signal of crisis)

Source: TAC ECONOMICS Datalab

Illustration on Argentina 1999-2002

Risk information provided by TAC ECONOMICS RiskMonitor

Year	< 1 year	1 to 3 years	3 to 5 years
1997	-		Crisis Signal
1998	-		Crisis Signal
1999	-	Crisis Signal	Crisis Signal
2000	-	Crisis Signal	Crisis Signal
2001	Crisis Signal	Crisis Signal	Crisis Signal
2002	Exchange Rate Crisis		

Source: TAC ECONOMICS

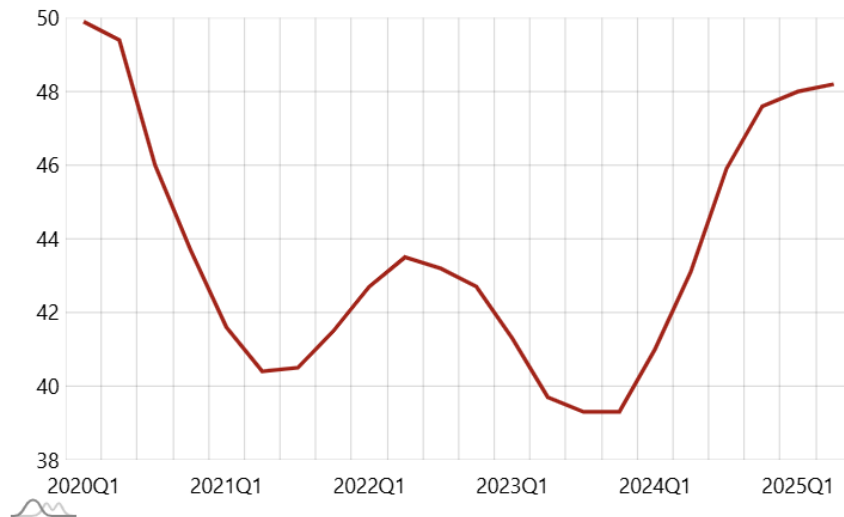
China

Signals of Potential Shocks

A Watch List Indication on Economic Activity

Period of highest vulnerability 2026.Q3 - 2028.Q2

Economic & Financial Risk historical ratings



Source: TAC ECONOMICS Datalab

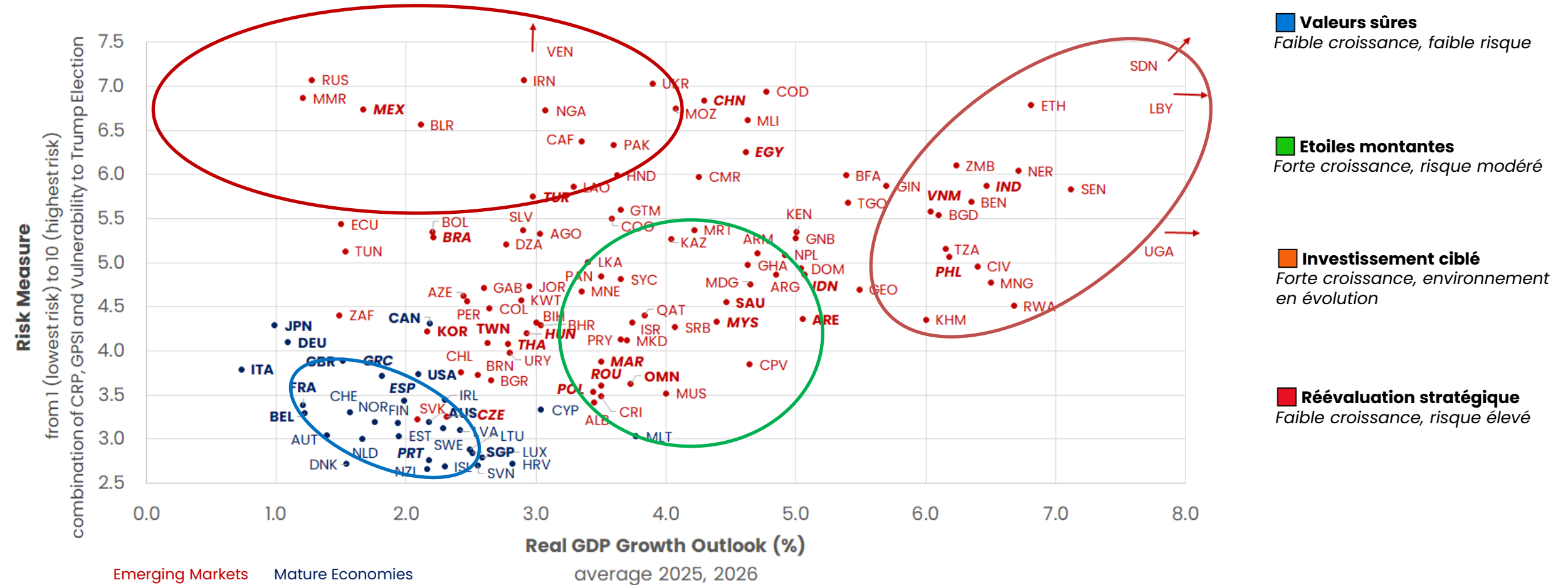
Date	NNSUM of CYC crisis <1 yr.	NNSUM of CYC crisis 1-3 yr.	NNSUM of CYC crisis 3-5 yr.	NNSUM of EXR crisis <1 yr.	NNSUM of EXR crisis 1-3 yr.	NNSUM of EXR crisis 3-5 yr.	NNSUM of TRA crisis <1 yr.	NNSUM of TRA crisis 1-3 yr.	NNSUM of TRA crisis 3-5 yr.
2020-3						1			
2020-4			1	1		1			
2021-1				2		1			
2021-2			1	1		1			
2021-3			1	1	1	1			
2021-4		1	2	1	1	1			
2022-1			2	1	1	1			
2022-2			2	1	1	2			
2022-3			2			1			
2022-4			2			1			
2023-1		1	2	1		1			
2023-2			2	2		2			
2023-3			3						
2023-4		2	3			1			
2024-1		1	3			2			
2024-2		1	3						
2024-3		2	3	1					
2024-4		2	3			1			
2025-1		2	1			1			
2025-2		3	2			2			
2025-3									
2025-4									
2026-1									
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2028-1									
2028-2									
2028-3									
2028-4									
2029-1									
2029-2									
2029-3									
2029-4									

RiskMonitor Methodology

Exchange Rate Ratings & Depreciation

Level of Exchange Rate Rating	Average currency depreciation on a 8-quarter horizon (%)	Standard deviation of currency depreciation on a 8-quarter horizon
below 30	2.7	11.0
30-50	8.3	125.5
Above 50	19.3	296.4

TAC ECONOMICS Risks Measures versus GDP Growth Outlook

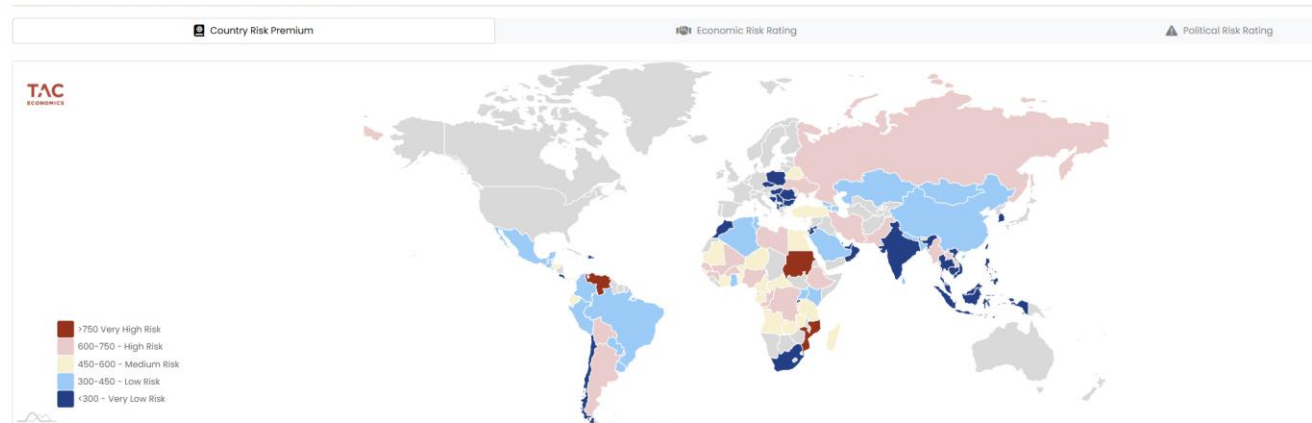


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RiskMonitor

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Country Risk Premium, Economic and Political Risk Ratings



Economic and Political Risk Ratings

Ratings from A (0: lowest risk) to D (100: highest risk)

Country	Economic Risk Rating	Political Risk Rating
Albania	C (44.4)	C (46.5)
Algeria	B (36.3)	D (64.8)

Crisis Signals

Country	Crisis Signal	Period
Iran	Economic activity	2022.Q4 - 2030.Q2
Libya	Economic activity	2018.Q4 - 2026.Q2

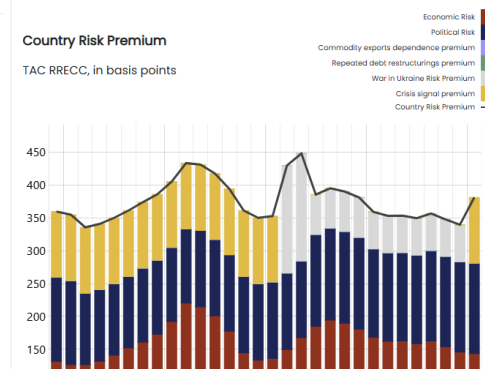
Country Risk Premium	Economic & Financial Risk	Political & Governance Risk	Signals of Potential Shocks
381bp	C - 48.2	C - 55.2	A Watch List Indication on Economic Activity Period of highest vulnerability 2026.Q3 - 2028.Q2

Overview of Economic & Financial Risk

- The overall degree of Economic Risk for China is Average
- The overall degree of Political Risk for China is High
- The Economic Risk is stable quarter on quarter and strongly deteriorating year on year.
- In relative terms, the worst risk measure for China is the Exchange Rate Risk Rating <1 year (52.0), and conversely, the best is the Payment Risk Rating 3 to 5 years (41.3).
- China is affected by a signal indicating the vulnerability to a significant shock on Economic Activity over the period 2026.Q3 - 2028.Q2

Country Risk Premium

TAC RRECC, in basis points



Economic Risk Ratings (Average)

From 0 (lowest risk) to 100 (highest risk)

Overall Economic Rating	C - 48.2
Less than 1 year	C - 50.2
1 to 3 years	C - 46.6
3 to 5 years	C - 47.9
Payment Rating	C - 45.2
Exchange Rate Rating	C - 50.2
Activity Rating	C - 49.4

Political Risk

From 0 (lowest risk) to 100 (highest risk)

Datalab Assistant

Hi! I'm your Datalab Assistant. Ask me about:

- Economic indicators and forecasts
- Data sources and availability

je cherche l'indicateur de risque de change pour le Vietnam

L'indicateur de risque de change pour le Vietnam est disponible sous plusieurs formes, et les évaluations sont exprimées sur une échelle de 0 (le risque le plus faible) à 100 (le risque le plus élevé). Voici les détails des différents indicateurs :

Indicateurs de Risque de Change pour le Vietnam

dataset_id	symbol	country_id	name	dataset_name	frequency	unit	url	provider_name
countryrisk	ratingeco_exchangerate	VNM	Exchange Rate Risk Rating	Country Risk	Q	From 0 (lowest risk) to 100 (highest risk)	Voir les données	TAC ECONOMICS
countryrisk	ratingeco_exchangerate_1yr	VNM	Exchange Rate Risk Rating <1 year	Country Risk	Q	From 0 (lowest risk) to 100 (highest risk)	Voir les données	TAC ECONOMICS
countryrisk	ratingeco_exchangerate_1to3yr	VNM	Exchange Rate Risk Rating 1 to 3 years	Country Risk	Q	From 0 (lowest risk) to 100 (highest risk)	Voir les données	TAC ECONOMICS
countryrisk	ratingeco_exchangerate_3to5yr	VNM	Exchange Rate Risk Rating 3 to 5 years	Country Risk	Q	From 0 (lowest risk) to 100 (highest risk)	Voir les données	TAC ECONOMICS

Ces indicateurs vous permettront d'évaluer le risque de change selon différentes périodes. Si vous avez besoin de données spécifiques pour des périodes ou des évaluations particulières, n'hésitez pas à demander.

Si cette réponse ne répond pas entièrement à votre demande, n'hésitez pas à contacter notre support à support@taceconomics.com.

Dataset

Country Risk

Premium / Free

premium

API CODE

COUNTRYRISK/RATINGECO_EXCHANGERATE/VNM

Name

Exchange Rate Risk Rating (From 0 (lowest risk) to 100 (highest risk))

Unit

From 0 (lowest risk) to 100 (highest risk)

Description

Country Economic Ratings are calculated as combinations of the 6 Fundamental Balances scores (determined by the country's position in balances) through a weighted geometric average, to provide continuous measures of any country's quality. This risk rating has an 18-24 months advance lead on actual difficulties in emerging markets.

Dataset : Country Risk

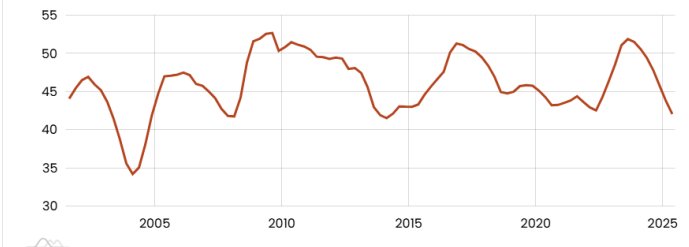
Last value : 42.10

Last date : 2025-04-01



Exchange Rate Risk Rating - Vietnam

From 0 (lowest risk) to 100 (highest risk)



Source : TAC ECONOMICS

Frequency

Quarterly

Aggregation mod

Mean

Transformation

No Transform

- «Exchange rate contagion: channels, quantification and impact during financial crises», V. Gautier, Présentation à la conférence internationale Forecasting Financial Markets (FFM) – Worcester Collège, Oxford, Septembre 2024
- «Early warning system for currency crises using long short-term memory and gated recurrent unit neural networks», V. Gautier, F. Rondeau et S. Barthélémy, Journal of Forecasting research, Février 2024
- «Convolutional Neural Networks to signal currency crises: from the Asian financial crisis to the Covid crisis», V. Gautier, F. Rondeau et S. Barthélémy, Janvier 2024
- BIS Working Papers n°641, E. Girardin, S. Lunven and G. Ma, « China's evolving monetary policy rule : from inflation-accommodating to anti-inflation policy », Sandrine Lunven, Juin 2017
- Worldwide economic recoveries from financial crises through the decades, Sylvain Barthélémy, Marie-Estelle Binet, Jean-Sébastien Pentecôte, Journal of International Money and Finance, July 2020.
- Coût du capital et risque pays dans les pays en voie de développement, Thierry Apoteker, Sylvain Barthelemy, Isabelle Legrand, Congrès international de l'AFFI, Juin 2006
- **« Predicting financial crises in emerging markets using a composite non-parametric model ». Emerging Markets Review 6 (2005), 363-375, Thierry Apoteker, Sylvain Barthelemy, Décembre 2005**
- Genetic Algorithms and Financial Crises in Emerging Markets, presented at the 18th International Conference in Finance, organized by the AFFI, Namur (Belgium), June 26, 27 & 28, 2001.

Q&A

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