

Sovereign Default Risk Valuation

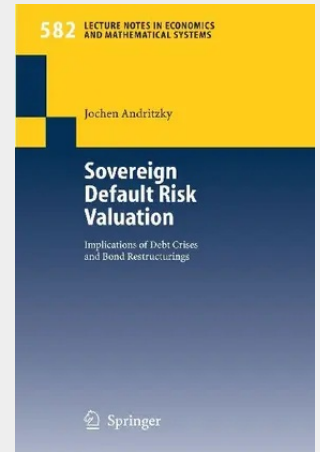
Implications of Debt Crises and Bond Restructurings

Past cycles of sovereign lending and default in emerging markets suggest that debt crises will recur at some point. In addressing debt crises it has proven helpful to distinguish between situations of illiquidity and insolvency. Solutions range from a voluntary debt swap to a soft or hard restructuring. This book shows why investors should reckon with similar credit events in the future.

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This survey of the sovereign bond market provides investors with a useful toolkit for analyzing sovereign bonds and foreseeing trends in the international financial architecture. The result should be a better understanding of debt crises and more deliberate investment decisions.

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