
Sovereign Bond Issuance

Debt Manager's Network Webinar

30 September 2014

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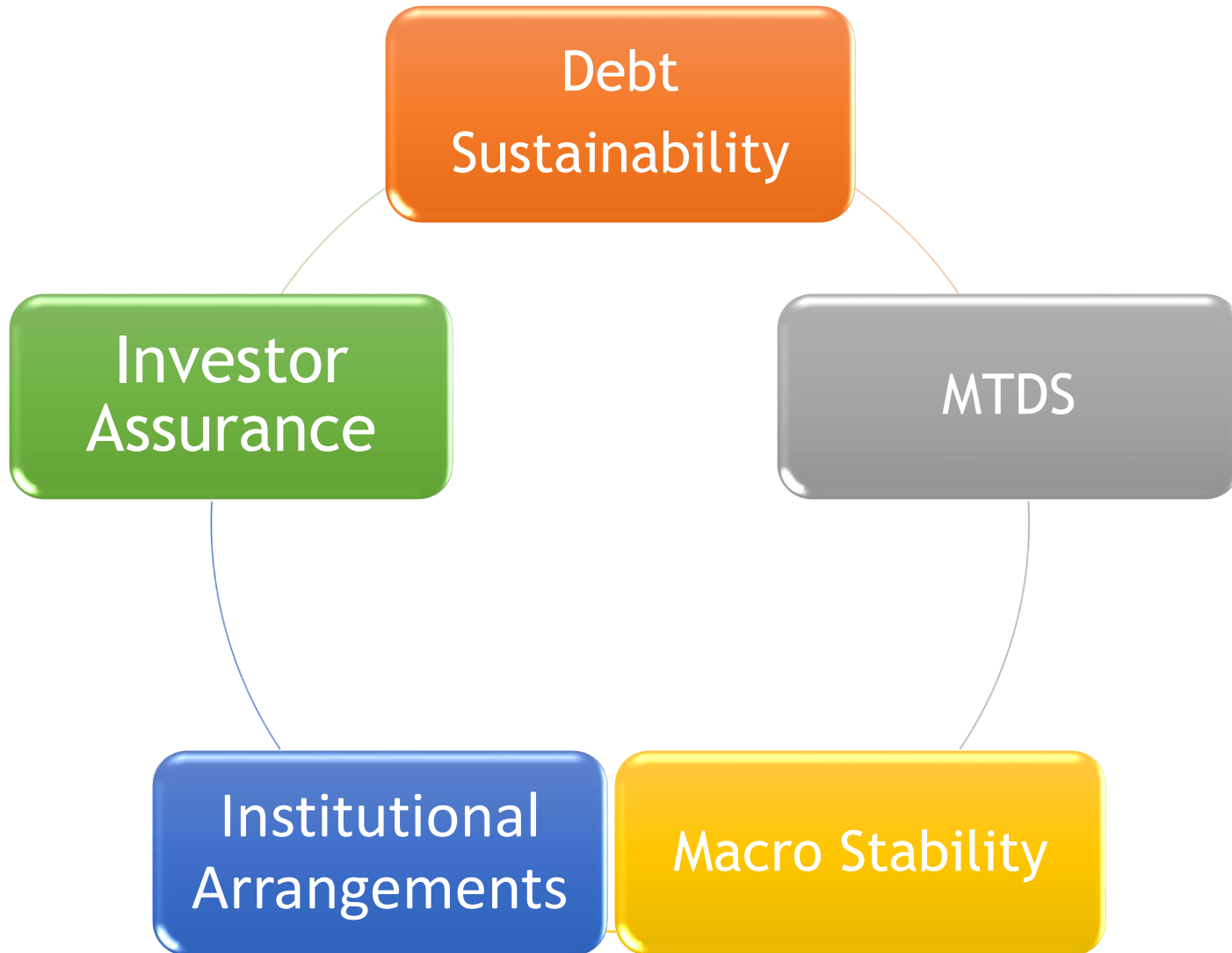


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Outline

- Pre-requisite
- Objectives
- Considerations
- Pros
- Cons
- Procedures
- Current Environment

Pre-requisite



Sovereign Bond Issuance

Issue



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Objectives ...Core

Fiscal
Deficit

BOP

Refinance
Maturing
Debt

Under
Developed
Domestic
Market

Crowding
Out
Private
Sector



Objectives...Secondary

Benchmarking
For Private Sector
Borrowing

Diversify Investor
Base

Debt
Restructuring

Maturity
Extension



Objectives...Seasoned Issuers

Re-opening to Build
Benchmark

Liability
Management
Operations

Other Public Debt
Management
Objectives

Reduce
Refinancing Risk

Sovereign Bond Issuance

Considerations

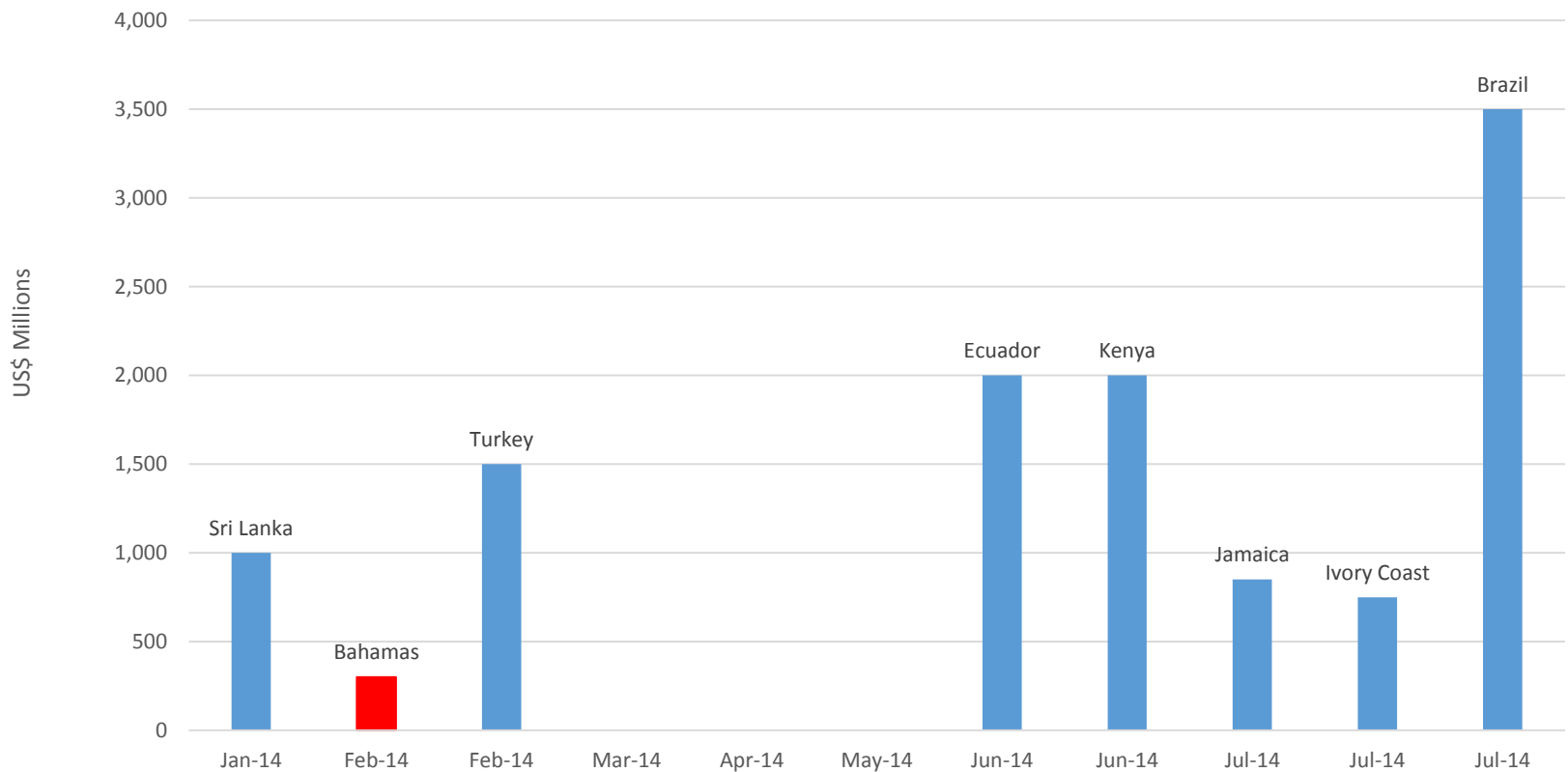


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Considerations...Issuance Strategy



Considerations...EMBI vs Non-EMBI





Considerations...Currency

Currency
Mismatches

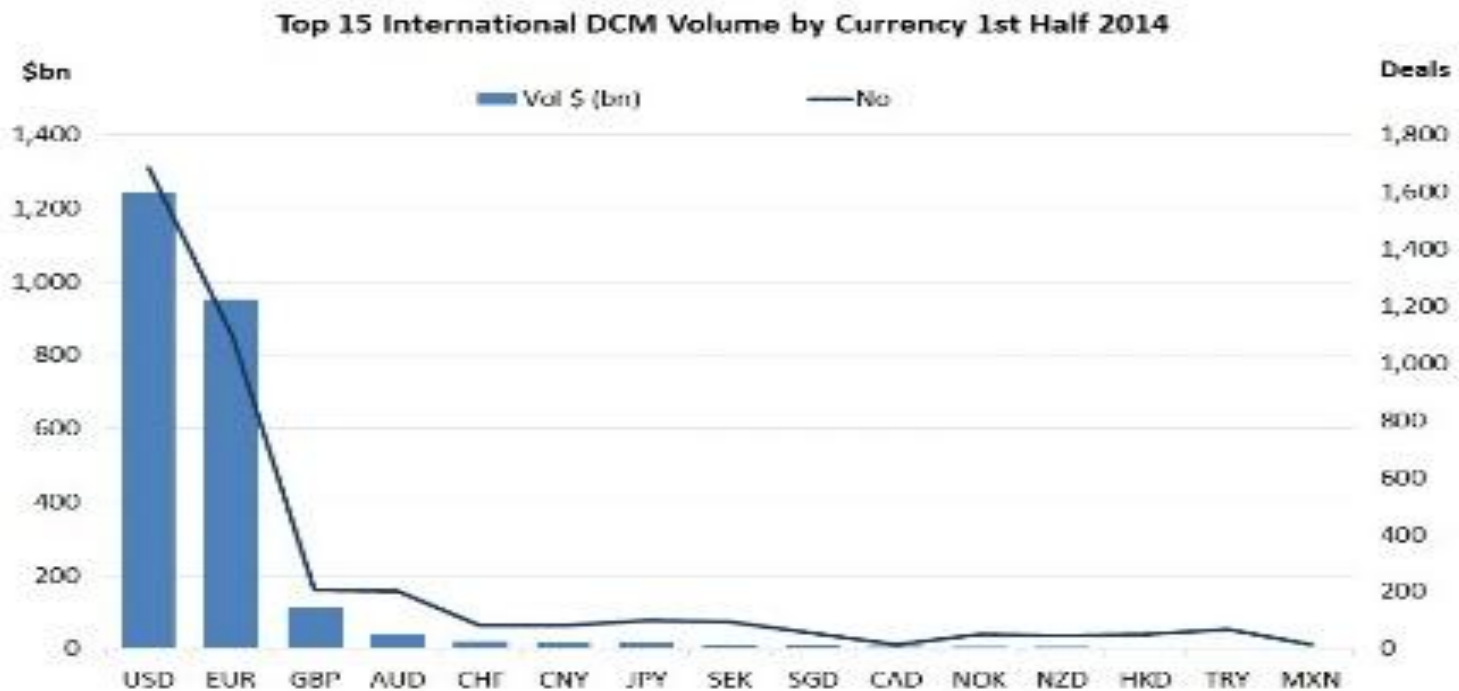
Market Depth
and Liquidity

\$ € ¥ £

Issuing in
Domestic
Currencies

Currency Swap
Instruments

Considerations...Currency



Source: Dealogic

Considerations....Issuing Mechanism



Shelf
Registration

Rule 144A

Considerations...Placement

Investor Base

- Hedge Fund Manager
- Asset Manager
- Investment manager

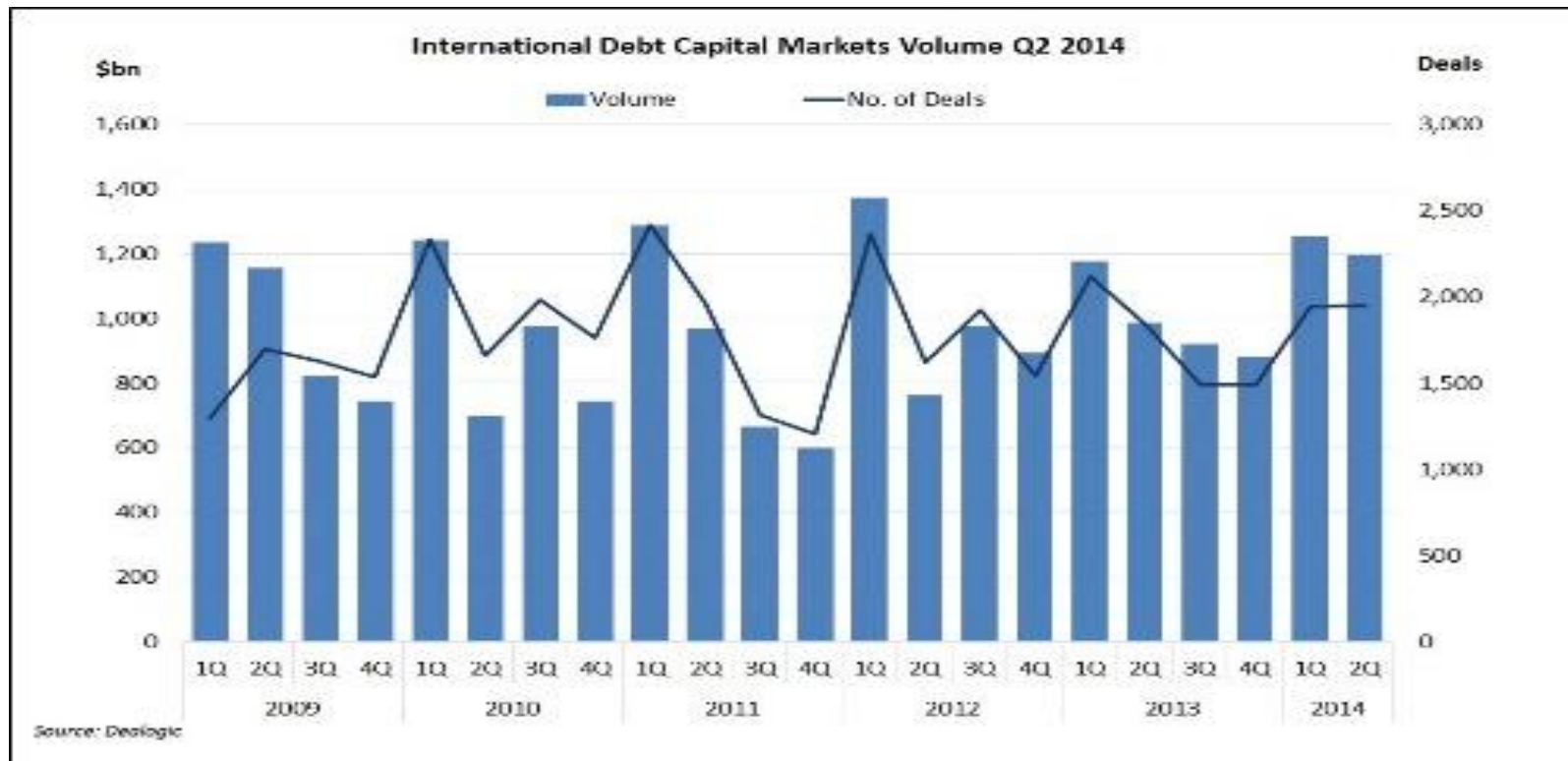
Other

- Legal Jurisdiction
- Geographical distribution

Post Issuance

- Secondary Market Trading
- Re-opening

Considerations...Market Issuance



Sovereign Bond Issuance

Pros



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Pros....



Fast Disbursing



No Reporting Requirements



Flexibility in use of Proceeds/Conditionalities



Board Approvals

Sovereign Bond Issuance

Cons



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Cons...Is it Worth It?



Cons...High Cost

Reduced Access
Concessional Financing

High Debut Premium

Illiquidity Premium

Cons



No Technical Assistance

Sovereign Bond Issuance Procedures

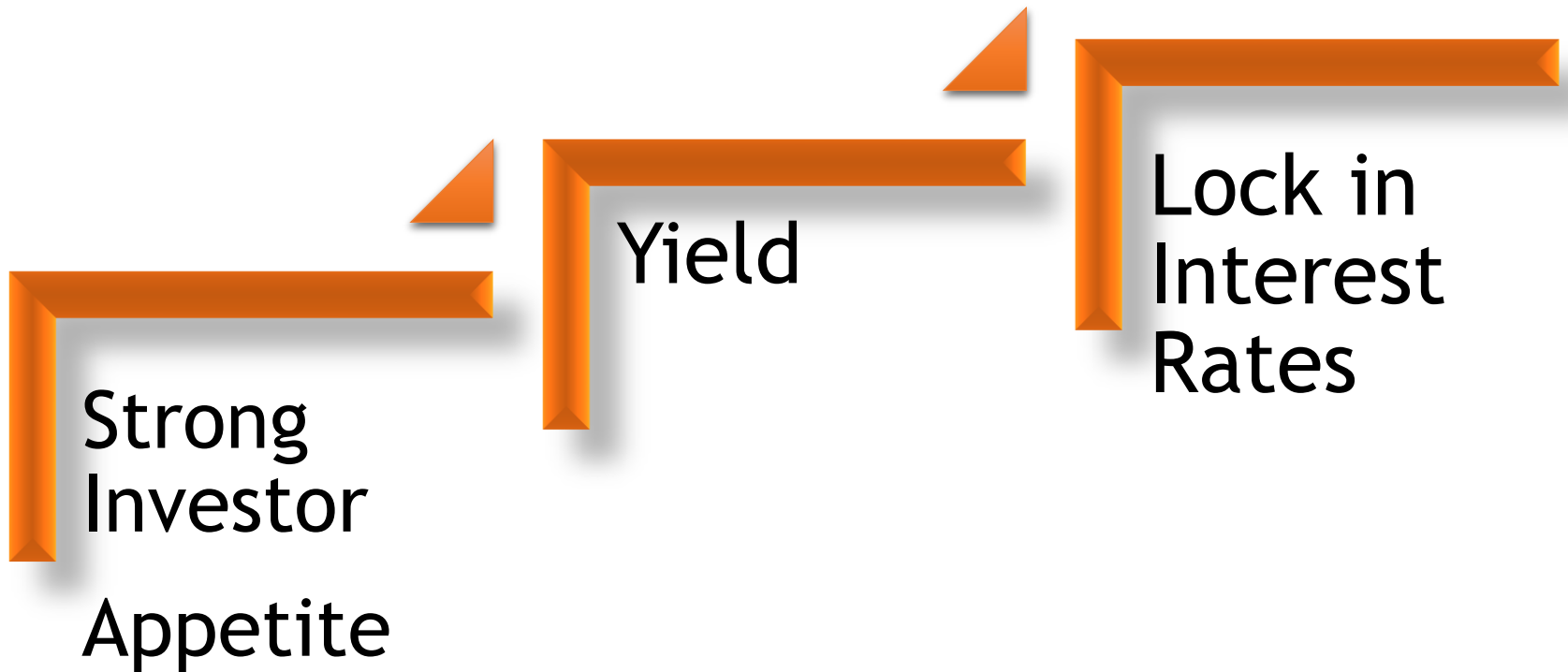


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Procedures



Current Environment



Thank You



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