

**Asia Pacific School
of Economics and Management**

WORKING PAPERS

development issues



Figures:

**The Asian currency crisis: lessons
for an early warning system**

Frank Jotzo
DI99-1a

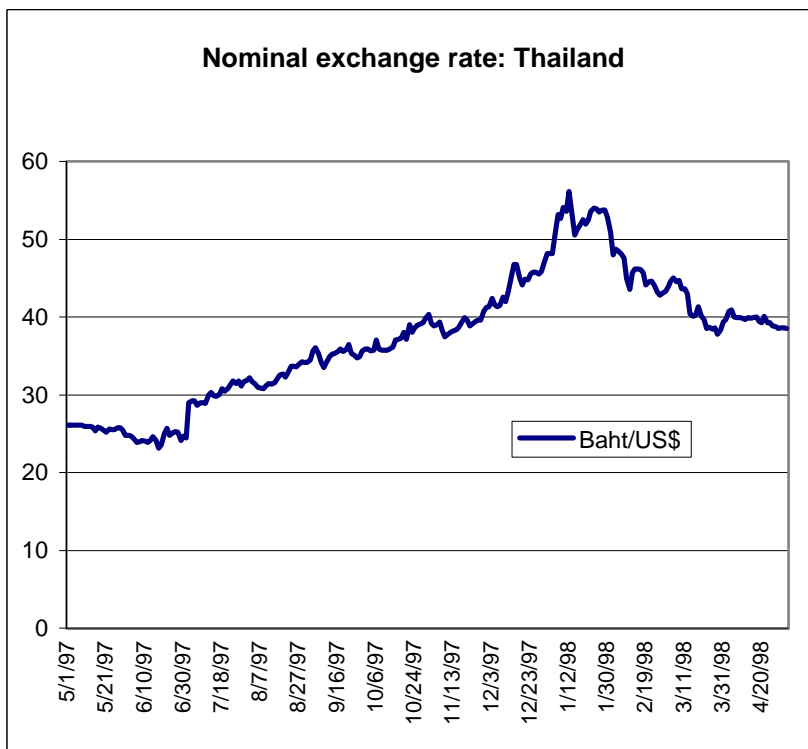
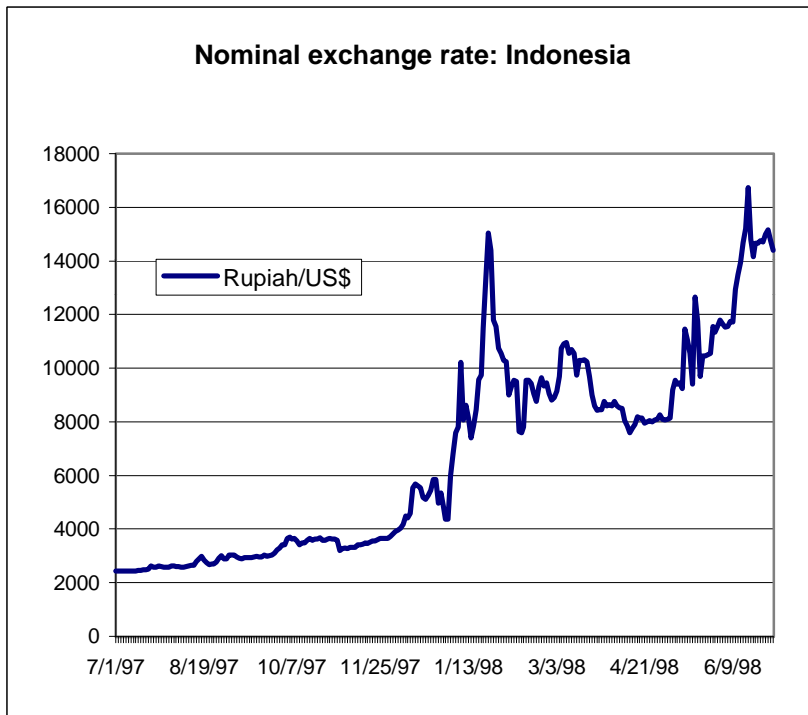
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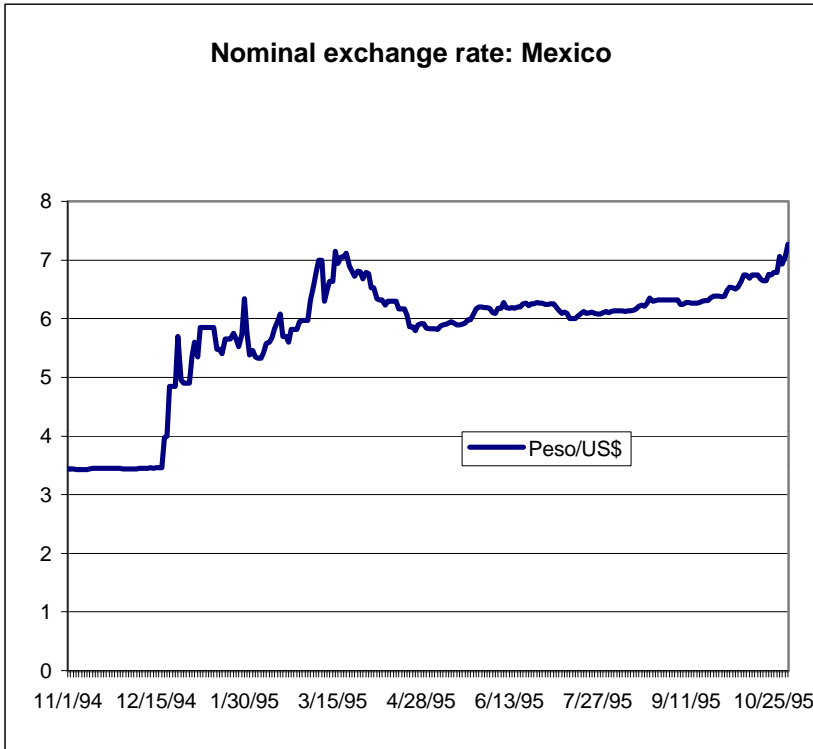


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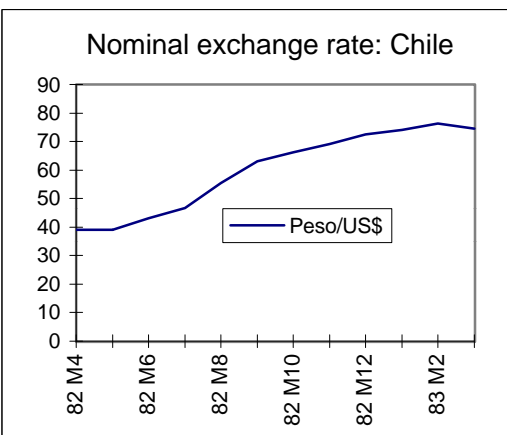
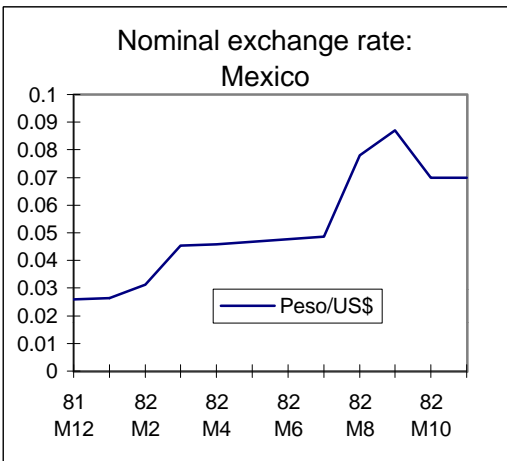
Figures 1a-1e: Nominal exchange rates



Source: Datastream

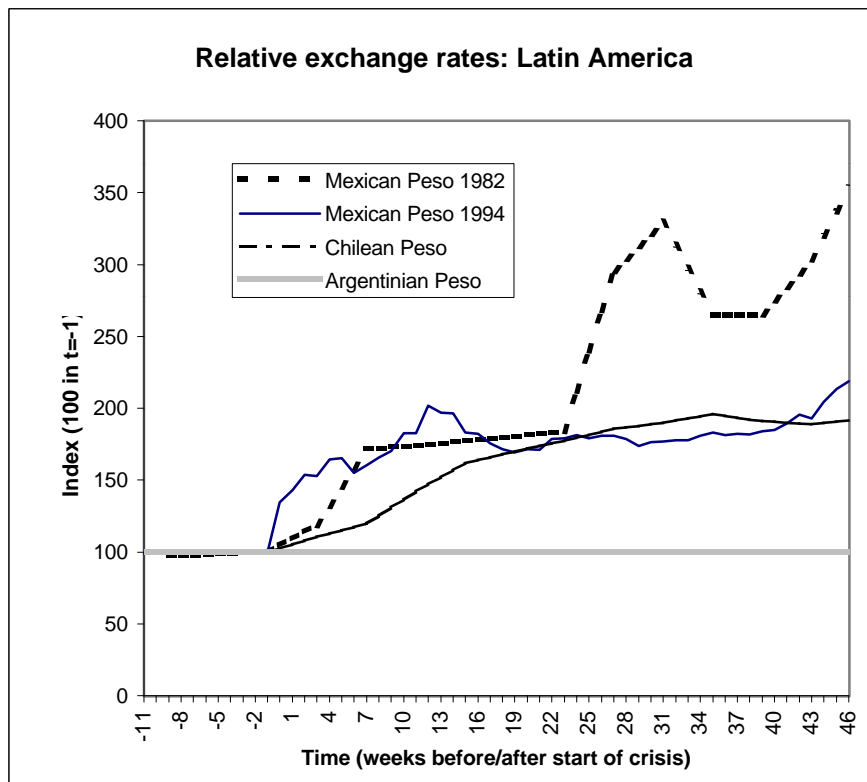
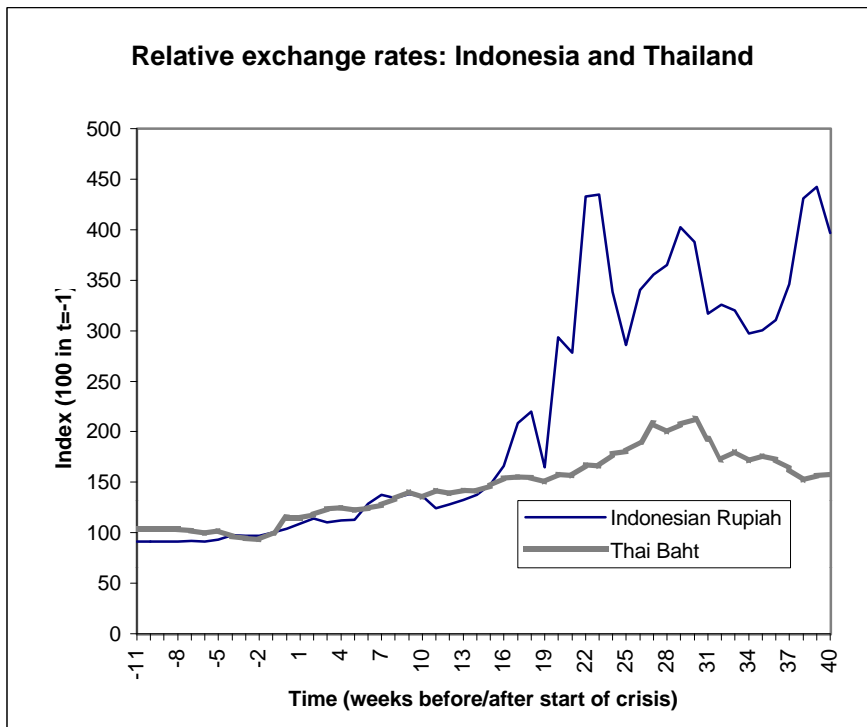


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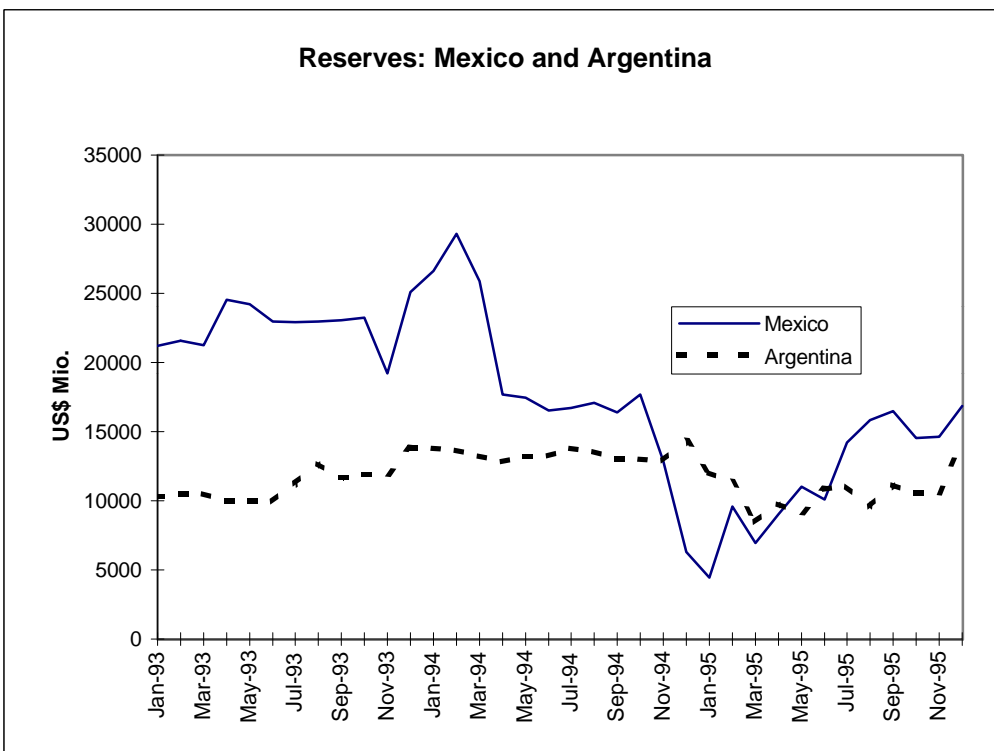
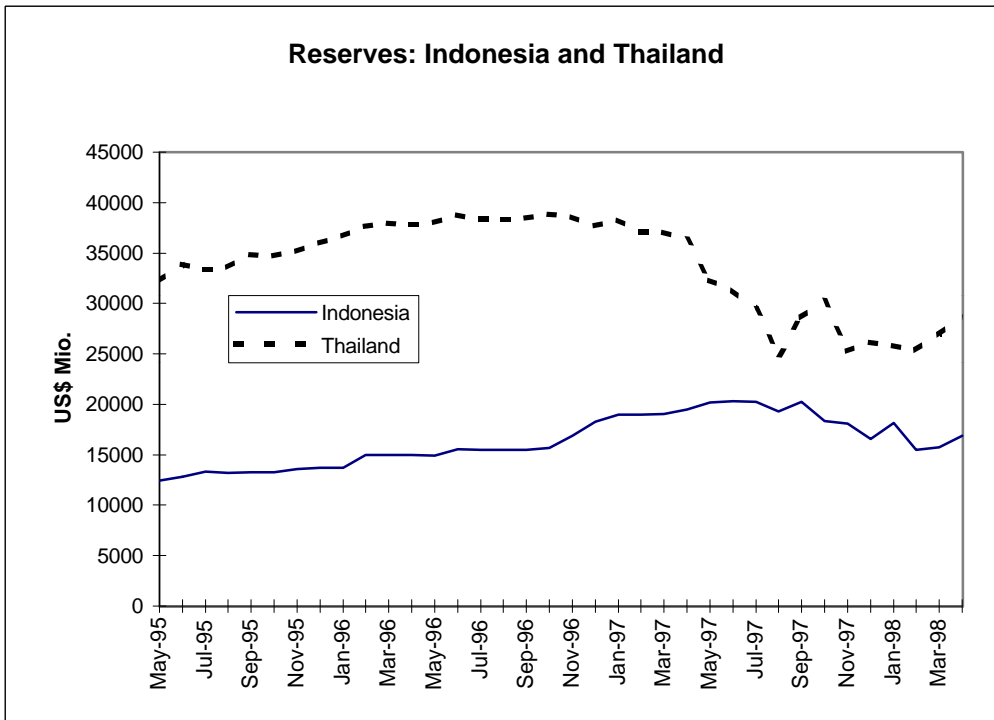
Source: IMF - International Financial Statistics

Figures 2 a-2b: Relative nominal exchange rates

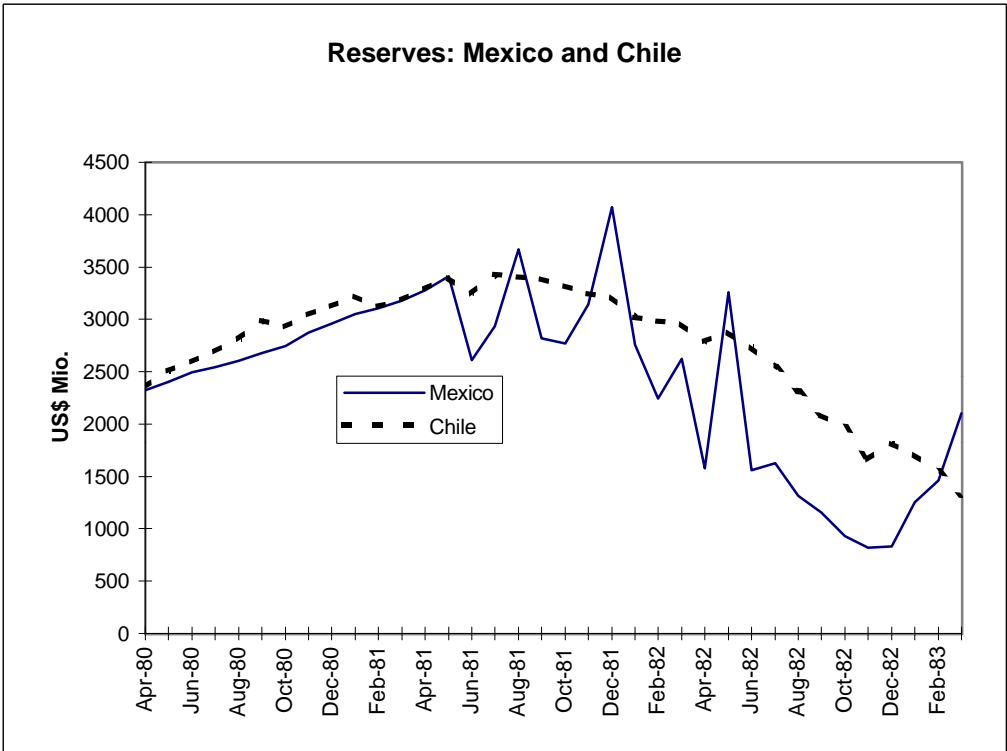


Source: Datastream, author's calculations

Figures 3 a-3c: Reserves

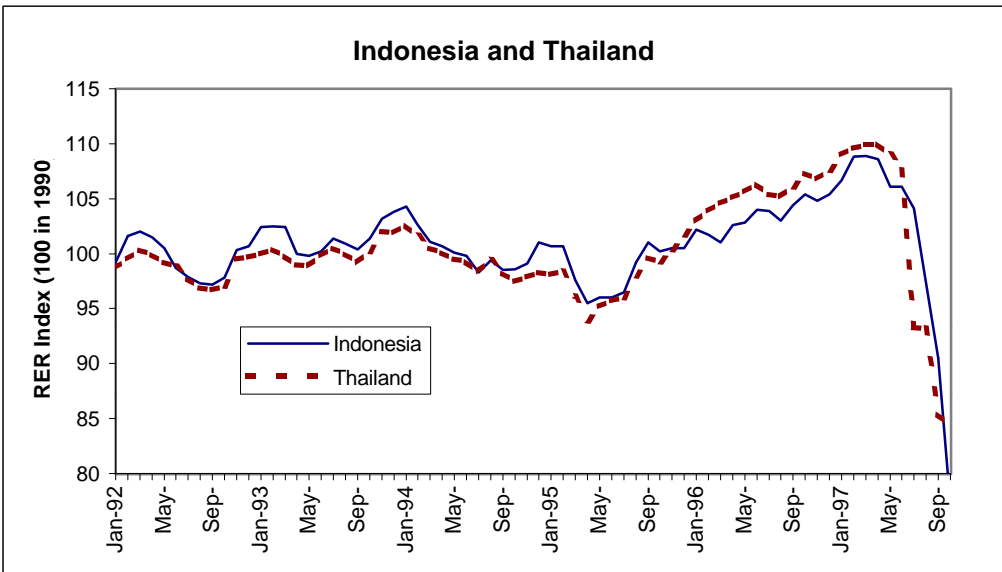


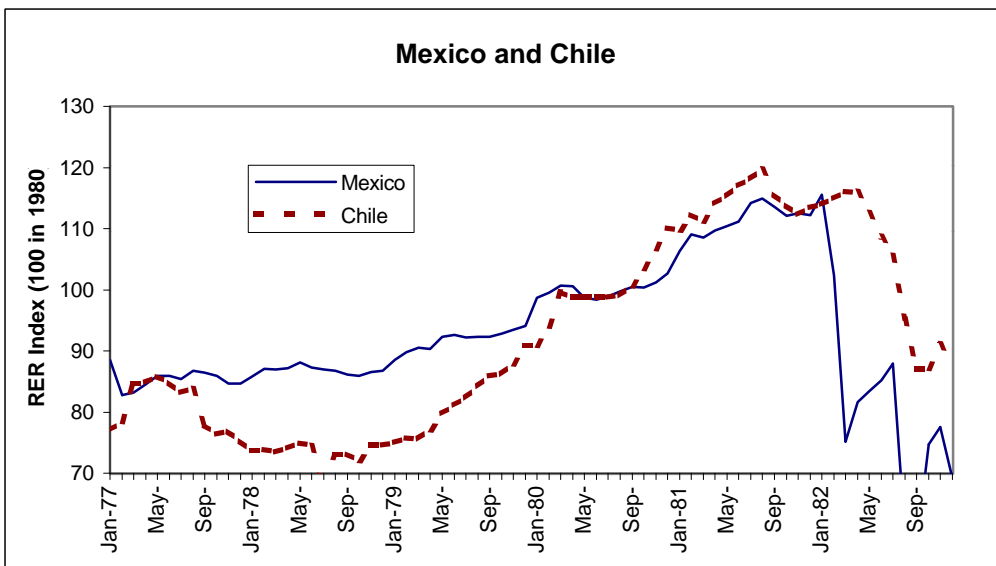
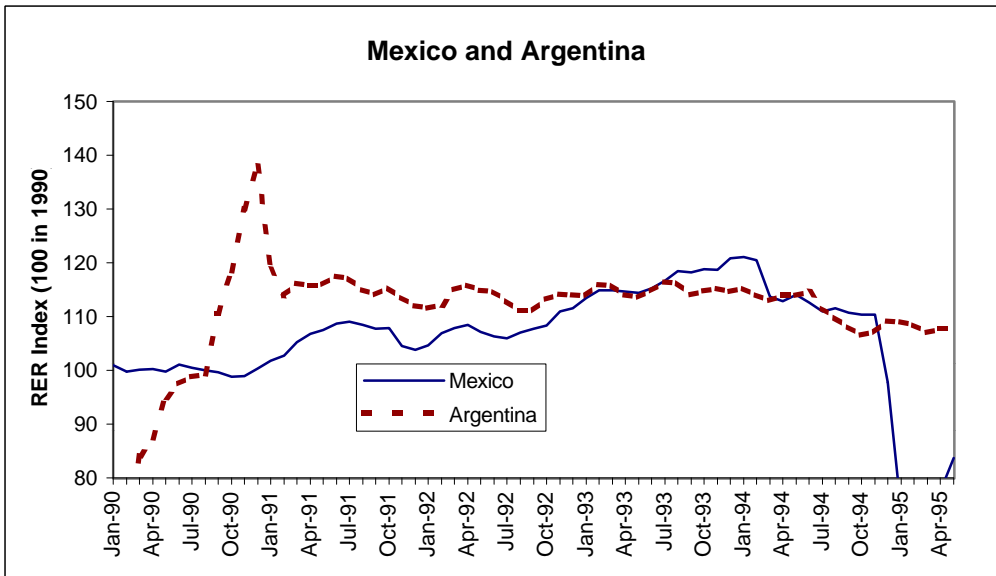
Source: IMF - International Financial Statistics (Total Reserves at end of period, IFS 1 L)

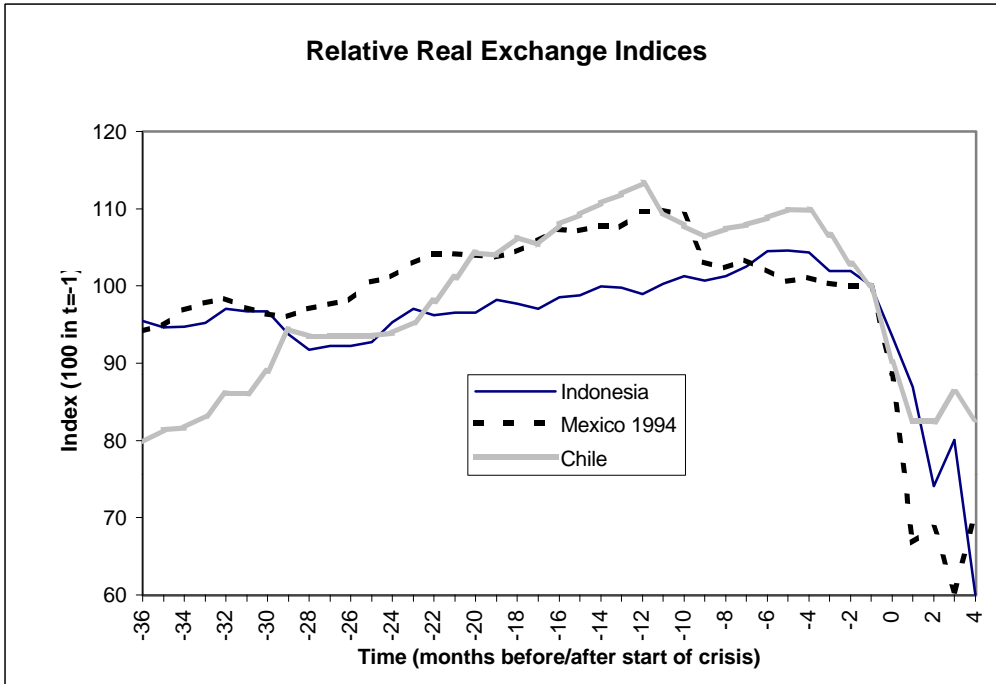


Source: IMF - International Financial Statistics (Total Reserves at end of period, IFS 1 L)

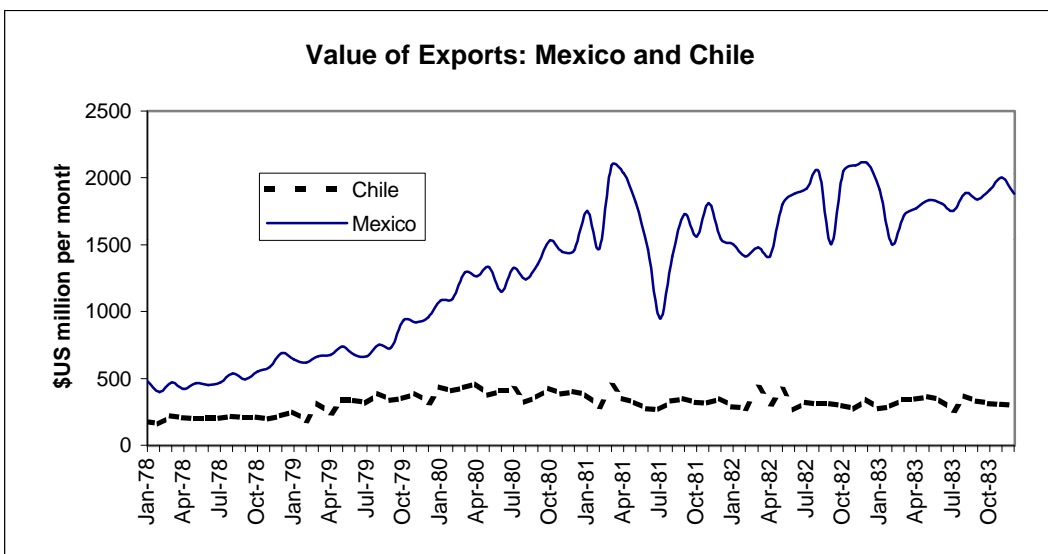
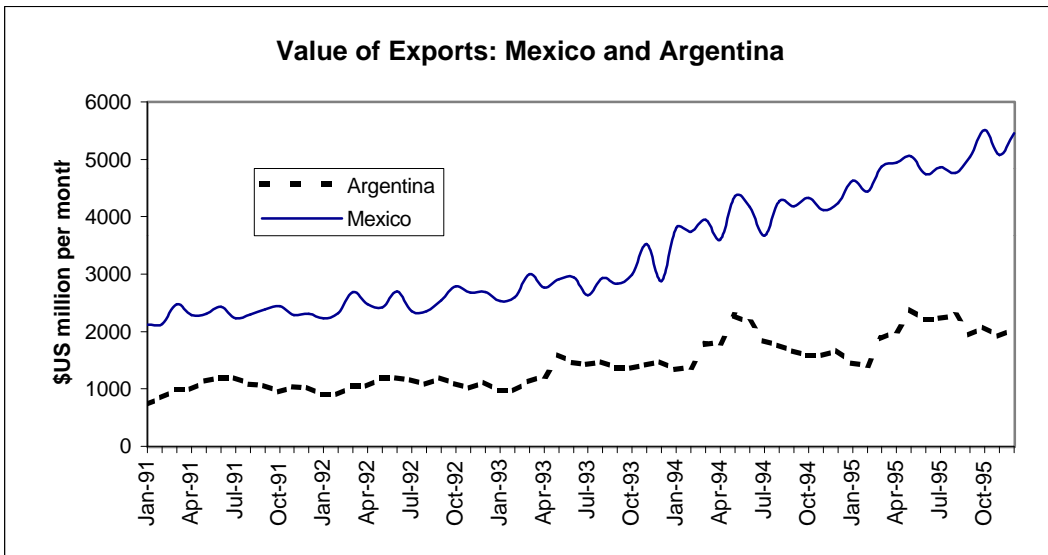
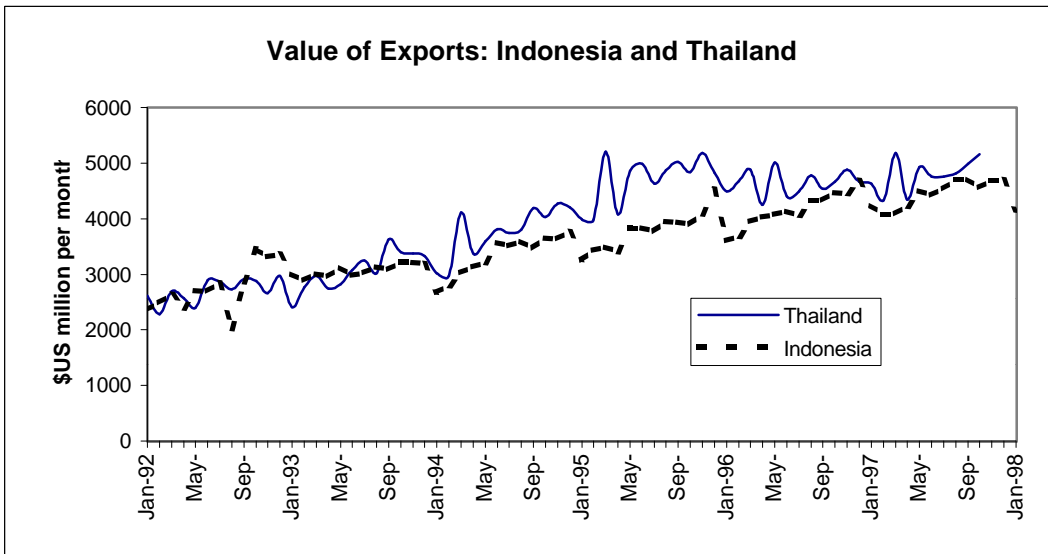
Figures 4a-4d: Real Exchange Rates (JP Morgan series)





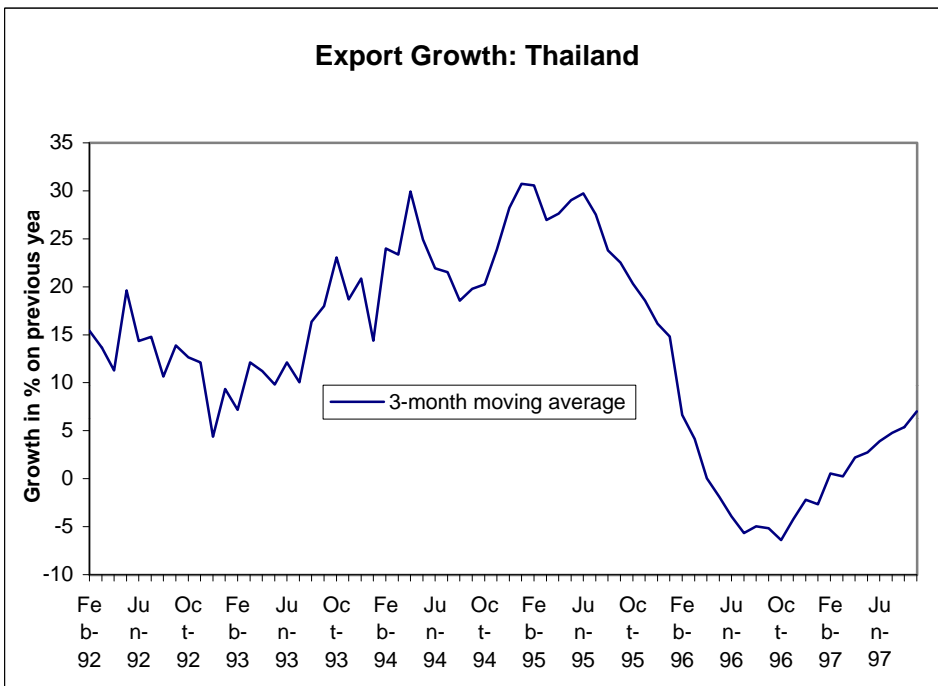


Figures 5 a-5c: Value of exports



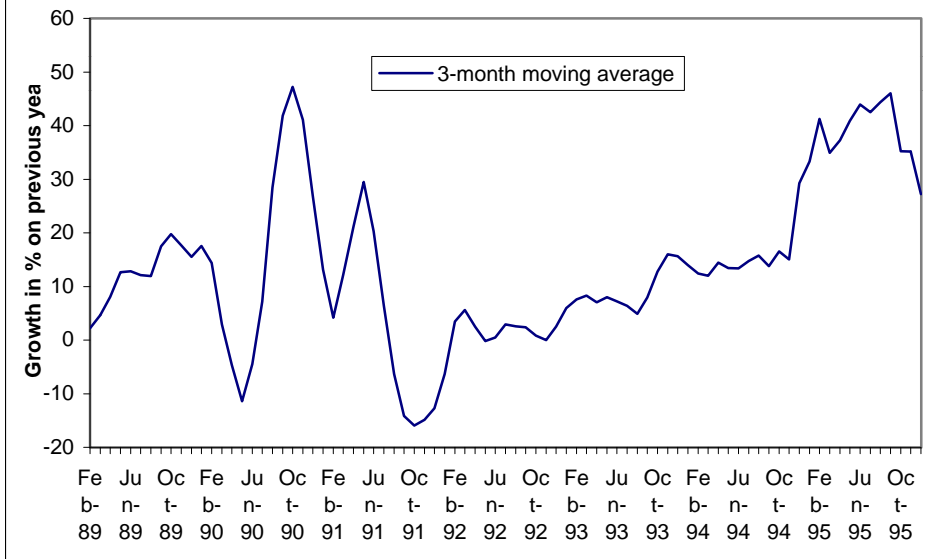
Source: IMF - International Financial Statistics (70 D)

Figures 6 a-6f: Export Growth

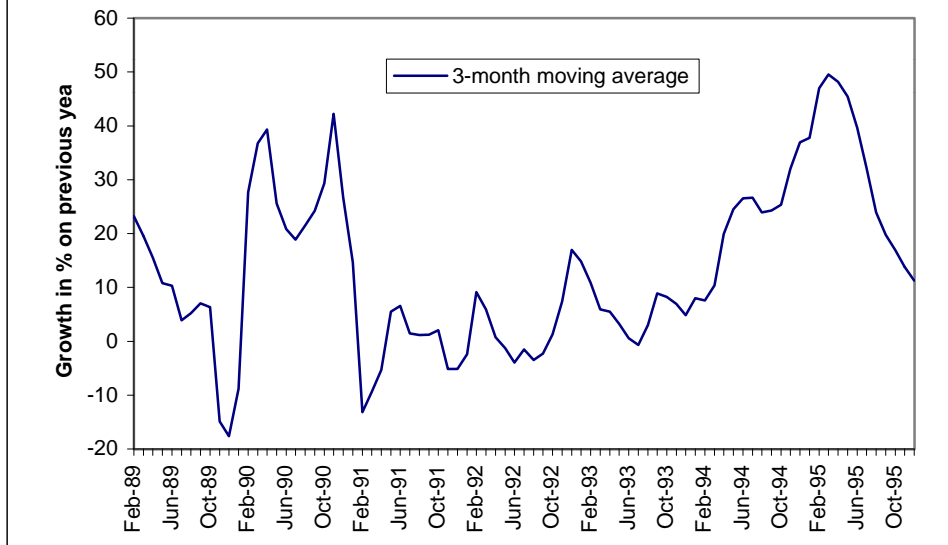


Source: IMF - International Financial Statistics (70 D), author's calculations

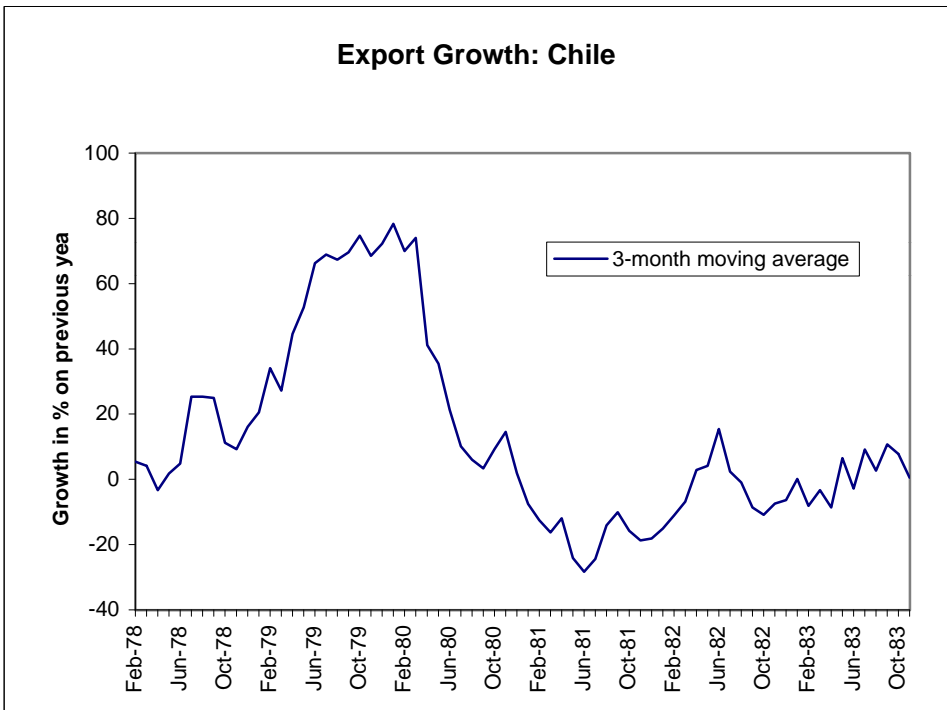
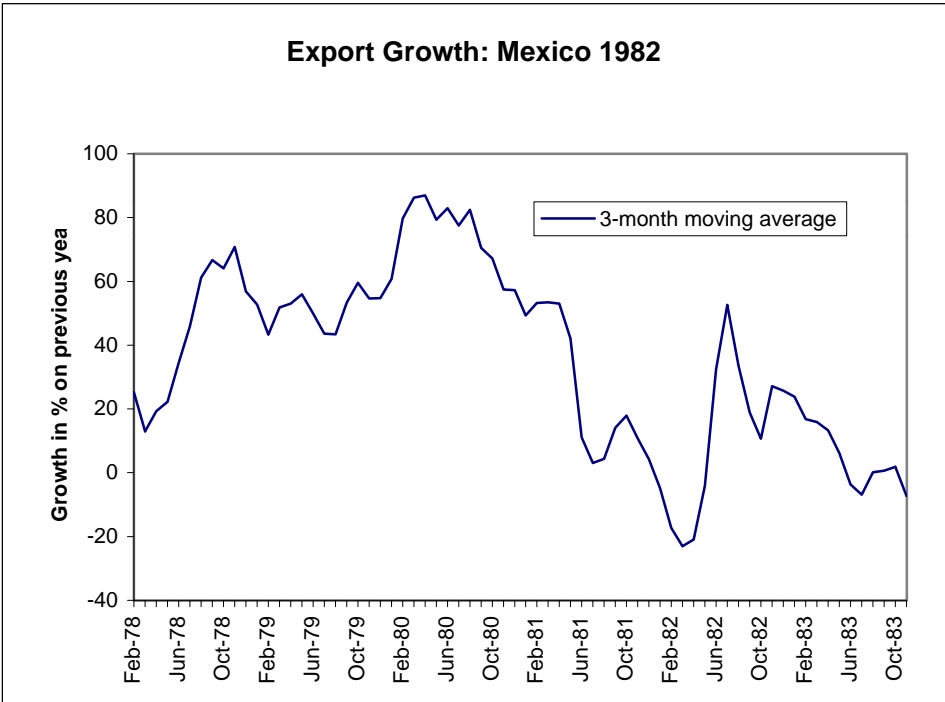
Export Growth: Mexico 1994



Export Growth: Argentina

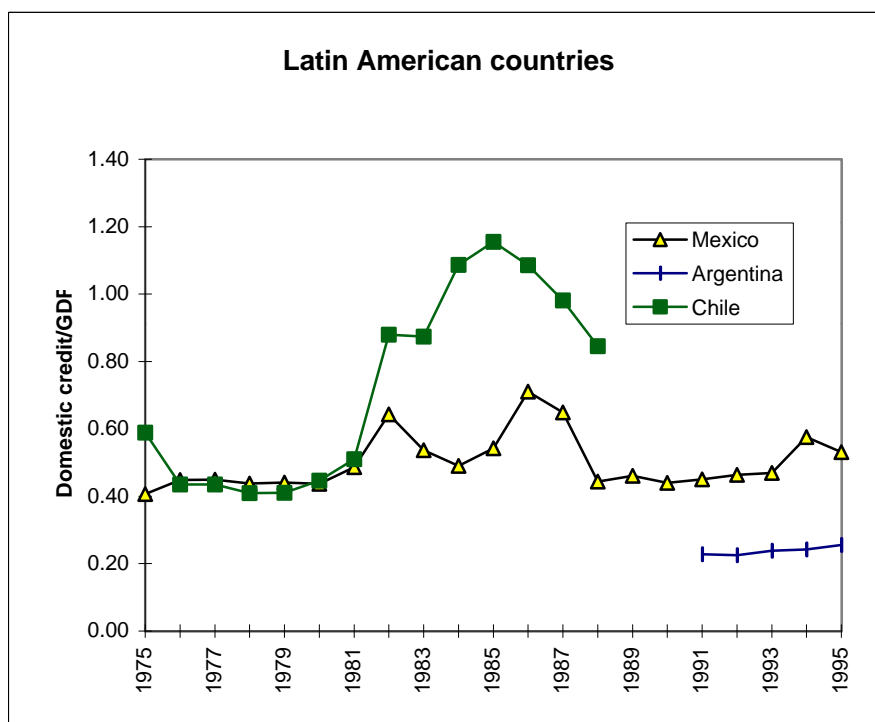
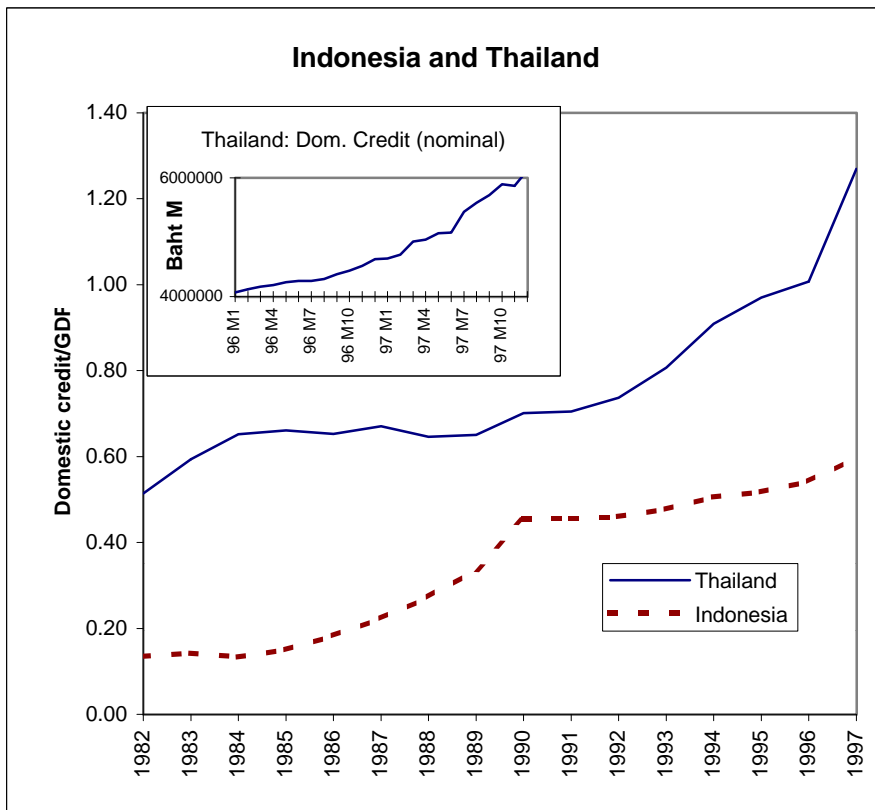


Source: IMF - International Financial Statistics (70 D), author's calculations



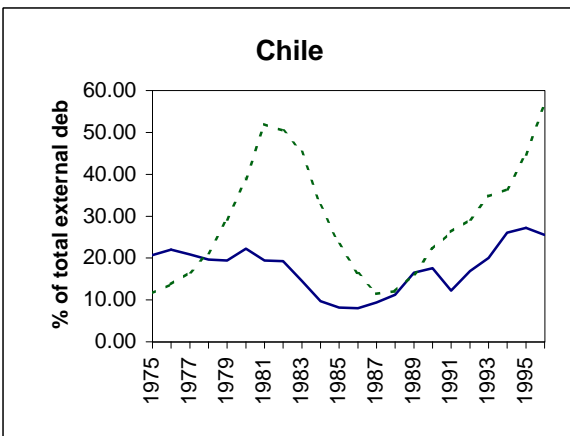
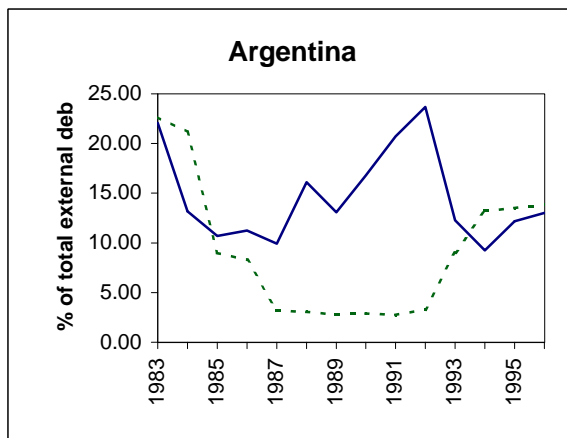
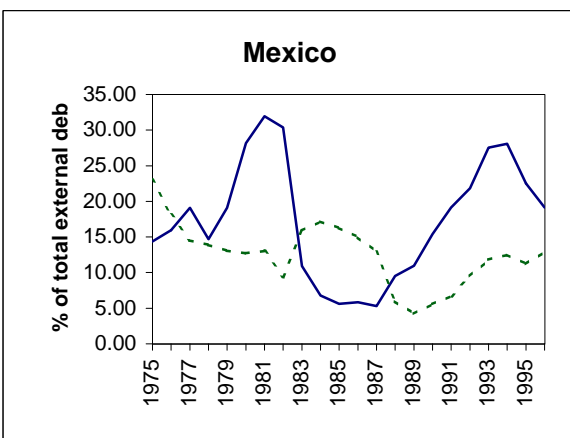
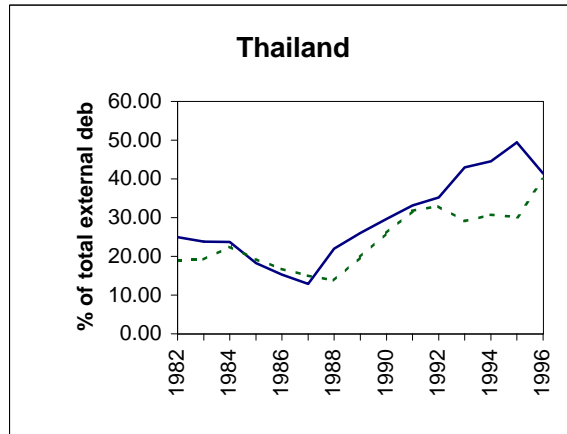
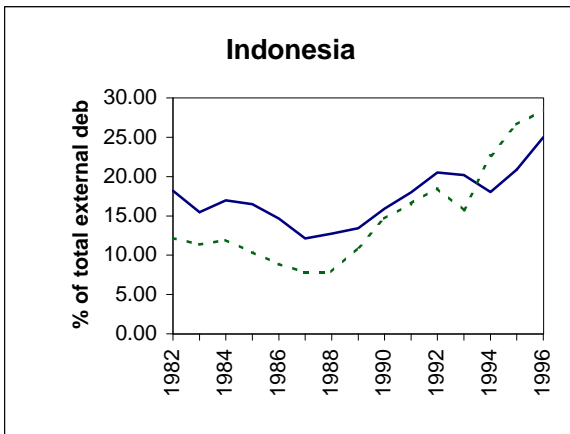
Source: IMF - International Financial Statistics (70 D), author's calculations

Figures 7 a-7b: Ratio of domestic credit to GDP



Sources: IMF - International Financial Statistics (32/99B) and World Bank - World Tables (L66T)

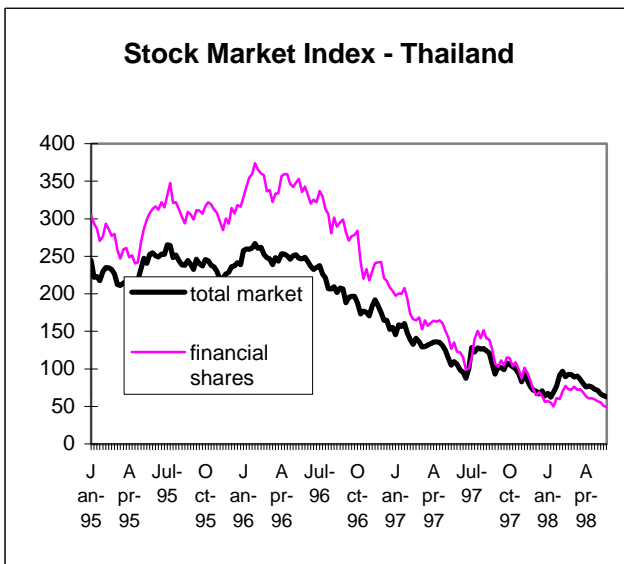
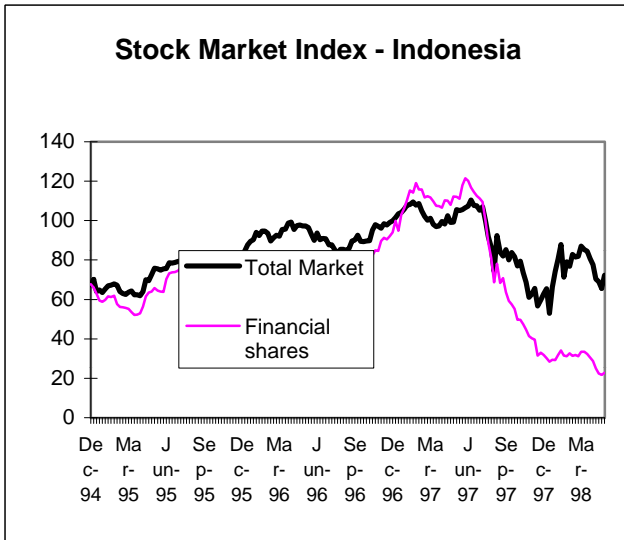
Figures 8 a-8e: Structure of external debt

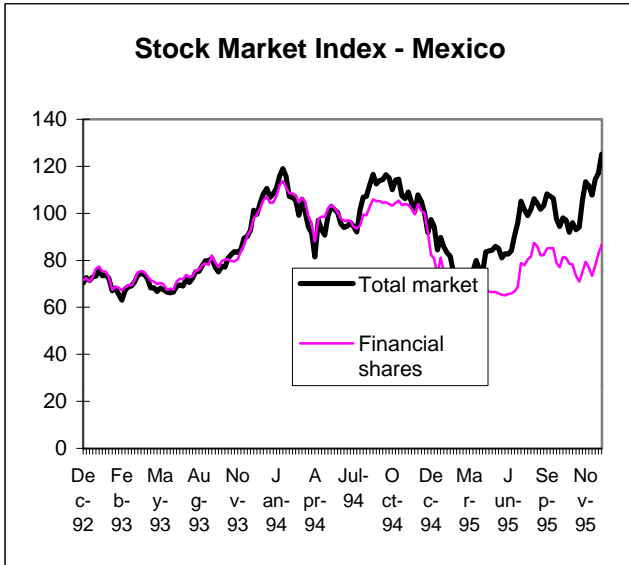


Short-term debt:
external debt with maturities under one year

Sources:
World Bank - Global Development Finance,
World Debt Tables

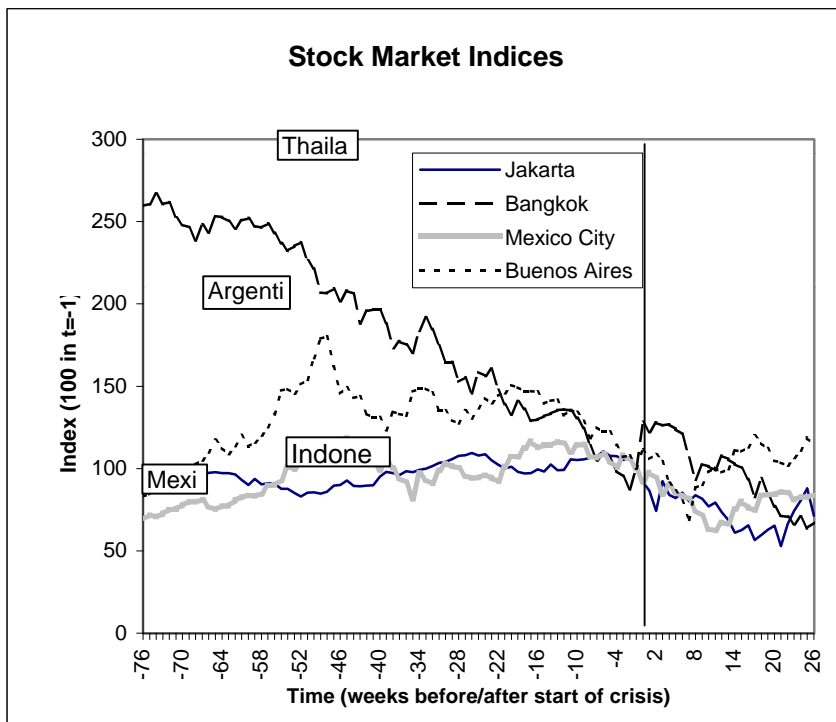
Table 9 a-9d: Stock market indices



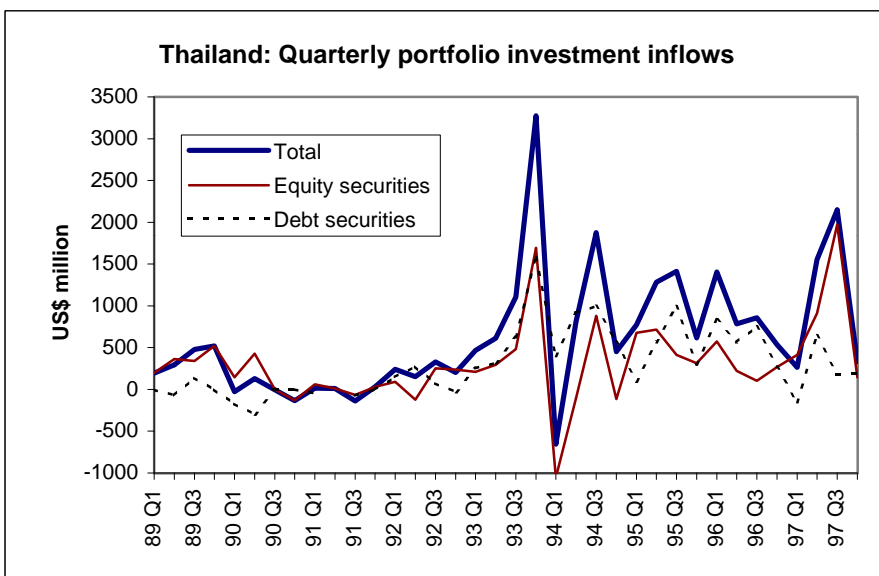


Source: Datastream

Figure 10: Relative stock market indices



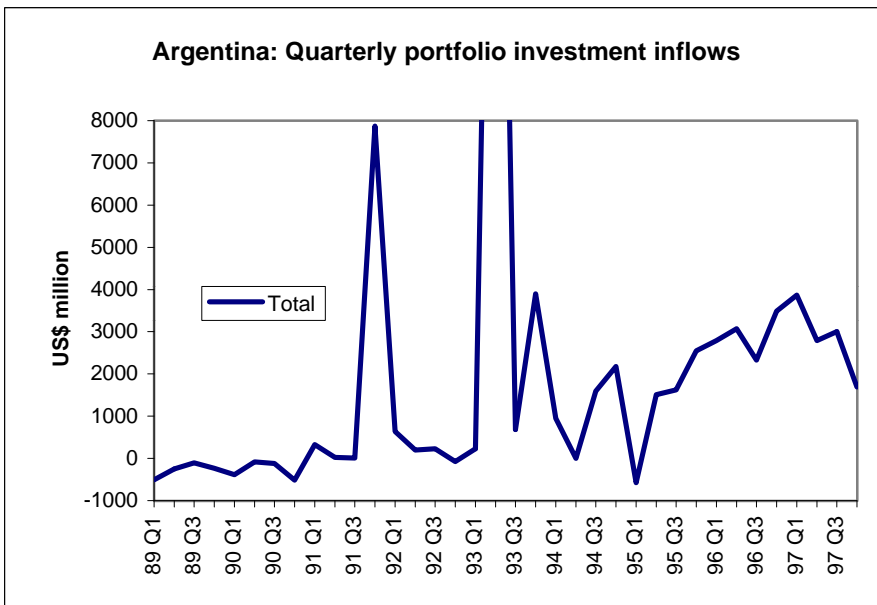
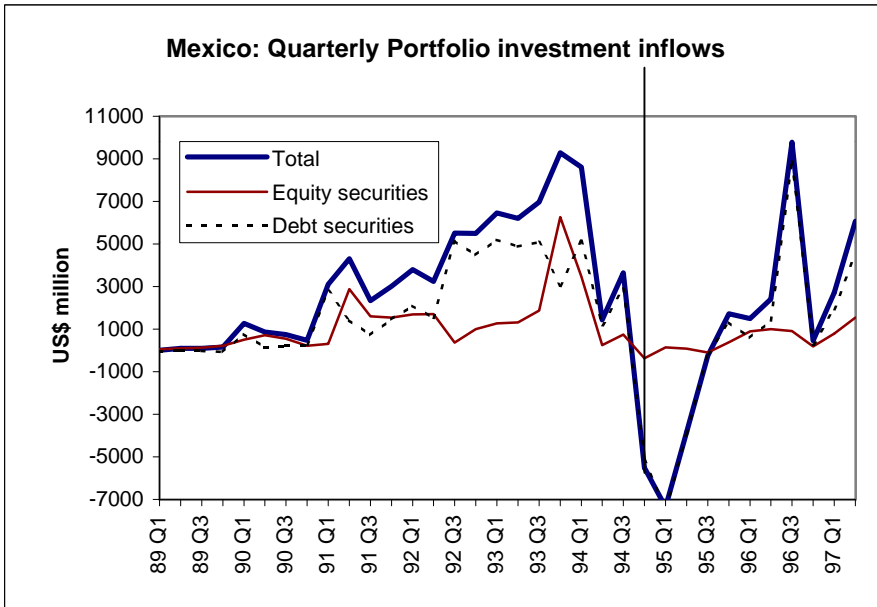
Figures 11 a-11d: Portfolio investment inflows



Source: IMF-IFS, author's calculations.

IFS data codes:

Portfolio investment liabilities - total, 78bgd; equity securities, 78bmd; debt securities, 78bnd.



Source: IMF-IFS, author's calculations.

IFS data codes:

Portfolio investment liabilities - total, 78bgd; equity securities, 78bmd; debt securities, 78bnd.

Table 12
Euromoney Country Risk Ratings

Partial indicators (score out of 10; higher score: 'better')

Economic Performance (Projection for 2 years)

Political risk (expert survey, average of assessments)

Credit ratings (based on rating agencies' country risk ratings)

Ranks: overall assessment (lower: 'better'); no. of countries, March 1997: 179

Indonesia

Issue	Rank	Ec. Performance	Political risk	Credit ratings
Sep-92	40	7.7	6.3	3.1
Mar-93	41	7.1	7.0	3.1
Sep-93	42	7.6	6.7	3.1
Mar-94	43	6.4	6.5	3.1
Sep-94	40	7.5	6.8	3.1
Mar-95	40	7.2	6.6	3.1
Sep-95	35	7.7	6.5	3.5
Mar-96	39	7.6	6.5	4.7
Sep-96	41	7.3	6.2	4.7
Mar-97	43	7.2	6.3	4.7
Sep-97	43	7.2	5.6	4.2
Dec-97	49	6.4	5.8	4.4

Thailand

Issue	Rank	Ec. Performance	Political risk	Credit ratings
Sep-92	36	8.7	6.8	5.8
Mar-93	34	8.6	7.7	5.8
Sep-93	32	8.4	6.7	5.8
Mar-94	28	8.1	7.7	5.8
Sep-94	27	8.6	7.4	5.8
Mar-95	30	8.2	7.3	6.2
Sep-95	27	8.5	7.3	6.2
Mar-96	26	8.4	7.2	6.9
Sep-96	30	8.0	6.4	6.9
Mar-97	34	7.6	6.7	6.9
Sep-97	46	5.2	6.0	6.3
Dec-97	51	5.6	5.6	5.3

Table 12 continued
Euromoney Country Risk Ratings

Mexico

Issue	Rank	Ec. Performance	Political risk	Credit ratings
Sep-92	45	6.8	6.9	1.9
Mar-93	46	6.5	6.6	1.9
Sep-93	48	6.9	6.7	1.9
Mar-94	46	5.3	5.9	1.9
Sep-94	44	6.2	6.2	2.3
Mar-95	52	5.6	5.2	1.9
Sep-95	57	5.1	4.7	1.5
Mar-96	53	5.4	5.0	3.1
Sep-96	52	6.3	4.6	3.1
Mar-97	51	6.2	5.4	3.1
Sep-97	51	6.5	5.2	2.7
Dec-97	50	6.8	5.5	3.1

Argentina

Issue	Rank	Ec. Performance	Political risk	Credit ratings
Sep-92	54	5.4	5.3	2.3
Mar-93	62	5.2	4.9	0.0
Sep-93	55	6.0	5.5	0.0
Mar-94	51	5.8	5.1	0.4
Sep-94	49	5.7	5.6	0.4
Mar-95	56	5.7	5.7	0.8
Sep-95	61	5.8	4.1	0.8
Mar-96	57	5.6	4.8	2.2
Sep-96	54	6.2	4.8	2.2
Mar-97	59	6.3	5.3	2.2
Sep-97	52	6.8	5.3	2.2
Dec-97	54	6.6	5.6	2.9

Euromoney Country Risk Rating - Methodology (March 1997)

Factor	Weight	Description
Economic Performance	25 %	2-year projection of overall economic performance Survey result (ca. 20-40 "economists at leading financial and economic institutions")
Political risk	25 %	"The risk of non-payment or non-servicing of payment (...) and the non-repatriation of capital" Survey result ("risk analysts, risk insurance brokers and bank credit officers")
Credit ratings	10 %	Average of sovereign ratings from Moody's, S&P and IBCA
Six other indicators	40 %	based on debt and finance data

All indicators are presented as scores and have here been normalised to a scale of 0-10. The rankings are based on total scores.