



# War in Ukraine: Transmission to Country Risk

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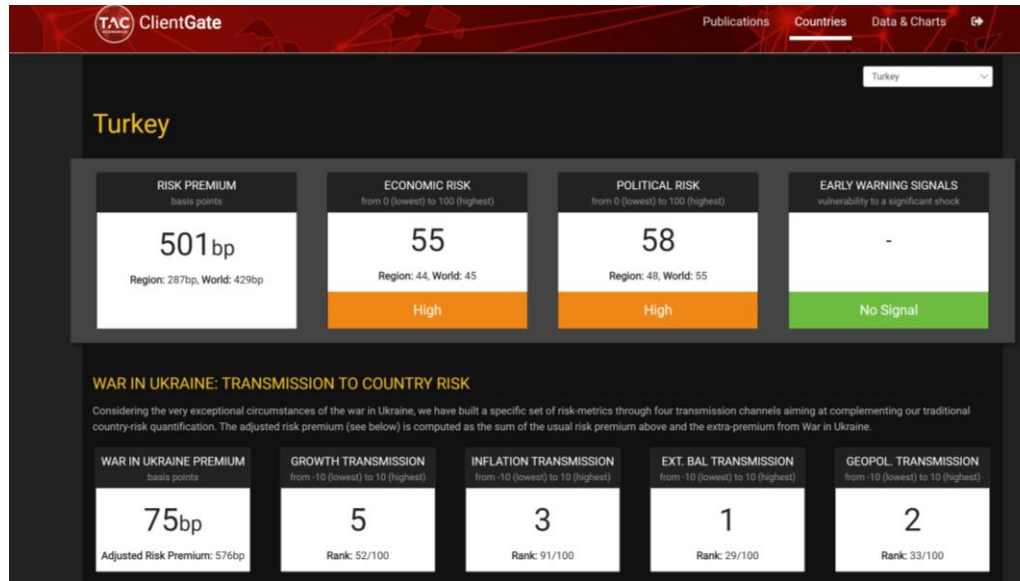
What extra risk  
premium for  
Emerging Markets?

## A specific set of risk-metrics

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- Considering the very exceptional circumstances of the war in Ukraine, we have built a specific set of risk-metrics through four transmission channels aiming at complementing our traditional country-risk quantification.
- The adjusted risk premium is computed as the sum of the usual risk premium above and the extra-premium from War in Ukraine.
- To highlight the most vulnerable emerging countries, TAC ECONOMICS has built a "HeatMap" taking up these transmission channels and making it possible to classify the countries from "most to least vulnerable" to the conflict.

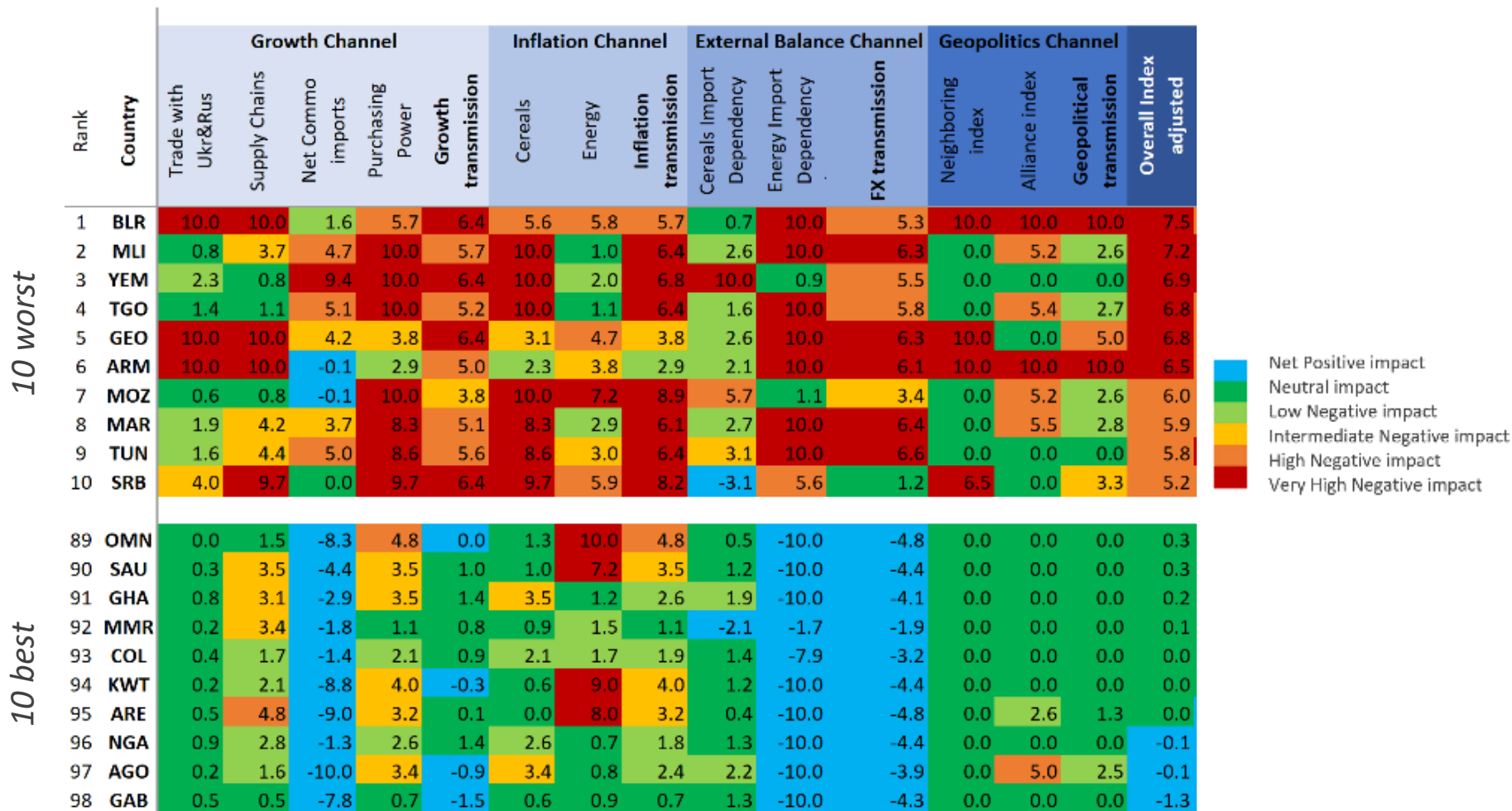
# Metrics available for 100 countries on our Client Gate



Source : Client Gate,  
TAC ECONOMICS  
<https://clientgate.taceconomics.com/?m=home>

- a **Growth transmission channel** through impact of trade relations, supply chains vulnerabilities, and purchasing power proxy to reflect impact of higher global commodity prices on domestic demand.
- an **Inflation transmission channel** based on the Cereals and Energy intensity (cf. Exhibits 18 & 19).
- an **FX transmission channel**, looking at both Cereals and Energy trade in external accounts.
- a **Geopolitical transmission**, considering geographical proximity and geostrategic affiliations (mostly through votes at the United Nations Security Council and UN General Assembly) from a Western investor's perspectives.

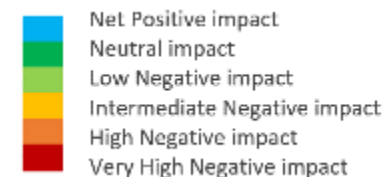
# Heatmap war in Ukraine transmission to Emerging world



# Heatmap war in Ukraine transmission to Emerging world

## Heatmap sur les 20 Grands Emergents (hors Russie)

Rank	Country	Growth Channel					Inflation Channel			External Balance Channel			Geopolitics Channel			Overall Index adjusted
		Trade with Ukr&Rus	Supply Chains	Net Commo imports	Purchasing Power	Growth transmission	Cereals	Energy	Inflation transmission	Cereals Import Dependency	Energy Import Dependency	FX transmission	Neighboring index	Alliance index	Geopolitical transmission	
17	CHN	1.8	7.5	2.7	5.0	4.6	3.1	7.8	5.0	0.1	3.2	1.6	5.7	5.6	5.6	4.1
22	IRN	1.9	7.9	-0.9	7.5	4.7	5.8	10.0	7.5	0.8	-5.8	-2.5	0.0	5.6	2.8	3.7
31	EGY	3.2	9.9	2.0	5.2	5.3	5.2	3.1	4.4	2.2	0.5	1.4	0.0	0.0	0.0	3.3
33	POL	3.6	10.0	-0.1	2.4	3.9	1.9	3.1	2.4	-0.9	3.2	1.1	9.5	0.0	4.8	3.1
39	KOR	1.3	3.8	4.3	3.0	3.3	0.9	6.2	3.0	0.5	7.5	4.0	0.0	0.0	0.0	2.9
40	TUR	4.6	10.0	1.3	2.9	4.5	2.9	2.3	2.6	0.0	1.8	0.9	3.4	0.0	1.7	2.9
43	IND	1.1	6.3	1.7	2.7	3.1	2.4	3.2	2.7	-0.7	5.6	2.5	0.0	5.3	2.7	2.8
44	ZAF	0.4	2.4	-2.7	5.1	1.8	3.0	8.2	5.1	0.1	1.6	0.9	0.0	5.1	2.6	2.6
61	THA	0.4	1.3	0.5	2.1	1.3	0.8	4.2	2.1	-1.2	9.0	3.9	0.0	0.0	0.0	2.0
62	PHL	0.5	1.5	2.1	2.9	2.0	2.9	1.4	2.3	1.6	4.1	2.8	0.0	0.0	0.0	2.0
68	MEX	0.1	1.6	-0.1	3.5	1.6	3.5	2.8	3.2	0.6	1.4	1.0	0.0	0.0	0.0	1.7
73	BRA	0.8	2.8	-2.7	4.3	1.7	4.3	4.0	4.2	-0.5	-1.1	-0.8	0.0	0.0	0.0	1.5
74	ARG	0.6	1.8	-2.5	5.7	1.9	5.7	3.4	4.8	-4.8	0.6	-2.1	0.0	0.0	0.0	1.5
83	MYS	0.3	1.8	-0.6	2.3	1.1	0.8	4.5	2.3	0.9	-2.2	-0.7	0.0	0.0	0.0	0.9
85	IDN	0.7	2.6	-1.3	2.2	1.2	2.2	1.9	2.1	0.4	-2.0	-0.8	0.0	0.0	0.0	0.8
90	SAU	0.3	3.5	-4.4	3.5	1.0	1.0	7.2	3.5	1.2	-10.0	-4.4	0.0	0.0	0.0	0.3
93	COL	0.4	1.7	-1.4	2.1	0.9	2.1	1.7	1.9	1.4	-7.9	-3.2	0.0	0.0	0.0	0.0
95	ARE	0.5	4.8	-9.0	3.2	0.1	0.0	8.0	3.2	0.4	-10.0	-4.8	0.0	2.6	1.3	0.0
96	NGA	0.9	2.8	-1.3	2.6	1.4	2.6	0.7	1.8	1.3	-10.0	-4.4	0.0	0.0	0.0	-0.1



## Need more information?

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TAC ECONOMICS provides risk measures on **100 emerging markets and developing economies** including economic and financial ratings, crisis signals and political ratings.

These risk measures are available through a secured web platform **TAC ECONOMICS Client Gate** (<https://clientgate.taceconomics.com/?m=home>) associated with comments, publications of TAC ECONOMICS, economic, financial and political data, and daily news (based on textmining tools allowing a quantitative and qualitative treatment of the information).

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