Early Warning Signals – update on 12 May 2020
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The table below shows the results of the Early Warning Signals (EWS) for Emerging Market Currencies, and is based on the proprietary model, described in Chapter 18 of the "Handbook of Corporate Financial Risk Management", 2nd edition. Colours indicate the level of risk assessed by the model from green – no risk to red – high risk. Please note that the results of the model should be used only as an indication of the relative size of risk of various currencies and should be complemented with you own research and market views. For more details, see the Disclaimer on the next page.

EWS models aim to identify when a currency is most vulnerable to a large devaluation based on a historical analysis of econometric and market parameters. Original reference is: G. Kaminsky, S. Lizondo and C. Reinhart (1998), Leading Indicators of Currency Crises, IMF Staff Papers, vol. 45, issue 1, pp.1-48.

1. Discretionary adjustment *ECO critical risk level breached. Please contact us for details.

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