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Gelişmekte Olan Ülkeler İçin Hükümlanlık Kredi Reytinglerinin Belirleyicileri / The Determinants of Sovereign Credit Ratings for Developing Countries

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A B S T R A C T

Sovereign ratings reflect the views of Credit Rating Agencies, about the creditworthiness of central governments. These ratings play a key role for developing countries in the entrance to international financial markets which is the most important source of capital that these countries need for growth and development. The credit ratings, which reduce the uncertainty of credit risk for investors and determine the cost and maturity of funding for bond issuer countries, become focus of interest in academia with these important functions. The aim of this study is to demonstrate the determinants of sovereign ratings for developing countries, taking into account of global crisis. The relationship among 12 economic and six political variables with S&P, Moody's, Fitch ratings of 68 developing countries were examined for 2006 and 2009. According to results of ordered logit models, the most powerful factor was determined as political variable, which transformed to a single variable from six political variables by using principal component analysis. Additionally, it was revealed that the model obtained with analysis could estimate sovereign ratings by one notch bias.

KEYWORDS Credit Rating Agencies; Sovereign Credit Ratings; Determinants of Ratings

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