



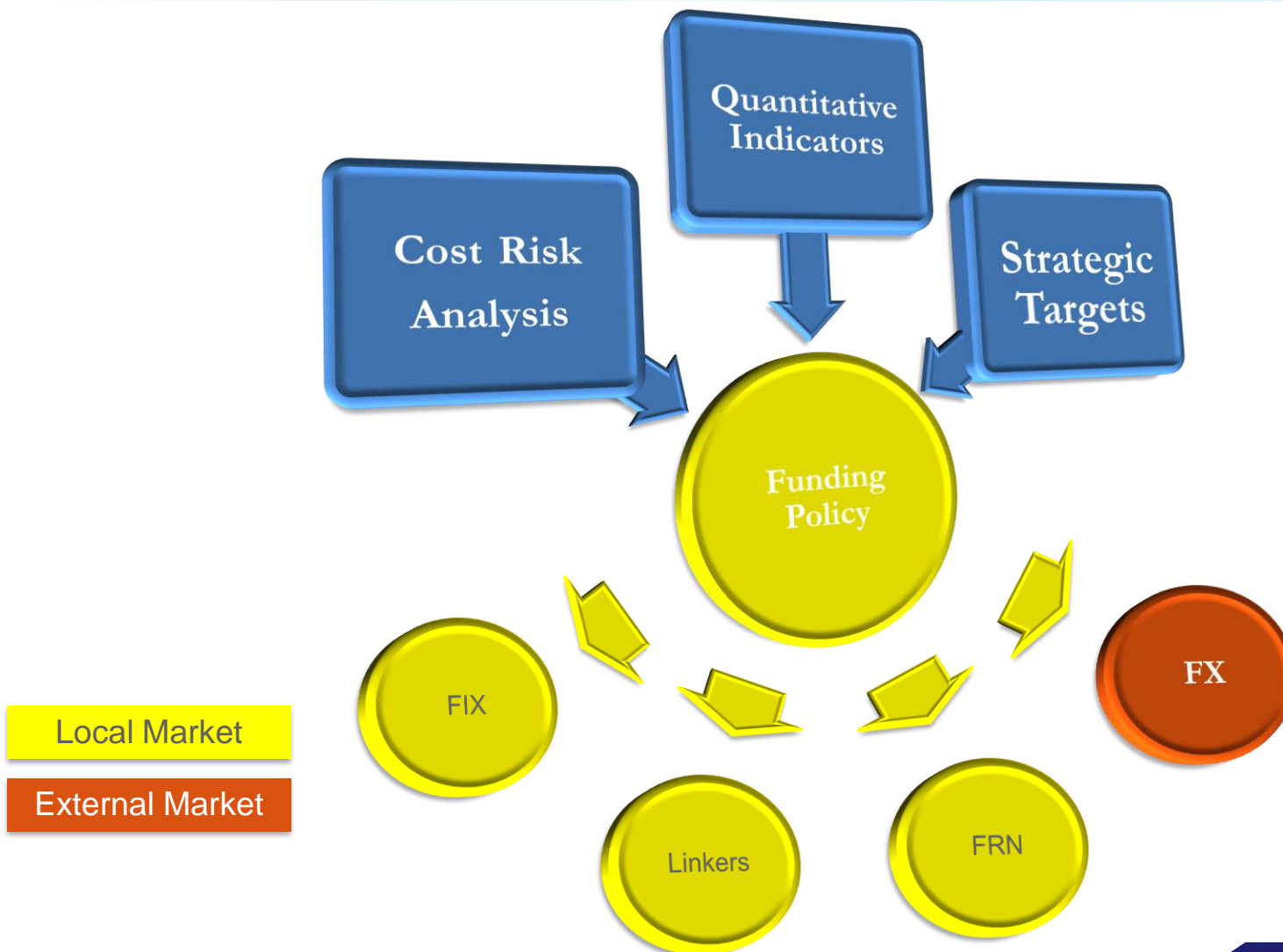
Why are more sovereigns issuing in Euros? Choosing between USD and EUR-denominated bonds

Lior David-Pur

Head of Debt Management Unit
Ministry of Finance, Israel

Webinar
The World Bank
March 2018

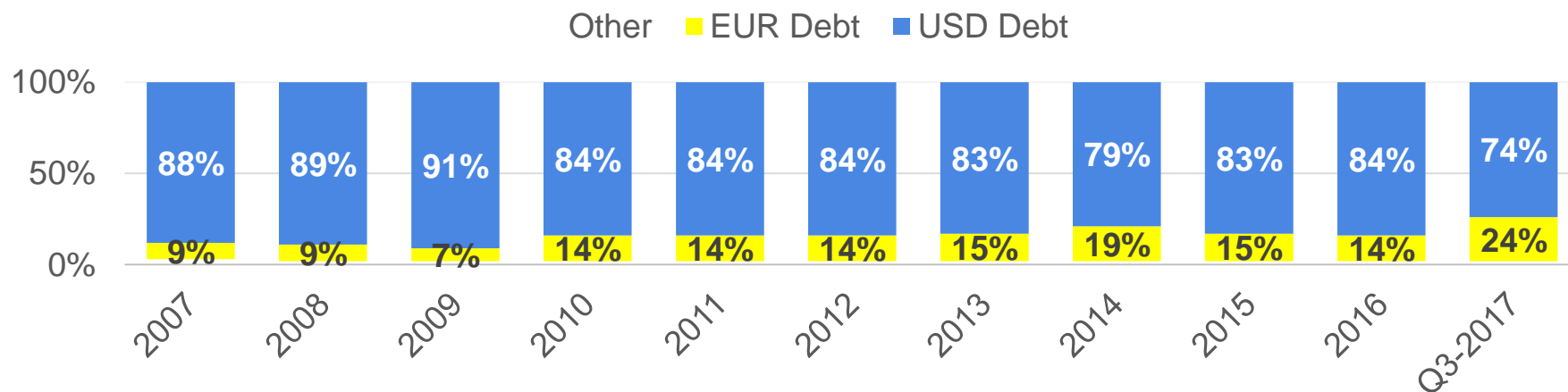
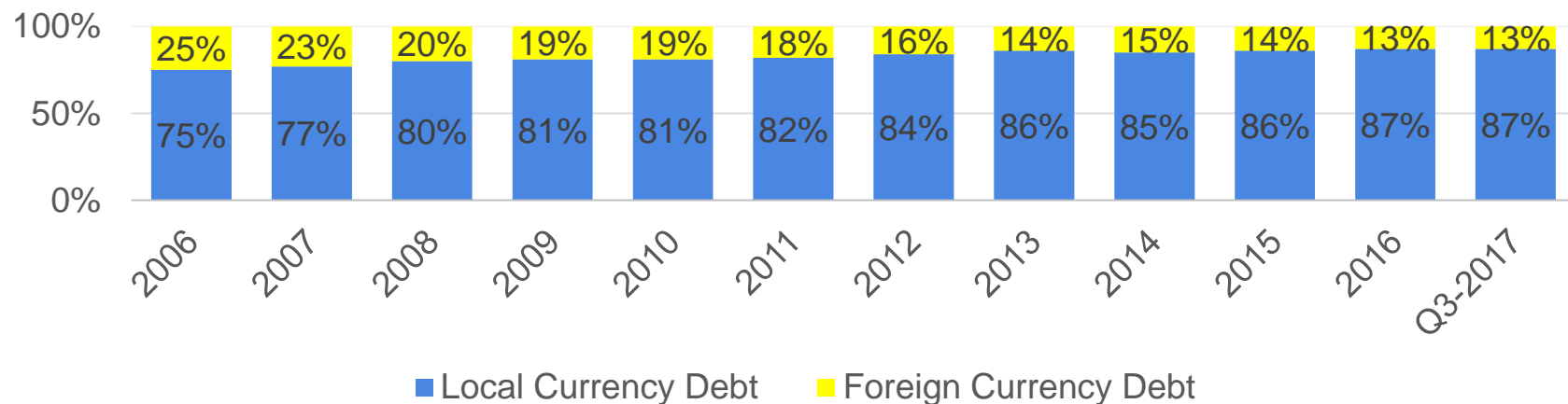
Funding (issuance) Policy



Foreign Currency Debt



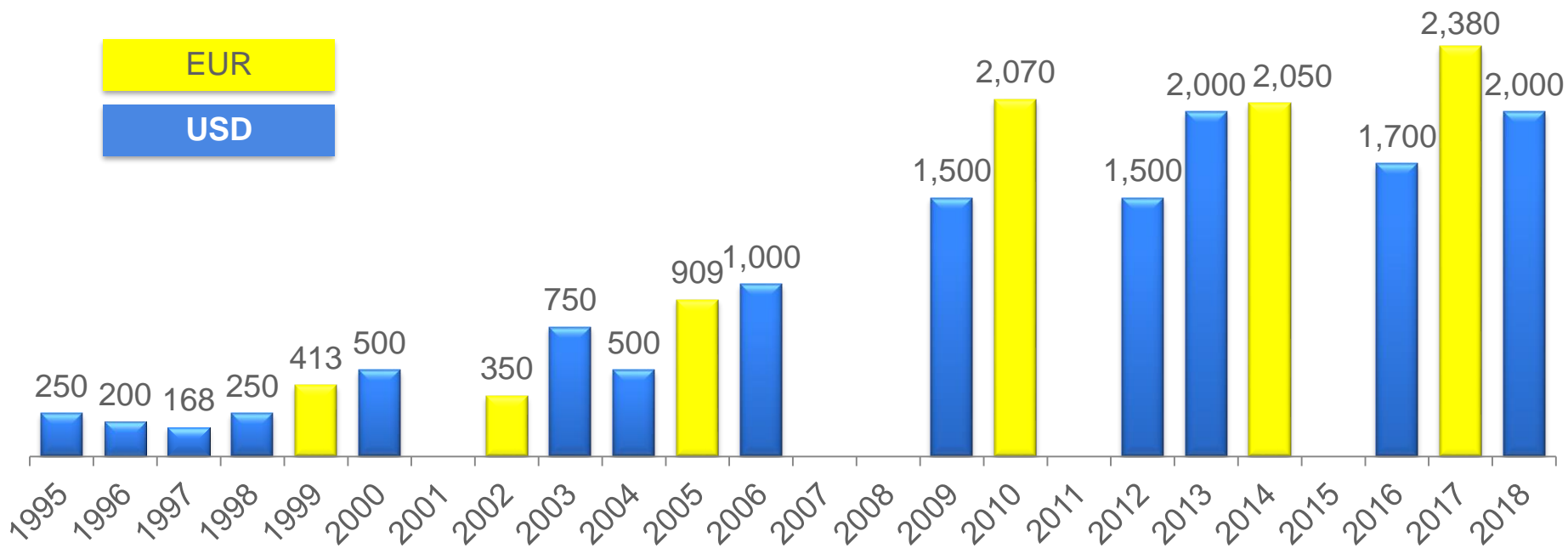
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Global Issuances (USD Millions)



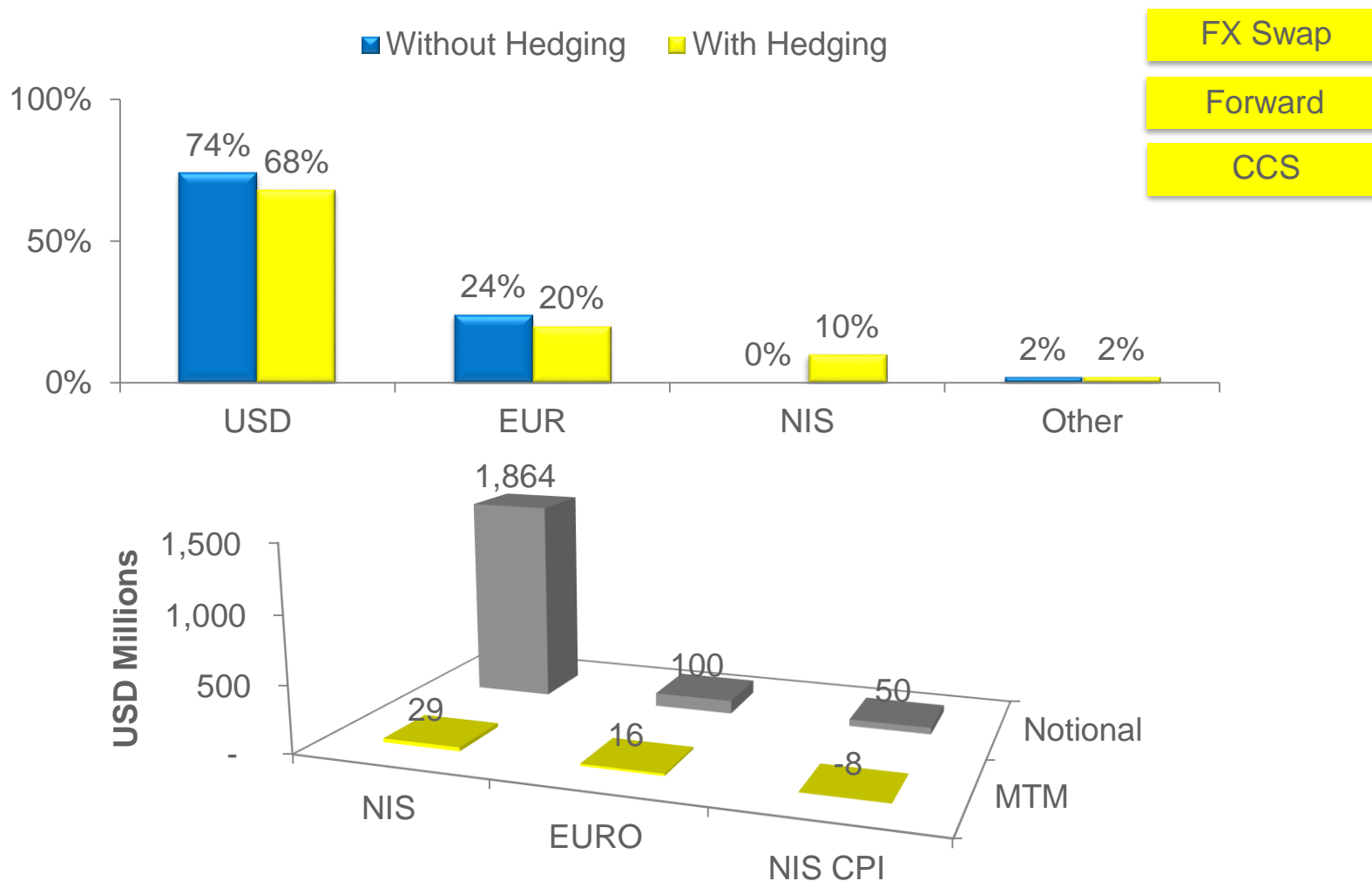
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Risk Management Policy



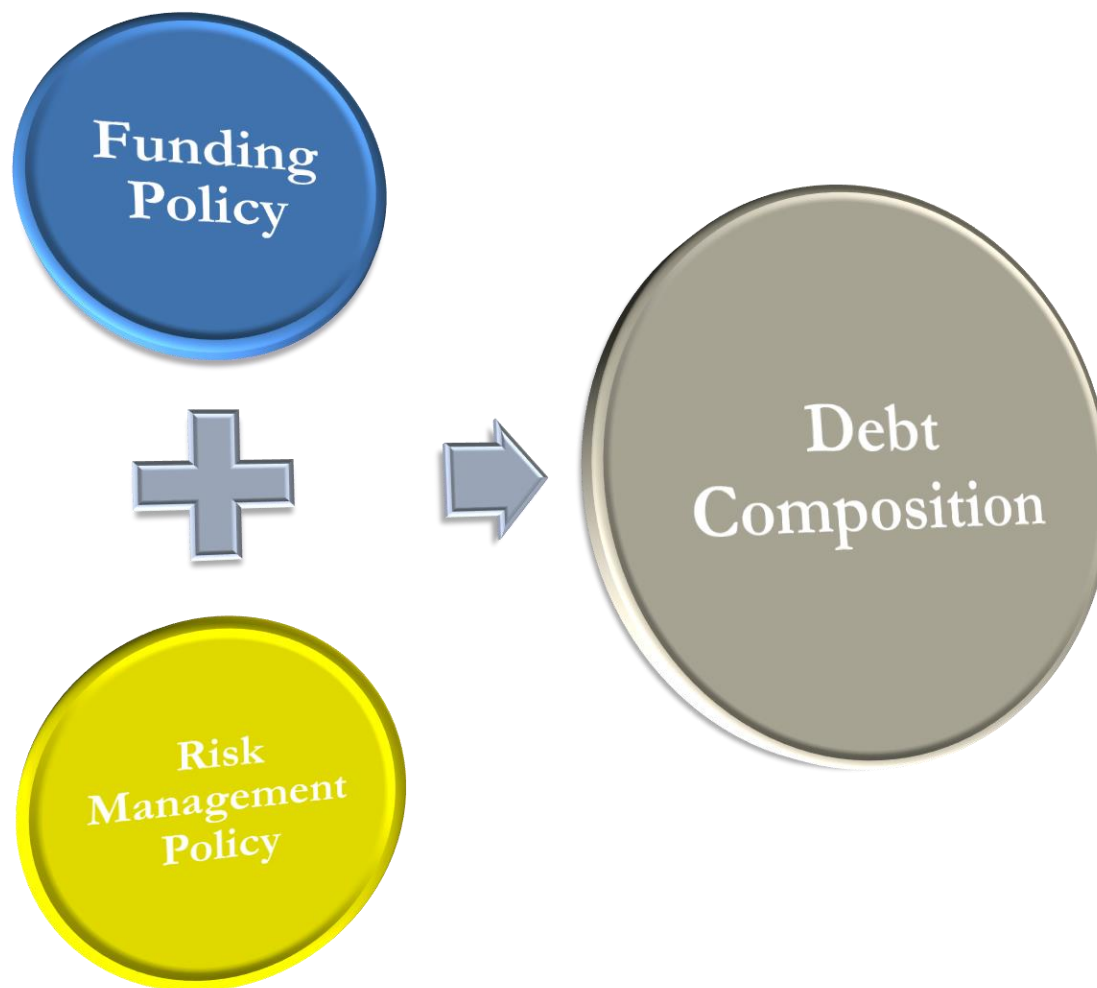
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Debt Management Framework



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Case Study



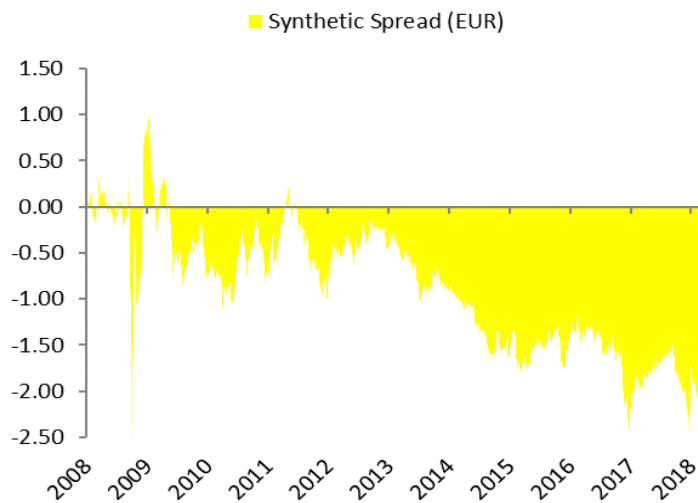
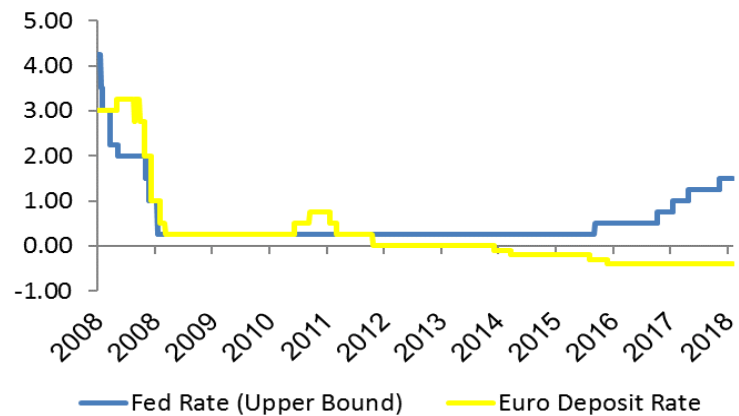
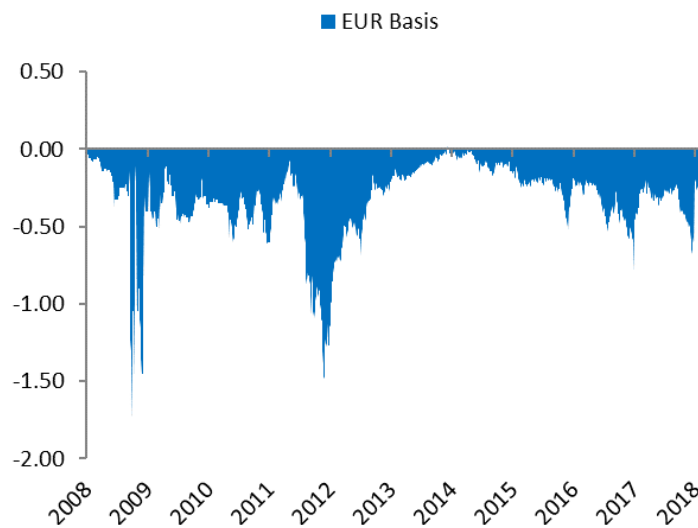
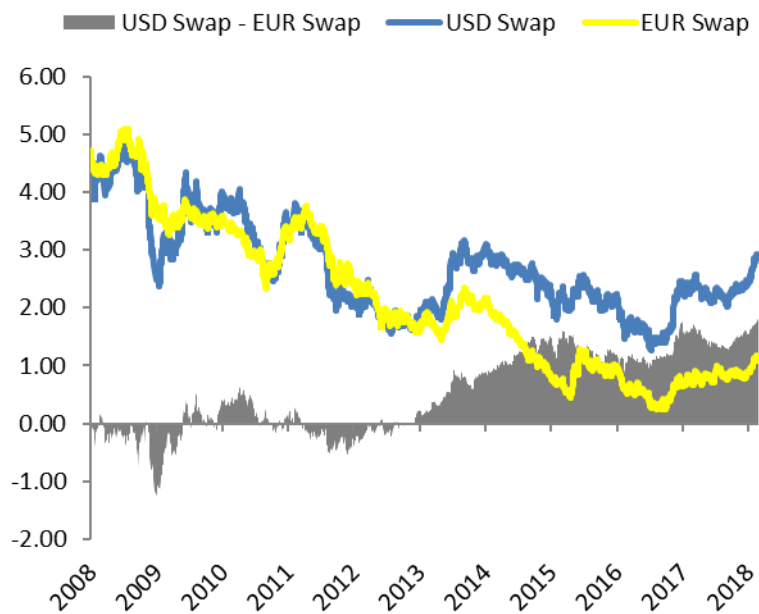
Example for Issuances (Indication)

	Column A	Column B		Column C	Column D
USD (%)	2018	Current	EUR (%)	2017	Current
Maturity	10Y		Maturity	10Y	
Treasury	2.50	2.90	Mid-Swap	0.63	1.08
Spread	0.75	0.75*	Spread	0.87	0.87*
USD Coupon	3.25	3.60	EUR Coupon	1.50	1.95

Example for Hedge (Indication)

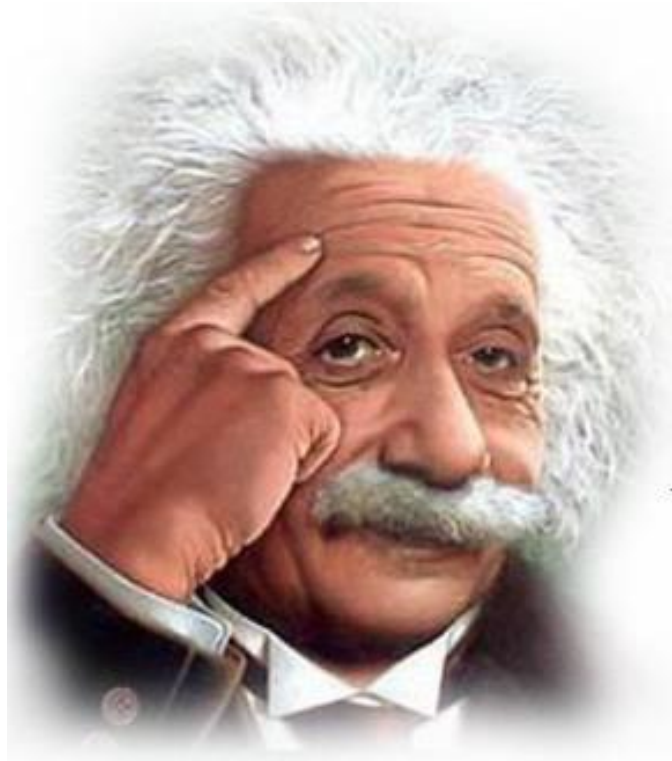
USD Issuance Coupon	3.60	EUR Issuance Coupon	1.95
EUR Swap (+)	1.08	USD Swap (+)	2.90
USD Swap (-)	2.90	EUR Swap (-)	1.08
EUR Basis (+)	-0.30	EUR Basis (-)	-0.30
CCS EUR Coupon	1.50	CCS USD Coupon	4.07

Case Study 2





To conclude



Not everything that can be
counted counts,
and not everything
that counts can be counted.

Albert Einstein

