

Portfolio Investment Survey

An International Co-ordinated Database



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1 **CPIIS: An essential tool for the future**

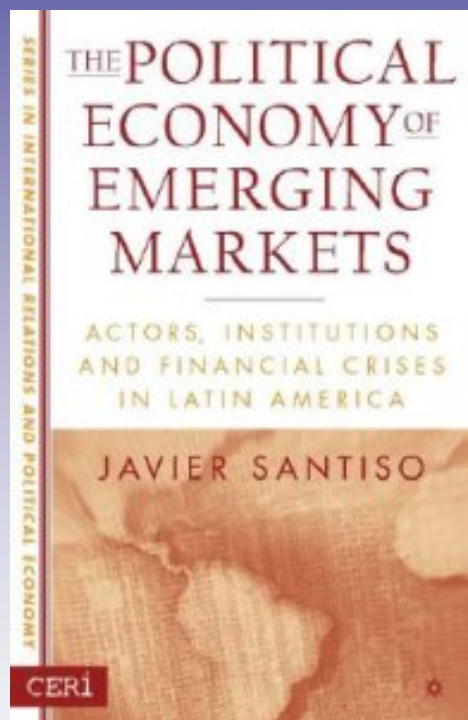
2 CPIIS+: A strategic tool for debt restructuring

3 CPIIS+: A strategic tool for emerging markets

CPIIS: An essential tool ...

- **providing improved coverage by addressing asymmetric issues in reported balance of payments data ...**
- **... and especially in portfolio investment flows**
- **undertaken on an annual basis since 2001 with 63 of the participating economies.**

... that in 2000 would have been very useful for monitoring portfolio flows



Source: Palgrave, 2003.

- In 2000 no systematic databases of portfolio investments were available
- One year spent with a research team of 3 economists to collect microeconomic data
- 300 interviews conducted with asset managers, buy-side and sell-side strategists

The political economy of emerging markets: actors, institutions and crises

Emerging Market Equity Funds : Money Managers Ranked by Total Net Assets, July 2000

	Assets Under Management	Rank July 2000	Web site
Capital International	27,955	1	http://www.capgroup.com/
Templeton Investment Management	9,115	2	http://www.franklintempleton.com/
Schroder Investment Management	7,636	3	http://www.schroder.co.uk/
Fidelity Investments	7,130	4	http://www100.fidelity.com/
Morgan Stanley Dean Witter Invs MGT	5,176	5	http://www.msdw.com/institutional/investmentmanagement/
Jardine Fleming Investment MGT	3,193	6	http://www.jffunds.com/
Genesis Fund Managers	3,041	7	http://www.giml.uk.com/
Morgan Grenfell Asset Management	3,027	8	http://www.deam-us.com/dam/
Scudder Kemper Investments	2,776	9	http://www.scudder.com/t/index.jhtml
Fleming Investment Management	2,750	10	http://www.flemingfunds.co.uk/
Invesco Asset Management	2,537	11	http://www.invescofunds.com/
UBS Asset Management	2,531	12	http://www.ubsbrinson.com/
Credit Suisse Asset Management	2,521	13	http://www.csam.com/
Baring Asset Management	2,438	14	http://www.baring-asset.com/flash.htm
HSBC Asset Management	1,913	15	http://www.hkbc.com/english/
ABN Amro Asset Management	1,839	16	http://www.abnamrofunds-usa.com/
T. Rowe Price - Fleming International	1,655	17	http://www.troweprice.com/index.html
Mercury Asset Management	1,466	18	http://www.mam.com/uksite/index.htm
SEI Investments	1,377	19	http://www.seic.com/
Foreign & Colonial Emerging Markets	1,272	20	http://www.fandc.co.uk/
Grantham, Mayo, van Otterloo	1,259	21	http://www.gmo.com/
Frank Russell Investment Management	1,256	22	http://www.russell.com/us/home/
Batterymarch Financial Management	1,225	23	http://www.batterymarch.com/
Dresdner RCM Global Advisors	1,151	24	http://www.drcm.co.uk/
Newport Pacific Management	1,146	25	http://www.lib.com/newport.html
Deutsche Bank Investment Management	1,144	26	http://www.deam.co.uk/
Impulsora del Fondo Mexico	1,105	27	
Vanguard Group	1,102	28	http://www.vanguard.com/
Merryl Lynch Asset Management	1,058	29	http://www.merrilllynch.com/mutual_funds.htm
JP Morgan Investment Management	973	30	http://www.jpmorgan.com/mutualfunds/
Credit Lyonnais Asset Management	950	31	http://www.clamdirect.com/
Advantage Advisers	931	32	
Aberdeen Asset Managers	926	33	http://www.aberdeen-asset.com/

The political economy of emerging markets: actors, institutions and crises

Global Emerging Markets Funds : Fixed Income
Sample of Interviews, July 2000.

Fund Name	Assets (USD mios)	Fund Manager	Domicile
Emerging Markets Growth Fund *	22,638.65	Capital International	US
Capital International Emerging Markets *	4,310.35	Capital International	US
Schroder Emerging Markets Fund	2,781.77	Schroder Investment Management	UK
Templeton Developing Markets Trust *	2,733.49	Templeton Investment Management	US
Templeton IF Emerging Markets Series *	2,242.67	Templeton Investment Management	US
Genesis Emerging Markets Fund *	2,180.29	Genesis Investment Management	UK
MSWD Emerging Markets Portfolio A	1,417.58	Morgan Stanley Dean Witter Investments	US
SEI Emerging Markets Equity Fund *	1,378.88	SEI Investments	US
UBS Equity Fund Emerging Markets *	1,227.36	UBS Asset Management	CH
Templeton Emerging Markets Inv. Trust *	1,136.47	Templeton Investment Management	US
Vanguard Emerging Markets Stock *	1,102.41	Vanguard Group	US
GMO Emerging Markets Fund *	1,101.66	Grantham, Mayo, van Otterloo	US
Deutsche GSF Emerging Markets Fund A	1,073.60	Deutsche Morgan Grenfell Asset MGT	UK
Batterymarch Global Emerging Markets *	1,063.31	Batterymarch Financial Management	US
Emerging Markets Trust *	931.49	Capital International	US
Investlion Emergents	723.03	Credit Lyonnais Asset Management	France
Berstein Emerging Markets Fund	661.89	Sanford C. Bernstein	US
Quantum Emerging Market Fund *	660.04	Soros Fund Management	US
AAF Global Emerging Markets Equity *	610.72	ABN Amro Asset Management	US
Mercury ST Emerging Markets Fund	549.42	Mercury Asset Management	UK
Franklin Templeton IF Emerging Markets *	505.67	Templeton Investment Management	US
Baring EMUF Global Emerging Markets *	459	Baring Asset Management	US
Frank Russell Investment EM Fund S	427.35	Frank Russell Investment Management	US
Pictet targeted Fund Emerging Markets	421.62	Pictet Asset Management	UK
Fidelity Institutional Emerging Markets *	418.28	Fidelity	US
Morgan Stanley Dean Witter EM Fund	407.07	Morgan Stanley Dean Witter Investments	US
Schroder Global Emerging Markets Fund	391.56	Schroder Investment Management	UK
Ssga Emerging Markets Fund	378.59	State Street Global Advisors	US
Schroder Emerging Markets Fund	372.01	Schroder Investment Management	UK
Fleming Emerging Markets Fund	359.6	Fleming Asset Management	UK
JPM Emerging Markets Equity Fund A	324.08	JP Morgan Investment Management	US
Mercury Emerging Markets Fund	304.1	Mercury Asset Management	UK
Fleming Emerging Markets Investment T	272.91	Fleming Asset Management	UK
F&C Emerging Markets Investment Trust	263.05	Foreign & Colonial Emerging Markets	UK
CS Equity Fund Emerging Markets Fund	261.4	Credit Suisse Asset Management	US
Axa Sun Life Emerging Markets Fund	255.22	Axa Sun Life Investment Management	France

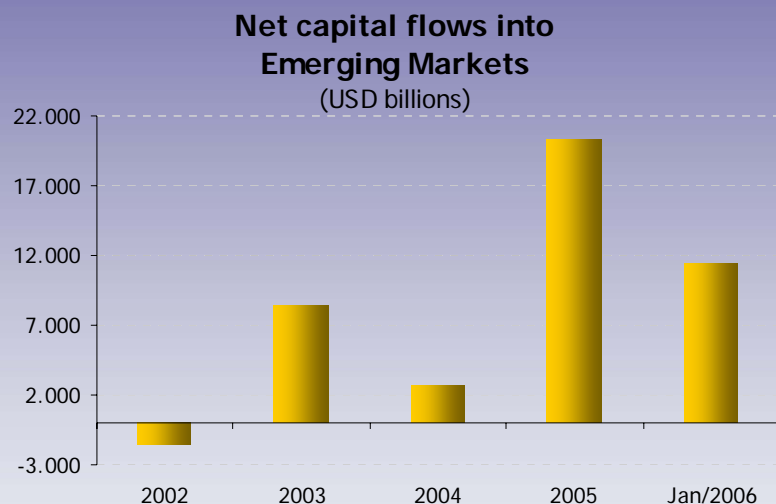
The political economy of emerging markets: actors, institutions and crises

100 Largest Emerging Markets Equity Funds, July 2000

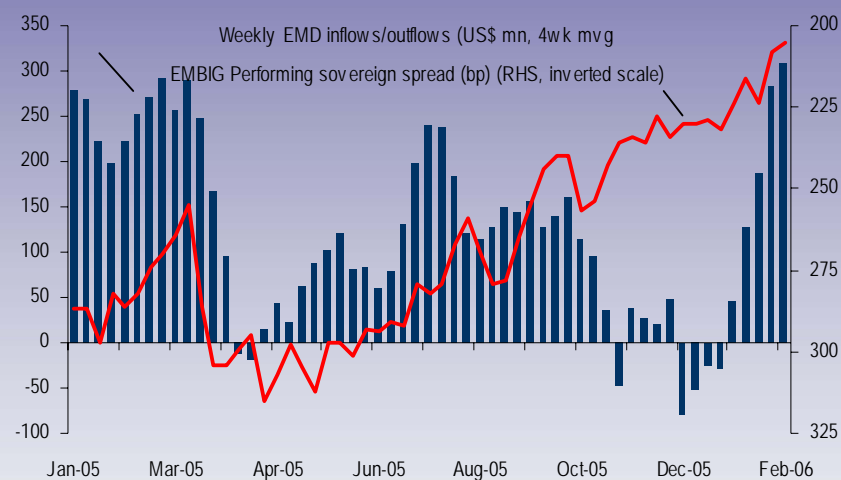
Name	Assets (USD mios)	Ranking
Emerging Markets Growth Fund	22,638	1
Capital International Emerging Markets Fund	4,310	2
Schroder Emerging Markets Fund	2,781	3
Templeton developing Markets Trust	2,733	4
Templeton IF Emerging Markets Series	2,424	5
Genesis Emerging Markets	2,180	6
MSDW IF Emerging Markets Portfolio A	1,417	7
SEI Emerging Markets Equity Fund	1,377	8
UBS (Ch) Equity Fund Emerging Markets	1,227	9
T Rowe Price New Asia Fund	1,205	10
Templeton Emerging Markets Investment Trust	1,136	11
Mexico Fund	1,105	12
Vanguard Emerging Markets Stock Index Fund	1,102	13
GMO Emerging Markets Fund III	1,101	14
Deutsche GSF Global Emerging Markets Fund A	1,073	15
Batterymarch Global Emerging Markets Fund	1,063	16
Deutsche Profunds Pacific Fund A	1,007	17
Korea Fund	1,002	18

Source: Javier Santiso, *The political economy of emerging markets: actors, institutions and financial crises in Latin America*, New York, Palgrave, 2003.

Since 2000 new databases have been developed with higher update frequency



Source: BBVA, Capital Flows, EPFR



Sources: EPFR, Bloomberg, and Santander Investment.

<http://www.emergingportfolio.com/>

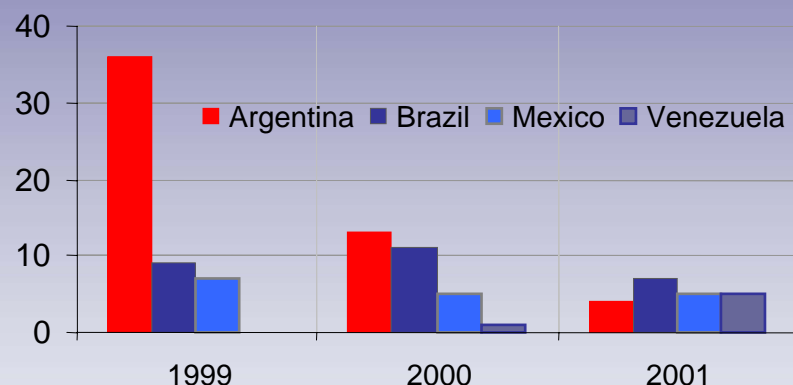
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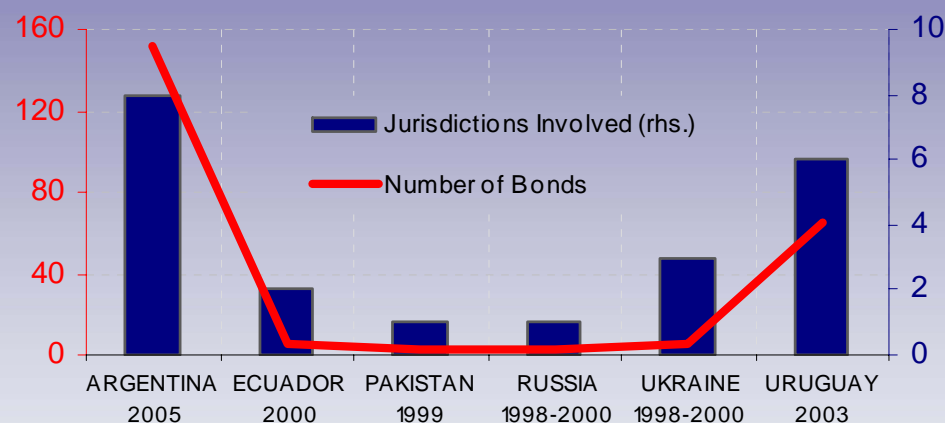
Back to the Argentine Debt Default: CPIS+ as a strategic tool?

Latin American Countries: Number of Sovereign Bonds Issued before the Argentinean Crisis



Source: Nieto and Santiso (2006)

Comparison of recent sovereign debt restructurings



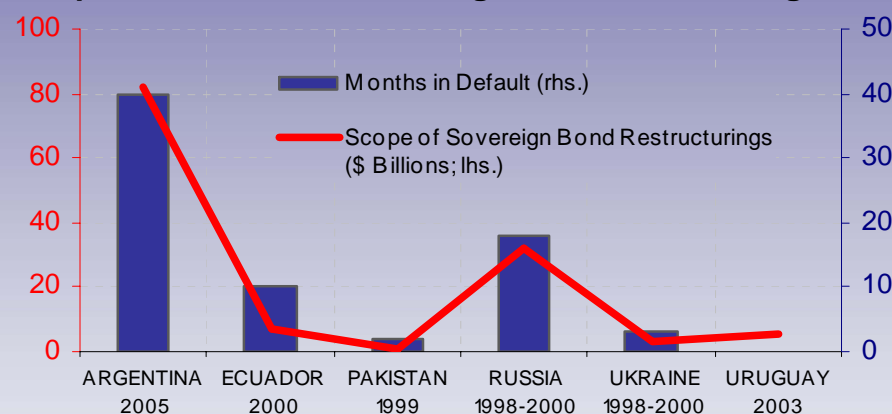
Source: Porzecanski (2005)

The Argentine giant debt default has been epic in scale.

It involved 152 varieties of paper denominated in six currencies and governed by eight jurisdictions.

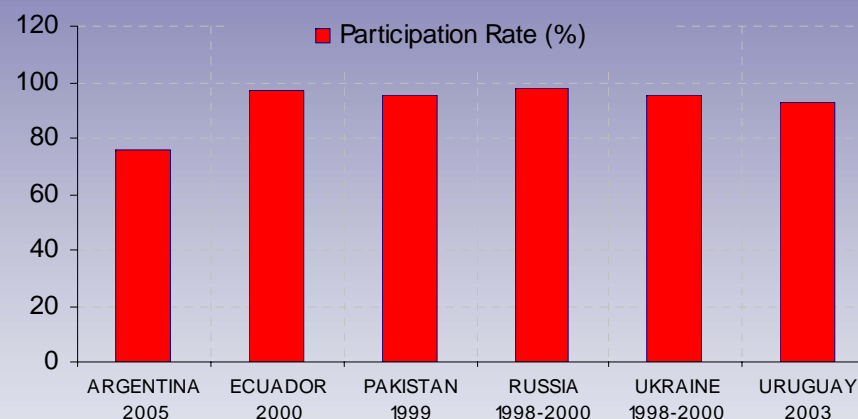
Back to the Argentine Debt Default: CPIS+ as a strategic tool?

Comparison of recent sovereign debt restructurings



Source: Porzecanski (2005)

Comparison of recent sovereign debt restructurings



Source: Porzecanski (2005)

Argentina defaulted on bonds worth \$81 billion in December 2001.

It represented the longest period of debt restructuring : no database of Argentine bondholders is available (Lazard was hired for a year for this purpose).

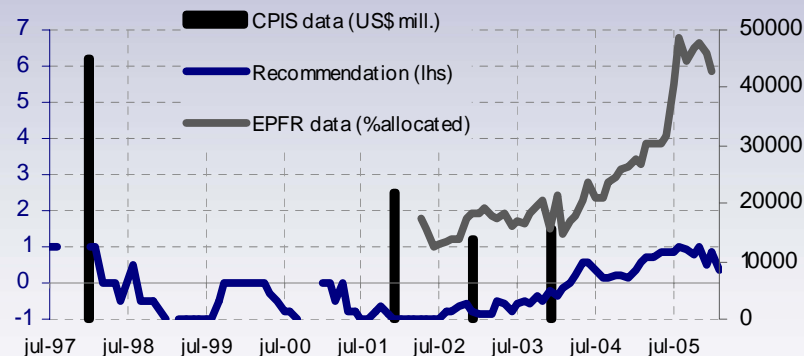
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The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

■ Argentina (1997-2005):

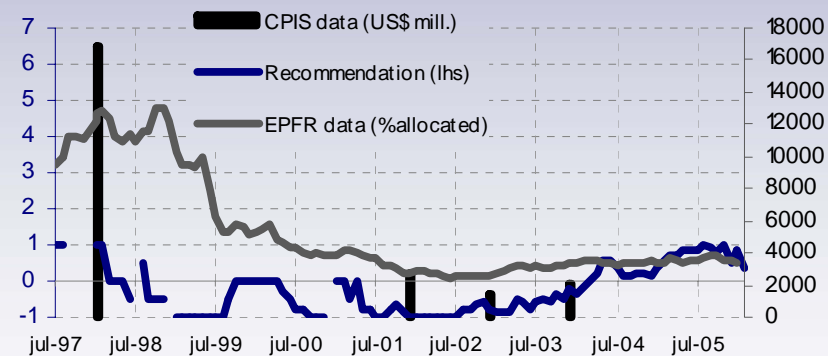
- 67% of underwriters' recommendations were "neutral" or "overweight".
- 100% of underwriters' recommendations were the same or more favorable than the others' recommendations (25% more favorable).

Argentina: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Argentina: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

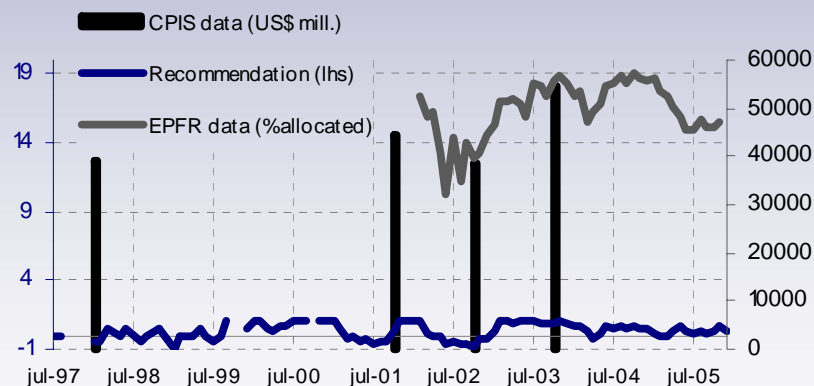
Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.

The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

■ Brazil:

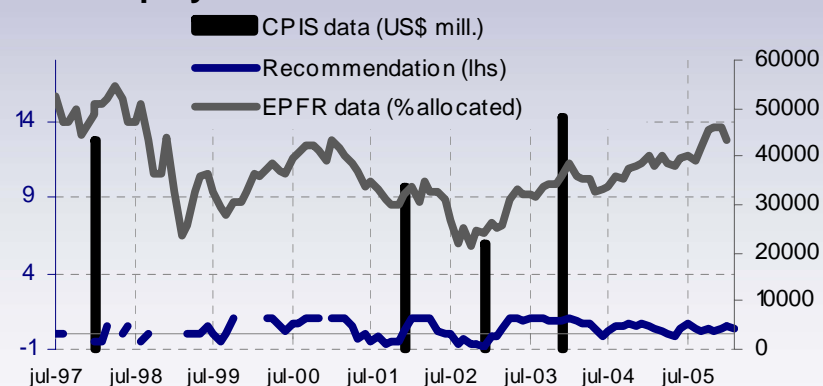
- 100% of underwriters' recommendations were "neutral" or "overweight" (57% were "overweight").
- 70% of underwriters' recommendations were the same or more favorable than the others' recommendations (35% more favorable).

Brazil: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Brazil: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

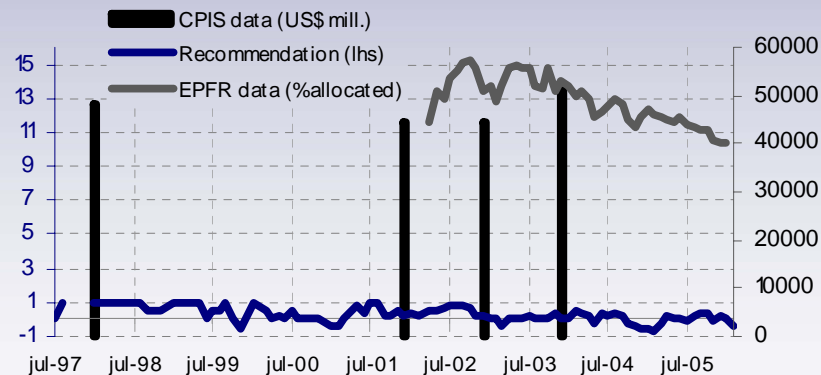
Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.

The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

■ Mexico:

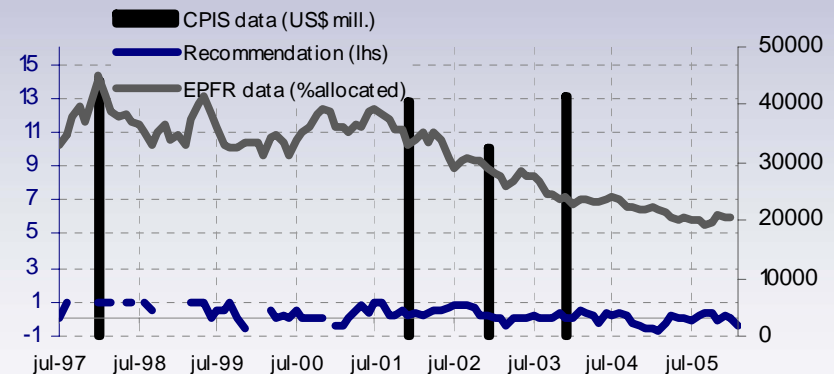
- 85% of underwriters' recommendations were "neutral" or "overweight" (30% were "overweight").
- 70% of underwriters' recommendations were the same or more favorable than the others' recommendations (40% more favorable).

Mexico: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Mexico: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.

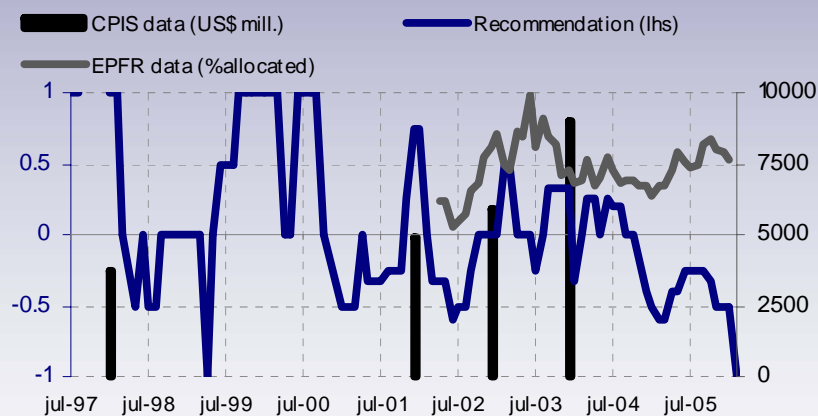
**Thank you
for your attention!**

Annex 1

The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

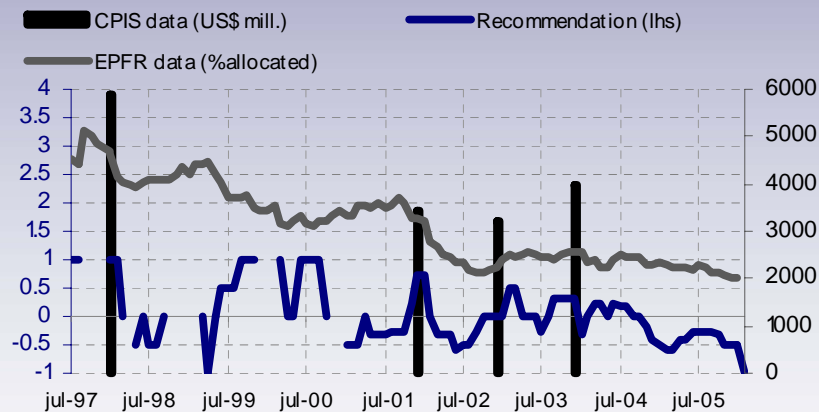
■ Chile

Chile: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Chile: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

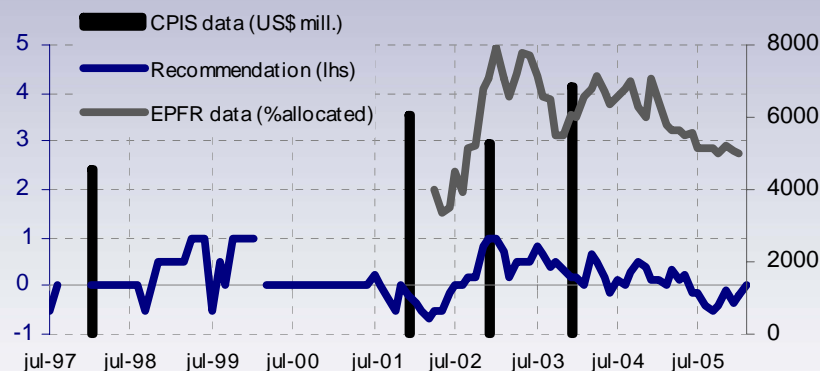
Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.

Annex 2

The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

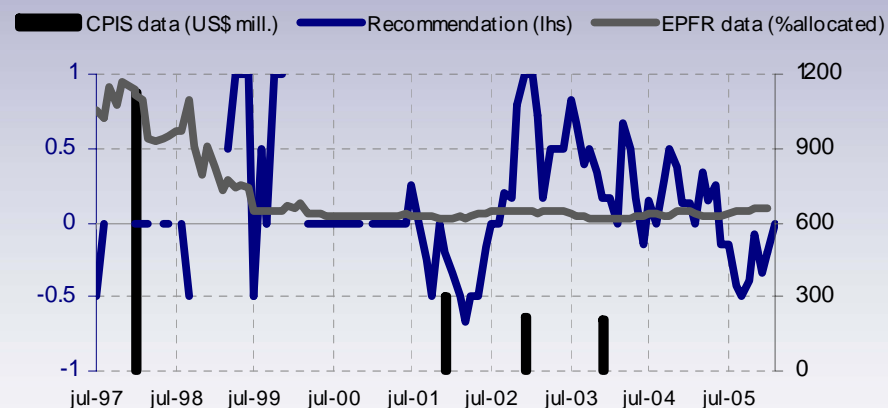
■ Colombia

Colombia: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Colombia: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

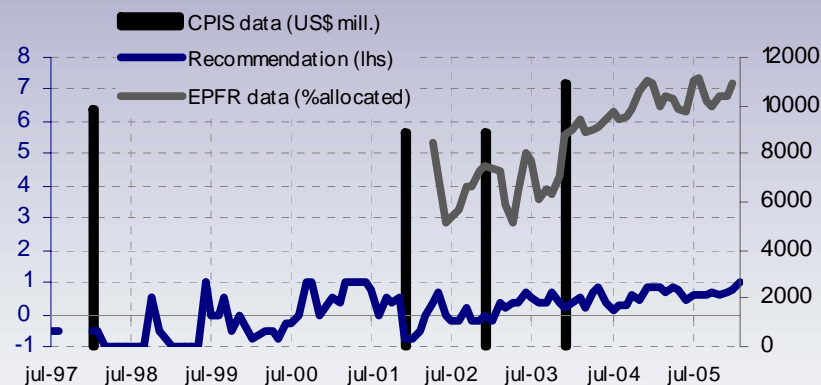
Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.

Annex 3

The Usual Suspects: Investment Banks' Recommendations and Emerging Markets

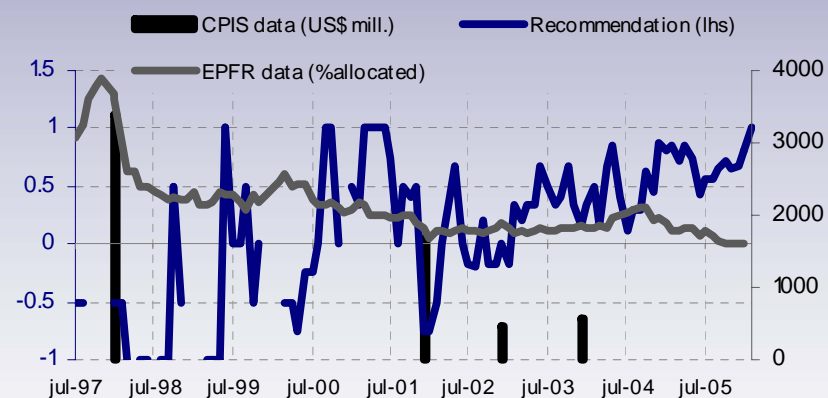
Venezuela

Venezuela: Bond flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Venezuela: Equity flows and recommendations



Source: The authors, IMF(CPIS) and EPFR

Source: Sebastián Nieto and Javier Santiso, "The Usual Suspects: Investment Banks Recommendations and Emerging Markets", forthcoming, Working Paper, 2006.