

---

[Working Paper No. 766](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

León-Rincón, Carlos

Karen Juliet Leiton

Jhonatan Pérez

AUTHORS AND/OR EDITORS

[León-Rincón, Carlos Eduardo](#)

[Jhonatan Pérez](#)

---

---

Since correlation may be interpreted as a measure of the influence across time-series, it may be conveniently mapped into a distance and into a weighted adjacency matrix. Based on such matrix, network theory has attempted to filter out the noise in correlation matrices by extracting the dominant hierarchy (i.e. the strongest linear-dependence signals) within time-series.

The aim of this brief paper is to find the current hierarchy in the sovereigns' CDS market after the introduction of the new CDS contracts in 2009. The results are presented in the form of a hierarchy of sovereigns, where sovereigns are ranked by the largest CDS spread. The results are compared with the results of the previous studies (Gill and Wright, 2010) and the results of the previous studies (Gill and Wright, 2010) also suggest the existence of a hierarchy of sovereigns, where sovereigns are ranked by the largest CDS spread. The results are compared with the results of the previous studies (Gill and Wright, 2010) and the results of the previous studies (Gill and Wright, 2010) also suggest the existence of a hierarchy of sovereigns, where sovereigns are ranked by the largest CDS spread.