Applied credit derivatives pricing

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1. introduction to credit derivatives
2. single name credit default swaps
3. multi name (basket)credit default swaps
4. Asset Backed Securities (ABS) and Collateralized Debt Obligations (CDO)

Introduction to credit derivatives

a1 what is a credit default swap

a2 contractual specification of a CDS

a3 trading conventions

a4 recovery rates vs probability of default. Assesment of liquidation proceeds in a workout process.

Single name CDS

b0 the Jarrow Thurnbull model

b1 pricing of a single name CDS (deterministic JT model)

b2 hedging of a single name CDS

b3 bespoken CDS pricing (fixed recovery, multi spread, ....)

b4 multi lambda JT model

b5 Credit Linked Note (CLN), principal protected CLN

b6 bonds and CDS: basis

b7 Montecarlo pricing

Multi name CDS

c0 copula theory

c1 pricing of a multi name CDS (MC): first to default, n-to-default.

c2 hedging of a multi name CDS

c3 the Merton model and Credit risk models

Abs and CDOs

d1Abs features

d2 tranching of an Abs

d3 Vasicek LHP model and CDOs