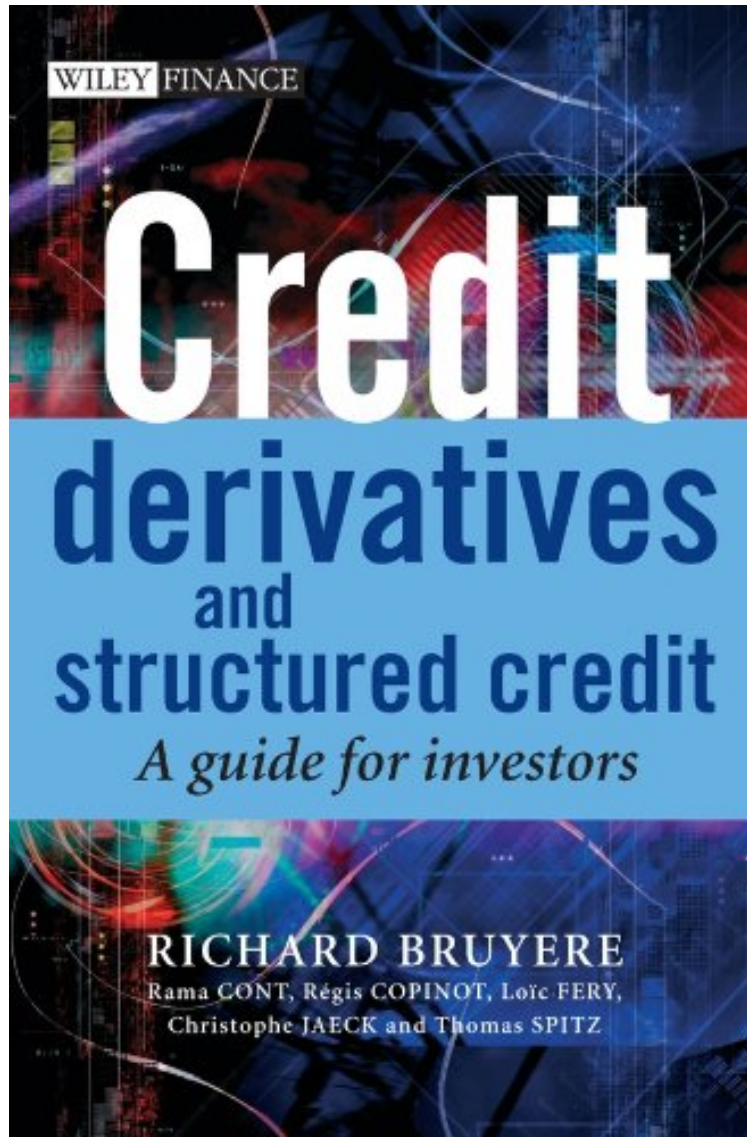


Credit Derivatives and Structured Credit: A Guide for Investors (The Wiley Finance Series)

Richard Bruyere, Régis Copinot, Loïc Fery, Christophe Jaeck, Thomas Spitz
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Richard Bruyere, Régis Copinot, Loïc Fery, Christophe Jaeck, Thomas Spitz : Credit Derivatives and Structured Credit: A Guide for Investors (The Wiley Finance Series) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Credit Derivatives and Structured Credit: A Guide for Investors (The Wiley Finance Series):

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in front of me...in library. I spend more than six hours to read it through. It is a nice book which explains different kinds of credit-risk related financial instruments throughly. It is a nice translation which is originated from French. The are four episodes from the book. The first part is the introduction of credit risk and the regulation of Basel Accord. The second part is the instruments introduction including the building blocks of interest rate swaps, Credit Defaults Swaps (CDS) and its synthetic types. Moreover, it introduces the Basket CDS and other extensions such as credit index-linked type product. It should be noted that the CDS seller is the protection buyer and vice versa. Last, it introduces the Collateralized Debt Obligations (CDO) and its extensions such as Cash-flow CDOs, Balance Sheet-Driven CDOs, Arbitrage-Driven Synthetic CDOs. The merit of CDO is that (1) It is the second generation production as the credit is not just pass-through but redistributed, (2) It has been credit-enhanced by internal or external ways, (3) It is transferred to the bankruptcy-remote SPV the same as the first-generation one. The third part of the book is talking about the pricing model of credit derivatives. The most famous one is the structural model induced from the B-S-M option pricing. Compared with the structural model, the induced model is more complicated as it let the interest rate or other interested one to be an exogenous-given stochastic process and can play the more precise calibration of parameter estimation. But the reduced-model is hard to be extended to the mutivariate case as the structural one for multi-asset consideration. The authors gives deep explanation for the difference in their Chapter 6. The last part of the book has analyzed the credit market situation and hopes to persuade the readers the importance of credit derivatives market. But it also mentions the weakness of the professional market which let the latest credit-crunch disaster happens nowadays. they also provide an interesting viewpoint about the particle finance theory which is first proposed by the former CEO of Bank Trust, Charles S. Sanford. He thinks in a complete and perfect market, we will see that the role of bank has transformed itself into a pure risk manager. Even the bank has not throughly understand the credit risk it takes, it can easily transfer it to the more experienced bankers or market participants through trading. Unfortunately, it has not happened YET.... In the last part, it also mentions the importance of risk-adjusted return of banks through the RAROC measure which incorporate the ideas of regulated capital, Economic Capital, Expected Loss, Banking Net Income to have the ROE-like measure of banking profit. All in all, it is fascinating and does inspire people to know the credit risk better. So...it goes....1 of 1 people found the following review helpful. nice introBy Barrier Options a very good intro to credit derivs in a qualitative way. if you just started learning credit derivs, it is a nice 1st read. the authors are very knowledgeable about the market and products. but the price is a bit too high.

Over the past decade, credit derivatives have emerged as the key financial innovation in global capital markets. At end 2004, the market size hit \$6.4 billion (in notional amounts) from virtually nothing in 1995. This rise has been spurred by the imperative for banks to better manage their risks, not least credit risks, and the appetite shown by institutional investors and hedge funds for innovative, high yielding structured investment products. As a result, growth in collateralized debt obligations and other second-generation products, such as credit indices, is currently phenomenal. It is enabled by the standardization and increased liquidity in credit default swaps; the building block of the credit derivatives market. Written by market practitioners and specialists, this book covers the fundamentals of the credit derivatives and structured credit market, including in-depth product descriptions, analysis of real transactions, market overview, pricing models, banks business models. It is recommended reading for students in business schools and financial courses, academics, and professionals working in investment and asset management, banking, corporate treasury and the capital markets. Highlights include: Written by market practitioners and specialists with first-hand experience in the credit derivatives and structured credit market A clearly-written, pedagogical book with numerous illustrations Detailed review of real-case transactions A comprehensive historical perspective on market developments including up-to-date analysis of the latest trends

From the Inside Flap "The authors propose an instructive overview of the credit derivatives market and of structured credit, explaining why these areas are becoming increasingly more important for investors. Without excessively insisting on technicalities or on modeling aspects, the authors carry the reader through a balanced tour of the credit market involving motivation, structuring, recent product innovation, modeling principles, correlation products and second generation derivatives among other interesting issues." - Damiano Brigo, Head of Credit Models, Banca IMI, author of Interest Rate Models: Theory and Practice. "A must read for investors, bankers and academics to understand the mechanics of credit derivatives and structured credit products. The book provides the reader with a comprehensive mix of theory and concrete examples on the most innovative topics in the credit derivatives space." - Enno Balz, Director, head of Portfolio Investments at IKB Deutsche Industriebank "This book provides a comprehensive analysis of the drivers and challenges of the structured credit market which has evolved since the late nineties from a niche market to become an integrated part of today's fixed income market. The authors also highlight the differences in methodologies and market developments supported by real life examples which show the risk and the opportunities in this fast developing market." - Marcus Klug, Managing Director, UNIQA Alternative Investments "A great introduction to today's credit derivatives market. Both conceptual and practical in its approach, Bruyere team's book addressed the key issues facing the financial industry's fastest growing area." - Francisco Arcilla, Director of trading,

KBC Alternative Investment Management From the Back Cover
Credit derivatives and structured credit A Guide for Investors
Richard Bruyere with Rama Cont, Rgis Copinot, Loc Fery, Christophe Jaeck and Thomas Spitz
Over the past decade, credit derivatives have emerged as the key financial innovation in global capital markets. At end 2004, the market size hit \$6.4 billion (in notional amounts) from virtually nothing in 1995. This rise has been spurred by the imperative for banks to better manage their risks, not least credit risks, and the appetite shown by institutional investors and hedge funds for innovative, high yielding structured investment products. As a result, growth in collateralized debt obligations and other second-generation products, such as credit indices, is currently phenomenal. It is enabled by the standardization and increased liquidity in credit default swaps ndash; the building block of the credit derivatives market. Written by market practitioners and specialists, this book covers the fundamentals of the credit derivatives and structured credit market, including in-depth product descriptions, analysis of real transactions, market overview, pricing models, banks business models. It is recommended reading for students in business schools and financial courses, academics, and professionals working in investment and asset management, banking, corporate treasury and the capital markets. Highlights include: Written by market practitioners and specialists with first-hand experience in the credit derivatives and structured credit market A clearly-written, pedagogical book with numerous illustrations Detailed review of real-case transactions A comprehensive historical perspective on market developments including up-to-date analysis of the latest trends About the Author RICHARD BRUYERE, a partner of Finance Concepts (capital markets and risk management consulting), is a former credit derivatives professional with experience in marketing, trading and structuring credit derivatives with SG and Credit Suisse First Boston. He is the author of *Produits drivs de crdit* (Economical: 1998, 2004). RAMA CONT is a research scientist at Centre de Matheacute;matiques Appliques, Ecole Polytechnique (France) and founding partner of Finance Concepts. He is the author of several research articles in quantitative finance and co-author of *Financial modelling with jump processes* (CRC Press, 2003) and *Produits drivs de crdit* (Economica: 2004). RGIS COPINOT is a Managing Director in Socite Gnrales Credit trading department specialist in non-investment grade credits. He has worked on derivatives products since 1992 in the London markets first in the field of Commodities Options (1992) later in Interest Rates Options (1994) and since 1998 in Credit Derivatives. Rgis Copinot is graduated from Ecole Centrale Paris. He is a co-author of *Produits drivs de crdit* (Economica: 2004). LOC FERY is managing director in the Capital Markets division of Calyon. He is in charge of the global Structured Credit CDO product-line, which includes correlation trading, as well as Cash and Synthetic CDO structuring. Loc Fery is graduated from HEC (Paris). CHRISTOPHE JAECK joined Socit Gnrale credit derivatives department in 1998. In charge of structured operations on balance sheet management (synthetic CLOs) until 2001, he is now Head of synthetic CDOs activity development in Europe. Christophe Jaeck is a graduate from ENSAE. THOMAS SPITZ began his career in Socit Gnrale as a credit derivatives trader. He joined Crdit Agricole Indosuez in 2001 as Head of Credit derivatives trading both on Europe and the United States. Since 2004, in Calyon, he is the Head of Trading and Risk Management team for the Structured Credit, Deivatives CDO Group. Thomas Spitz is a graduate from ENSAE.