EMERGING OPPORTUNITIES IN THE CREDIT DERIVATIVE MARKET

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Workshop
Emerging Opportunities in the Credit Derivative Market
(A, W)
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The workshop is intended to provide a general awareness of the credit derivative market; the instruments that are available; and comparison with insurance based products.

In addition some of the possible effects of the credit derivative market on the emergence of integrated financial services will be discussed.

Topics to be covered

What are credit derivatives?
- Basic construction and operation of a credit derivative
- What flexibility is there in the contract?

Comparison with insurance
- Indemnity vs financial risks
- Mark-to-market and reserving
- Counterparty default

Basic credit derivatives
- Credit default swap
- Total return swap
- Asset swaps and credit linked notes

Structured credit derivatives
- Layering and portfolios
- Asset backed derivatives
- Where next?

Risk-Funding Bifurcation
- What is this?
- Why bother?
- Internal and external risk transfer

Assets risks and liquidity management
- Understanding liquidity risk
Utilisation of derivatives in portfolio management