Contents

Preface	ix
Editor	xix
Contributors	xxi
PART I A VIEW ON CREDIT DERIVATIVES	
CHAPTER 1 • Single Name Credit Default Swap Valuation: A Review	3
Anouk G.P. Claes and Marc J.K. De Ceuster	
CHAPTER 2 ■ Valuation of Credit Derivatives with Counterparty Risk	21
Volker Läger, Andreas Oehler, Marco Rummer, and Dirk Schiefer	
Снартек 3 • Integrated Credit Portfolio Management: A Preview	39
Jochen Felsenheimer and Philip Gisdakis	
CHAPTER 4 • Credit Default Swaps and an Application to the Art Market: A Proposal	53
Rachel A.J. Campbell and Christian Wiehenkamp	
PART II CREDIT RISK, SPREADS, AND SPREAD DETERMINANTS	
CHAPTER 5 • Credit Default Swaps and Equity Prices: The iTraxx CDS Index Market	69
Hans Byström	

CHAPTER 6 • The Determinants of Credit Default Swap Prices:	0.5
An Industry-Based Investigation	85
Danielle Sougné, Cédric Heuchenne, and Georges Hübner	
Снартев 7 ■ Credit Spread Dynamics: Evidence from Latin America	97
Kannan Thuraisamy, Gerry Gannon, and Jonathan A. Batten	
CHAPTER 8 - Accounting Data Transparency and Credit Spreads: Clinical Studies	115
Umberto Cherubini	
CHAPTER 9 • Anticipating Credit Events Using Credit Default Swaps: An Application to Sovereign Debt Crises	139
Jorge Antonio Chan-Lau	
PART III CREDIT RISK MODELING AND PRICING	
CHAPTER 10 • Investigating the Role of Systematic and Firm-Specific Factors in Default Risk: Lessons from Empirically Evaluating Credit Risk Models	15 <i>7</i>
Gurdip Bakshi, Dilip Madan, and Frank Xiaoling Zhang	
CHAPTER 11 ■ Pricing CDX Credit Default Swaps with CreditGrades and Trinomial Trees	181
Christian Stewart and Niklas Wagner	
CHAPTER 12 Pricing CDX Credit Default Swaps Using the Hull-White Model	197
Bastian Hofberger and Niklas Wagner	•
PART IV DEFAULT RISK, RECOVERY RISK, AND RATING	
CHAPTER 13 • The Link between Default and Recovery Rates: Theory, Empirical Evidence, and Implications	211
Edward I. Altman, Brooks Brady, Andrea Resti, and Andrea Sironi	
CHAPTER 14 • Business and Financial Indicators: What Are the Determinants of Default Probability Changes?	235
Fabien Couderc, Olivier Renault, and Olivier Scaillet	

CHAPTER 15	 Managing Credit Risk for Retail Low-Default Portfolios 	269
Gabriele Sab	ato	
CHAPTER 16	Tests on the Accuracy of Basel II	289
Simone Varo	tto	
Part '	V CREDIT RISK DEPENDENCE AND DEPENDENT DEFAULTS	
Chapter 17	Correlation Risk: What the Market Is Telling Us and Does It Make Sense?	317
Vineer Bhans	ali	
Chapter 18	Copula-Based Default Dependence Modeling: Where Do We Stand?	327
Elisa Luciano		
Chapter 19	 Correlated Default Processes: A Criterion-Based Copula Approach 	347
Sanjiv R. Das	and Gary Geng	
Chapter 20 i	 Systematic Credit Risk: CDX Index Correlation and Extreme Dependence 	377
Sofiane Abou	ıra and Niklas Wagner	
Part VI	OPTIONS, PORTFOLIOS, AND PRICING LOSS DISTRIBUTION TRANCHES	I
Chapter 21	 CDS Options through Candidate Market Models and the CDS-Calibrated CIR++ Stochastic Intensity Model 	393
Damiano Briį		
	Arbitrage Pricing of Credit Derivatives	427
Siu Lam Ho a	and Lixin Wu	
Chapter 23	An Empirical Analysis of CDO Data	457
Vincent Leijd	ekker, Martijn van der Voort, and Ton Vorst	

CHAPTER 24 Pricing Tranched Credit Products with Generalized Multifactor Models	485
Manuel Moreno, Juan I. Peña, and Pedro Serrano	
CHAPTER 25 • CDO Prices and Risk Management: A Comparative Study of Alternative Approaches for iTraxx Pricing	<u>511</u>
Jean-Michel Bourdoux, Georges Hübner, and Jean-Roch Sibille	
CHAPTER 26 Numerical Pricing of Collateral Debt Obligations: A Monte Carlo Approach	527
Manuel Moreno and Pedro Serrano	
About the Contributors	551
Index	565