Latest Developments: Credit Risk & Modelling

London: 10th – 11th December 2009

This workshop provides TWO booking options

Register to ANY ONE day of the workshop

Register to BOTH days of the workshop and receive £200 discount

Topics:

Day 1: Counterparty Risk & Credit Modelling

- **Counterparty risk valuation in general**
- **Impact of dynamics, volatilities and correlation on the credit valuation adjustments (CVA)**
- **Credit Modeling Pre- and In-Crisis**
- **Studying default cases with Realistic Structural Models**
- **Intensity modelling with credit spread volatility and jumps**
- **How flat correlation missed the link between skew and systemic risk**
- **How mapping missed the role of dispersion in skew dynamics**
- **Solutions in practice: making correlation a function of seniority and dispersion based mapping**
- **The implication on Credit Market Models and the pricing of index options**
- **Credit convexity adjustments for new term structure relations**

Presenters:

Damiano Brigo: Managing Director, FitchSolutions
Massimo Morini: Head of Credit Models, Banca IMI

Day 2: Credit Derivatives & Risk Management

- **Credit Derivatives and the Credit Crisis**
- **Why did models fail?**
- **Stochastic recovery, systemic risk and other extensions**
- **CDO pricing – What went wrong and why?**
- **Risk Management Issues in Structured Credit**
- **Default risk and delta hedging**
- **Mapping adjustments and break-even correlation**
- **Counterparty Risk in Credit Derivatives**
- **Impact on indices and index tranches**
- **Centralised counterparty for counterparty risk**

Presenter:

Jon Gregory: Independant Consultant

Day 1: Counterparty Risk & Credit Modelling
Damiano Brigo & Massimo Morini

Part I: Counterparty Risk

- **Counterparty risk valuation in general**
- **Impact of dynamics, volatilities and correlation on the credit valuation adjustments (CVA)**
- **Three examples: interest rates, commodities and CDS**

Part II: Credit Modeling Pre- and In-Crisis

- **Studying default cases with Realistic Structural Models**
- **Application to multiname products and contagion**
- **The relation between equity and credit implied by realistic structural models**
- **Application to EDS and counterparty risk in equity**
- **Intensity modelling with credit spread volatility and jumps**

- **How sudden default will be?**
- **Gap risk in Credit linked Notes**
- **Default dependence modelling**
- **How the static Gaussian Copula model missed the risk of losses concentrated in time**
- **How flat correlation missed the link between skew and systemic risk**
- **How mapping missed the role of dispersion in skew dynamics**

- **Solutions in practice: Making correlation a function of seniority and dispersionbased mapping**
- **Probability of a financial armageddon implied in CDX and i-Traxx markets**
- **How it evolved in the crisis**
- **The implication on Credit Market Models and the pricing of index options**
- **Counterparty and liquidity risk in Libor during the credit crunch**
- **Credit convexity adjustments for new term structure relations**

Day schedule:	**09:00 – 17:00**
Break:	**10:30 – 10:45**
Lunch:	**12:30 – 13:30**
Break:	**15:15 – 15:30**

Day 2: Credit Derivatives & Risk Management
Jon Gregory

Credit Derivatives and the Credit Crisis

- **Why did models fail?**
- **Moral hazards**
- **Rating agencies**
- **Counterparty risk**

CDO Pricing

- **A history of CDO pricing and overview of the correlation market**
- **Pricing a CDO and copula approaches**
- **Base correlation, strike and term structure**
- **Bespoke pricing and mapping methodologies**
- **Stochastic recovery, systemic risk and other extensions**
- **CDO pricing – what went wrong and why?**

Risk Management Issues in Structured Credit

- **CDO Greeks**
- **Default risk and delta hedging**
- **Risk management and base correlation**
- **Mapping adjustments and break-even correlation**

Counterparty Risk in Credit Derivatives

- **CDS counterparty risk**
- **Impact on indices and index tranches**
- **Monolines**
- **Centralised counterparty for counterparty risk**

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Workshop Fee:

☐ Any One day: £1099 + UK VAT

☐ Both days: £1998 + UK VAT
(Including £200 Discount)

30% discount Academic delegates

Delegate details:

Company:	
Name:	
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Name:	
Position:	
Name:	
Position:	
Department:	
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Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:
All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

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Discount Structure:
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