

## Credit Coverage

### Credit Default Swaps (CDS)

- Credit Default Swap (single asset)
- Asset-Backed Security (ABS) CDS
- Loan Credit Default Swap (LCDS)
- CDS/CDX options
- Constant Maturity Default Swap (CMDS)

### Basket CDS

- Cash flows
- First-to-default, nth-to-default, n-out-of-m to default
- Binary payoffs
- Basket CDS options

### Collateralized Debt Obligation (CDO) and Indices

- CDO tranches (synthetic & standard)
- CDO tranche cash flows
- CDO tranche linked notes
- CDS on indices
- CDS index options
- First loss CDS and CDO tranches
- Credit Index Basis Adjustments

### Cash Flow CDOS

- Simulate waterfall
- Notes can have the same or different payment frequencies

### Curve Related

- Hazard rate curve

### Other Credit

- Recovery Rate swap
- Credit linked and rating sensitive notes
  - Fixed and / or floating
- Asset swap
- Credit spread options, forwards
- Total return swap
  - Underlying bond can have user defined payment schedules
- Credit contingent swaption

### Models

- ISDA Standard Model
- Recursion method for CDOs
- Modified Black model for CDS and CDS index options (Liu & Jackel)
- Displaced diffusion model for CDS index options (Liu & Jackel)
- Gaussian Copula function model (Li)
- Multi-period Credit Index model (Hull-White)

### Utilities

- Base correlation mapping
- Default probability curve generation from
  - Swap spreads
  - Bonds
  - Rating transition
  - Equities
- IMM date compliance / upfront payments for CDS
- Greeks and risk sensitivities
- Credit loss distribution calculations
- Implied volatility
- DVO1

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