



# Credit Default Swaps

**Course outline**

## Aims

The course aims to cover mainly the market for credit default swaps. A number of related issues can be covered depending on the time available.

## Topics

Credit Default Swap fundamentals	<ul style="list-style-type: none"><li>• The CDS market</li><li>• CDS structures and contractual terms</li><li>• European and North American terms</li><li>• Understanding credit events</li><li>• Applying a framework to analyse CDS</li></ul>
Pricing CDS	<ul style="list-style-type: none"><li>• Risky PV01</li><li>• Risky DV01</li><li>• Valuing CDS from asset swaps</li><li>• Zero coupon pricing</li></ul>
Applications	<ul style="list-style-type: none"><li>• The CDS basis</li><li>• Switch trades</li><li>• Curve trades</li><li>• Forward trades</li><li>• Capital structure trades</li><li>• Butterfly trades</li></ul>
CDS related transactions	<ul style="list-style-type: none"><li>• Credit-linked notes</li><li>• CDS indices</li><li>• CDS options</li><li>• An introduction to tranches</li></ul>

## Objectives

By the end of the session the participant will be able to:

- Outline the main features of a credit default swap (CDS)
- Identify the key features of a CDS contract
- Calculate and apply the DV01 and PV01 of a CDS contract
- Construct a variety of CDS trades
- Outline the main features of credit linked notes, index transactions, index options and tranches