

# Contents

<b>1</b>	<b>Introduction and Context</b>	<b>1</b>
<b>Part I Theoretical Tools</b>		
<b>2</b>	<b>Mathematical Fundamentals</b>	<b>25</b>
<b>3</b>	<b>Expectations in the Enlarged Filtration</b>	<b>53</b>
<b>4</b>	<b>Copulas and Conditional Jump Diffusions</b>	<b>59</b>
<b>Part II Correlation Models: Practical Implementation</b>		
<b>5</b>	<b>Correlation Demystified: A General Overview</b>	<b>97</b>
<b>6</b>	<b>Correlation Skew: A Black-Scholes Approach</b>	<b>139</b>
<b>7</b>	<b>An Introduction to the Marshall-Olkin Copula</b>	<b>151</b>
<b>8</b>	<b>Numerical Tools: Basket Expansions</b>	<b>181</b>
<b>9</b>	<b>Static Replication</b>	<b>195</b>
<b>10</b>	<b>The Homogeneous Transformation</b>	<b>203</b>

<b>11</b>	<b>The Asymptotic Homogeneous Expansion</b>	<b>215</b>
<b>12</b>	<b>The Asymptotic Expansion</b>	<b>223</b>
<b>13</b>	<b>CDO-Squared: Correlation of Correlation</b>	<b>231</b>
<b>14</b>	<b>Second Generation Models: From Flat to Correlation Skew</b>	<b>261</b>
<b>15</b>	<b>Third Generation Models: From Static to Dynamic Models</b>	<b>285</b>
 <b>Part III   Advanced Topics in Pricing and Risk Management</b>		
<b>16</b>	<b>Pricing Path-Dependent Credit Products</b>	<b>317</b>
<b>17</b>	<b>Hedging in Incomplete Markets</b>	<b>341</b>
<b>18</b>	<b>Min-Variance Hedging with Carry</b>	<b>363</b>
<b>19</b>	<b>Correlation Calibration with Stochastic Recovery</b>	<b>381</b>
 <b>Part IV   The Next Challenge</b>		
<b>20</b>	<b>New Frontiers in Credit Modelling: The CVA Challenge</b>	<b>413</b>
	<b>Bibliography</b>	<b>447</b>

Credit Correlation

Theory and Practice

Elouerkhaoui, Y.

2017, XXIV, 456 p. 67 illus., Hardcover

ISBN: 978-3-319-60972-0