

SWAPS/FINANCIAL DERIVATIVES

Products, Pricing, Applications
and Risk Management

Third Edition

Satyajit Das



John Wiley & Sons (Asia) Pte Ltd

Contents

Introduction	xi
Volume 1	
ROLE AND FUNCTION OF DERIVATIVES	
1 Financial Derivatives Building Blocks – Forward & Option Contracts	3
DERIVATIVE INSTRUMENTS	
2 Exchange-Traded Products – Futures & Options On Futures Contracts	33
3 Over-The-Counter Products – FRAs, Interest Rate Swaps, Caps/Floors, Currency Forwards, Currency Swaps, Currency Options	81
PRICING & VALUING DERIVATIVE INSTRUMENTS	
4 Derivatives Pricing Framework	143
5 Interest Rates & Yield Curves	163
6 Pricing Forward & Futures Contracts	239
7 Option Pricing	327
8 Interest Rate Options Pricing	409
9 Estimating Volatility & Correlation	445
10 Pricing Interest Rate & Currency Swaps	491
11 Swap Spreads	577
DERIVATIVE TRADING & PORTFOLIO MANAGEMENT	
12 Derivatives Trading & Portfolio Management	653
13 Hedging Interest Rate Risk – Individual Instruments	695
14 Hedging Interest Rate Risk – Portfolios	729
15 Measuring Option Price Sensitivities – The Greek Alphabet Of Risk	765
16 Delta Hedging/Management Of Option Portfolios	795

Volume 2

	RISK MANAGEMENT PRINCIPLES	
17	Framework For Risk Management	845
	MARKET RISK	
18	Market Risk Measurement – Value At Risk Models	881
19	Stress Testing	1015
20	Portfolio Valuation/Mark-To-Market	1067
	CREDIT RISK	
21	Derivative Credit Risk: Measurement	1087
22	Derivative Credit Exposure: Management & Credit Enhancement ..	1137
23	Derivative Product Companies	1181
	OTHER RISKS	
24	Liquidity Risk	1221
25	Model Risk	1265
26	Operational Risk	1285
	ORGANISATION OF RISK MANAGEMENT	
27	Risk Management Function	1347
28	Risk Adjusted Performance Management	1397
	OPERATIONAL ASPECTS	
29	Operational, Systems & Technology Issues	1429
	LEGAL/DOCUMENTARY, ACCOUNTING & TAX ASPECTS OF DERIVATIVES	
30	Legal Issues and Documentation	1487
31	Accounting for Swaps and Financial Derivatives	1609
32	Taxation Aspects of Swaps and Financial Derivatives	1683
	REGULATORY ASPECTS OF DERIVATIVES	
33	Credit Risk: Regulatory Framework	1735
	Appendix: Basle II	
34	Market Risk: Regulatory Framework	2077
	Appendix: Basle I996	

Volume 3**DERIVATIVE APPLICATIONS**

35	Applications of Derivative Products	2161
36	Applications Of Futures, Swaps & Options	2205
37	New Issue Arbitrage	2239

SYNTHETIC ASSETS

38	Synthetic Assets – Asset Swaps, Structured Notes, Repackaging And Structured Investment Vehicles	2277
----	--	------

EXOTIC OPTIONS

39	Exotic Options	2365
40	Packaged Forwards & Options	2403
41	Path Dependent Exotic Options	2427
42	Time Dependent Exotic Options	2473
43	Limit Dependent Exotic Options	2491
44	Pay-off Modified Exotic Options	2543
45	MultiFactor Exotic Options	2575
46	Volatility Products	2637

INTEREST RATE & FX STRUCTURES

47	Non Generic Swaps	2655
48	Basis Swaps	2729
49	Options On Swaps/Swaptions	2779
50	Callable Bonds	2815
51	Constant Maturity Products	2885
52	Index Amortising Products	2921
53	Interest Rate Linked Notes	2951
54	Currency Linked Notes	3025

Volume 4**EQUITY LINKED STRUCTURES**

55	Equity Derivatives – Equity Index Futures; Equity Options/Warrants; Equity Swaps	3075
56	Convertible Securities	3177

57	Structured Convertible Securities	3217
58	Equity Linked Notes	3327
59	Equity Derivatives – Investor Applications.....	3383
60	Equity Capital Management – Corporate Finance Applications Of Equity Derivatives	3415
COMMODITY LINKED STRUCTURES		
61	Commodity Derivatives – Commodity Futures & Options/ Commodity Swaps/Commodity Linked Notes	3519
62	Commodity Derivatives – Energy (Oil, Natural Gas And Electricity) Markets	3611
63	Commodity Derivatives – Metal Markets	3687
64	Commodity Derivatives – Agricultural And Other Markets	3721
CREDIT DERIVATIVES		
65	Credit Derivative Products	3741
66	Credit Linked Notes/Collateralised Debt Obligations	3873
67	Credit Derivatives/Default Risk – Pricing And Modelling	3993
68	Credit Derivatives – Applications/Markets	4085
NEW MARKETS		
69	Inflation Indexed Notes And Derivatives.....	4219
70	Alternative Risk Transfer/Insurance Derivatives	4253
71	Weather Derivatives	4313
72	New Markets – Property; Bandwidth; Macro-Economic & Environmental Derivatives	4347
73	Tax And Structured Derivatives Transaction	4377
EVOLUTION OF DERIVATIVES MARKETS		
74	Electronic Markets And Derivatives Trading	4423
75	Financial Derivatives – Evolution And Prospects	4467