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	Disciplina	332.6323
	Soggetti	Economics, Mathematical Financial engineering Statistics Finance—Mathematics Probabilities Risk management Quantitative Finance Financial Engineering Statistics for Business, Management, Economics, Finance, Insurance Financial Mathematics Probability Theory and Stochastic Processes Risk Management
	Lingua di pubblicazione	Inglese
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	Nota di contenuto	Preface. - 1 A Primer on Contingent Convertible (CoCo) Bonds. - 2 Pricing Models of CoCos -- 3 Impact of a New CoCo Issue on the Outstanding CoCos. - 4 Rating of CoCos. - 5 Sensitivity Analysis of CoCos. - 6 Impact of Skewness on the Price of a CoCo. - 7 Distance to Trigger -- 8 Outlier Detection of CoCos -- 9 Conclusion -- A Derivation of Carr-Madan Formula for Vanilla Option Prices using FFT. - Bibliography.
	Sommario/riassunto	This book provides an overview of the risk components of CoCo bonds. CoCos are hybrid financial instruments that convert into equity or suffer a write-down of the face value upon the appearance of a trigger

event. The loss-absorption mechanism is automatically enforced either via the breaching of a particular accounting ratio, typically in terms of the Common Equity Tier 1 (CET1) ratio, or via a regulatory trigger. CoCos are non-standardised instruments with different loss-absorption and trigger mechanisms. They might also contain additional features such as the cancellation of coupon payments. Different pricing models are discussed in detail. These models use market data such as share prices, CDS levels and implied volatility in order to calculate the theoretical price of a CoCo bond and its sensitivities, providing the investor with insides to hedge from adverse changes in the market conditions. The audience are professionals as well as academics who want to learn how to risk manage CoCo bonds using cutting edge techniques as well as all the risk involved in CoCo bonds.