

1. Record Nr.	UNINA9910788524703321
Autore	Papaioannou Michael
Titolo	A Primer for Risk Measurement of Bonded Debt from the Perspective of a Sovereign Debt Manager // Michael Papaioannou
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	1-4623-1246-2 1-4527-1987-X 1-282-44811-0 9786613821300 1-4519-9197-5
Descrizione fisica	1 online resource (49 p.)
Collana	IMF Working Papers
Soggetti	Risk - Econometric models Interest rates - Econometric models Credit - Econometric models Liquidity (Economics) - Econometric models Government securities - Econometric models Debts, Public - Econometric models Banks and Banking Investments: Bonds Financing Policy Financial Risk and Risk Management Capital and Ownership Structure Value of Firms Goodwill General Financial Markets: General (includes Measurement and Data) Financial services law & regulation Investment & securities Bonds Credit risk Liquidity risk Market risk Exchange rate risk Financial risk management United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"August 2006."
Nota di bibliografia	Includes bibliographical references (p. 45-47).
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. MEASUREMENT OF MARKET RISK""; ""III. MEASUREMENT OF CREDIT RISK""; ""IV. MEASUREMENT OF LIQUIDITY RISK""; ""V. AN INTEGRATED APPROACH TO RISK SENSITIVITY FOR A SECURITY WITH N RISK FACTORS""; ""VI. AN INTEGRATED APPROACH TO RISK SENSITIVITY FOR A PORTFOLIO WITH N RISK FACTORS""; ""VII. EPILOGUE""; ""YIELD DEFINITIONS""; ""THE VALUE-AT-RISK (VAR) METHODOLOGY""; ""REFERENCES""
Sommario/riassunto	<p>This paper presents some conventional and new measures of market, credit, and liquidity risks for government bonds. These measures are analyzed from the perspective of a sovereign's debt manager. In particular, it examines duration, convexity, M-square, skewness, kurtosis, and VaR statistics as measures of interest rate exposure; a VaR statistic as the prominent measure of exchange rate exposure; the balance sheet approach (or contingent claims approach), and its consequent probability of default as the most promising measure of credit risk exposure; and an elasticity approach and a VaR statistic to measure liquidity risk. Along with the formulas for the various statistics proposed, we provide simple examples of their application to some common risk valuation cases. Finally, we present an integrated approach for the simultaneous estimation of a portfolio's interest rate and exchange rate risk using the VaR methodology. The integrated approach is then extended to also include N risk factors. This approach allows us to measure the total risk of a portfolio, provided that the volatilities and correlations among the risk factors can be estimated.</p>