

CMA Datavision™ Implied ratings

Identify possible changes in an entity's default probability by assessing its rating implied by the CDS markets.

Who should use CMA Datavision™ Implied ratings?

CMA Datavision™ Implied ratings can be of benefit to individuals who use information on market movement to assess credit risk, including:

- Risk managers
- Product control
- Researchers
- Corporate treasurers

Detect early warning signals of possible changes in default probabilities

CMA's Implied ratings compare the CDS market's assessments with those of rating agencies, enabling you to evaluate whether the scale of the differential is merited and therefore take action before any likely re-rating.

The CDS markets react immediately to changes in credit risk – generally faster than rating agencies, which tend to take a broader and sometimes qualitative view of an entity's default risk. This makes the CDS market a useful guide when monitoring an entity's changing default probability.

In many cases an entity's actual rating moves towards CMA's implied rating. However, the CDS market is subject to supply and demand constraints, and to speculators, and does not always take into account issues which a rating agency may take into consideration when assigning a rating, such as implicit, but not guaranteed, availability of funds (eg access to IMF, large corporations which have implicit government support).

Understand market activity in context

Risk managers, researchers, data managers and corporate treasurers use CMA's CDS implied ratings to:

- identify and manage risks proactively
- gain an early indication of market movement.

Receive CMA's implied ratings daily

Our short- and long-term implied ratings provide accurate consensus-based pricing for the OTC credit instruments CMA Datavision™ currently covers – CDS Single Name, Indices, Tranches and LCDS. They are published in the CMA Datavision™ Analytics File and are calculated using a proprietary model and the S&P rating. The one-year point is used for short-term implied ratings and the five-year point for long term implied ratings.

We would be pleased to demonstrate how CMA Datavision™ Implied ratings can benefit your organisation. Please contact CMA to learn more.

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Related products

- CMA Datavision™: independent, reliable CDS prices delivered intraday and end-of-day.
- CMA Datavision™ Historical data: credit prices from 2004 to present.
- CMA Client Solutions: customised solutions to meet your firm's specific needs.

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