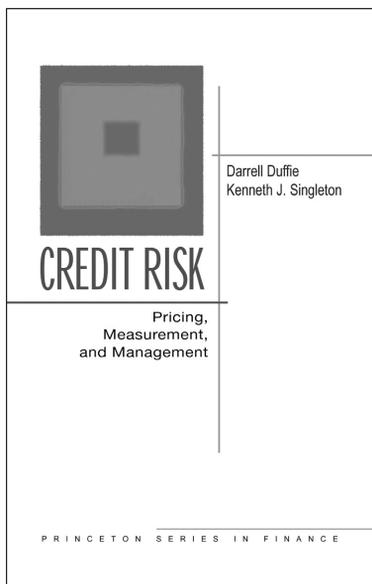


“A clear and comprehensive treatment of credit risk models by two of the leading authorities in the field. It will become the standard reference for both academic researchers and practitioners.”

—Michael J. Brennan, Anderson School, UCLA



CREDIT RISK

Pricing, Measurement, and Management

Darrell Duffie and Kenneth J. Singleton

In this book, two of America's leading economists provide the first integrated treatment of the conceptual, practical, and empirical foundations for credit risk pricing and risk measurement. Masterfully applying theory to practice, Darrell Duffie and Kenneth Singleton model credit risk for the purpose of measuring portfolio risk and pricing defaultable bonds, credit derivatives, and other securities exposed to credit risk. The methodological rigor, scope, and sophistication of their state-of-the-art account is unparalleled.

Credit Risk is an indispensable resource for risk managers, traders or regulators dealing with financial products with a significant credit risk component, as well as for academic researchers and students.

“An indispensable guide both to the models and to their implementation. The mathematical workings of the models are conveyed with superb clarity and intuition. Just as importantly, the presentation is well grounded in the economic and institutional features of credit markets.”

—Michael Gordy, Federal Reserve Board

Princeton Series in Finance

Cloth \$65.00 ISBN 0-691-09046-7



 **Princeton University Press**

800-777-4726 • WWW.PUP.PRINCETON.EDU

JFQA Style Requirements

Electronic submissions in PDF files are welcome or laser-quality manuscripts may be submitted in quadruplicate on 8.5" x 11" paper. The cover page must show title, author name(s) and affiliation(s), e-mail address(es), and work phone number(s). The first page of text should include the title and a one-paragraph abstract of no more than 100 words. Manuscripts must be double-spaced on one side of the page. All sections of the paper, beginning with the introduction and ending with a conclusion or summary, must be numbered with Roman numerals. Subsection headings must be lettered A, B, C, etc.

The manuscript should explain its relation to other research in the field, especially recently published material. References cited in the text should be noted by the last name(s) of the author(s) followed by the publication year enclosed in parentheses without punctuation: Smith (1988). When a particular page, section, or equation is referred to, the reference also should be placed within parentheses: (Smith and Jones (1988), p. 222), (Green (1988a), eq. 3).

Lengthy mathematical proofs and extensive tables should be placed in an appendix or omitted from the manuscript entirely. In the latter case, the author may indicate in a footnote that proofs or tables are available on request. The author should make every effort to explain the meaning of mathematical proofs.

The author should check the manuscript for clarity, grammar, spelling, and punctuation to minimize editorial changes and the necessity of extensive corrections at the proof stage. All abbreviations must be defined.

Equations. All but very short mathematical expressions should be displayed on a separate line and centered. Important displayed equations must be identified by consecutive Arabic numerals in parentheses on the left. Expressions should be aligned and subscripts and superscripts clearly marked to avoid confusion.

Tables. Each table must be titled and numbered consecutively with Arabic numerals. Please check the text to make sure there is a reference to each table. General footnotes should be marked a, b, c, etc., for specific footnotes. Asterisks * or ** indicate significance at the 5% and 1% levels, respectively. The author should check tables to be sure that totals are correct and that the title, column headings, and footnotes clearly explain the content of the table. If tables are on separate pages at the end of the article, indicate approximate placement within the text.

Figures. Figures must be titled and numbered consecutively with Arabic numerals. Captions should present sufficient information to describe the purpose of the figure. Figures for accepted manuscripts must be of professional quality and ready for reproduction.

Footnotes. Footnotes must be double-spaced. Footnotes must not be used for the purpose of citation. Footnotes with extensive content should be avoided.

References. All works cited in the text must be alphabetically arranged in a double-spaced list at the end of the manuscript. Examples:

Brown, S., and J. Warner. "Using Daily Stock Returns: The Case of Event Studies." *Journal of Financial Economics*, 14 (1985), 1–31.

Ross, S. A. "Return Risk and Arbitrage." In *Risk and Return in Finance*, Vol. I, I. Friend and J. L. Bicksler, eds. Cambridge, MA: Ballinger (1977).

Superior Research Requires Quality Data CRSP

CRSP Products

- ◆ CRSP US Stock Databases
- ◆ CRSP/Compustat Merged Database
- ◆ CRSP US Indices Database
- ◆ CRSP US Treasury Databases
- ◆ CRSP Survivor-Bias Free US Mutual Fund Database
- ◆ CRSP Cap-Based Reports
- ◆ Proxy Graphs for 10K SEC Filing
- ◆ Custom Datasets

The Center for Research in Security Prices (CRSP) is a financial research center that creates and maintains premier historical US databases of stocks (NASDAQ, AMEX, NYSE), indices, bonds, and mutual funds. Unparalleled accuracy has made CRSP data files a staple of academic and commercial research for over 35 years. Data is delivered on CD-ROM with utility software and sample FORTRAN and C programs to access the data. Data can also be read directly by SAS.

CRSP. Clean, quality data for excellence in research.

CRSP Center for Research
in Security Prices

725 South Wells, Suite 800
Chicago, Illinois 60607
Telephone 773.702.7467
Fax 773.702.3036
www.crsp.uchicago.edu

CHICAGO  **CSB**

A research center of
The University of Chicago
Graduate School of Business

JFQA0303

Forthcoming Articles

Do Takeover Targets Under-Perform? Evidence from Operating and Stock Returns

Anup Agrawal and Jeffrey F. Jaffe

The Value of Trading Consolidation: Evidence from the Exercise of Warrants
Yakov Amihud, Beni Lauterbach and Haim Mendelson

Hedge Fund Performance 1990–2000: Do the “Money Machines” Really Add Value?

Gaurav S. Amin and Harry M. Kat

Trade Execution Costs and Market Quality after Decimalization
Hendrik Bessembinder

Does Insider Trading Impair Market Liquidity? Evidence from IPO Lockup Expirations

Charles Cao, Laura Casares Field, and Gordon Hanka

Cross-Hedging with Currency Options and Futures

Eric C. Chang and Kit Pong Wong

The Valuation of Default-Triggered Credit Derivatives

Ren-Raw Chen and Ben J. Sopranzetti

A Yen is not a Yen: TIBOR/LIBOR and the Determinants of the “Japan Premium”

Vicentiu Covrig, Buen Sin Low, and Michael Melvin

Agency Costs of Controlling Minority Shareholders

Henrik Cronqvist and Mattias Nilsson

The Performance of Multi-Factor Term Structure Models for Pricing and Hedging Caps and Swaptions

Joost Driessen, Pieter Klaassen, and Bertrand Melenberg

Is There Really a When-Issued Premium?

John R. Ezzell, James A. Miles, and J. Harold Mulherin

Market Structure and Trader Anonymity: An Analysis of Insider Trading

Jon A. Garfinkel and M. Nimalendran

Demographics, Stock Market Flows, and Stock Returns

Amit Goyal

The Impact of Minimum-Trading-Units on Stock Value and Price Volatility

Shmuel Hauser and Beni Lauterbach

Errors in Implied Volatility Estimation

Ludger Hentschel

Minority Shareholder Protections and the Private Benefits of Control for Swedish Mergers

Martin Holmen and John D. Knopf

(continued on next page)

Forthcoming Articles *(continued)*

Pricing Treasury Inflation Protected Securities and Related Derivatives Using an HJM Model

Robert Jarrow and Yildirim Yildirim

Financial Advisors and Shareholder Wealth Gains in Corporate Takeovers

Jayant R. Kale, Omesh Kini, and Harley E. Ryan, Jr.

A Multifactor Explanation of Post-Earnings-Announcement Drift

Dongcheol Kim and Myung-Sun Kim

Confidence in the Familiar: An International Perspective

Kai Li

Interaction of the Debt Agency Problems and Optimal Capital Structure: Theory and Evidence

Connie X. Mao

Do Persistent Large Cash Reserves Hinder Performance?

Wayne H. Mikkelson and M. Megan Partch

Pricing Bounds on Asian Options

J. Aase Nielsen and Klaus Sandmann

Reputation and the Market for Distressed-Firm Debt

Thomas H. Noe and Michael J. Rebbello

Do Momentum Based Strategies Still Work in Foreign Currency Markets?

John Okunev and Derek White

A Multi-Factor Spot-Rate Model for the Pricing of Interest-Rate Derivatives

Sandra Peterson, Richard C. Stapleton, and Marti G. Subrahmanyam

An Examination of the Performance of the Trades and Stockholdings of Fund Managers: Further Evidence

Matt Pinnuck

On Inferring the Direction of Option Trades

Robert Savickas and Arthur J. Wilson

Risk Premia and the Dynamic Covariance between Stock and Bond Returns

John T. Scruggs and Paskalis Glabadanidis

Does Coordinated Institutional Investor Activism Reverse the Fortunes of Underperforming Firms?

Wei-Ling Song, Samuel H. Szewczyk, and Assem Safieddine

On the Impossibility of Weak-Form Efficient Markets

Steve L. Slezak

The Clustering of IPO Gross Spreads: International Evidence

Sami Torstila

JFOA Journal of Financial and Quantitative Analysis

2003 Subscription Information

The Journal of Financial and Quantitative Analysis (JFOA) is published quarterly in March, June, September, and December by the School of Business Administration at the University of Washington in Seattle, Washington, U.S.A. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. With a circulation of 3000 libraries, firms, and individuals in 70 nations, the JFOA serves an international community of sophisticated finance scholars—academics and practitioners alike. The JFOA prints 10 to 12% of the more than 400 unsolicited manuscripts submitted annually. An intensive blind review process and exacting editorial standards contribute to the JFOA's reputation as a top finance journal.

Payment in advance is required. Checks or money orders must be payable to the JFOA in U.S. dollars for deposit in a U.S. bank. Subscriptions start with the next available issue unless otherwise requested. Upon request, electronic subscriptions are available in PDF files. Claims for missing issues must be made within six months of the publication date.

To inquire about permission to reprint or the availability of specific back issues (at a cost of \$20 per copy), contact the JFOA office.

	U.S.	International	Amount
Library or Firm	\$120	\$125	_____
Individual	\$55	\$60	_____
Student (with current verification)	\$25	\$30	_____
	International Airmail	\$30	_____
	Total Amount Paid		_____

Please start subscription with the March June Sept Dec issue.

Name _____

Company _____

Address _____

City _____ State _____ ZIP _____

Country _____ E-mail _____

Phone _____ Fax _____

Payment made by: Check VISA MasterCard American Express

Account No. _____ Exp. Date _____

Cardholder's Name _____

Signature _____ Date _____

Mail or fax directly to:

Journal of Financial and Quantitative Analysis
University of Washington
School of Business Administration
115 Lewis
Box 353200
Seattle, WA 98195-3200 U.S.A.

Phone: (206) 543-4598

Fax: (206) 616-1894

Federal Identification No.: 91-6001537

ISSN: 0022-1090

Office Use Only
Chk # _____
CT _____
Iss _____

E-mail: jfqa@jfqa.org
 URL: <http://www.jfqa.org>

MANAGING EDITORS

Stephen Brown
Jonathan Karpoff
Paul Malatesta

ASSOCIATE EDITORS

Geert Bekaert
Hendrik Bessembinder
Zhiwu Chen
Jeffrey Coles
Jennifer Conrad
Larry Dann
Philip Dybvig
Wayne Ferson
Michael Fishman
Mark Grinblatt
Avraham Kamara
Robert Korajczyk
Josef Lakonishok
Francis Longstaff
Ananth Madhavan
Ronald Masulis
John McConnell
Robert McDonald
Wayne Mikkelsen
Vasantilak Naik
Maureen O'Hara
Neil Pearson
Jeffrey Pontiff
Matthew Richardson
Jay Ritter
Eduardo Schwartz
Chester Spatt
Hans Stoll
Ralph Walking
Ivo Welch
David Yermack
Guofu Zhou

EDITOR

Martha Auvi

**Introduction to Special Issue on
International Corporate Governance**
Paul Malatesta and John McConnell, Co-Editors

International Corporate Governance
Diane K. Denis and John J. McConnell

**Creditor Rights, Enforcement, and Debt Ownership
Structure: Evidence from the Global Syndicated
Loan Market**
Benjamin C. Esty and William L. Megginson

**Strategic Transparency and Informed Trading: Will Capital
Market Integration Force Convergence of Corporate
Governance?**
Enrico C. Perotti and Ernst-Ludwig von Thadden

Corporate Governance and the Home Bias
Magnus Dahlquist, Lee Pinkowitz, René M. Stulz, and
Rohan Williamson

**International Corporate Governance and Corporate
Cash Holdings**
Amy Dittmar, Jan Mahrt-Smith, and Henri Servaes

**Capital Market Development, International Integration,
Legal Systems, and the Value of Corporate Diversification:
A Cross-Country Analysis**
Larry Fauver, Joel Houston, and Andy Naranjo

Equity Ownership and Firm Value in Emerging Markets
Karl V. Lins

**Do Better Institutions Mitigate Agency Problems?
Evidence from Corporate Finance Choices**
Mariassunta Giannetti

**U.S. Investors' Perceptions of Corporate Control in
Mexico: Evidence from Sibling ADRs**
J. Michael Pinegar and R. Ravichandran

Is Corporate Governance Ineffective in Emerging Markets?
Michael S. Gibson

JFOQA
