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Risk-sharing on the agenda

Panellists participating in SCI's Risk Transfer & Synthetics Seminar are primed to discuss everything from traditional capital relief trades through to GSE credit risk transfer and bespoke investments at the event next week. Indeed, the theme of risk-sharing is expected to be explored in some depth across a number of panels.

"Structural issues are key to determining the efficiency of [risk transfer] trades for issuers. There is always a three-way pull between the regulatory requirements, issuer and investor needs," says Himesh Shah, md at Christofferson Robb and moderator of SCI's structuring overview panel. This panel - which consists of leading lawyers, issuers, advisors and investors - will provide a first-hand and up-to-date view on current structural issues.

Another panel compares US regulatory attitudes versus European ones, as well as drivers for US banks to begin using risk transfer more widely and the use of credit insurance where regulators don't recognise synthetic securitisation for capital relief purposes. This panel is moderated by Peter Jurdjevic, md, head of global finance solutions at Barclays Investment Bank.

There is also a panel examining risk transfer issuance trends, emerging asset classes and jurisdictions, and ESG considerations. Kaelyn Abrell, partner and portfolio manager at ArrowMark and one of the panellists, comments: "The CRT market continues to evolve, with expected intermediate-term changes from new CRR and commensurate risk transfer rules. Drawing upon ArrowMark's tenure in the asset class, ongoing dialogue with various industry participants and opportunistic mindset, we look forward to sharing perspectives related to issuance dynamics, anticipated changes to security structures and expansion of underlying collateral types."

Meanwhile, the hunt for yield continues to drive investor demand for leveraged credit products, with synthetic bespokes being a key source of growth in the credit derivatives space. David Felsenthal, partner at Clifford Chance and moderator of SCI's bespoke synthetics panel, notes: "The panel will discuss bespoke products, including concentrated pools, maybe single names, investor perspectives, impact of insufficient assets on development of new products and technical developments."

The seminar closes with a focus on mortgage risk transfer. The aim of this discussion is to understand the key structural developments in the credit risk transfer space.

Lekith Lokesh, director at Credit Suisse and moderator of the panel, comments: "Topics include a review of issuance volume, trading patterns for 2018 [and] legal/rating agency developments. Current themes under the spotlight are the sale of first-loss risk in GSE and non-GSE CRT; non-US investor demand; [and] reinsurance versus CRT."

Delegates are welcome to attend a bonus workshop targeted at new entrants to the capital relief trades market.

Hosted by Clifford Chance, the SCI Risk Transfer & Synthetics Seminar will take place on 13 March at 31 West 52 Street, New York. The event is sponsored by Allen & Overy, Arch Capital Services, ArrowMark Partners, Caplantic Alternative Assets, Lloyds, Moody's, Nomura and Open Source Investor Services.

Other speakers at the seminar include representatives from Chorus Capital, Elanus Capital, Fannie Mae, Freddie Mac, IACPM, IFC, LibreMax Capital, Mariner Investment Group, Mizuho International, Quantifi and West Wheelock Capital. For more information, please click [here](#).

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