

## Abstract

The objective of this bachelor thesis is to analyze the credit default swap market and the current situation at the market. The paper could be divided into three parts. In the first part it introduces the basic concepts, principles and key products. The next section deals with the historical development of credit default swaps, regulatory actions taking place in recent years and market changes. Finally, the study points out the possibilities of the credit default swap pricing either by Hull-White model, par asset swap or linear regression. The thesis should help the reader to understand basic issues concerning credit default swaps.

**Keywords**           Credit default swap, credit risk, credit event, central counterparty, asset swap spread

**Length of the thesis**   65 231