

Abstract

In August 2007, a financial crisis started and spread all over the developed world, as a result of the collapse of structured financial products that were connected to the defaulting sub-prime segment of American mortgage market.

This diploma thesis is divided into six chapters. After a brief overview of recent financial crises and basic models of such crises in chapter 1, chapter 2, characterizing the global macroeconomic situation in 2000s, follows. The next part - chapter 3 - analyzes the American housing market, its main features and the recent development - the housing bubble. The mortgage market is discussed, as well. Further in chapter 4, the phenomenon of securitization and structured products is described. Chapter 5 focuses on the development on financial markets in 2007 and at the beginning of 2008, too - that means it describes the situation before the crises and the crises itself. Finally, Chapter 8 offers an overview of the main causes of the market breakdown. Moreover, signals foreseeing the turmoil are discussed, as well as its possible consequences.