

## Quantitative Finance &gt; Pricing of Securities

# Information Asymmetry in Pricing of Credit Derivatives

Caroline Hillairet (CMAP), Ying Jiao (PMA)

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We study the pricing of credit derivatives with asymmetric information. The managers have complete information on the value process of the firm and on the default threshold, while the investors on the market have only partial observations, especially about the default threshold. Different information structures are distinguished using the framework of enlargement of filtrations. We specify risk neutral probabilities and we evaluate default sensitive contingent claims in these cases.

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