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Global derivatives rankings 2002

Credit derivatives

The credit derivatives market went through several major tests last year with September 11, the collapse of Enron and Argentina's default on its sovereign debt. Ongoing legal disputes erupted when some credit default swap buyers claimed Argentina effectively defaulted on its sovereign debt when it was restructured a month before the official moratorium.

The Bank for International Settlements says significant disagreement remains over debt restructuring. This is despite European credit derivatives dealers, following the lead taken by their US counterparts, in April abandoning obligation acceleration and moratorium as credit events.

JP Morgan Chase retains its strong position in the credit derivatives market, coming first in all vanilla default swap

categories with the exception of the high-yield Europe class, where Deutsche Bank gets the top position. "This is the year to really be paying attention to the credit markets and to client needs, rather than trying to fundamentally change the way credit derivatives business is done," says Andy Brindle, global head of credit derivatives at JP Morgan Chase in New York.

Morgan Stanley has improved its position since last year, coming second in investment grade American and European credit default swaps. It also gains a first place position for synthetic collateralised debt obligations. Deutsche Bank comes first in basket default swaps and high-yield European credit default swaps, and narrowly misses a first-place ranking for credit-linked notes.

Other Credit Derivatives

Synthetic CDOs			Basket Default Swaps		
Number of dealers cited: 19			Number of dealers cited: 18		
Top broker 2002	#1: Creditex		Top broker 2002	#1: Creditex	
2002	Dealers	% of votes	2002	Dealers	% of votes
1	Morgan Stanley	19	1	Deutsche Bank	14
2	Credit Suisse First Boston	12	2	JP Morgan Chase	12
3	Morgan Stanley	11	3	Credit Suisse First Boston	10
4=	JP Morgan Chase	6	4	Deutsche Bank	9
4=	UBS Warburg	6	5	BNP Paribas	8
Top dealer 2001	JP Morgan Chase		Top dealer 2001	JP Morgan Chase	