

Repo 2008

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Abstract / Resumo:

Repurchase agreement, commonly referred to as repo, is the oldest and the most fundamental financial instrument that serves as the building block for most, if not all, of the more complex structures. Because of its deceiving simplicity, repo is often misunderstood and misused by market participants. The speaker will explain how his first-hand experience in securitization helped his repo broker-dealer avoid losses and guided it to prosperity through the 2008 economic crisis while other major banks and dealers suffered. The speaker will further examine the relationship between the securitization industry and the repo market, and how their evolution contributed to the 2008 economic crisis.