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Special issue on

Investments Opportunities in Middle Eastern Markets: The Use of Derivatives Techniques

The Journal of Derivatives & Hedge Funds (JDHF)

Palgrave Macmillan Journal (UK)

Submission Deadline: 3rd May 2008

All papers will be subject to double-blind peer review. Full notes for contributors can be found at: http://www.palgrave-journals.com/jdhf/author_instructions.html

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The Journal of Derivatives & Hedge Funds is pleased to announce a special issue focused on the use of derivatives techniques in Middle Eastern Markets.

Risks are managed with a variety of straightforward techniques, including match funding and selective use of derivatives. The use of derivatives to mitigate or eliminate certain financial and market risks can be conduct by business in diverse markets around the world and local funding is not always efficient The derivative must be highly effective in offsetting either changes in fair value or cash flows, as appropriate, for the risk being hedged.

Derivatives have proven to be useful in most Middle Eastern countries especially in the petroleum and natural gas industrial countries. They probably would be used more extensively if financial and market data were more transparent. Managers may limit derivative use because their presence in company accounts is troubling to some classes of investors. As energy markets and companies expanded their role from being just producers and distributors to become energy traders as well, they found increased opportunities to use derivatives for earnings management. The main reason for this development is the accounting requirement of mark-to-market accounting for derivatives.

The applications of derivatives to risk management are limited by the availability of spot market data—specifically, timely, public, and accurate information on prices and quantities. In addition, to judge the creditworthiness of counterparties and the risks managers are taking, their financial statements should be transparent. Accurate, timely price and quantity data from spot markets are critical for the design and pricing of derivatives that can be used to manage rather than amplify price risk. Settling futures, swaps and option contracts requires an unambiguous price for the underlying commodity. The formulas used to value (price) derivatives themselves are based on an idealized description of the underlying physical markets. From time to time, the differences between the theoretical and actual commodity markets are significant.

Submissions may include broad conceptual articles, empirical studies or specific case studies drawn from a variety of areas of practice, such as:

- **Total Rate-Of-Return Swap**
- **Credit Options and Credit Embedded Securities**
- **Credit Default Options**
- **Risks and risk management of credit derivatives**
- **Risks for End-Users**
- **Transaction Risk**
- **Liquidity risk**
- **Compliance (or Legal) Risk**
- **Strategic Risk**
- **Operational Risk**
- **Risks for Dealers**
- **Market Risk**
- **Reputation Risk**
- **Regulatory Capital Treatment**
- **Application of the Risk-Based Capital Standards to Credit Derivatives**
- **Disclosure and Reporting Requirements**
- **Accounting Standards: FAS 133**
- **Lending Limits**
- **General Risk-Based Capital Rules for Derivatives**
- **Manage and optimise an asset portfolio**
- **Risk grade and price loans**
- **The uses of credit derivatives**
- **Pricing and hedging of credit and credit derivatives products**
- **Credit derivatives products and applications strategies**
- **Total return swaps**
- **Put credit spreads on asset swaps**
- **Credit Default Swaps (CDS) & options**
- **Structured index credit investment instruments**
- **Equity Default Swap (EDS)**
- **Cross-border, sovereign risk, and currency repatriation protection products**
- **Collateralised Bond (CBOs) and loan (CLOs) capital markets products**
- **Cash, synthetic, and hybrid CBOs and CLOs**
- **Higher-order variations on Collateralised Debt Obligations (CDOs), such as CDO2**
- **Credit Derivatives: and Regulatory Structure**