Project Abstract for R/Finance 2014

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The **CDS** package offers tools to calculate the value of a Credit Default Swap (CDS). A CDS is a financial swap agreement between two counterparties in which the buyer pays a fixed periodic coupon to the seller in exchange for protection in the case of a credit event. The International Swaps and Derivatives Association (ISDA) has created a set of standard terms for CDS contracts, the so-called "Standard Model." This allows market participants to calculate cash settlement from conventional spread quotations, convert between conventional spread and upfront payments, and build the yield curve of a CDS. The **CDS** package implements the ISDA Standard Model, allowing users to value credit default swaps, to calculate various risk measures associated with these instruments and to compute rates of returns given a time series of spread quotations.

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