

1037-60-198

Chao Meng* (cmeng@math.lsu.edu), Department of Mathematics, Louisiana State University,
Baton Rouge, LA 70803. *Correlation in Pricing CDOs.*

Correlation plays an important role in modeling and pricing Collateralized Debt Obligation (CDO) tranches. We will discuss difficulties of analytically finding CDO tranche prices, and explore the relationship between correlation and tranche prices. (Received February 01, 2008)