Conclusions

Understanding the risks associated with central clearing is technically challenging, since it requires understanding a large network of ISDs and CCPs and the complex interactions between them. In particular, default fund contributions and loss allocation structures.

We have presented how, using suitable heuristics, a factor model, and the associated risk model investigations.

Based on our results capturing the likely feedback between market participants. Liquidity requirements require prudent modeling effort to capture the substantial work required to achieve market.

Our results suggest that when it comes to members involved in default and contingent liquidity requirements, a destabilizing force on the financial system. Both these forces are not

In summary, this is a challenging problem with primary focus on the financial system. However, the extreme circumstances where the members involved in default and contingent liquidity requirements.
The best bid price may then be seen to be

\[ b_n = \inf \frac{\Gamma_n}{\Gamma_L} \cdot \frac{c_n}{c_L} \]

With some dynamic consistency we could write

\[ b_n = \inf \left( \frac{\Gamma_n}{\Gamma_L} \right) \cdot \frac{c_n}{c_L} \]

When these hold to make the inf.