

Moody's rolls out RMBS data tool for Europe

The EMEA PDS tool gives users access to the same kind of deal information for **European RMBS** that the rating agency's own analysts use

Moody's has launched its structured finance data tool Performance Data Services (PDS) for the European market. EMEA PDS will let users benchmark and follow the performance of deals in the European residential mortgage-backed securities market. Its US counterpart has provided the same support for the ABS, RMBS and CDO sectors since 2002.

"The most compelling feature of EMEA PDS for RMBS is that it makes all performance information across all deals available via a single interactive web platform," says Mario Aquino, head of international markets strategy. "The platform includes the same data, risk analytics, reporting and warning alerts that Moody's own surveillance analysts use to monitor credit in structured finance transactions."

The new service is web-based, and will provide trend and performance analysis across all deals in the sector, utilising Moody's established RMBS monitoring database. Users can observe more

than 60 continuously updated performance metrics, including delinquencies, losses, credit support and excess spread.

More refined searches are possible with PDS filter options, including deal name, ratings, servicer, trustee, arranger, country, region, asset type and closing date. The service also offers downloadable performance and trigger data in both tabular and graphical format, time series analysis, customised email alerts and customised user-defined indices. "Our customers have found the email-based alert functionality particularly useful as it allows them to customise alerts based on rating changes and various performance metrics," says Aquino.

Users can, for example, elect to receive emails highlighting ratings actions that may have an effect on specific tranches, or on parties such as originators or support providers concerned with the deals they follow.

The platform is based on information Moody's receives from servicers and trustees, which analysts then scrub and harmonise for accuracy and comparability. This is then used to update PDS and the agency's internal ratings and default databases.

Moody's unveils discounted cashflow tool for CDOs

In an effort to improve the transparency of US collateralised debt obligations, Moody's has introduced Credit Values DCV. The 'discounted cashflow valuation' service uses public and proprietary information, including Moody's tools from its Wall Street Analytics subsidiary, to discount the value of future cashflows in structured finance securities.

The service is designed to produce a number of independent views of the intrinsic value of CDO securities and allows subscribers to compare the DCV of their securities to trading values as well as to calculate the sensitivity of the DCV to different market and credit conditions.

A DCV can be used as one measure of the so-called intrinsic value of securities, largely excluding other factors that can affect value, including liquidity.

"Moody's is committed to making a greater range of fundamental value measures available to the market," says Gus Harris, president of Moody's Wall Street Analytics. "Credit Values DCV anchors the MWSA product, which will include a series of structured finance market valuation services that can help provide important information about liquidity and volatility."

There are two versions of the service available: a standard service, for US corporate cashflow CDOs, primarily collateralised loan obligations; and a custom service for a broader range of cashflow CDOs, including corporate CDOs, some European CLOs, structured finance CDOs and Trups CDOs. Moody's says the standard service will be expanded to include European CDOs, RMBS, and other types of CDOs.

Early-warning system

Moody's says the launch is "part of its broader commitment to help improve transparency in the structured finance market" and describes the tool as a means of providing market participants with an early-warning system allowing them to stay aware of changing risk factors and spot performance trends in RMBS deals.

It says the launch of the single interactive platform will "eliminate the need for time-consuming data collation. Because data on each RMBS transaction appears in a standardised format, comparisons between deals, indices and peer groups are simple and efficient."

"This is yet another step in leveraging Moody's expertise to offer market participants a more complete solution to their needs" says Aquino. He adds that "by providing factual and accurate data about RMBS performance such as delinquency rates and actual losses, we believe PDS will help users better determine the real size and impact of the current market situation and as a result will help them make more informed decisions."

Moody's intends to enhance the service to cover all asset classes across all regions.

"This comes at an interesting time for the RMBS world," says one London-based banker active in the RMBS market. "On the one hand, anything that improves transparency is undoubtedly a good thing, especially after the volatility RMBS has been experiencing – and the US PDS service is a tried and tested support for the markets it covers. On the other hand, we just have to hope that enough new RMBS deals are priced for the platform to analyse in the future."

Matthew Attwood