

# Credit Default Swap on WBTC

## OEX-CDS-WBTC-1NOV-1000CAP

0x973f0ec84f39a5d84f561cbd34f903fde4cacc0a955e435cc1c3ee2eedca89b

### SHORT DESCRIPTION

CDS Contract on WBTC/BTC price depreciation with maturity of 1 November 2021. Contract pays up to 1000 yDAI and behaves as an insurance for WBTC price.

Type	CDS
Underlying	WBTC/BTC price depreciation
Oracle	Uniswap and Chainlink 0xc7e91df61d9655659d854b2603a95697f17cc68c
Contract size	1 000
Trigger price	0,05
<b>Settlement</b>	yDAI
Buyer Margin*	0 yDAI
Seller Margin**	1000 yDAI
<b>Expiration</b>	1 November 2020 8:00 UTC
Long wins^	debt left * contract size
Short wins^	premium at settlement - any win of long ^capped by initial margin

The derivative fee is 2.5% of the profit (only charges to profit makers) and received by derivative author

### LONG DESCRIPTION

A credit default swap (CDS) is a financial derivative or contract that allows an investor to "swap" or offset his or her credit risk with that of another investor.

For example, if a lender is worried that a borrower is going to default on a loan, the lender could use a CDS to offset or swap that risk. To swap the risk of default, the lender buys a CDS from another investor who agrees to reimburse the lender in the case the borrower defaults.

CDS requires a premium payment to create the contract, which is like an insurance policy.

A credit default swap is the most common form of credit derivative and may involve municipal bonds, emerging market bonds, mortgage-backed securities or corporate bonds.

\*maximum risk of buyer; \*\*Maximum risk of seller and maximum gain of buyer; cds contract traded with open price with via order book

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