Datastream – CDS Spreads

There are two sources for CDS data within Datastream: CMA Datavision and Thomson Reuters CDS. Both are accessible via excel with Datastream. The CMA series go further back than the Thomson Reuters series but are no longer updated since 2008. In this manual, you will read how to obtain data from the Thomson Reuters source. To obtain full historical series for the companies of your interest, you may want to combine series from both sources. Via the Datastream extranet you can obtain a table that links the Thomson Reuters identifier to the CMA identifier.

- **Step 1:** Obtain a list of Datastream tickers for the companies of your interest. To see how you can obtain Datastream tickers, read manual stockprices in Datastream. If you would like to include all companies in a certain index, see our index constituents manual for steps on how to do so. Make sure you obtain a list of Datastream tickers, and not of Datastream codes.

- **Step 2:** Create a list of CDS codes from your list of Datastream tickers. A Thomson Reuters CDS code is made up of a ticker, a number indicating the maturity, a symbol indicating the currency, and a variant code indicating what type of restructuring constitutes a credit event. The ticker has to be 3 symbols long; if it is 2 symbols long, add a ‘.’ behind it; if it is 4 symbols long, remove the last symbol. The following variant codes are available:
  - AC: any restructuring event constitutes a credit event.
  - AR: only those restructuring events defined by the Modified restructuring clause (introduced 2001) to be a credit event are a credit event.
  - AM: only those restructuring events defined by the Modified-modified restructuring clause (introduced in 2003) to be a credit event are a credit event.
  - AX: no restructuring event constitutes a credit event.

The 5 year Euro CDS spread for Shell under the Modified-modified restructuring clause would be

- TR CDS Code Shell = RDS (ticker) + 5 (maturity) + E (currency) + AM (Modified-modified restructuring) = RDS5EAM

If you are not sure which variant code you need, you may consider using them all and then selecting that variant that produces most data; the differences in the CDS spreads between variants seem to be marginal.

- **Step 3:** Obtain time-series of CDS spreads for the companies in your sample. In excel, go to the Datastream tab and click on Time Series Request. You are now in the Time Series Request wizard. In the box next to ‘Series/Lists’, you need to fill out the list of CDS codes you created in step 2. To do so, click on the small square directly to the right of the box and directly to the left of the button ‘Find Series’. If this button is not there, turn on “Cell referencing” in the Options menu. Select the CDS codes in your excel sheet by clicking and dragging your cursor over the CDS codes; press OK. In the box next to ‘Datatypes/Expressions’, you need to fill out the data items you want to retrieve for the CDS’. In most cases this will be only the CDS spread. Click on the button ‘Datatypes’ to the right of the box → select ‘Credit Default Swaps’ in
the drop down menu in the top left corner of the window (it says ‘Bonds and Convertibles’ by default) → select the data items of your interest by checking the box on the left side of the list → click on ‘Use’ above the checked boxes slightly to the left. Finally, select the start date and end date of your series, as well as the frequency of the data. Before you press ‘Submit’, make sure the box in front of ‘Embed’ in the bottom right corner of the wizard is not checked; then press ‘Submit’.

Your historical series of CDS spreads should appear on the screen. It could be that Datastream does not return any data for some companies. The reason may be that there is no CDS trading for that particular company, that Datastream does not have any data on the CDS, or that the true CDS code is slightly different from what you would expect. There is little you can do about the first two reasons. To check whether the CDS code is slightly different from what you would expect, manually search for the CDS code by clicking on the button ‘Find Series’ in the Time Series Request wizard and typing in the company name in the search box. Filter the results, by clicking on the category ‘Credit Default Swaps’ on the left side of the screen if available.