



AQR's "Credit Implied Volatility" Wins Graham and Dodd Awards of Excellence – Scroll Award

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"[Credit Implied Volatility](#)," authored by AQR Principal Bryan Kelly, alongside co-authors Gerardo Manzo and Diogo Palhares, was awarded a Graham and Dodd Awards of Excellence – Scroll Award.

The Graham and Dodd Awards were created in 1960 to recognize excellence in research and financial writing. Articles go through a voting process to determine the winning papers. Eligible articles are first evaluated through a ranked vote by members of the *Financial Analyst Journal* Advisory Council and Editorial Board to create a shortlist, followed by a second-stage review by the Managing Editor of the shortlist. Lastly, the Graham and Dodd judging panel — comprising representatives from the CFA Institute Research and Policy Center, the CFA Institute leadership team, the CFA Institute Board of Governors, the CFA Institute Society President's Council Representative, and the Executive Editor of the Financial Analysts Journal — collectively decides the award winners from the shortlist of nominees.

"Credit Implied Volatility" introduces the concept of a credit implied volatility surface. Like its option analogue, credit implied volatility (CIV) is inverted from the credit-default swap (CDS) spread to provide a relative measure of CDS value across "moneyness" (leverage) and time to maturity, and offers simple diagnostic tests of candidate credit pricing models. The CIV can be interpretable as risk-neutral asset volatility of the underlying firm or government.

Read the paper [here](#). View more information on the Graham and Dodd Awards of Excellence [here](#).