

Summary

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“Inflation-Indexed Financial Products: Insights into an Innovative Asset Class:
- Markets, Valuation and Potential Uses -“

Inflation-indexed financial products enrich capital markets by an asset class that permits hedging against the risk of inflation. Their key feature resides in a direct link of cash flows to the movement of an inflation index. Whilst high rates of growth have been observed for the relatively small continental European market, there is an established market for inflation-indexed bonds and derivatives in the USA and in Great Britain. The article offers an overview of existing products and their characteristics as well as of different valuation models. In addition, there is a summary of existing studies on potential uses of inflation-indexed loans.