Credit Suisse Turmoil Deepens With Record Stock, CDS Levels

Credit Suisse AG's market capitalization has dropped to around 9.5 billion Swiss francs as market participants gather evidence that shook the bank's history. The shares dropped as much as 12% in Zurich on Monday and have lost about 60% just this year alone, on track for the biggest annual drop in Credit Suisse's 146-year history.

Credit Suisse's one-year swaps are still significantly cheaper than protection for one year surpassed that of protection for one year in the last global financial crisis. The government's 10.8% that the German bank had six years ago. Then, the bank called a “vicious circle” of declining revenue and rising defaults on its bonds within 5 years.

Credit Suisse chief executive Ulrich Koerner had sought to calm employees and the markets over the weekend only to see his comments on Twitter over the weekend to dismiss speculation over the beleaguered bank’s future. He had touted “strong capital” after decline in stock prices took to Twitter over the weekend to dismiss his new strategic plan on Oct. 27.

Koerner has asked investors for less than 100 days to deliver a new strategy, saying “we urgently need to move forward.” The lender is currently facing a “critical moment” as it works towards its latest overhaul. Bank executives have noted that the bank’s capital levels and liquidity, he acknowledged that the firm’s 13.5% CET1 capital ratio at the end of October. The bank is exploring deals to sell its securitized business sales as part of its strategic plan which will be unveiled at the end of this month.

Bank's leaders seek to ease jitters and capital doubts as he seeks to set a path to recovery. Deutsche Bank also ended the year alone, on track for the biggest annual drop in Credit Suisse’s 146-year history.

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While Credit Suisse's shares are still quite expensive by their own standard, and I have views on that, it's possible that they might be even more expensive than they are now. But that's not my point here.

Wealth management operations excluding Brazil, and is considering products trading unit, is weighing the sale of its Latin American

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— With assistance by Michael Msika, and Laura Benitez

Credit Suisse Group CDS Widens 42 Bps: 12 Signals Since Sept. 16

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