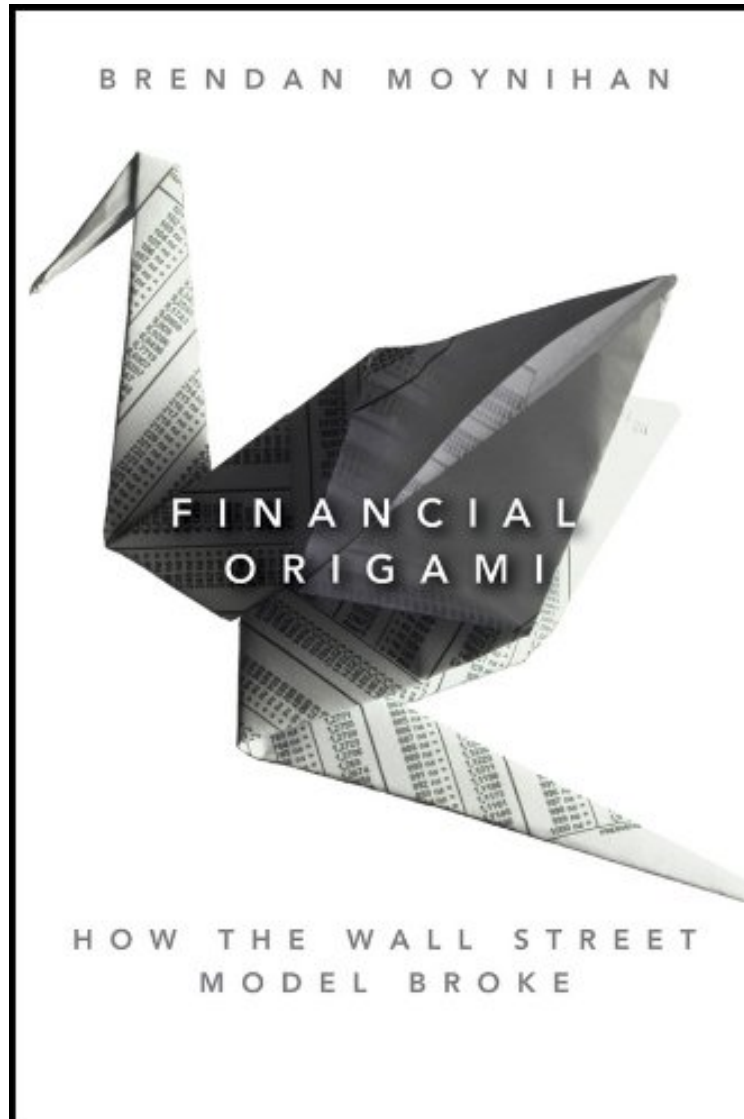


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Financial Origami: How the Wall Street Model Broke (Bloomberg)

Brendan Moynihan

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Brendan Moynihan : Financial Origami: How the Wall Street Model Broke (Bloomberg) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Financial Origami: How the Wall Street Model Broke (Bloomberg):

2 of 2 people found the following review helpful. Good Financial Education By Chased Vertu This is an essential read for anyone interested in understanding the changes in markets/business since the 2008 crash. Cleverly laid out in a metaphor for folding paper the reader learns how equities, loans/bonds, and all kinds of 'insurance' derivatives are folded together to mitigate the risk of financial operatives. This book is a small price to pay to understand how "Wall Street" wants you to assume all the risks. 0 of 0 people found the following review helpful. A Primer on Derivative

PestilenceBy AcolinI mostly enjoyed Moynihan's "Financial Origami." He starts with some fantastic facts about the incredible Credit Default Swap bubble: * within hours of the multi-billion dollar Reserve money market Fund suspending redemptions for the first time ever, the world's largest insurer, AIG, was effectively nationalized by the U.S. government* the oldest bank, Lehman, failed in a bankruptcy six times larger than anything else before* Merrill Lynch, the biggest U.S. broker was sold* The oldest money market fund dropped below net asset value for the first time ever* The largest mortgage lender and biggest corporate borrowers were taken over* The largest independent mortgage lender failed* The largest savings and loan failed* Two of the largest auto companies were taken overMoynihan explains, unfortunately more drily than Michael Lewis' wonderfully narrated book, "The Big Short," how wildly speculative and dangerous financial instruments not only grew like man-eating weeds in Wall St.'s "Little Shop of Horrors," but also how they festered large enough and fast enough to threaten NOT merely the street of money benders and folders, but also the entire financial and economic system of the world. He then explains why these virulent parasites still exist amongst us today. A great primer prequel to Lewis' engaging and exciting books on the subject.0 of 0 people found the following review helpful. Brilliant overview of financial market blow-upsBy R. MuttThis is an excellent and concise guide to financial instruments and their origins in federal regulations. When regulations change the environment, standard instruments and funds are "folded" accordingly in order to maximize profits. This often leads to disaster as moral hazards, lack of fiduciary responsibility, risk transfer, and various other factors create the conditions for spectacular blow-ups.I definitely recommend anyone read this book, as it will remain relevant long after it was published.

An in-depth look at the failure of Wall Street's "proven" financial models Origami is the Japanese art of folding paper into intricate and aesthetically attractive shapes. As such, it is the perfect metaphor for the Wall Street financial engineering model, which ultimately proved to be the underlying cause of the 2008 financial crisis. In Financial Origami, Brendan Moynihan describes how the Wall Street business model evolved from a method to transfer risk into a method for manufacturing risk. Along the way, this timely book skillfully dissects financial engineering and addresses how it's often a mechanism to evade regulatory constraints, provide institutional investors with customized products, and, of course, generate revenue for financial engineers. Reveals how Wall Street's financial engineering business model morphed into something destructive Highlights how the origami model worked well in the comparatively stable years of the early 2000s, when there was less risk to transfer Discusses how Wall Street began manufacturing risk by creating products that multiplied risk exposures and encouraged subprime lending With the collapse of Lehman Brother the Wall Street business model effectively broke. But there are many lessons to be learned from what has transpired, and Financial Origami will show you what they are.

'skillfully dissects financial engineering' Journal of Applied IT Investment ManagementFrom the Inside FlapThe simplicity of Wall Street's business model is often masked by the supposed complexity of its innovations. While the "financially engineered" products that Wall Street peddles to investors may seem different, in reality, they are nothing more than financial origamimdash;where the attributes of stocks, bonds, and derivatives are folded and refolded to form something that seems new. This is the perfect metaphor for how Wall Street works, and ultimately proved to be the underlying cause of the recent financial crisis. Now, in Financial Origami, Brendan Moynihanmdash;editor-at-large for Bloomberg News and a twenty-year market veteranmdash;describes how the Wall Street business model has evolved from a method to transfer risk into a method for manufacturing risk. Page by page, he skillfully dissects financial engineering and addresses how financial origami, along with its inherent conflicts of interest, have allowed individuals as well as institutions to skirt regulations or taxes, sometimes meet investor needs, and always boost their profits. But folding existing products into "new" ones is not the only financial origami performed in the world of finance. Other instances touched upon throughout the book include: Industry refolding in the form of firms, once specializing in specific tasks within the risk-transfer business, now seeking to offer one-stop shopping for all financial services Firms refolding their business charters from private partnerships to publicly traded, shareholder owned corporations Altering the mortgage lending process by unfolding the mortgage market: unbundling the origination, funding, and servicing components so they could be carried out by separate companies And much more Along the way, this reliable resource explains the events that have shaped financial markets, firms, and products over the past forty years, and have hurt Wall Street over the past three. It also explores the evolution of Wall Street, shows the logical sequence of events that brought us to this point, and offers insights on how to fix some of the problems we face. The Wall Street business model effectively broke. But there are many lessons to be learned from what has transpired, and this book will show you what they aremdash;helping you avoid getting caught up in financial origami and the extreme of taking good ideas and running them into the ground.From the Back CoverPraise for Financial Origami "Financial Origami is a total delight, one of those rare books that has the reader saying to himself, 'Ah-ha! Now I understand' on almost every page. It's the best introduction to Wall Street and its rapidly evolving ways I've ever read."mdash;John Steele Gordon, author, Empire of Wealth and Hamilton's Blessing "Financial Origami is an eminently readable diagnosis of the evolution of financial engineering, driven by competition, technology, and surplus

savings. The building block approach—debt, equity, and derivatives—makes the book understandable to students, novices, and the seasoned professional. Moynihan's historical understanding is critical and is deeper and richer than most of the more journalistic attempts to make sense of the worst financial crisis in a generation."—Marc Chandler, Global Head, Currency Strategy, Brown Brothers Harriman; Associate Professor, New York University, Center for Global Affairs "Brendan Moynihan may have come up with the defining metaphor for Wall Street; he's certainly delivered a compelling, damning analysis of the financial system's thirty-seven year march to its 2008 meltdown. In eschewing purple prose for hard facts and lucid arguments, Moynihan all the more effectively skewers those who created, hustled, and blessed Wall Street's financial origami, all the way to doomsday."—John Helysar, coauthor of Barbarians at the Gate Praise for What I Learned Losing a Million Dollars "The best noncharlatanic finance book I know is What I Learned Losing a Million Dollars by Brendan Moynihan and Jim Paul."—Nassim Taleb, author of the bestseller The Black Swan and Fooled by Randomness "A new, novel approach aimed at pushing you inside your head and outside the losing habits most folks adopt right after multiple successes. A must-have for traders blessed with a string of hot trades."—Ken Fisher, Chairman, Fisher Investments and Forbes columnist