The term *market consistency* is increasingly being used by actuaries and others. For example, the Solvency II Directive that harmonises the regulatory capital framework applicable to EU insurers explicitly refers to insurance assets and liabilities being valued in a *market consistent* manner.

In *Market Consistency: Model Calibration in Imperfect Markets*, published by Wileys, Malcolm Kemp, a Nematrian Director, explores this theme further. He identifies how best to adopt a *market consistent* approach (i.e. how best to take account of ‘what the market has to say’) not just for instrument valuation but also for risk management and portfolio construction purposes. The book has been well received by leading commentators, see e.g. [Market Consistency – Book Endorsements](#).

The topic of market consistency and the writing of this book is closely intertwined with the development of the Nematrian website. When first setting out on the development of the Nematrian website, Malcolm Kemp wanted in part:

(a) To create a means for putting into the public domain material too sophisticated to sit comfortably within the book itself; and

(b) To provide a range of analytical tools that others could use to explore some of the topics raised in the book.

Most of the references contained in *Market Consistency* can be viewed [here](#). Those referring back to the Nematrian website are listed [here](#). In the writing, editing and printing process, a few errors appear to have crept into the book, see [Market Consistency Errata](#). Please advise the author if you spot any others.