
Fixed Income Instruments

Module 5, 2017-2018

Daniil Ivanov

ivanov.daniil@gmail.com

Course description

The course is designed to provide a theoretical framework for the practical analysis of fixed income instruments. While the primary focus is the valuation of the specific bond issue, the course also applies to the general principles of the credit analysis, basic concepts of the portfolio management, and the framework of fixed income markets.

We'll cover three major topics: Bonds, Forwards/Swaps and Credit instruments. More specifically we'll cover

- ✓ Valuation of fixed income instruments (is a MUST). Following the lectures you should be able to calculate bond and swap prices, duration, understand swap and zero curves, nature of shifts in the yield curve, applications to hedging;
- ✓ Concepts of no- arbitrage derivative pricing;
- ✓ Corporate bond valuation, credit spreads and basic credit derivatives;
- ✓ Bond portfolio management strategies. Based on our valuations we'll discuss portfolio strategies of hedge funds & traditional institutional asset managers;

Course requirements, grading, and attendance policies

Your course grade will be determined by results of your homeworks & final exam.

(50%) Homeworks

(50%) Final exam covers core topics from the course. It'll test your ability to apply the basic concepts of fixed income theory we discussed to the practical problems. You are allowed to have 1 page of notes during the final & calculator.

Course materials

Recommended textbooks and materials

1. (Textbook) Frank J. Fabozzi, Ph.D., CFA, Fixed Income Analysis
2. (Additional) Hull, Options, Futures, and Other Derivatives, Prentice- Hall

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.