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Nota di contenuto	An Arbitrage Guide to Financial Markets; Contents; 1 The Purpose and Structure of Financial Markets; 1.1 Overview; 1.2 Risk sharing; 1.3 The structure of financial markets; 1.4 Arbitrage: Pure vs. relative value; 1.5 Financial institutions: Asset transformers and broker-dealers; 1.6 Primary and secondary markets; 1.7 Market players: Hedgers vs. speculators; 1.8 Preview of the book; Part One SPOT; 2 Financial Math I-Spot; 2.1 Interest-rate basics; Present value; Compounding; Day-count conventions; Rates vs. yields; 2.2 Zero, coupon and amortizing rates; Zero-coupon rates; Coupon rates Yield to maturity Amortizing rates; Floating-rate bonds; 2.3 The term structure of interest rates; Discounting coupon cash flows with zero rates; Constructing the zero curve by bootstrapping; 2.4 Interest-rate risk; Duration; Portfolio duration; Convexity; Other risk measures; 2.5 Equity markets math; A dividend discount model; Beware of P/E ratios; 2.6 Currency markets; 3 Fixed Income Securities; 3.1 Money markets; U.S. Treasury bills; Federal agency discount notes; Short-term munis; Fed Funds (U.S.) and bank overnight refinancing (Europe); Repos (RPs);

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Currency futures

Sommario/riassunto

An Arbitrage Guide to Financial Markets is the first book to explicitly show the linkages of markets for equities, currencies, fixed income and commodities. Using a unique structural approach, it dissects all markets the same way: into spot, forward and contingent dimensions, bringing out the simplicity and the commonalities of all markets. The book shuns stochastic calculus in favor of cash flow details of arbitrage trades. All math is simple, but there is lots of it. The book reflects the relative value mentality of an institutional trader seeking profit from misalignments of various