

1. Record Nr.	UNINA9910830845803321
Autore	Choudhry Moorad
Titolo	The futures bond basis [[electronic resource] /] / Moorad Choudhry
Pubbl/distr/stampa	Chichester, England ; ; Hoboken, NJ, : John Wiley, 2006
ISBN	1-119-20842-4 1-280-73959-2 9786610739592 0-470-02946-3
Edizione	[2nd ed.]
Descrizione fisica	1 online resource (257 p.)
Collana	Securities Institute
Disciplina	332.6323 332.6328
Soggetti	Basis (Futures trading) Futures
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Previous ed.: Surrey : Yieldcurve, 2003.
Nota di bibliografia	Includes bibliographical references and index.
Nota di contenuto	COVER; CONTENTS; PREFACE; ABOUT THE AUTHOR; Chapter 1: BOND FUTURES CONTRACTS; 1.1 INTRODUCTION; 1.1.1 Contract specifications; 1.2 FUTURES PRICING; 1.2.1 Theoretical principle; 1.2.2 Arbitrage-free futures pricing; 1.3 HEDGING USING BOND FUTURES; 1.3.1 Introduction; 1.3.2 Hedging a bond portfolio; 1.3.3 The margin process; Appendix 1.A CONVERSION FACTOR FOR THE LONG GILT FUTURE; SELECTED BIBLIOGRAPHY; Chapter 2: THE GOVERNMENT BOND BASIS; 2.1 AN INTRODUCTION TO FORWARD PRICING; 2.1.1 Introduction; 2.1.2 Illustrating the forward bond basis; 2.2 FORWARDS AND FUTURES VALUATION 2.2.1 Introduction 2.2.2 Forwards; 2.2.3 Futures; 2.2.4 Forwards and futures; 2.2.5 Relationship between forward and future price; 2.2.6 The forward-spot parity; 2.2.7 The basis and implied repo rate; 2.3 THE BOND BASIS: BASIC CONCEPTS; 2.3.1 Introduction; 2.3.2 Futures contract specifications; 2.3.3 The conversion factor; 2.3.4 The bond basis; 2.3.5 The net basis; 2.3.6 The implied repo rate; 2.4 SELECTING THE CHEAPEST TO- DELIVER BOND; 2.5 TRADING THE BASIS; 2.5.1 The basis position; 2.6 EXERCISES; SELECTED BIBLIOGRAPHY; Chapter 3: BASIS TRADING AND THE IMPLIED REPO RATE

3.1 ANALYSING THE BASIS 3.1.1 No-arbitrage futures price; 3.1.2 Options embedded in bond futures contracts; 3.2 BOND DELIVERY FACTORS; 3.2.1 The cheapest-to-deliver; 3.2.2 Selecting delivery time; 3.2.3 Changes in CTD status; Appendix 3.A GENERAL RULES OF THE CTD BOND; Appendix 3.B A GENERAL MODEL OF THE CTD BOND; SELECTED BIBLIOGRAPHY; Chapter 4: THE FUNDAMENTALS OF BASIS TRADING; 4.1 RATES AND SPREAD HISTORY; 4.1.1 Net basis history; 4.1.2 The implied repo rate; 4.2 IMPACT OF THE REPO RATE; 4.2.1 The repo rate; 4.2.2 Short bond position squeeze; 4.3 BASIS TRADING MECHANICS 4.3.1 Using the conversion factor 4.3.2 Trading profit and loss; 4.4 TIMING THE BASIS TRADE USING THE IRR; 4.4.1 The implied repo rate (again); 4.4.2 The IRR across futures contracts: Bloomberg illustration; SELECTED BIBLIOGRAPHY; Appendix A: REPO FINANCING AND THE CONCEPT OF THE 'SPECIAL'; A.1 CLASSIC REPO; A.2 BASKET REPO: ILLUSTRATION USING MALAYSIAN GOVERNMENT BONDS; A.3 SPECIAL BONDS IN REPO; Appendix B: RELATIVE VALUE ANALYSIS: BOND SPREADS; B.1 SWAP SPREAD AND TREASURY SPREAD; B.2 ASSET-SWAP SPREAD; B.3 Z-SPREAD; B.4 CASH-CDS BASIS; REFERENCES Appendix C: LIFFE LONG GILT DELIVERY HISTORY (March 1996 to June 2001) GLOSSARY; ABBREVIATIONS; INDEX

Sommario/riassunto

The 2nd edition of The Futures Bond Basis, is an updated and revised version of Professor Moorad Choudhry's succinct but in-depth look at the government bond futures contract basis. It includes essential background on contract specifications and the theory of the basis. It also covers the concept of the cheapest to deliver; price and delivery data for a sample of gilt contracts; the drivers of the basis and its dynamics; the mechanics of basis trading; a detailed explanation of gross and net basis, and an explanation of the implied repo rate. The book uses examples from the UK gilt market, alt
