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Nota di contenuto	BOND MATH; Contents; Preface; CHAPTER 1 MoneyMarket Interest Rates; Interest Rates in Textbook Theory; Money Market Add-on Rates; Money Market Discount Rates; Two Cash Flows, Many Money Market Rates; A History Lesson on Money Market Certificates; Periodicity Conversions; Treasury Bill Auction Results; The Future: Hourly Interest Rates?; Conclusion; CHAPTER 2 Zero-Coupon Bonds; The Story of TIGRS, CATS, LIONS, and STRIPS; Yields to Maturity on Zero-Coupon Bonds; Horizon Yields and Holding-Period Rates of Return; Changes in Bond Prices and Yields Credit Spreads and the Implied Probability of DefaultConclusion; CHAPTER 3 Prices and Yields on Coupon Bonds; Market Demand and Supply; Bond Prices and Yields to Maturity in a World of No Arbitrage; Some Other Yield Statistics; Horizon Yields; Some Uses of Yield-to-Maturity Statistics; Implied Probability of Default on Coupon Bonds; Bond Pricing between Coupon Dates; A Real Corporate Bond; Conclusion; CHAPTER 4 Bond Taxation; Basic Bond Taxation; Market

Discount Bonds; A Real Market Discount Corporate Bond; Premium Bonds; Original Issue Discount Bonds; Municipal Bonds; Conclusion
CHAPTER 5 Yield CurvesAn Intuitive Forward Curve; Classic Theories of the Term Structure of Interest Rates; Accurate Implied Forward Rates; Money Market Implied Forward Rates; Calculating and Using Implied Spot (Zero-Coupon) Rates; More Applications for the Implied Spot and Forward Curves; Conclusion; CHAPTER 6 Duration and Convexity; Yield Duration and Convexity Relationships; Yield Duration; The Relationship between Yield Duration and Maturity; Yield Convexity; Bloomberg Yield Duration and Convexity; Curve Duration and Convexity; Conclusion; CHAPTER 7 Floaters and Linkers

Floating-Rate Notes in GeneralA Simple Floater Valuation Model; An Actual Floater; Inflation-Indexed Bonds: C-Linkers and P-Linkers; Linker Taxation; Linker Duration; Conclusion; CHAPTER 8 Interest Rate Swaps; Pricing an Interest Rate Swap; Interest Rate Forwards and Futures; Inferring the Forward Curve; Valuing an Interest Rate Swap; Interest Rate Swap Duration and Convexity; Conclusion; CHAPTER 9 Bond Portfolios; Bond Portfolio Statistics in Theory; Bond Portfolio Statistics in Practice; A Real Bond Portfolio; Thoughts on Bond Portfolio Statistics; Conclusion; CHAPTER 10 Bond Strategies

Acting on a Rate ViewAn Interest Rate Swap Overlay Strategy; Classic Immunization Theory; Immunization Implementation Issues; Liability-Driven Investing; Closing Thoughts: Target-Duration Bond Funds; Technical Appendix; Acronyms; Bibliographic Notes; About the Author; Acknowledgments; Index

Sommario/riassunto

A guide to the theory behind bond math formulas Bond Math explores the ideas and assumptions behind commonly used statistics on risk and return for individual bonds and on fixed income portfolios. But this book is much more than a series of formulas and calculations; the emphasis is on how to think about and use bond math. Author Donald J. Smith, a professor at Boston University and an experienced executive trainer, covers in detail money market rates, periodicity conversions, bond yields to maturity and horizon yields, the implied probability of default, after-tax rates of r
