



Understanding the Swedish Bond Market

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09.00-09.15	Welcome and Introduction
09.15-12.00	1. Introduction to bonds <ul style="list-style-type: none">1.1 The bond definition1.2 The Swedish Bond Market – an overview<ul style="list-style-type: none">• Government Bonds• Corporate Bonds• Mortgage Bonds• Municipal Bonds1.3 Bond conventions1.4 Accrued interest1.5 Traditional bond types<ul style="list-style-type: none">• Bullet• Serial• Annuity• Zero• Floater• Index linked• Callable/putable
10.30-10.45	Coffee break
10.45-12.00	1. Introduction to bonds (continued)
12.00-13.0	Lunch
13.00-14.15	2. Price and yield to maturity <ul style="list-style-type: none">2.1 The basic formulaes2.2 Compounded and linear yields2.3 Clean Price, Dirty Price and Yield2.4 The Yield<ul style="list-style-type: none">• How to calculate the Yield• Examples2.5 How to decompose the Yield
14.15-14.30	Coffee break



14.30-16.15

3. Zero Coupon Pricing

3.1 Why Zero Coupon Yields?

3.2 Bootstrapping

3.3 Other zero coupon calculation methods

- Nelson Siegel
- Cubic Spline

16.15

End of day 1



October 8, 2010

09.00-09.30	Recap
09.30-12.00	4. Risk measures <ul style="list-style-type: none">4.1 Dollar duration4.2 Modified duration4.3 Macaulay duration4.4 Convexity4.5 Portfolio duration4.6 Exercises
10.15-10.30	Coffee break
12.00-13.00	Lunch
13.00-14.15	5. Corporate Bonds <ul style="list-style-type: none">5.1 Overview of the Corporate Bond Market5.2 Recent developments5.3 Why trade credit risk?5.4 Default probability and the yield spread5.5 Cheap/Dear Analysis5.6 Various Trading Strategies<ul style="list-style-type: none">• Trading the credit spreads• Asset Swaps (isolating Credit Risk on Corporate Bonds)
14.15-14.30	Coffee break
14.30 - 16.15	6. Inflation Linked Bonds <ul style="list-style-type: none">6.1 Why are inflation products issued?6.2 Market participants6.3 Time lag and type of indexation6.4 Inflation-linked bonds6.5 Return Components6.6 Break-even Inflation6.7 Investment strategies using inflation-linked bonds
16.15	Course evaluation