

THE GLOBAL PRODUCT CERTIFICATION PROGRAM

CERT <GO> GET THE BEST OUT OF BLOOMBERG

F304: Derivatives, Convertibles and Asset Swaps

Objective

Leverage Bloomberg's Convertible Bond Product to identify profitable trade ideas, understand a security's historical pricing characteristics, compare convertible bonds across asset classes, and model your own securities, that you develop the most profitable and appropriate trade ideas that meet your objectives.

CBMU

Use the Bloomberg Convertible Bond Main Menu to access all Convertible bond functionality. From Searching for convertibles to their final valuation, the applications located on the menu will bring you from beginning to end in identifying the most profitable opportunities.

NI EQL

Bloomberg's specific news category for equity linked news will keep you informed of new deals, research reports, and news pertaining to the equity linked markets so that you make the most well-informed, and profitable, business decisions.

CNVG

Graph a selected convertible corporate bond's price, the underlying stock's price, points, percent premium, parity, and the bond's yield. CNVG allows you to compare the current premium with historical levels so that you can understand the bond versus equity relationship and lower than usual premiums and cheap convertibles.

CVS

Compare historical bond prices relative to historical equity prices so that you can determine if a convertible is priced fairly, relative to historical observations. Historical, or empirical, deltas are provided for multiple periods in the lower portion of the graph.

OVCV

Compute fair values of your buy or sell candidates to ensure that your bond is priced fairly or to spot potential arbitrage opportunities. The Bloomberg Convertible Bond Valuation model provides all of the detailed information that you need, from duration and Greeks to component values. Run multiple scenarios varying volatility and credit spread.

TRMS

Confirm that your implied volatility inputs are reasonable according to the current term structure of implied volatilities and compare to historical volatilities so that you can more accurately value convertibles and identify profitable investment or hedged strategies.

ASW

Determine relative spread over LIBOR for the fixed income value of your convertible, so that you can determine relative value, compare across asset classes, or model the asset swap that will eliminate interest rate exposure.

CDSW

Model and price a credit default swap for your convertible bond so that you can determine relative value, study default perception, or eliminate the risk of default so that you can maximize your return while minimizing your risk.

PPCR

Create your own private placements or structure new deals that can be distributed throughout the firm or sent to other Bloomberg users so that you can insure that a deal is valued properly or communicate with your customers.

BLP

Bloomberg Launchpad is a customisable, dynamic user interface, which takes existing Bloomberg Professional service functions and allows them to exist on your computer desktop. Bloomberg Launchpad builds an interactive workstation driven by the Bloomberg Professional service's data, news and analytics, so that you can monitor the information that you need, when you need to see it, in order to maximize your returns, profits, and efficiently meet all of your objectives.



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