

THE GLOBAL PRODUCT CERTIFICATION PROGRAM

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F102: Introduction to Fixed Income - Module 2

OBJECTIVE

This session is a continuation of Module 1. It is designed to extend knowledge of fixed income on Bloomberg and will look at fair market indices, bond searches, fair value, total return analysis and asset swaps among other functions. At the end of this session you should be well equipped to analyze Fixed Income markets.

WBF

Use WBF to monitor prices or display yields for active bond futures contracts from around the world and choose custom the display criteria, creating a customized view of the market.

FMCI

FMCI displays a menu of fair market indices from around the world. Individual points that make up the Fair Market Curves (FMC) are saved as indices, allowing you to compare spread relationships to spot trends and find value.

SRCH

Use SRCH to create up to 20 custom searches for government, corporate, and private securities using customized criteria such as coupon, maturity, and country so that you can select the bonds that best meet your investment needs.

DES

Use DES as a mini-prospectus for a bond with all of the important descriptive details for the security in one place.

ISSD

ISSD provides a quick overview of the financial data and operations of the issuer of the security, so you can thoroughly evaluate the ability of the issuer to repay its debt.

CRPR

View current and historical ratings for a specific issuer or fixed-income security from various ratings agencies to better assess the credit worthiness of the issuer.

DDIS

Determine how a company is leveraged using the maturity distribution of the outstanding debt.



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TRA

Project total return for a bond versus the relevant treasury benchmark over a customized horizon period and taking into account various interest rate scenarios.

RVM

RVM graphs the historical spread of the yield of a selected bond to the corresponding interpolated point on the Treasury curve. It allows you to compare the current spread of a bond to its average spread to see if the bond is currently trading rich or cheap.

BFV

Use BFV to determine a theoretical value for where a selected bond should trade compared to bonds trading in the same industry and with the same credit rating.

FWCV

Use FWCV to analyze projected forward rates for fair market curves, interest rate swap curves, and government curves for three future dates so that you can adjust your investment strategy to best position yourself on the yield curve.

ASW

Use ASW to calculate the relative value of a selected bond through the interest rate swap market. Determine if it is better to enter into an asset swap versus purchasing a floating rate instrument.

HS

Use HS to graph the spread using the price or yield of two selected securities over a specific time frame to find opportune times to trade securities based on widening and tightening spreads.



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