



## Fixed Income Markets - Online

Once considered a safe haven, fixed income investing now presents an array of choices for every risk profile. This course gives a comprehensive overview of the fixed income market.

It covers basic bond terminology, bond fundamentals, yield calculations and the specifics of corporate, government and municipal bonds. Designed for those new to the bond market, as well as for those in related areas of the business seeking to expand their knowledge of this market. For personnel in sales, portfolio management, research, operations, and systems.

This is an online self study course that can be globally accessed from any internet enabled computer. También, se ofrece este curso en Español. Llamada para más información.

### Targeted Audience

Sales personnel, junior research analysts, operations and systems staff, new entrants to fixed income markets, finance analysts and corporate bankers.

### Advance Preparation

No advance preparation required.

### Learning Objectives

Students will be able to:

- . Describe the fixed income market, characteristics, features and risks of fixed income securities
- . Explain the basics of bonds
- . Explain a conceptual framework for fixed income investing and the risk involved
- . List the fixed income products available to your clients and discuss their specific suitability
- . Understand and describe Federal Reserve policies and activities and their impact on fixed

income markets

- . Describe the current public credit ratings used for fixed income products
- . Understand bond prices, including percentage values, quotation conventions, conversions and premium pricing
- . Understand accrued interest and standard payment dates, trade and settlement dates, accrued interest calculations
- . Calculate nominal yield, current yield, real yields and yield to maturity
- . Understand duration analysis - definition, calculation, interpretation, limitations and advantages

## **Alumni Comments**

*"It was a good overview of fixed income markets"*

*"The content and material are quite relevant and applicable."*

## **Follow-Up Courses**

Fixed Income Securities - Online

Bond Valuation - Online

Fixed Income Mathematics - Evening

Fixed Income Mathematics - Day

Fixed Income Suite

**Level: Basic**

**icb Credits: 15**

**icpas Credits: 9**

## **Detailed Outline**

**Fixed Income Markets - Overview**

**Bond Pricing and Yield Measures**

**This module gives an introduction to the Fixed Income Markets. It helps the user understand:**

- . Characteristics of fixed income markets
- . Various instruments and their classification

Duration: 1.5 hours

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**This module discusses the 'yield measures' in pricing bonds. It helps the user understand:**

- . Types of bonds and their pricing
- . Various yield measures

Duration: 1.5 hours

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### **Treasury Securities**

**This module deals with various types of treasury securities and their pricing. It helps the user to understand:**

- . Market terminology
- . Pricing Treasury notes and bonds

Duration: 1 hour

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### **Corporate Bonds**

**This module deals with corporate bonds and their characteristics. It helps the user understand:**

- . Corporate bonds market terminology
- . Pricing
- . Role of Credit ratings

Duration: 1 hour

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### **Global Bonds - I**

**This module gives the details of various government bonds. It helps the user understand:**

- . Australian, Canadian, French, German, and Irish government bonds and their markets
- . Characteristics and market practices in the above markets
- . Risks involved in the markets

Duration: 1 hour

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### **Global Bonds - II**

**This module gives the details of various government bonds. It helps the user understand:**

- . Italian, Spanish, Swiss, U.K and Japanese government bonds and their markets
- . Characteristics and market practices in the above markets
- . Risks involved in the markets

Duration: 1 hour

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### **Treasury Inflation Protected Securities (TIPS)**

**Duration**

**This module gives an introduction to treasury inflation protected securities. It helps the user understand:**

- . How do treasury inflation protected securities work
- . Risks of investing in TIPS
- . Managing TIPS portfolio
- . Implication of TIPS on income tax

Duration: 1 hour

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**This module deals with how duration as a risk management tool helps the user in analyzing fixed income instruments. It helps the user to understand:**

- . Basics of duration and modified duration
- . Computation of duration for various types of instruments

Duration: 1 hour

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## **Convexity**

**This module discusses convexity and its importance. It helps the user understand:**

- . Basics of convexity
- . Calculation of convexity for portfolios
- . Positive and negative convexities and their role

Duration: 2 hours

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## **Basis Point Value**

**This module deals with how basis point value affects bond prices. It helps the user understand:**

- . The relationship between BPV, duration and convexity
- . Methods to calculate BPV for on and off balance sheet items

Duration: 1 hour

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## **High Yield Bonds**

**This module discusses investing in high yield bonds. It includes:**

- . Definition of high yield bonds
- . Risks involved in them

Duration: 1 hour

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## **Brady Bonds**

**This module deals with Brady bonds as a special class of bond markets. It helps the user understand:**

- . Brady bond market terminology
- . Pricing of Brady bonds
- . Risks associated with Brady bonds and their hedging

Duration: 1 hour

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## Option Embedded Bonds

**This module discusses bonds embedded with option like features. It helps the user understand:**

- . Callable and puttable bonds
- . Valuation
- . Convertible bonds and their valuation

Duration: 1 hour

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## Collateralized Mortgage Obligations

**This module discusses Collateralized Mortgage Obligations (CMO) a type of mortgage-backed securities. It helps the user understand:**

- . Various types of CMOs and their structures
- . Risks inherent in CMOs
- . Legal and regulatory aspects of CMOs

duration: 1.5 hours

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## Interest Rate Swaps

**This module deals with how interest rate swaps can be used to hedge interest rate risk in fixed income markets. It helps the user to understand:**

- . Importance of interest rate risk
- . Pricing and valuation of interest rate swaps
- . Variants in interest rate swaps
- . Swaptions

Duration: 1 hour

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## Caps, Floors, Collars and Captions

**Topics covered include:**

- . Interest Rate Caps
- . Corridors
- . Step up Caps
- . Captions
- . Floors
- . Collars

Duration: 1 hour

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## Forward Rate Agreements

**This module discusses uses of Forward Rate Agreements in interest rate risk management. It helps the user understand:**

- . Trading mechanics of FRAs
- . Trading and arbitrage strategies using FRAs

Duration: 1 hour

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## Bond Trading Strategies

**This module deals with the strategies traders employ in bond markets. It helps the user understand:**

- . Bond trading mechanics
- . Bond stripping

. Relative value trade

Duration: 1 hour

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## **Municipal Bonds**

### **This module helps the user understand:**

- . The meaning and concept of municipal bonds
- . The features of municipal bonds
- . The types of municipal bonds
- . The differences between municipal bonds and corporate bonds
- . The municipal bond markets
- . The commercial credit rating of municipal bonds
- . The types of risks involved with respect to municipal bonds
- . The concept of municipal bond insurance

Duration: 1 hour

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## **Job Aids**

. Measurement Tools

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## **Language Options**

También, se ofrece este curso en Español. Llamada para más información.

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.