

FIN 261: Fixed Income Securities

Brandeis University IBS

Spring 2007

Professor James Ho

Sachar Room 130

Professor James K. Ho

Email: hoji@brandeis.edu

Office: Room 4

Telephone: 617-527-1568

Office Hours: By appointment

Teaching Assistant: Oury Marciano

Email: Marciano@brandeis.edu

Textbook:

Bond Markets, Analysis and Strategies, 6h edition by Frank Fabozzi

Other:

Daily reading to the Wall Street Journal (especially Credit Markets" section)

Regular reading of Barron's (especially "Current Yield" sections)

Prerequisite: FIN201a or FIN 301a

Course description:

The goal of this course is to study in detail the following aspects of the Fixed Income Markets and its securities:

- Fixed income security cash flow structures, market pricing and yields, and various measures of security risk
- Details of fixed income sectors including US Treasuries/Agencies, corporate and municipal bonds, various structures of asset backed securities including mortgages backed and commercial mortgage backed securities and collateralized debt obligations
- Fixed income portfolio management strategies and performance measurement
- Fixed income trading
- Credit default swaps
- Interest rate futures contracts
- Liability funding strategies and asset liability management
- Basic introduction to interest rate models and valuation of fixed income securities with embedded options

We will cover a majority of the sections in the Fabozzi book. Advance student preparations for class work will be essential.

Course Work:

Homework: Advance reading will be assigned for each class and students are expected to be familiar with these readings before the associated lecture. Homework assignments will be assigned each week and due the next class. Completion of homework is essential not only for grading but to enable students to keep pace with lectures and preparing for examinations.

Examinations: There will be 2 mid-term examinations (1.5 hours) and a final examination. The midterms will be equally weighted, and spaced approximately to divide the content into 3 equal parts. The final examination will be cumulative, although a greater focus will be put on the latter third of the content.

Homework may be discussed in student groups, but each student is expected to submit their own work on time.

Grading:

Midterm I	20%
Midterm II	20%
Final	40%
Homework	20%

Course plan:

Midterm I:	February 14 (Class 9)	Chapters 1-9
Midterm II:	March 26 (Class 18)	Chapters: 10-19
Final	May 9	Chapters; 1-26

Note: Not all topics in these chapters will be covered; more detailed chapter and section assignments will be given in class.