FEAS12
Bond Portfolio Management
Master of Science
Financial Engineering
Nanyang Business School
Nanyang Technological University
2005

Instructor
Assoc Prof Tan Kok Hoj

Contact Information
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Course Description
The main objective of this course is to provide participants with strong understanding of fixed income securities and management of a bond portfolio. Classes will cover the basics of bond markets, analysis of fixed income securities, interest rate term structure, option-embedded bonds, and bond portfolio management.

Reference Texts
Bond Markets, Analysis and Strategies**

Other reading materials will be announced in class.

Readings
Understanding the Yield Curve:
Part 1: Overview of Forward Rate Analysis
Part 2: Market's Rate Expectations and Forward Rates
Part 3: Does Duration Extension Enhance Long-term Expected Returns
Part 5: Convexity Bias and the Yield Curve

Class Format
Classes will be conducted in mix format that may encompass lectures, trading game using of Financial Trading System (FTS) software, and Reuters. All announcements will be available on Edaventure. Trading
cases are available from www.itsnet.com (username: nan779 /
Password: nan779)

Class Participation:
Your class participation grade will be negatively affected if you make no
attempt to participate in-class.

Project/Trading Game
You are to write a short report on bond trading. You define your portfolio
objective and manage a sum of money. Your grade will depend on 1) how
much money you make and 2) how you make the money.

Grades
2-Hour Closed-book Examination: 60%
Short cases 30%
Class Participation: 10%
Total 100%

Course Schedule

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<td>Lecture 3 and 4</td>
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