ADVANCED FIXED INCOME
Christophe DISPAS

COURSE SUMMARY

Learning Outcomes

This course is intended to provide practitioners with strong knowledge in fixed income analysis and management. This covers the fundamentals of bonds, the analysis and valuation techniques as well as their management. The very uncertain economic context and recent regulatory evolution provide an ever increasing interest for fixed income from investors.

A strong focus is made on practical understanding of fixed income concepts through examples and illustrations in Excel.

This course is crucial for anyone desiring to work in finance in the future, and more specifically to portfolio managers and investors. Moreover, understanding the concept of interest rate is key to most of the developments in finance.

After this course, you will be able to:

- Understand the fixed income market practices and conventions.
- Understand and master the implementation and limitations of the most usual bond yield and risk measurement techniques.
- Understand the term structure of interest rates and build a model.
- Build a simple fixed income portfolio and, through optimization techniques, reach specific objective in terms of return or risk.
- Acquire a better knowledge of the main fixed income instruments and characteristics.
Audience

This course is intended to professionals or investors with a strong desire to acquire a better understanding of fixed income markets and instruments. A special focus is made on fixed income portfolio management techniques. But this course is also intended for professionals with a strong desire to make themselves familiar with financial analysis, acquisition financing, deal structuring. It does not limit itself to the pure corporate finance professional, such as the investment banker or the financial analyst. Credit analysts, controllers, treasurers, accountants, portfolio managers often get confronted with fixed income products. The canvas, the products, and the different techniques to cope with the rapidly changing environment of Fixed Income has become a must.

Lecturer: Christophe Dispas

Christophe Dispas is Director and Member of the Executive Committee at Degroof Fund Management Company (DFMC). He has 15 years of investment experience and specialized in Fixed Income and quantitative management. He holds a PhD obtained at University of Louvain (UCL). He is also Invited lecturer at UCL and University of Lille (France).

Reference

Main


Other very pedagogical references:


Additional background to some more specific content can be found in:

Day 1: Bond Fundamentals & Analysis
- Definition
- Pricing
- Buy or sell a bond
- Bond yield
- Risk measures

Case: Bond Allocation: Pension Fund B&D

Reading(s)
- Chapter 18 & 19 of the main reference
- Case provided in PDF file

Day 2: Analysis & Valuation of bonds
- Convexity
- Credit risk
- Spot & Forward rates
- Term structures theories
- Type of issuers
- Type of bonds

Cases:
- Term structure with Excel
- Expected return with Excel

Reading(s)
- Chapter 18 & 19 of the main reference

Day 3: Bond Portfolio Management
- Active vs passive management
- Yield spread strategies
- Bond Immunization
- Fixed Income factor models
- Hedging

Case: Bond Portfolio Management with Excel

Reading(s)
- Chapter 20 of the main reference