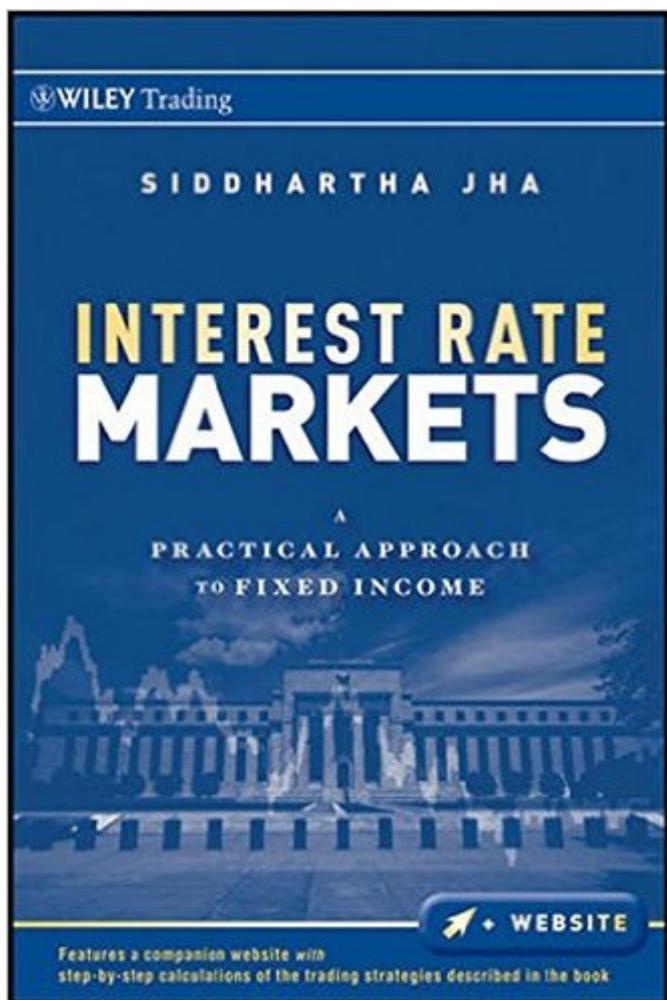


The book was found

Interest Rate Markets: A Practical Approach To Fixed Income



Synopsis

How to build a framework for forecasting interest rate market movements With trillions of dollars worth of trades conducted every year in everything from U.S. Treasury bonds to mortgage-backed securities, the U.S. interest rate market is one of the largest fixed income markets in the world. Interest Rate Markets: A Practical Approach to Fixed Income details the typical quantitative tools used to analyze rates markets; the range of fixed income products on the cash side; interest rate movements; and, the derivatives side of the business. Emphasizes the importance of hedging and quantitatively managing risks inherent in interest rate trades Details the common trades which can be used by investors to take views on interest rates in an efficient manner, the methods used to accurately set up these trades, as well as common pitfalls and risks?providing examples from previous market stress events such as 2008 Includes exclusive access to the Interest Rate Markets Web site which includes commonly used calculations and trade construction methods Interest Rate Markets helps readers to understand the structural nature of the rates markets and to develop a framework for thinking about these markets intuitively, rather than focusing on mathematical models

Book Information

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Customer Reviews

Interest rate markets is a different book than many published for the rates space as it focuses on intuition. Unlike many rates books on the market, the aim is not to price complex securities, but rather to understand and forecast the movement of liquid rate products such as Treasuries, mortgages and swaps. There are very few equations in the book and the emphasis is on a logical thought process to forming views on rates.The book starts out with an introduction to the wide range of liquid products traded in the rates space including bonds, swaps, and futures. Once the basics of

these products have been described, basic frameworks around taking views on the outright direction of rates is described. This includes both very long term factors as well as short term data releases. After the basic framework is outlined, common types of rates trades are discussed which allow traders to express more specific views. Examples include swap spreads and carry trades which are not discussed frequently in other books. In addition to trades related to underlying securities, the book addresses interest rate options and their place in a rate portfolio. Finally, practical hedging strategies are expanded upon including pros and cons of using empirical methods such as regression. Overall, I believe this book would be useful to anyone trying to gain a more intuitive understanding of interest rates and fulfills a needed niche in the space of fixed income books which tend to be either very model intensive or very basic in their discussion.

As a former rates trader at a major institution, in my estimation, this book is simply the best text & reference for practitioners in the interest rates markets. For rates traders/salespeople, this book essentially replaces three books (Fabozzi's "Handbook of Fixed Income Securities", Belton's "The Treasury Bond Basis" and Burghardt's "The Eurodollar Futures and Options Handbook") you may have on your desk at work. While the other three texts (particularly the last two if you're an MBA student), may cover their respective material in more depth, Mr. Jha's book approaches the material with a traders view in mind. His casual, and often humorous tone makes the material approachable and easy to comprehend for the 1st year Analyst you're about to give this book to. His analogy of Chevy's vs. Ferrari's in describing the Cheapest to Deliver option in Treasury futures was both entertaining AND lucid. Although the rates markets have been written about extensively (unsurprisingly as it exists as the most fundamental of fixed income markets), Mr. Jha's book closes a major hole in the outstanding literature and should be required reading for any incoming Sales and Trading Analyst or Associate.

I was surprised by this book. There is very little math in this book, which would make it a popular book for giving someone an introduction to the bond markets. It covers all of the non-credit, non-mortgage markets. It will not replace Handbook of Fixed Income Securities 7th Edition, but it will supplement it, because this is an easier read on the areas that it covers. Swaps, futures, rolls, options -- this book gives a friendly introduction to all of them. Quibbles The flipside of no math is that many things are not explained as well as they should be, or get glossed over. It would be better to ignore principal components analysis than to mention it and not give much explanation. (A brief appendix, maybe? Same for other math topics?) Who would benefit from this book: Beginners with a

serious interest in the fixed income markets would benefit. No one else.

I am Quants professional and this is the book I would recommend to every starter to medium level practitioner. Material is bite size accurate and not overwhelming by mathematical explanations. Starts with simple concepts and allows one to develop intuition based on background .. simply great

Im a trader at a global macro fund and this book has been instrumental in developing a solid framework in understanding the rates markets. It's allowed me to build my thought process in a very clear and concise manner. The author provides a great depth of knowledge in a very clear manner from first hand experiences. After having read thru the book several times i still keep it handy on the trading desks as a reference. I would without question recommend this book to anyone from experienced traders/analysts to folks who are just interested in fixed income with little to no prior knowledge.

Excellent book! Author does a great job of explaining the technical side of the market and its products. He does a great job of also explaining why someone would trade a particular product and how that product is affected by supply & demand, economic policy, etc. Definitely recommended!

This extremely well written book gives an excellent introduction of fixed income markets - swaps, futures, options, rolls, interest rates etc. The breadth of areas it covers and the simplicity and accuracy with which concepts are presented make this an excellent practical tool for fixed income enthusiasts. Covering a bunch of basic concepts and other more complex products and concepts like yield curve/spread forecasting, a detailed understanding of rate options, this book is an excellent resource for both first timers looking to gain a basic understanding of fixed income markets and concepts such as hedging and risk management, and the experienced professionals alike. It also has the capability to add value to seasoned traders and analysts looking to gain a broader, deeper understanding of interest rate markets. The nature of fixed income markets is provided in addition to the mathematical tools used to model it, and gives the reader a much deeper, thorough understanding of the product space combining an intuitive and mathematical approach. An excellent read, and highly recommended.

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