

BOND Calculations Menu (BOND)

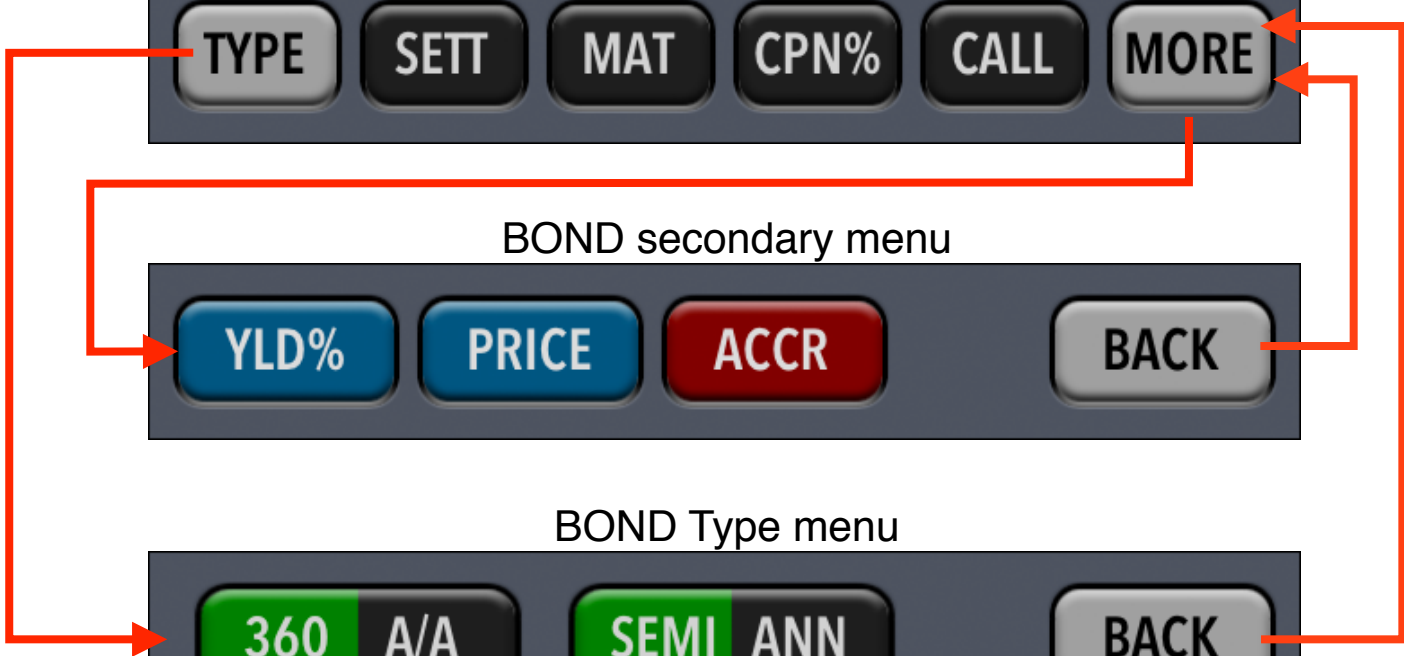
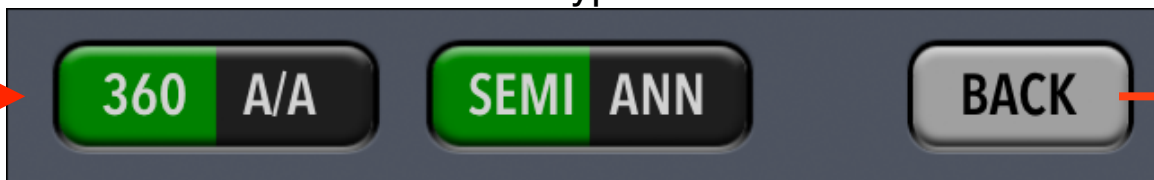
BOND primary menu







BOND secondary menu













BOND Type menu



BOND Menu Buttons

BOND Menu Buttons	
	Show the Bond type menu to adjust the calendar and coupon period.
	Stores the settlement (purchase) date according to the current date format (M.DY or D.MY).
	Stores the maturity date or call date according to the current date format (coincide with a coupon date).
	Stores the annual coupon rate as a percentage.

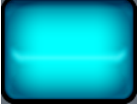

BOND Menu Buttons









	Stores the call price per \$100 face value. For a yield to maturity, make sure CALL equals 100. (A bond at maturity has a “call” value that is 100% of its face value).
	Shows the Bond secondary menu to calculate bond price or yield.
	Stores or calculates the yield (as an annual percentage) to maturity or yield to call date.
	Stores or calculates the price per \$100 face value.
	Calculates the interest accrued from the last coupon payment date to the settlement date.
	Set the calendar to 30 days month and 360 years.
	Set the calendar to actual month and year..
	Set the bond to semiannual coupon payment.
	Set the bond to annual coupon payments.
	Goes back to the BOND primary menu

Example: Price & Yield of a Bond

What price should you pay on August 10, 2003 for a $6\frac{3}{4}\%$ U.S. Treasury bond that matures on May 1, 2018 if you wish a yield of $8\frac{3}{8}\%$? The calendar basis is actual/actual and the coupon payments are semi-annual.

Solution: (assuming M.DY date format, and ALG mode).

First,   to reset all the variables, then follow the next sequence:

Keystroke	Description
	Shows the BOND-TYPE menu.
	Set the bond calendar to Actual. Set the coupon payment to semiannual. Get back to primary BOND menu
8.102003 	Stores the purchase date. SETT = 08/10/2003 Sun
5.012018 	Stores the maturity date. MAT = 05/01/2018 Tue
6.75 	Stores the coupon rate and shoe secondary menu. CPN% = 6.75
8.375 	Stores the desire yield. YIELD% = 8.38
	Calculates the Bond Price. PRICE = 86.38
	Add the Bond price and the accrued interest to calculate the net price. Result = 88.23