BOND Calculations Menu (BOND)

BOND primary menu

BOND secondary menu

BOND Type menu

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

	BOND Menu Buttons
CALL	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).
MORE	Shows the Bond secondary menu to calculate bond price or yield.
YLD%	Stores or calculates the yield (as an annual percentage) to maturity or yield to call date.
PRICE	Stores or calculates the price per $100 face value.
ACCR	Calculates the interest accrued from the last coupon payment date to the settlement date.
360 A/A	Set the calendar to 30 days month and 360 years.
360 A/A	Set the calendar to actual month and year..
SEMI ANN	Set the bond to semiannual coupon payment.
SEMI ANN	Set the bond to annual coupon payments.
BACK	Goes back to the BOND primary menu

Example: Price & Yield of a Bond

What price should you pay on August 10, 2003 for a 6¾% U.S. Treasury bond that matures on May 1, 2018 if you wish a yield of 8⅜%? The calendar basis is actual/actual and the coupon payments are semi-annual.

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

First, [🟥] [INPUT CLEAR DATA] to reset all the variables, then follow the next sequence:

Keystroke	Description
TYPE	Shows the BOND-TYPE menu.
360 A/A SEMI ANN BACK	Set the bond calendar to Actual. Set the coupon payment to semiannual. Get back to primary BOND menu
8.102003 SETT	Stores the purchase date. **SETT = 08/10/2003 Sun**
5.012018 MAT	Stores the maturity date. **MAT = 05/01/2018 Tue**
6.75 CPN% MORE	Stores the coupon rate and shoe secondary menu. **CPN% = 6.75**
8.375 YLD%	Stores the desire yield. **YIELD% = 8.38**
PRICE	Calculates the Bond Price. **PRICE = 86.38**
$+$ x^2 ACCR	Add the Bond price and the accrued interest to calculate the net price. **Result = 88.23**