

Hw3.4

Friday, September 27, 2024 12:05 PM

Problem 4

$$\text{Received} : 100 \text{ mil} \cdot 3\% = 3 \text{ mil}$$

$$\text{Paid} : 100 \text{ mil} \cdot 3,4\% = 3,4 \text{ mil}$$

$$PV_{\text{fixed}} = \frac{3 \text{ mil}}{1 + 0,034} + \frac{3 \text{ mil}}{(1 + 0,034)^2} = 5,7 \text{ mil}$$

$$PV_{\text{float}} = \frac{3,4}{(1 + 0,034)^1} + \frac{3,4}{(1 + 0,034)^2} = 6,46 \text{ mil}$$

$$\text{Swap value} = 5,7 - 6,46 = -0,76 \text{ mil}$$