**MTH 9878 IR models Notes**

**Lecture 2**

1. 0,S,T: 0 current date, S start date, T maturity

2. OIS forward rate F(t,S,T) day count factor: money market account day period in [S,T] compare the bond market day period

3. isda

4. modification day period in Excel: yearfrac

5. 1-discount factor to the last day of the swap=

6. d=0, 1 interval, d=1, 2 intervals, d=2, 3 intervals, d=3, 4 intervals

**Girsanov, Numeraires, and All That**

1. Bid ask spread is 0 in frictionless market