

IRS valuation as FRAs

Notional	\$ 100,000
Fixed rate	4.75%
adj-fixed rate	5.40%
Spread	0.65%

Time(months)	6	4	10	16
LIBOR	5.35%	5.50%	5.25%	5.10%
adj-LIBOR	6.00%	6.15%	5.90%	5.75%

f(4,10)	0.057335018
f(10,16)	0.055002428

Value	0.002940034	0.001588635	0.000464726	0.004993
CF	294.0034042	158.8635461	46.47259442	499.339545