Numerix Lab Assignment 1

Assignment Submissions

Due 4/16/16 11:59 PM

Lab Assignment 1

Course: Fixed Income Derivatives
Instructor: Jeff Greco
Lab Session Date: April 16, 2016
This is a Numerix Lab Session group assignment.

1 EUR OIS Bootstrapping

1. Using the data you collected in the previous assignment, plot the initial discount factor, zero rate, and instantaneous forward rate curves on 03/11/2016.
2. Plot the instantaneous forward rate curve and its day-over-day change for each of the remaining business days 03/12/2016-03/24/2016.
3. Describe each day-over-day change, e.g. “no change,” “parallel,” “twist,” “bowing,” combinations, etc.

2 EUR 6-Month LIBOR Bootstrapping

1. Using the data you collected in the previous assignment, plot the initial 6-month LIBOR projection and LIBOR-OIS basis spread curves on 03/11/2016.
2. Plot the 6-month LIBOR-OIS basis spread curve and its day-over-day change for each of the remaining business days 03/12/2016-03/24/2016.
3. Describe each day-over-day change, e.g. “no change,” “parallel,” “twist,” “bowing,” combinations, etc.