**Yield Curve Construction**

1. MC: Monotone-Convex Interpolation Method by Hagan and West, 2008.

Forward Rate   
 (Simply Compounded)

MC:

Instantaneous Forward Rate  
 “Short Rate”

Bootstrap

Spot Rate (“Zero Rate”)

Libor Rate

ED Futures

Discount Factor

Par Swap Rate

Discrete Forward Rate

2. All rates are continuously compounded unless stated explicitly.