





In view of the health context linked to the spread of the coronavirus, the methods of organisation and evaluation of the learning units could be adapted in different situations; these possible new methods have been - or will be - communicated by the teachers to the students.

5 credits	30.0 h	Q1
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Teacher(s)	Nguyen Anh (compensates Platten Isabelle) ;Platten Isabelle ;Vrins Frédéric ;
Language :	French
Place of the course	Mons
Main themes	<p>This course is designed to provide a comprehensive introduction (level1 CFA and part of level 2) to fixed income securities by covering the following broad topical areas:</p> <ul style="list-style-type: none"> - the institutions, instruments, and operations involved in the fixed income securities markets; - the valuation and the risks of fixed income securities; - the term structure of interest rate; - the use and application of interest rate derivatives in the areas of risk management and financial engineering.
Aims	<p>At the end of this course, students will be able to:</p> <ul style="list-style-type: none"> - Describe and interpret the general features of fixed income securities and understand the basic operations of fixed income markets; - Apply the discount cash-flow technique to price bond and be able to describe the relationship between bond price and yield; - Illustrate the basic term structure of interest rates and to extract zero-coupon rates from bond yields; - To measure interest rate risk using the concepts of duration and convexity - Understand the features and uses of bond with option features ; - Use basic interest rate derivatives like futures and options to manage interest rate risk. - Explain the characteristics mortgage-backed securities and asset-backed securities; <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Evaluation methods	Due to the COVID-19 crisis, the information in this section is particularly likely to change. Written exam
Teaching methods	Due to the COVID-19 crisis, the information in this section is particularly likely to change. <ul style="list-style-type: none"> • Lectures • Case studies • Practical sessions on Excel
Content	<p>At the end of this course, students will be able to:</p> <ul style="list-style-type: none"> - Describe and interpret the features of bonds and to understand the operations and structuring of fixed income markets; - To define the term structure of interest rates and to extract zero-coupon rates from the prices of

	<p>bonds ;</p> <ul style="list-style-type: none"> - To measure the interest rate risk using the concepts of duration and convexity; - To understand the characteristics of bonds with options and value them; - To use interest rate derivatives, such as futures and options, for the management of interest rate risk. - To explain the characteristics of the securitized products and mortgage backed securities
Inline resources	Student corner
Bibliography	<p>Pietro Veronesi, Fixed Income Securities, Wiley, 2010 Bruce Tuckman & Angel Serrat, Fixed Income Securities, Wiley, 2012 CFA® reference textbook : Barbara Petitt, Jerald Pinto, Wendy Pirie, Fixed Income analysis, Wiley, 2015 Frank Fabozzi, Fixed Income Analysis, Second Edition, 2007, Wiley, CFA Institute Investment Series</p>
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] : Business Engineering	INGE2M	5		
Master [120] : Business Engineering	INGM2M	5		
Master [60] in Management	GESM2M1	5		
Master [120] in Management	GEST2M	5		
Master [120] in Management	GESM2M	5		