**Syllabus for MA 591-002, Fall 2017**

**Fixed Income: Markets, Valuation, and Strategy**

1. Instructor—Richard Ellson, Ph. D; rwellson@ncsu.com
	1. Class Hours—Monday & Wednesday; 10:15-11:30
	2. Office and Hours: SAS 3204, Monday Noon-2; Wednesday 10-12; or by appointment
	3. Classroom—TBD
2. Textbook: ***Bond Markets, Analysis, and Strategy****;* Frank Fabozzi, 9th edition (Pearson)
3. Exams and Grading Policy (subject to change)
	1. Mid-Term Exam (30%), Final Exam (35%)
	2. Market Monitoring (20%)
	3. Periodic Problems/Quizzes (10%)
	4. Class Participation/Discussion (5%)
4. Class Attendance: not required, but strongly encouraged (See grading policy)
5. Topics and Chapters (subject to change)
	1. Part 1: Background
		1. Basics: Chapters 1-3
		2. Next Level: Chapters 4, 5, 18, 21, 23 (?)
		3. Who are the players (investors), How do their investment strategies differ, and Why?
	2. Part 2: Treasury Market and Fixed Income Derivatives
		1. TSY/GSE: Chapter 6
		2. Derivatives: Chapters 29-30, 32
			1. Interest Rate Swaps, Caps, and Floors
			2. Credit Default Swaps
	3. Part 3: Amortizing Bonds and Structured Finance
		1. Background
			1. Embedded Options: Chapter 18
			2. Underlying loans for MBS/ABS
		2. Mortgage-Backed Securities
			1. Agency RMBS: Chapters 11-12
			2. Non-Agency RMBS: Chapters 23, 13
			3. Commercial MBS: Chapter 14
			4. Analysis of MBS: Chapter 19
	4. Part 4: Corporate Bonds and Related
		1. Corporate Bonds: Chapters 7, 22
		2. Asset-Backed Securities
			1. Various Categories: Chapter 15
			2. CDOs: a major cause of the financial crisis
	5. Part 5: Trading and Portfolio Management
		1. Strategies: Chapter 24
		2. Construction: Chapter 25
		3. Who are the actors and what do they do?
		4. How do you really trade?
			1. Active/Public Markets
			2. Opaque Markets
			3. Private Placements versus Public Securitization