

FM 9561B - Fixed-Income Modelling

Outline of Lectures: 24 – 28 February 2014

For this week, we aim to cover the following theories/concepts:

1. Bond price solution via the PDE approach under the Vasicek model
2. The Hull-White model and the derivation of the bond price
3. Options on bonds
4. The Cox-Ingersoll-Ross model and the derivation of the bond price
5. Characterisation of affine term structure models