Advanced Fixed-Income Valuation Tools (Frontiers in Finance Series)

Narasimhan Jegadeesh, Bruce Tuckman
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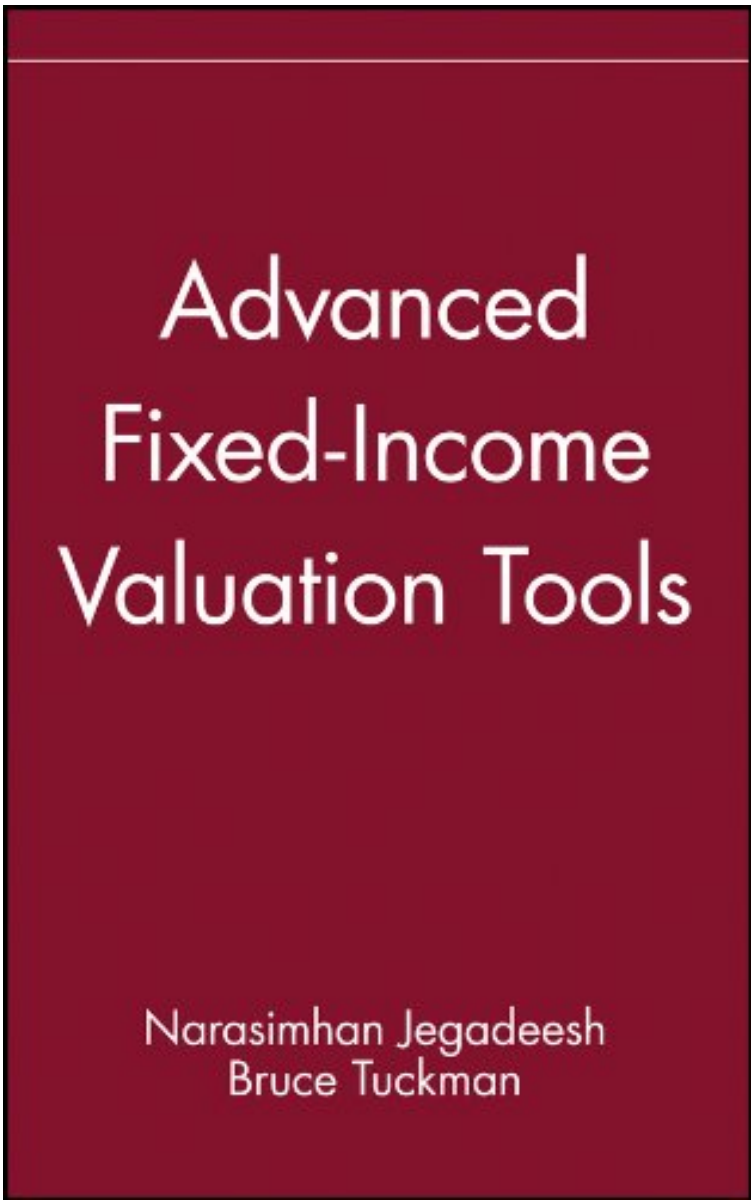

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Narasimhan Jegadeesh, Bruce Tuckman : Advanced Fixed-Income Valuation Tools (Frontiers in Finance Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Advanced Fixed-Income Valuation Tools (Frontiers in Finance Series):

13 of 13 people found the following review helpful. A good introductionBy Andrew SujdakIt's basically a collection

of dumbed-down review articles on modern fixed income. There's not as much in here on option pricing as I would have wished, and if you consider yourself a reasonable technical person who's seen any fixed income trading before, it's not going to be that helpful to you.It's a nice SUMMARY of the literature available for those who don't have the time to read it all first-hand. Since my primary interest is more towards equity exotics, the book was more than satisfactory for me. I'd say the target audience is non-fixed income exotics traders, quants without much background in fixed income, and academics.The best article in the book is probably the one written by Das. He's one of my favorite authors and his chapter in this book is no exception.My main complaint is that many portions of the book INSIST on using econometric models and pricing kernels rather than the DiffEq framework. For that reason, I like Paul Wilmott's presentaion of the math a little better. I find myself constantly referring back to "Derivatives" and translating what the guys in this book are trying to say.As with most books in the field, it is also very poor at describing the implementation of the models presented.

Presenting the most advanced thinking on the topic, this book covers the latest valuation models and techniques. It addresses essential topics such as the subtleties of fixed-income mathematics, new approaches to modeling term structures, and the applications of fixed-income valuation on credit risk, mortgages, munis, and indexed bonds.

From the Inside FlapIn response to intense competition and higher market volatility, players in the fixed-income market now demand increasingly sophisticated valuation tools. Until recently, a basic understanding of duration and convexity or the ability to use simple, one-factor term structure models was enough to distinguish one from the crowd. Now, this knowledge is practically de rigueur. Cutting-edge players today need a deep understanding of how convexity and risk premia affect bond yields and returns; of how multi-factor term structure models can improve hedging performance; and of how to improve the accuracy and efficiency of Monte Carlo analysis, etc. This book brings together contributions from twenty-four finance professionals and academics from top investment banks, consulting firms, and universities. Going well beyond the basics, Advanced Fixed-Income Valuation Tools brings the reader some of the most advanced thinking in the field. Topics covered in this book include: * The effects of convexity and risk premia on bond yields, forward and future rates, and expected returns * The similarities and differences among term structure models * Multi-factor models and models with jumps * Modeling credit risk * Prepayment modeling and MBS pricing * The Muni-Treasury spread * Foreign currency options * Efficient numerical valuation techniques Advanced Fixed-Income Valuation Tools arms the reader with the knowledge and tools needed to succeed in the competitive and rapidly evolving field of quantitative fixed-income investing and trading.From the Back CoverIn response to intense competition and higher market volatility, players in the fixed-income market now demand increasingly sophisticated valuation tools. Until recently, a basic understanding of duration and convexity or the ability to use simple, one-factor term structure models was enough to distinguish one from the crowd. Now, this knowledge is practically de rigueur. Cutting-edge players today need a deep understanding of how convexity and risk premia affect bond yields and returns; of how multi-factor term structure models can improve hedging performance; of how to improve the accuracy and efficiency of Monte Carlo analysis, etc. This book brings together contributions from twenty-four finance professionals and academics from top investment banks, consulting firms, and universities. Going well beyond the basics, Advanced Fixed-Income Valuation Tools brings the reader some of the most advanced thinking in the field. Topics covered in this book include: * The effects of convexity and risk premia on bond yields, forward and future rates, and expected returns * The similarities and differences among term structure models * Multi-factor models and models with jumps * Modeling credit risk * Prepayment modeling and MBS pricing * The Muni-Treasury spread * Foreign currency options * Efficient numerical valuation techniques Advanced Fixed-Income Valuation Tools arms the reader with the knowledge and tools needed to succeed in the competitive and rapidly evolving field of quantitative fixed-income investing and trading. "This is a thoughtfully organized compendium of a series of high-quality papers thatshould serve as an excellent resource describing cutting-edge research. Drs. Jegadeesh and Tuckman have put together a collection of first-rate authors considering timelyand useful areas of some of the frontiers of fixed-income valuation." -H. Gifford Fong President, Gifford Fong Associates President Editor, Financial Analysts Journal "This book has an excellent mix of well-written survey papers and cutting-edge research on fixed-income modeling techniques. The strong practical flavor of the papers makes this collection invaluable in understanding this dynamic area of research."-Francis Longstaff Professor of Finance, Anderson School at UCLA "Jegadeesh and Tuckman have done an excellent job of selecting papers that bridge the gap between the new developments in fixed-income models and the practitioners' needs. This collection of papers goes beyond the treatment of fixed-income analytics found in other textbooks. It will be useful for interest rate modelers and fixed-income specialists as well as for academics looking for a summary of the recent advances in the field." Yacine Ait-Sahalia Professor, Princeton University and Director, Bendheim Center in Finance "This excellent collection of articles ushers the reader into the forefront of advanced fixed-income valuation theory. Researchers will find the cutting-edge material stimulating and the abundance of contemporary references informative. Practitioners will particularly benefit from the attentive treatment of default risk and tax effects-important components of value that are seldom given due

cognizance." -Andrew Kalotay, PhD Member, Fixed-Income Analysts Society Hall of Fame President, Andrew Kalotay Associates, Inc.About the AuthorNARASIMHAN JEGADEESH, PhD, is the Harry A. Brandt Distinguished Professor of Finance at the University of Illinois at Urbana-Champaign. He was formerly a member of the faculty at the University of California at Los Angeles and he received his PhD in finance from Columbia University. Professor Jegadeesh has been published extensively in the Journal of Finance, the Journal of Financial Economics, and other leading financial journals. He serves on the editorial board of the Journal of Securities Market. He is also an investment consultant for the hedge funds managed by Arbitrade Holdings LLC. BRUCE TUCKMAN, PhD, is Managing Director and Global Head of Relative Value Modeling at Credit Suisse First Boston. After receiving his doctorate in economics from MIT, he became a professor of finance at New York University's Stern School of Business and a visiting professor at UCLA's Anderson School. He began his Wall Street career at Salomon Brothers' Fixed Income Proprietary Trading Group.