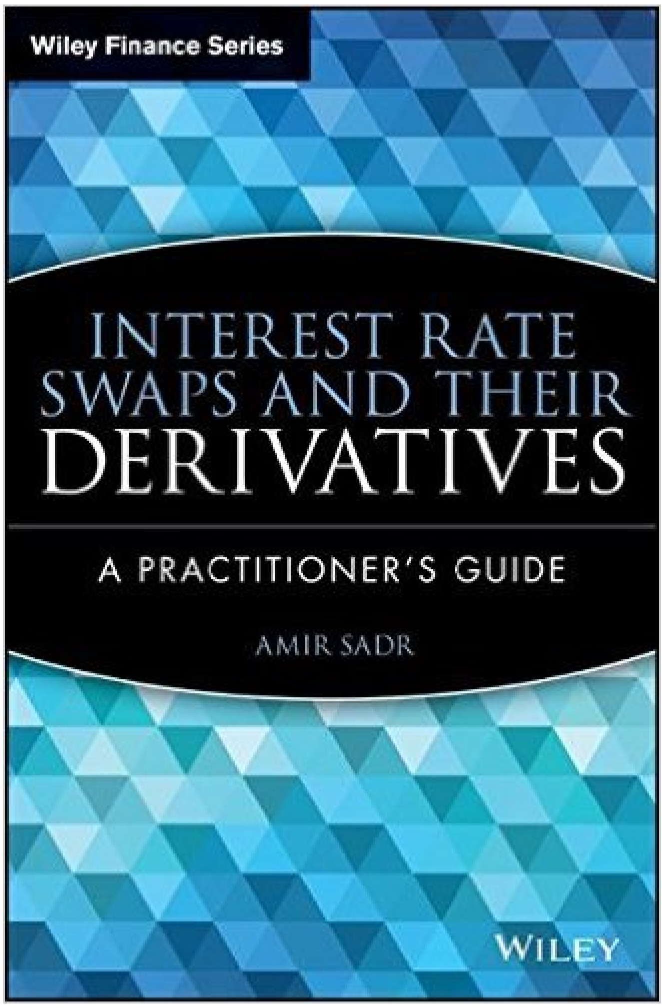
Interest Rate Swaps And Their Derivatives: A Practitioner's Guide



Synopsis

An up-to-date look at the evolution of interest rate swaps and derivatives Interest Rate Swaps and Derivatives bridges the gap between the theory of these instruments and their actual use in day-to-day life. This comprehensive guide covers the main "rates" products, including swaps, options (cap/floors, swaptions), CMS products, and Bermudan callables. It also covers the main valuation techniques for the exotics/structured-notes area, which remains one of the most challenging parts of the market. Provides a balance of relevant theory and real-world trading instruments for rate swaps and swap derivatives Uses simple settings and illustrations to reveal key results Written by an experienced trader who has worked with swaps, options, and exotics With this book, author Amir Sadr shares his valuable insights with practitioners in the field of interest rate derivatives-from traders and marketers to those in operations.

Book Information

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Customer Reviews

The book fills a great niche in between very simple overviews and the very mathematical oriented work. If you need to know things like day counts for different indices, CMS convexity adjustments and a general overview over the different measures used to price derivatives, the different interest rate models etc. this is the book to own.

Comparing with other books on swap subject, this book offer a good balance between clearness of the concepts and just enough technical details to handle the real world problem. Reading this books is like attending a seminar taught by senior quantitative trader, it really filled the gaps in my knowledge.

I am not a trader, but I work on trading and risk management systems using rates. I found this book very practical. It covers many topics such as - forward rate curve, par-swap curve, construction of swap curve, basis swaps, model behind rates products, market conventions etc.It is quite focused on practical aspects instead of theory. It is well organized with three parts - first about basics, second about vanilla swaps and third about exotics. Part two has all about the instruments trading in market and basics behind.I learned lot of theory from various books. This book gave me practical perspective of IRS products.It is very helpful for someone who wants to understand IRS trading and fundamentals from practical perspective.

Most books I have read on this subject have tended to be too tedious to read, heavy in mathematical formulae and covered the topics via a largely theoretical approach. This book is a pleasant change from that. While giving each topic its mathematical rigor, Sadr discusses practical examples, and gives insights on how the market actually works.This book is a must read for anyone in the Interest Rate Derivatives space - whether you are someone aspiring to work on a desk, a junior trader or even someone who is already working in the field.

This is a very helpful book. It goes into considerable depths and actually explains the working of interest rate swaps and options markets in a clear and methodical manner. There are few books that cover the actual workings of these products on a trading floor, and this book covers both the actual practice and the theory behind it, without an overburden of heavy mathematics. The balance of detail and rigor is outstanding. There are a few minor typos that are well documented. This is a must read for any one wanting to get an understanding of the swaps markets, and I would test my potential hires on this material.

There are loads of books on the theory behind derivatives pricing - this book is unique in that it identifies and clearly explains the important practical aspects of these markets, including the jargon and conventions. Even after 20 years in the industry, this book completed many gaps in my knowledge base. It fills an important gap between the Handbook of Fixed Income Securities and Options, Futures and Other Derivatives.

Dr. Sadr distills the complexity of fixed income mathematics to several essential concepts which he conveys clearly and concisely in a conversational tone. While other authors provide similar levels of quantitative detail (Hull, Shreve) few provide the insightful contextualization of the mathematics or the depth of implementation details (day counts, payment frequency, settlement days etc) that Dr. Sadr does. As a practitioner of quantitative finance I have on several occasions pulled out Dr. Sadr's book to inform and improve my models.

This is finally a good, clear, concise and accurate book.It is very hard to find a book on interest rates derivatives and this is finally the one. It is very up-to-date and contains a lot of information and improvements that were the results of the recent financial crisis.