

Andreas Krause

Swaps

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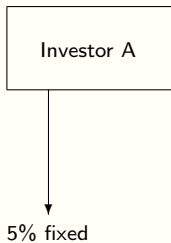
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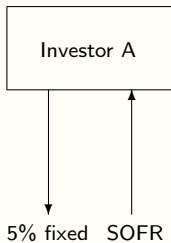


Investor A

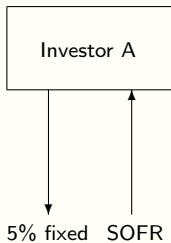
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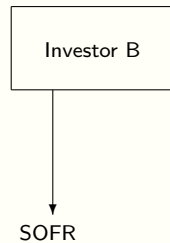
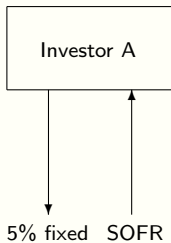
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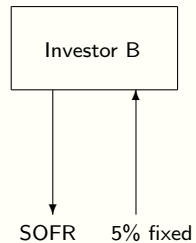
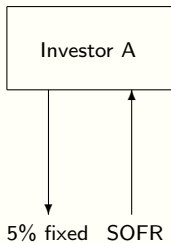
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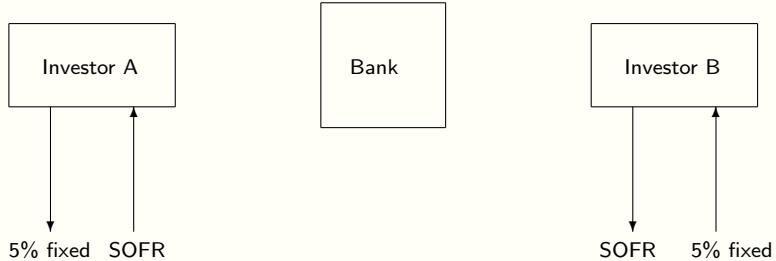
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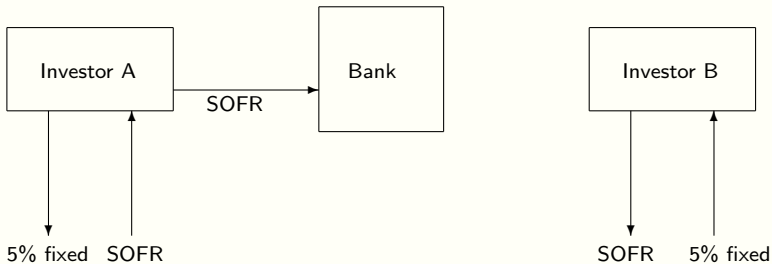


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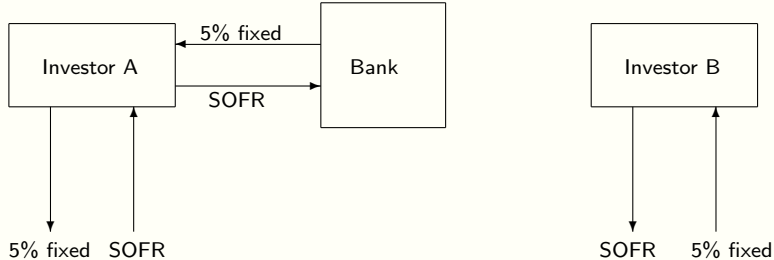




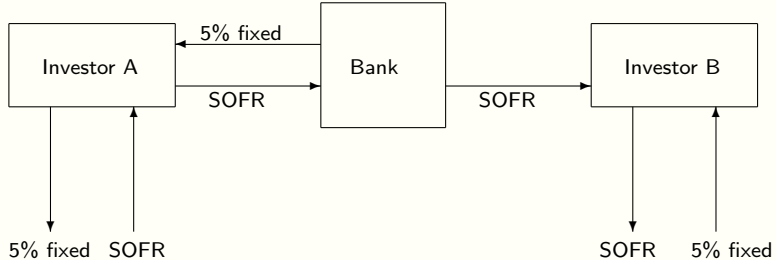
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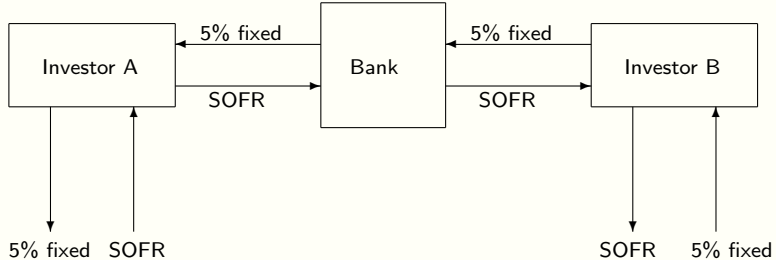
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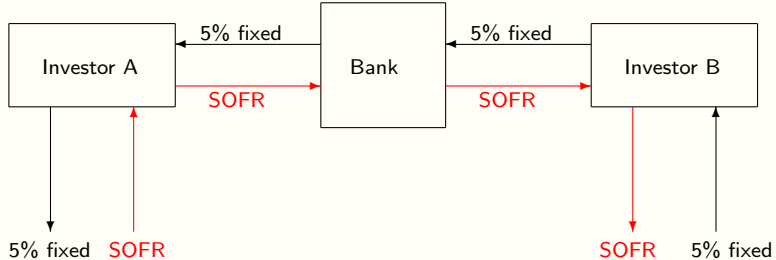
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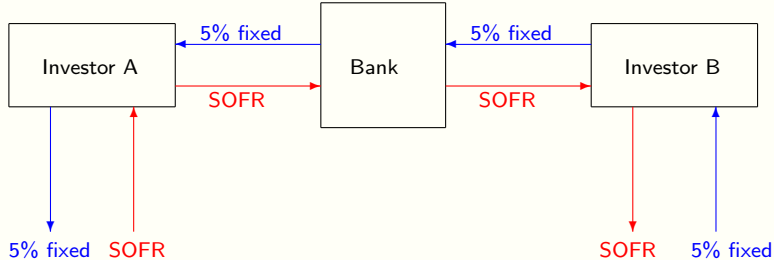
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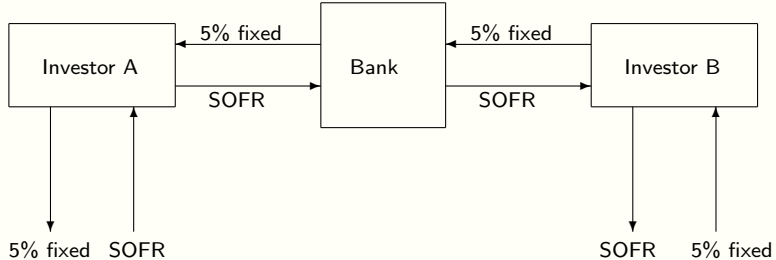
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# Valuing interest rate swaps



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- ▶ Value of the long-term fixed-rate bond is the present value of all **future payments**

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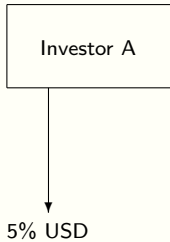
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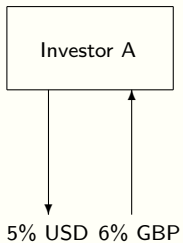


Investor A

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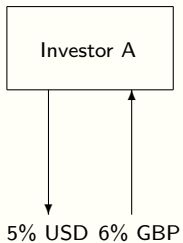


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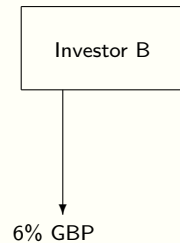
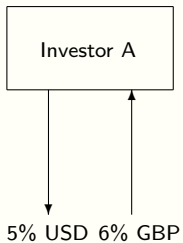




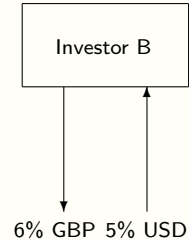
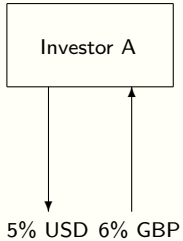
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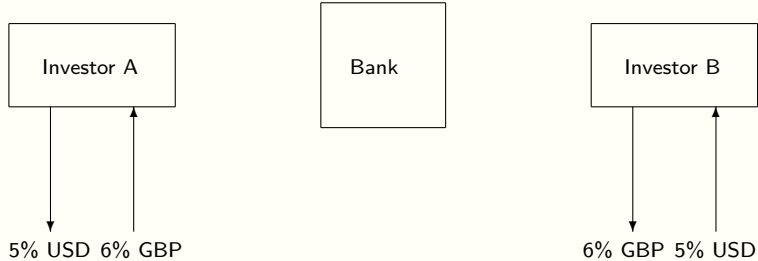
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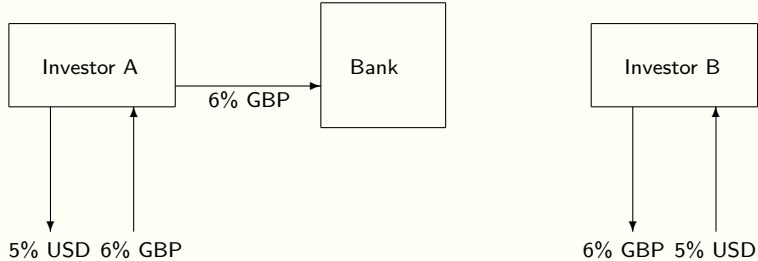
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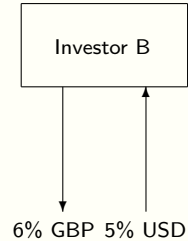
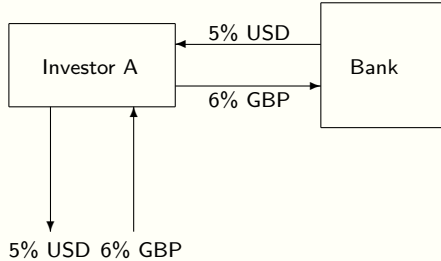
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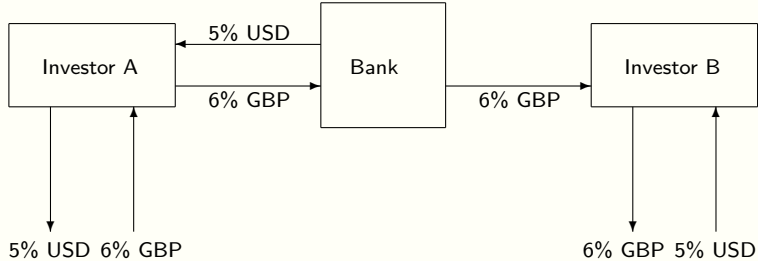
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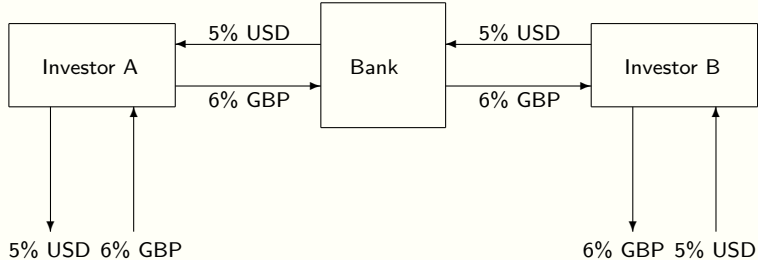
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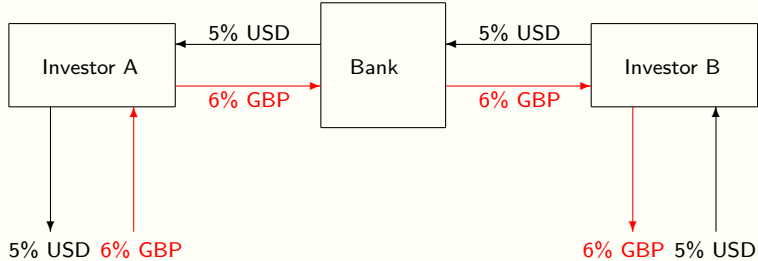


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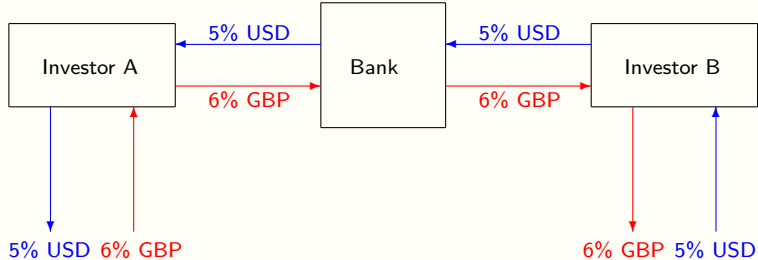




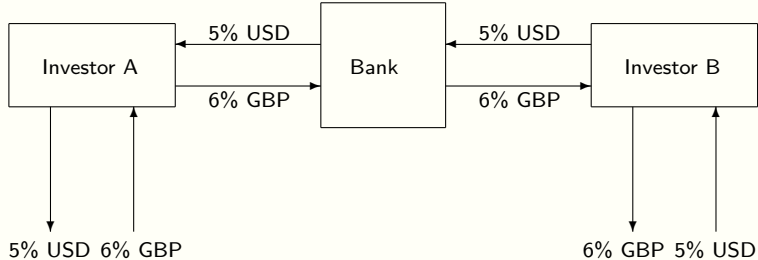
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