Workshop II:

Financial Markets
Agenda

- Financial Instruments — stocks, bonds, derivatives
- Equities
- Bonds
- Current Markets
Equities

• Stock markets returns
• Commonly used multiples:
  » P/E, PEG, Leverage, Short Interest
• Beta ... (or volatility)
• Equities in the Capital Structure of a Company
Bonds

• Structure and payoff – like annuities
• What is yield or YTM?
• Bonds in the Capital Structure of a Company
• High Yield Bonds

Extra Info:

Bond Price = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \ldots + \frac{C}{(1+i)^n} + \frac{M}{(1+i)^n}