

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:

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

<http://www.reuters.com/article/gc06/idUSTRE59P5JY20091026?sp=true>