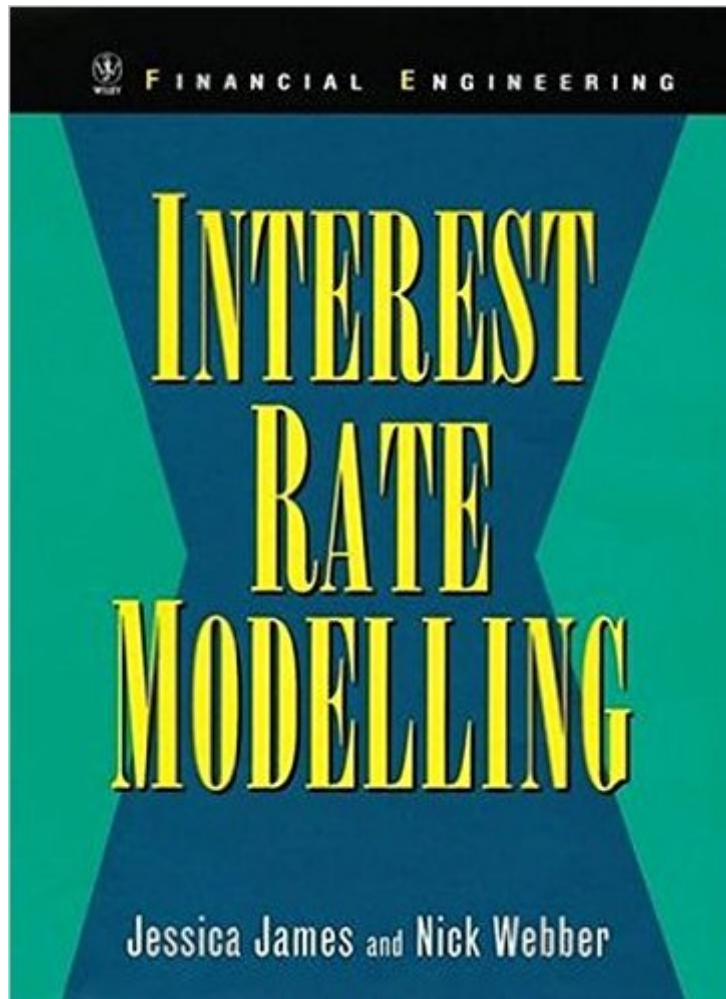


The book was found

# Interest Rate Modelling: Financial Engineering



## Synopsis

As interest rate markets continue to innovate and expand it is becoming increasingly important to remain up-to-date with the latest practical and theoretical developments. This book covers the latest developments in full, with descriptions and implementation techniques for all the major classes of interest rate models-both those actively used in practice as well as theoretical models still 'waiting in the wings'. Interest rate models, implementation methods and estimation issues are discussed at length by the authors as are important new developments such as kernel estimation techniques, economic based models, implied pricing methods and models on manifolds. Providing balanced coverage of both the practical use of models and the theory that underlies them, Interest Rate Modelling adopts an implementation orientation throughout, making it an ideal resource for both practitioners and researchers.

## Book Information

Hardcover: 654 pages

Publisher: Wiley; 1 edition (January 15, 2000)

Language: English

ISBN-10: 0471975230

ISBN-13: 978-0471975236

Product Dimensions: 6.3 x 1.6 x 9.1 inches

Shipping Weight: 2.4 pounds (View shipping rates and policies)

Average Customer Review: 4.6 out of 5 stars [See all reviews](#) (7 customer reviews)

Best Sellers Rank: #1,512,735 in Books (See Top 100 in Books) #102 in [Books > Business & Money > Economics > Interest](#) #1188 in [Books > Textbooks > Business & Finance > Investments & Securities](#) #2057 in [Books > Textbooks > Business & Finance > Finance](#)

## Customer Reviews

While very ambitious and containing some very good material, I think there are too many errors, typos, and gaps in this book. For example, the derivation of equation (3.20) on page 43, a not insignificant result on swap rates, is embarrassingly wrong. They make 2 fundamental errors in equations (3.15) and (3.16) and appear fortunate to arrive at (3.20) which is correct. These errors are not mere typos. Their examples related to the concept of a filtration on top of page 58 appear to be wrong. Elsewhere in the book notation is often used inconsistently and without adequate definition. There are also gaps. For example, when discussing volatility structures in Section 16.1, they use equation (16.6) (which is correct) in a number of examples, but I could not find where they

actually derived that equation. (It should have been in the HJM chapter) but was not there. I like the fact that they wanted to include a chapter on term structures from the macro-economic perspective. Unfortunately this chapter is difficult to read, provides no macroeconomic intuition and again appears to omit too many details. For example, the description of the IS-LM-Phillips model is inadequate and either should be expanded or dropped from future editions. Likewise, the description of the Sommer model is inadequate. Equation (11.3) in the statement of Sommer's Theorem would appear to be wrong at first sight. The left-hand-side of that equation is known by time  $t$ , but the right-hand-side would appear to be unknown by time  $t$ . This apparent contradiction can be explained but the authors never comment on such matters, often making the material more difficult to follow. Chapter 17 on GMM and MLE methods is quite nice but again, not everything is adequately explained. The examples of Section 17.2.

[Download to continue reading...](#)

Interest Rate Modelling: Financial Engineering Interest Rate Modelling in the Multi-Curve Framework: Foundations, Evolution and Implementation (Applied Quantitative Finance) Clay Modelling for Beginners: An Essential Guide to Getting Started in the Art of Sculpting Clay ~ ( Clay Modelling | Clay Modeling | Clay Art ) Monte Carlo Methods in Financial Engineering (Stochastic Modelling and Applied Probability) (v. 53) Interest Rate Markets: A Practical Approach to Fixed Income Interest Rate Swaps and Other Derivatives (Columbia Business School Publishing) Interest Rate Models: An Introduction Valuation of Interest Rate Swaps and Swaptions Interest Rate Swaps and Their Derivatives: A Practitioner's Guide Interest Rate Liberalization and Money Market Development: Proceedings of a Seminar Held in Beijing July/August Interest Rate Cycles: An Introduction Interest Rate Management Minding Mr. Market: Ten Years on Wall Street With Grant's Interest Rate Observer Multiple Interest Rate Analysis: Theory and Applications (Palgrave Pivot) Modern Pricing of Interest-Rate Derivatives: The LIBOR Market Model and Beyond Discounting, LIBOR, CVA and Funding: Interest Rate and Credit Pricing (Applied Quantitative Finance) The rate of interest Valuation in a World of CVA and DVA: A Tutorial on Debt Securities and Interest Rate Derivatives A Primer For The Mathematics Of Financial Engineering, Second Edition (Financial Engineering Advanced Background Series) Solutions Manual - A Linear Algebra Primer for Financial Engineering (Financial Engineering Advanced Background Series) (Volume 4)

[Dmca](#)