The Yield Book Calculator

Bringing Market Tested Fixed Income Analytics to your desktop through the Internet

TheYield Book
Salomon Analytics Inc.

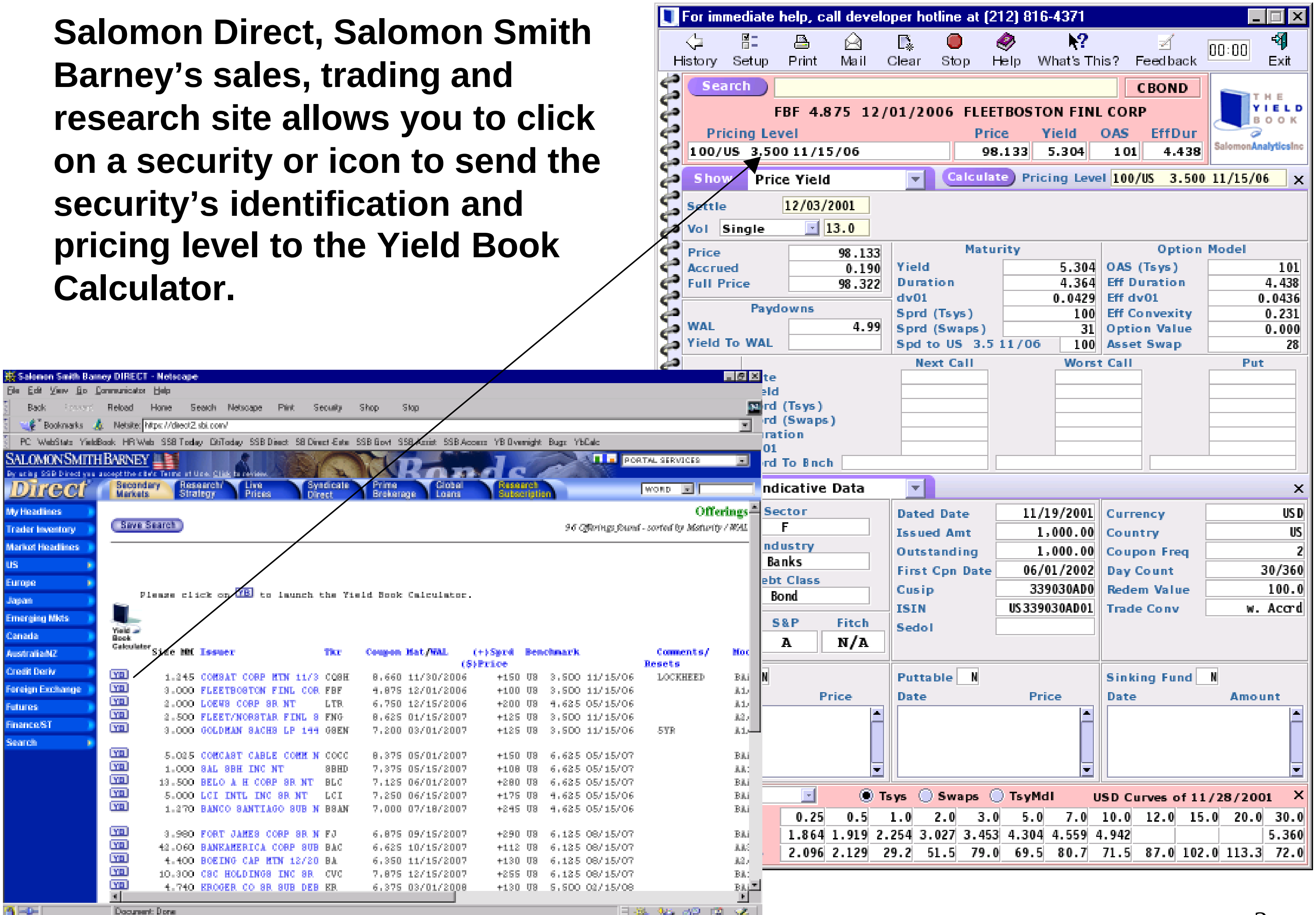
The Yield Book Calculator is a new product, delivered over the Internet, designed to focus on individual securities.

Users can examine value and risk measures of individual fixed income securities, access historical data, perform scenario analysis, and compare the characteristics of two fixed income securities.

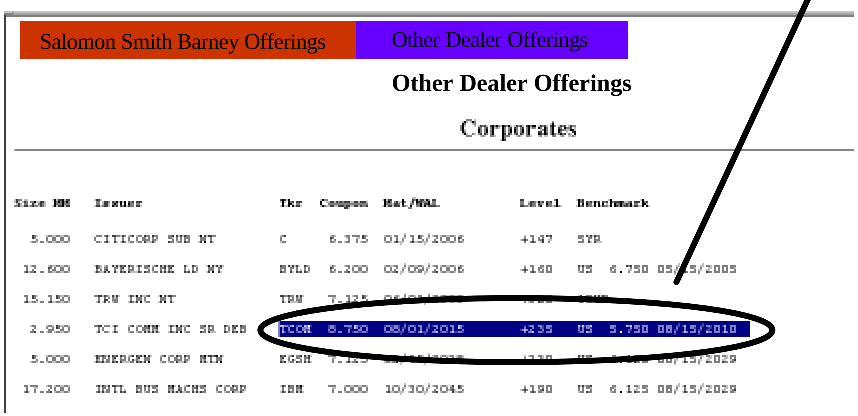
The Yield Book Calculator is designed to work easily with a wide variety of Web sites or programs, including:

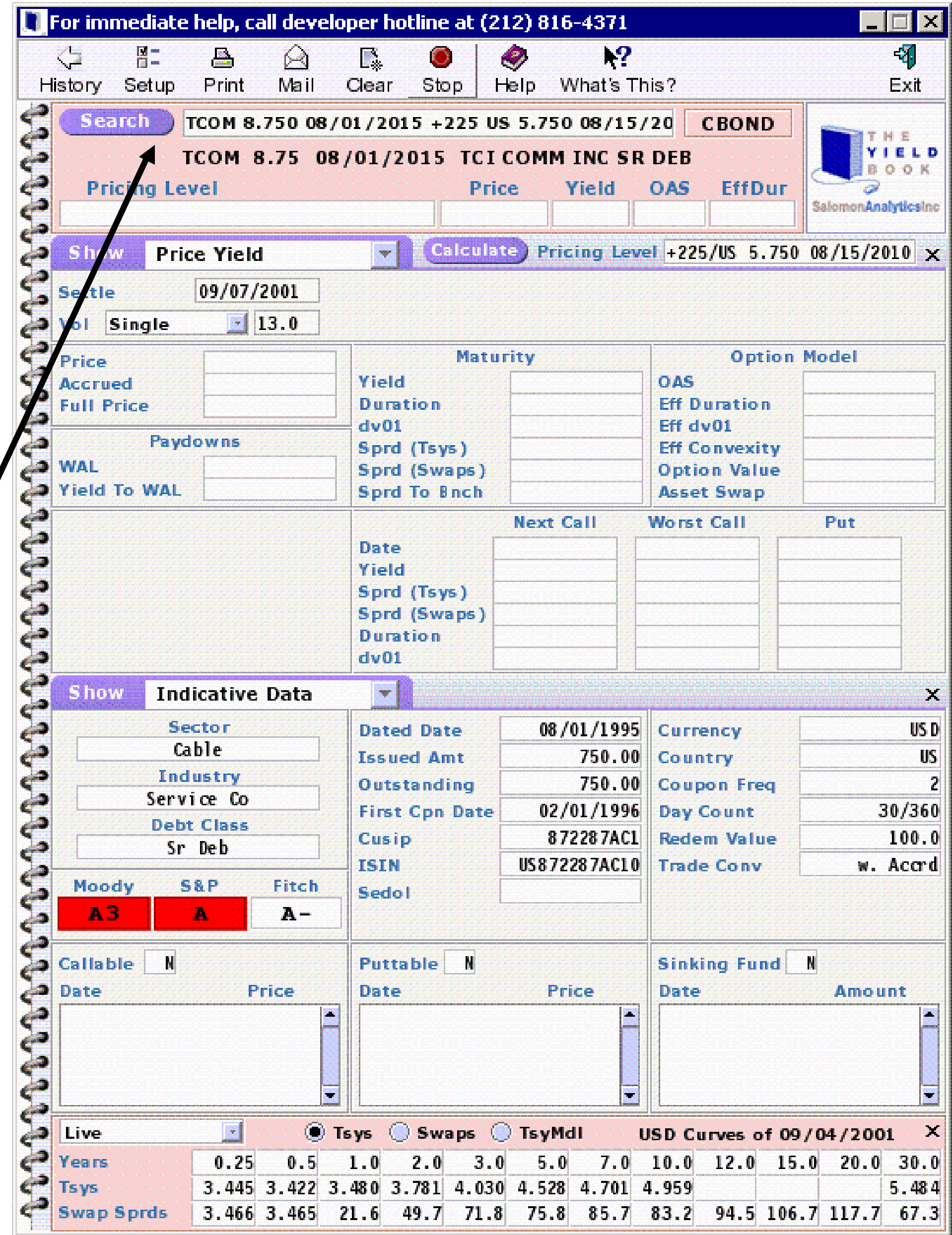
- **websites dedicated to research and securities offerings**
- **websites used for on - line trading**
- **websites created by users on their own intranet sites**
- **The Bloomberg**

Salomon Direct, Salomon Smith Barney's sales, trading and research site allows you to click on a security or icon to send the security's identification and pricing level to the Yield Book Calculator.



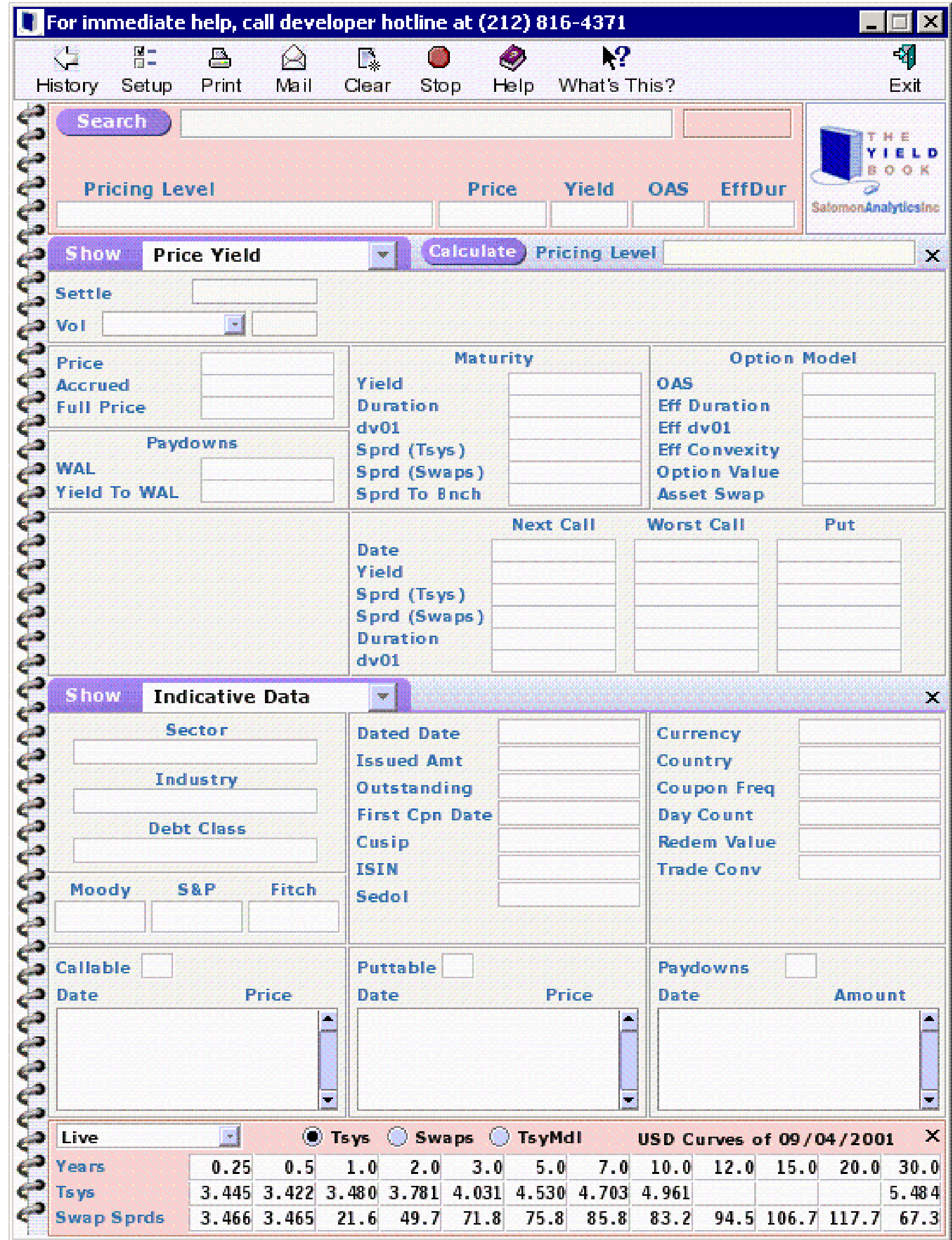
On other Web sites, the user can cut and paste information from that site to the Yield Book Calculator.





The Yield Book Calculator has:

- **Security Types:**
  - Many Government Bond Markets, Corporates, High Yield, Agencies, and Local Emerging Markets
  - Mortgage Products (CMOs, ARMs, ABS, Pools, Generics)
- **Analytic capabilities chosen from drop down menus:**
  - Indicative Data
  - Price Yield
  - Historical Data
  - Scenario ROR
  - Cashflows
  - Bond Swap
  - Forward Pricing
  - Matrix PY (Mtg)
  - Prepay History (Mtg)
- **Live Government & Swap Curves**
- **OAS Models - single, market, or historical volatilities. OAS to Government or Swap Curve.**
- **Salomon Smith Barney Mortgage Prepayment Model**



The Yield Book Calculator is designed for flexibility:

Panel 1: Quick Calc gives you

- Bond Search
- Pricing Level
- Price
- Yield
- OAS
- Effective Duration

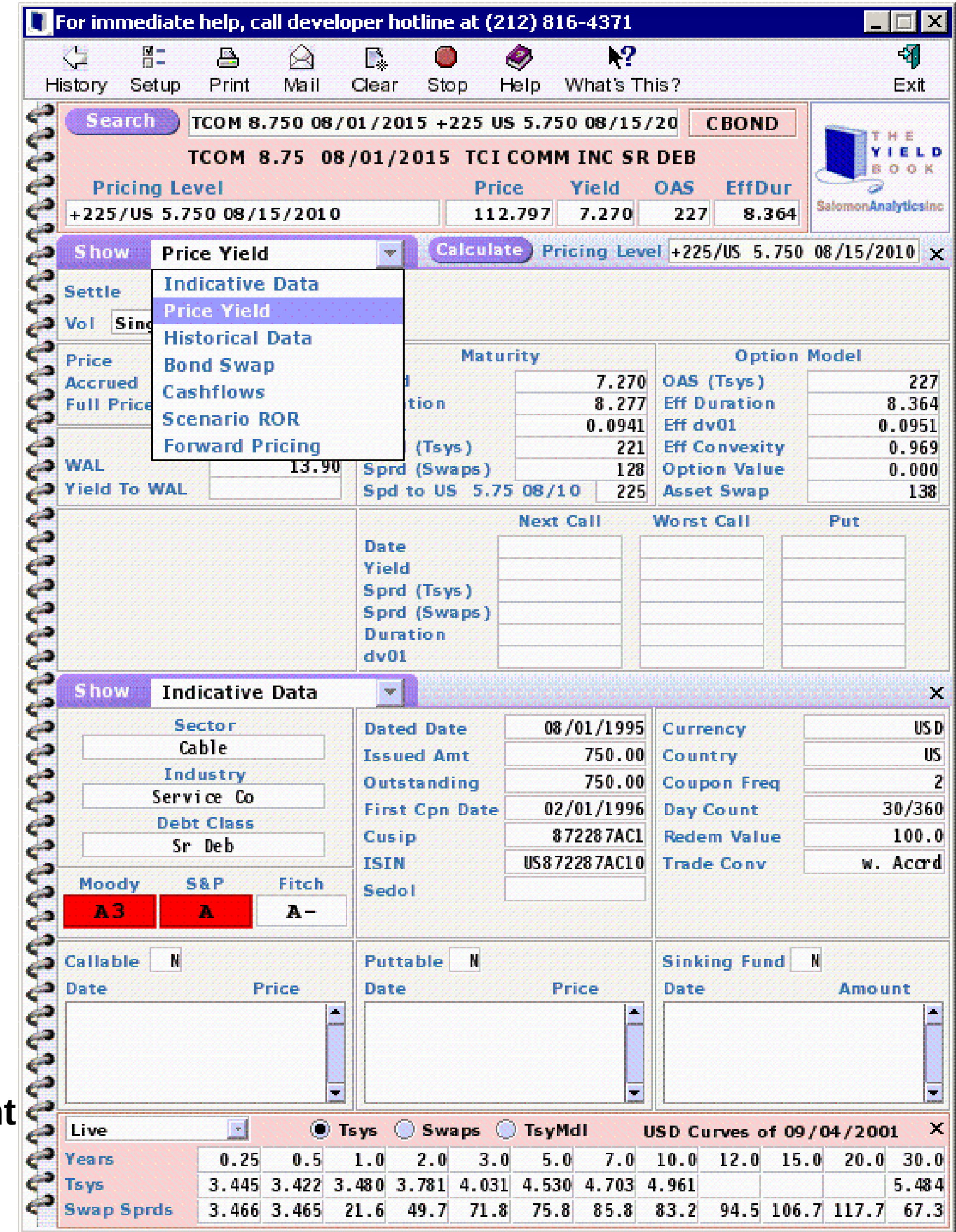
Panel 2: Your choice of

- Indicative Data
- Price Yield
- Historical Data
- Bond Swap
- Cashflows
- Scenario ROR
- Forward Pricing
- Matrix P/Y (Mtg)
- Prepay History (Mtg)

Panel 3: Dual Display

- Same capabilities as Panel 2 - Choose a *different* capability as shown here or
- Choose the *same* capability as Panel 2 to compare two sets of results using different assumptions.

Panel 4: Live or previous close Government & Swap Curves



PANEL 1

PANEL 2

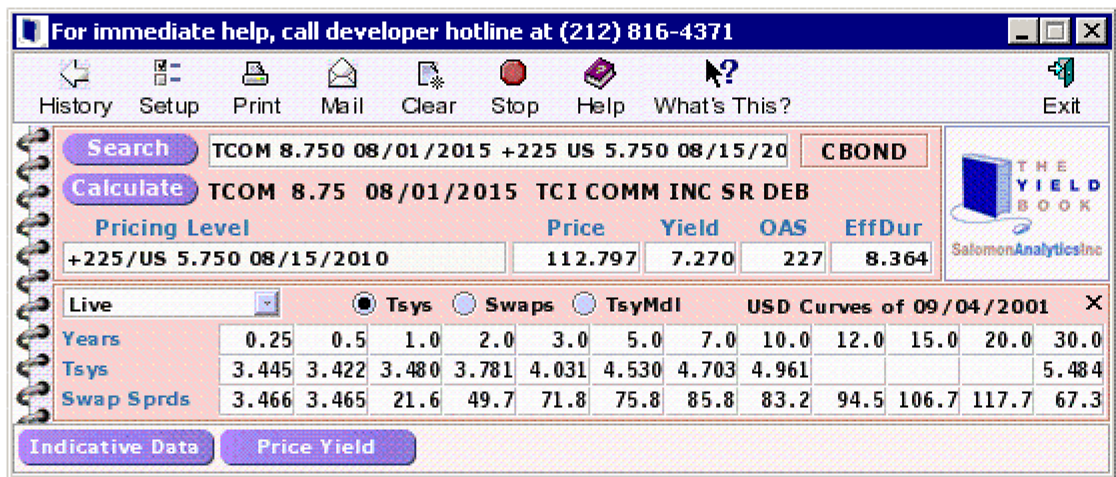
PANEL 3

PANEL 4

Display as many panels of The Yield Book Calculator as you need by using the one-click resize feature.

Panel 1: Quick Calc Only

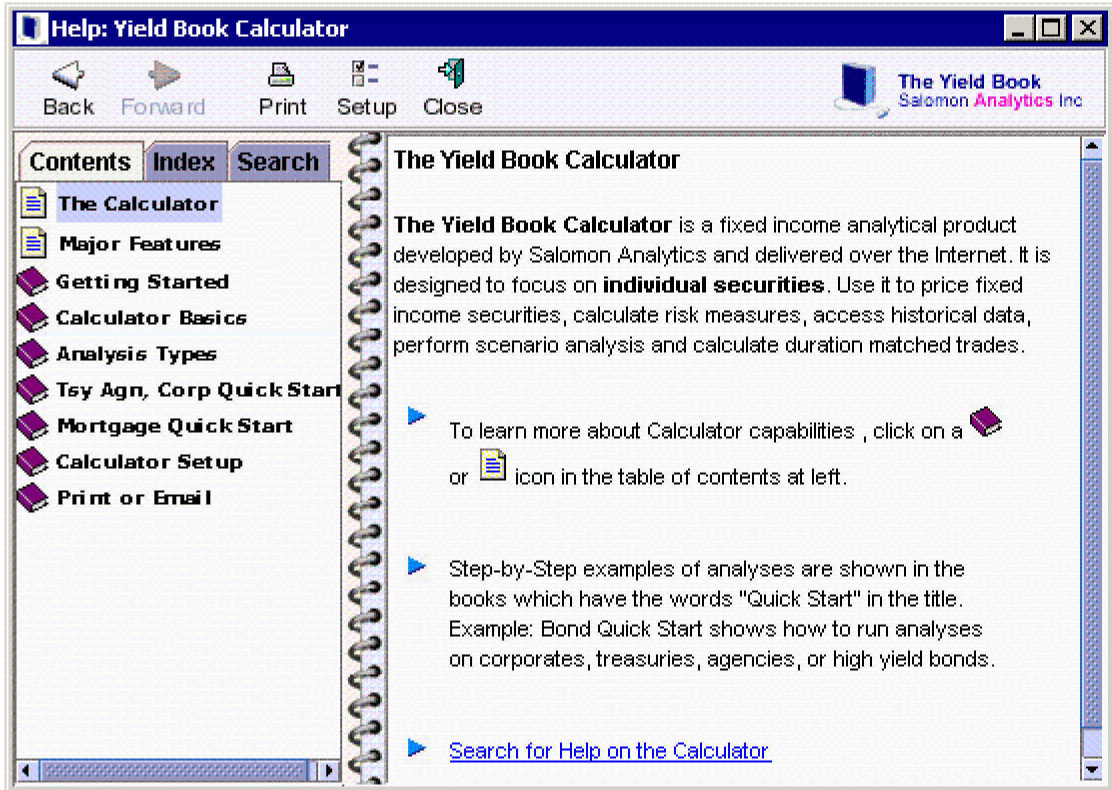
Panel 1 and Panel 4: Quick Calc and Yield Curves



The Yield Book Calculator and Online Help are easy to use.

Help features:

- Searchable
- On-line Glossary
- Indexed
- Step-by-Step Examples



Examples of The Yield Book Calculator . . .

Example 1: Bond Search and Quick Calc

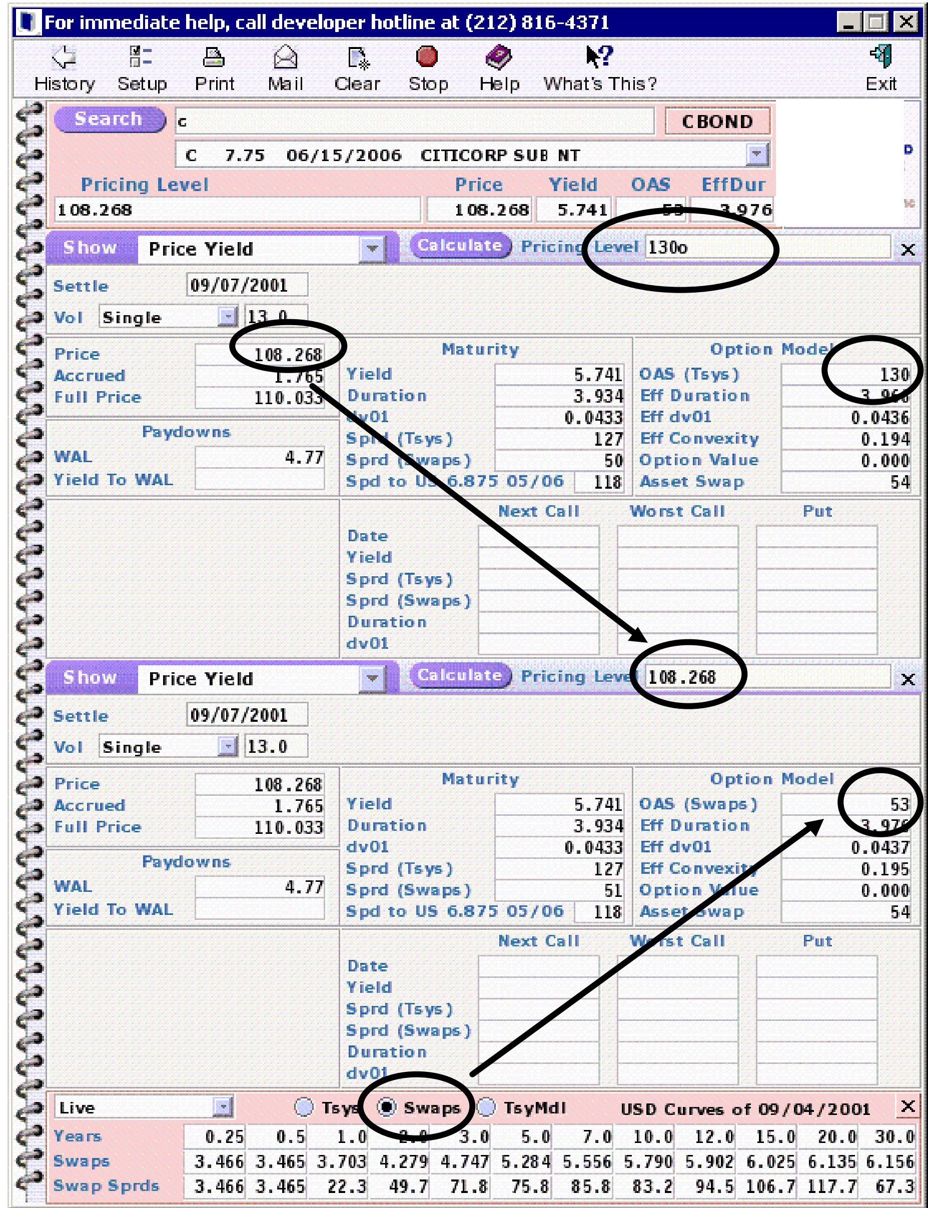
Panel 1:

- **Enter Bond Ticker**
- **Click Search**
- **Select the bond**
- **Enter Pricing Level**
  (price, yield, OAS, etc)
- **Click Calculate**

Example 2: OAS to Government or Swap Curve

Panel 1 and 2: **Price Yield calculation, using 130 OAS to the Treasury Curve as the Pricing Level.**

Panel 3: **Calculate OAS to the Swap Curve using Price from Panel 2.**



Example 3: Historical Data on Bond Spread

- **Access Salomon Smith Barney’s Historical Database of prices, yields, spreads, OAS, and more on Individual Securities.**

- **Display data in a Graph or Table. Cut and paste table data from the Yield Book Calculator to other programs, like Excel.**

Example 4: Mortgage Pricing Comparison

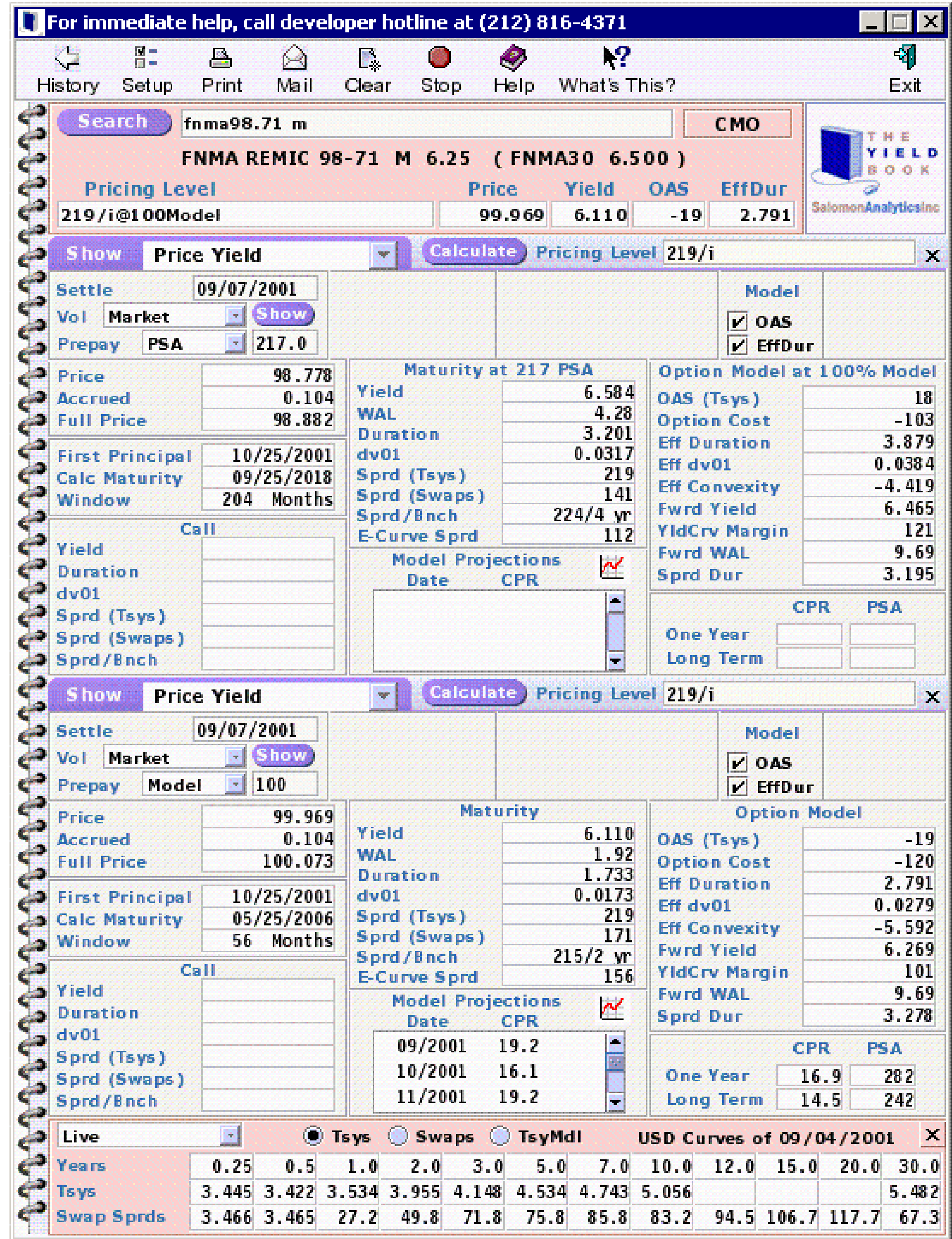
Price Comparison between Prepayment Assumptions:

Panel 1: Quick Calc

Panel 2: Price/Yield calculation using PSA of 217.

Panel 3: Price/Yield calculation using 100% of the Salomon Smith Barney Prepayment Model.

Panel 4: Live or previous close Government and Swap Curves



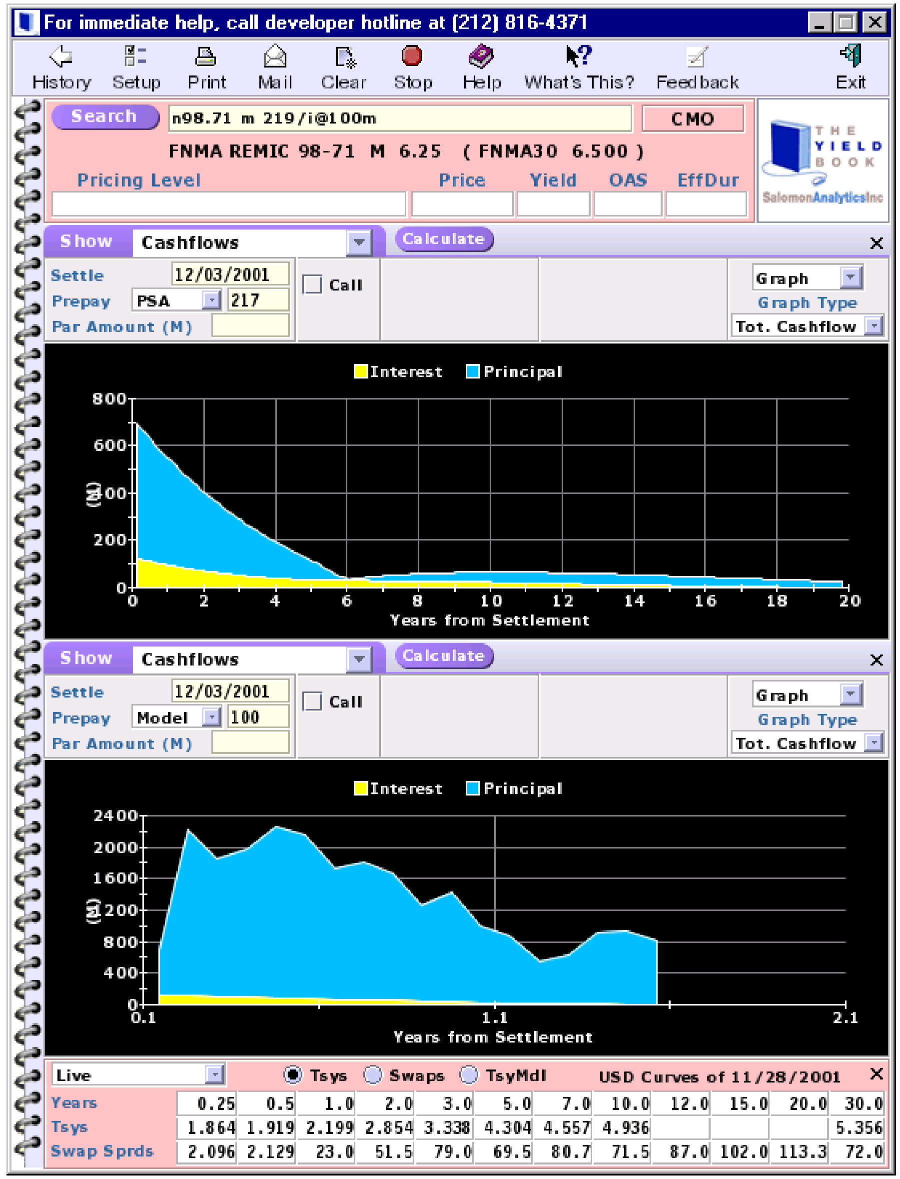
Example 5: Mortgage Cashflow Comparison

Cashflow Comparison between Prepayment Assumptions:

Panel 2 – 217 PSA

Panel 3 - 100% of Prepayment Model

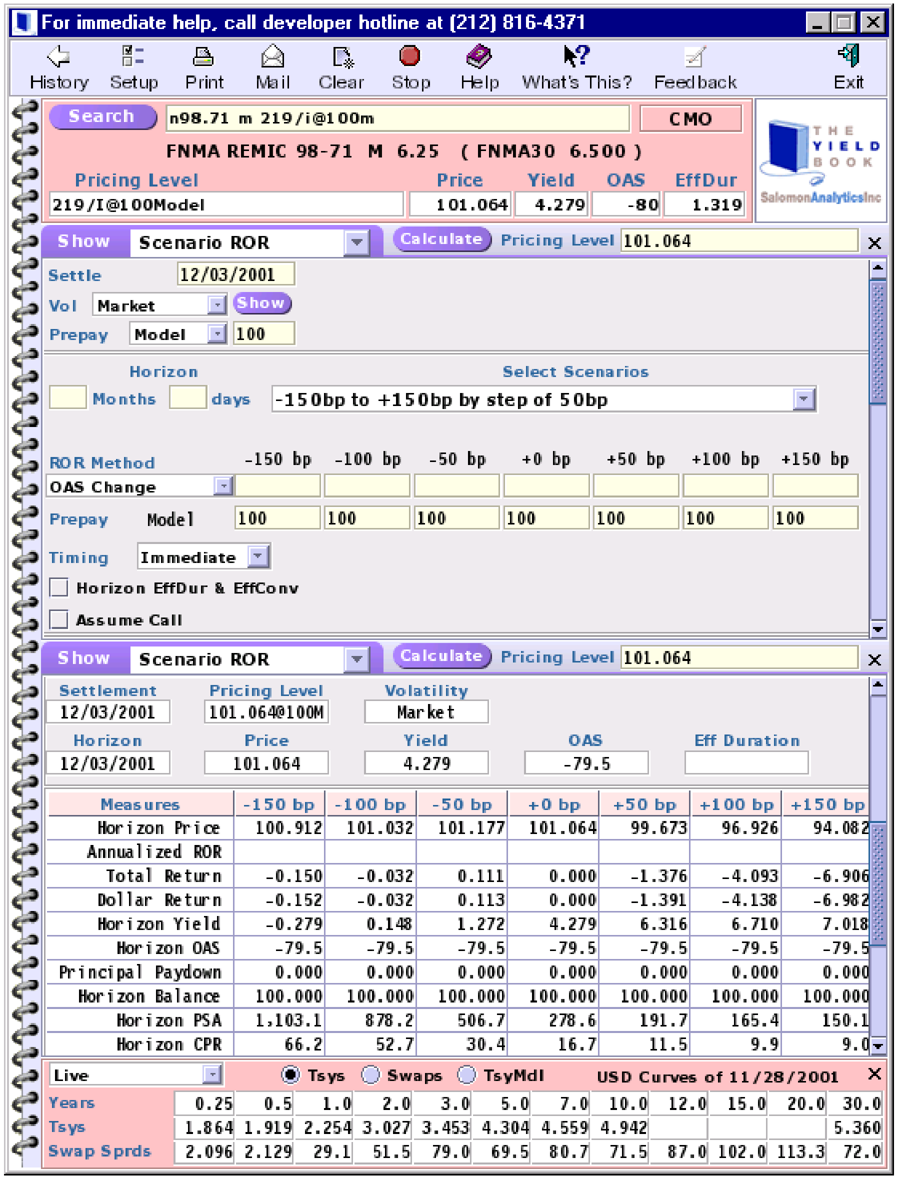
- **Display Cashflows in a Graph or Table. Drag Cash Flow Table from Calculator to other programs.**



Example 6: Scenario Rate of Return

Panel 2: **Scenario Rate of Return Input View – select scenarios, define horizon length, ROR method (constant OAS in this example) and Prepay assumption over horizon.**

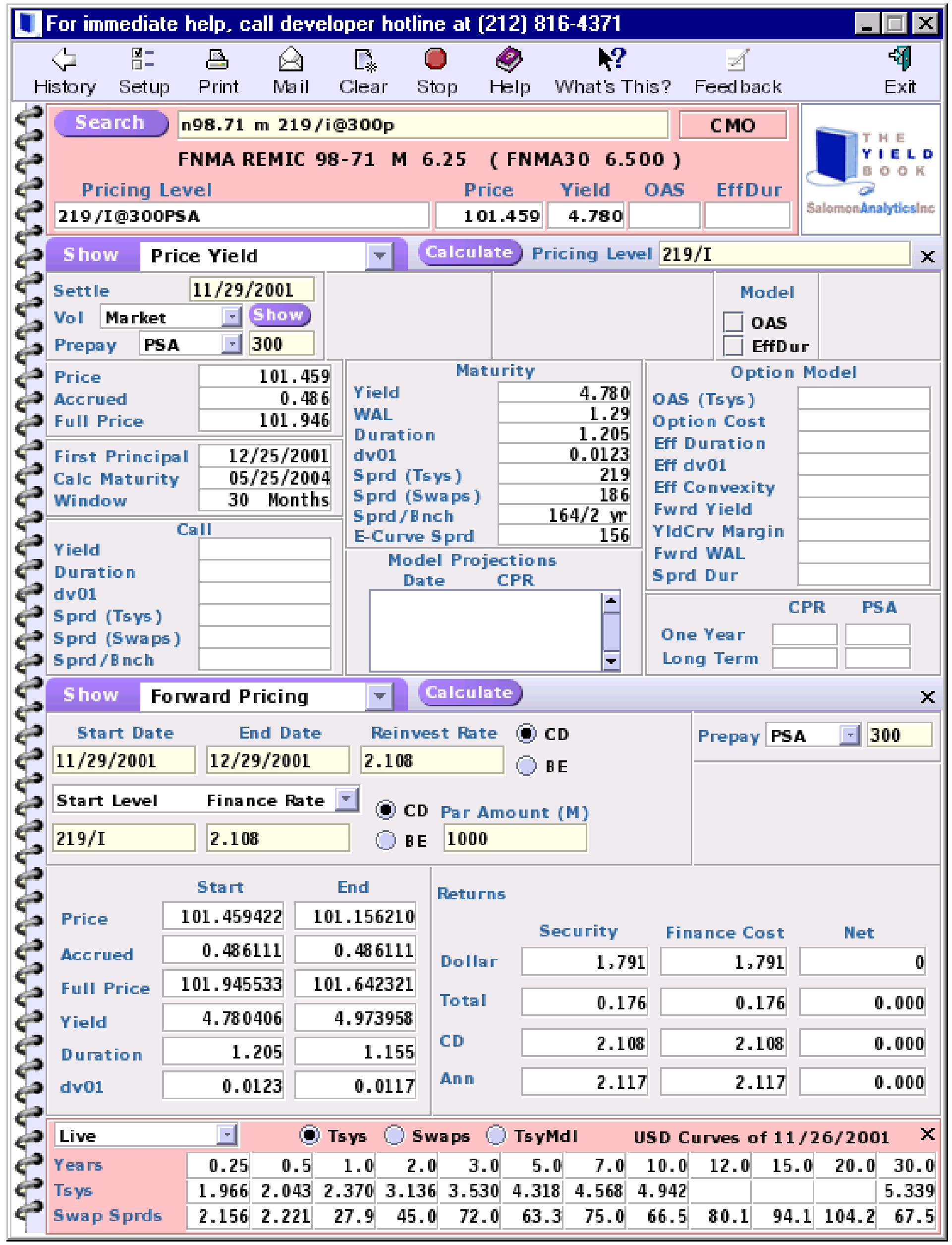
Panel 3: **Scenario Rate of Return output – returns and return components.**



Example 7:Forward Pricing

Panel 2: Price Yield calculation for current settlement.

Panel 3: Forward Pricing - Calculate pricing for one month forward settle assuming a specified financing rate.



What Else You Should Know

- **The Calculator can be run from any PC connected to the internet, including from home.**

- **Additional feature coming soon - Bond Swap to calculate proceeds and duration weighted trades.**

- **For additional information, please email:** **calcsupport@yieldbook.com**