

BLOOMBERG EXERCISES

STOCK ANALYSIS

1. **Essay:** Explain fundamental stock analysis. Include in your explanation the multiplier (P/e) valuation model, relative evaluation of a stock's growth rates and its capitalization rate in terms risk premium measures, model for estimating earnings per share, and methods for estimating P/e (e.g., Gordon ($P/e = (d/e)/(k-g)$) or Malkiel-Craig cross-sectional model, and comparison of P/e with sector and market indexes).

Bloomberg Part: Use Bloomberg to evaluate a stock using fundamental analysis. Include in your analysis:

- 1) Full description of the stock: Include some of the information from the July 10th assignment:
 - Des
 - RELS Related securities (e.g., debt, preferred stocks)
 - CF Company Filings (10-K)
 - HDS Majors holders of the stock
 - OWN Equity Ownership
 - SPLC Supply Chain
 - ISSD Issuer Description
 - DDIS Debt Distribution
 - AGGD Debt Holders
 - BRC Research on Company
 - RSKC Risk
 - DRSK Credit Risk
 - LITI Litigation
 - CACS screen to find if it has taken any of the following actions in the past few years: stock split, stock dividend, acquisitions, divestures, or new stock offerings
 - HRA or Beta
- 2) Brief description of the stock's sector trends (Bloomberg BI screen) and comparison of the stock relative to a sector index and the market (SPX). Use Bloomberg's COMP screen.
- 3) Relative analysis of the company's growth rate. Compare the company's growth rate and its components (retention rate and ROE or DuPont ratios) with a selected index. Use RV, FA, and/or GF.
- 4) Relative analysis of the company's risk premium: liquidity risk, business risk, financial risk, and exchange-rate risk. Compare the company's risk premium measures with a selected index. Use RV, FA, and/or GF.

- 5) Relative analysis of the company's P/e. Compare the company's historical P/e ratio with an index and the market (SPX). Use GF.
 - 6) Use your analysis of growth rates, risk premiums, and relative P/e ratios to determine the stock's equilibrium P/e.
 - 7) Make a forecast of the company's eps. Suggestion: $\text{eps}(1+g)$ or you can try the Excel multiplier program (keep it simple). Compare your forecast with analysts' forecast (Bloomberg ANR and EE).
 - 8) Determine the stock's intrinsic value: $V = (P/e)(E(\text{eps}))$
 - 9) Determine if the stock is underpriced or overpriced.
 - 10) After checking the news on the stock, comment on your conviction about buying or not buying the stock.
 - 11) Use the EQRP screen to determine the required return and risk premium for your stock. Comment on whether you think your stock's beta and return combination would be above or below the SML you observe on the EQRP screen.
2. **Launchpad:** Create a Launchpad with useful screens for analyzing your stock and its industry.

PORTFOLIO ANALYSIS

1. Select a stock of interest and examine its price and volatility for different periods and frequencies using the GV screen. Stock Ticker <Equity> <Enter> and then click GV and select: the following:
 - a. Type: Price; Period: Daily; Select: Statistics check box to show Histogram window
 - b. Type: Historical Volatility; Level 30 Days; Period: Daily; Select: Statistics Histogram
2. Select a stock of interest and examine its regression relation for different periods with the S&P 500 using the BETA or HRA screen. Comments on the stock's alpha and beta, and the quality of the regression results. Find the stocks $\beta+$, $\beta-$, and convexity by clicking Beta +/- checkbox on the BETA screen (on the new screen, click the red "Details" tab to find $\beta+$, $\beta-$, and convexity). Compare the stock's raw beta with its adjusted beta. Use the Bloomberg "Help" function to determine how Bloomberg calculated a stock's adjusted beta.
3. Select a stock of interest and compare its correlation with the market, systematic risk (use R^2), alpha, and beta with its peers using the PC screen.
4. Use EQS to find stocks for a portfolio and then import your stocks into PRTU to form a portfolio. For example, form a portfolio with stocks making up the S&P 500 with a market cap greater than \$15 billion:
 - EQS <Enter>; from the Build/Edit Screen, select Standard and Poor's 500 from the Indices tab; in the yellow ribbon box, type Market Cap and enter \$15B; save your screen.
 - PRTU <Enter>; click red "Create;" from Settings Screen, click "Options" and then import stocks (on the settings screen, enable history; see Bloomberg Portfolio Analysis Box).
 - Your portfolio could consist of one share or 1,000 shares of each stock or you can determine an equal allocation for each.
 - In forming your portfolio in PRTU be sure to enable the history: PRTU (see Bloomberg Portfolio Analysis Box).
 - a. Using the PORT screen (Performance tab and Total Return tab), evaluate the historical performance of your portfolio.
 - b. Using the PORT screen, evaluate the historical performance of the fund (Performance tab and Total Return tab) relative to an index (INDU).
 - c. Using the PORT screen, evaluate the historical return performance of the portfolio for different periods relative to the index (Performance tab and then Period Analysis and Statistical Analysis tabs).
 - d. Using the PORT screen, evaluate the returns for different periods for each sector and stock relative Performance and Main View tab.
 - e. Using the PORT screen, evaluate the returns and standard deviations for different periods for each stock using the Performance and Main View tab.
 - f. Examine the correlation of the stocks in your portfolio using the PC screen: Bring up the equity screen for one of the stocks in the portfolio (Stock Ticker <Equity> <Enter>); type in PC; on the PC screen, import your portfolio from the "Peer Source" yellow dropdown tab.

5. Analyze the portfolio you formed in Exercise 4 (or some other portfolio you have formed) by identifying the top performers and lagers using the MRR screen. Examine the top news related to the top stocks in your portfolio using the “Portfolio News Screen” (NPH) to see if there is any news to explain a stock’s performance. Examine the corporate actions and events associated with the stocks in your portfolio using CACT and EVTS screens to see if there are possible corporate actions and events that may explain a stock’s performance.
6. Examine the portfolio you formed in Exercise 4 (or some other portfolio you have formed) in terms of the portfolio’s regression relation with the S&P 500, its historical total return relative to the S&P 500, and its price graph. Import your portfolio to a basket and make it an index using CIXB and then use the HRA, COMP, GP, and GV screens on the index menu created for your portfolio.
7. Use the Bloomberg fund search screen, FSRC, to search for the following open-end equity: Fund Type: Open-End; Classification (Asset Class Focus): Equity; Management Style: index fund; Analytic criterion: input total return for one year of greater than X% (e.g., 10% or 20%).
 - a. Using this screen, examine several equity funds. Select one of the funds and study it using the functions on the fund’s menus screen (Fund Ticker <Equity> <Enter>). Functions to include: DES, PORT, relative valuation (RV), volatility (GV), and price graph (GP).
 - b. Examine the fund’s total returns for different periods and frequencies relative to the S&P 500 using the COMP screen: Fund Ticker <Equity> <Enter> and then click COMP
 - c. Using your selected fund’s RV screen, compare the fund with other similar funds in terms of Sharpe, Treynor, and Jensen ranking indexes (on the yellow RV screen, type in Sharpe, Treynor, and Jensen to create a column for each of the indexes).
8. The EQRP screen shows a stock’s risk premium. The premium is equal to a forecasted market risk premium $E(R^M) - R_f$ times the stock’s beta. The forecasted market risk premium on the EQRP screen is based on a forecasted market rate and a risk-free rate equal to the 10-year Treasury for the country, and beta is the stock’s historical beta.
 - a. Using the screen, examine the risk premium for a stock of interest. Also examine the stock’s historical premiums and betas.
 - b. Use FIT to find the current rate on 10-year Treasuries as an estimate of a risk-free rate.
 - c. Given the stock’s equity risk premium and the risk-free rate, determine your stock’s equilibrium return.
 - d. Define the SML in terms of the market risk premium and risk-free rate.
9. **Launchpad:** Set up a Launchpad for the portfolio you constructed in Exercise 4. Include in

your Launchpad screens that will help you monitor the portfolio.

10. Use Bloomberg to construct a portfolio based on efficient markets (you may use the style exercise as a guide or a style portfolio that your group set up). Analyze your portfolio using the PMEN functions (include: PORT, etc.) and make a basket out of the portfolio (CIXB) to analyze your portfolio on the index menu (COMP and HRA). Include screens in your answer and bullet points on key observations of your portfolio relative to the index.
11. Explain intuitively and with an example the borrowing and lending line. Explain how the borrowing and lending line is a good objective measure for ranking portfolios. Explain the other measures for ranking portfolios.

Bloomberg Part 1:

- a. Use the FMAP screen to identify several equity funds
- b. Select one of the funds and study it using the PORT screen
- c. Using your selected fund's RV screen, compare the fund with other similar funds in terms of Sharpe, Treynor, and Jensen ranking indexes (on the yellow RV screen, type in Sharpe, Treynor, and Jensen to create a column for each. Alternatively, you can use the performance measures found on PORT.

Bloomberg Part 2: Select a portfolio you have constructed from one of the exercises or one of your group's portfolios and compare its performance: Use PORT, HRA (put portfolio in CIXB basket), and COMP. Explain the features of your portfolio (sector allocation, dividend yield, debt/equity, etc.) relative to the S&P 500.

12. Explain the APT by comparing it to the CAPM. Describe how factor models are used for constructing portfolios.

Bloomberg Part: Use the MRA screen to run a multiple regression of the returns of the portfolio from Question 11 (or some other portfolio you have formed). For your dependent variable, use the portfolio index created in CIXB. For your explanatory variables consider economic and financial data found in ECOF or ECO (e.g. productivity, GDP, economic indicators, interest rates, and the like): MRA <Enter>; select a set for inputting information; on the set screen select dependent variable (use index ticker of your portfolio created in CIXB: .Ticker <Index>) and select independent variables (for economic information use their tickers, which can be found in ECOF or ECO); save the set by typing 1 and hitting <Enter> and select the time period and frequency (daily, weekly, etc.) by hitting 2 <Enter>.

13. Explain the Efficient Market Theory in terms of its propositions and implications, hypotheses, and some of the empirical studies. Explain how some investment funds (or styles) could be constructed based on the efficient market theory (e.g., size, earnings announcements, P/e, etc.).

Bloomberg Part: Use Bloomberg to construct a portfolio based on efficient markets (you may use the style exercise as a guide or a style portfolio that your group set up). Analyze your portfolio using the PMEN functions (include: PORT, etc.) and make a basket out of the portfolio (CIXB) to analyze your portfolio on the index menu (COMP and HRA). Include screens in your answer and bullet points on key observations of your portfolio relative to the index.

14. Explain how ETFs are constructed.

Bloomberg Part: Construct a simple market index or sector ETF (you may steal it by selecting some of the stocks from an existing ETF). Test the correlation of your ETF with the appropriate index by putting the portfolio in a CIXB basket and then examining its correlation. Use HRA screen to see R^2 and Beta. Comment on your correlation.

15. Use Bloomberg's FSRC screen to identify three "Interesting" funds. (On the FSRC screen, you may want to look at Classification tab, "Management Tab.") Examine each the fund's policy statement, returns, holdings (if available), and performance (DES, COMP, GP, HRA, etc). Provide screens and bullet points. Explain how you would construct a portfolio in Bloomberg that is similar to one of the funds. Optional: Construct such a portfolio. Summarize it features using PORT information and as a CIXB basket (COMP, GP, and HRA).

EQUITY SECURITIES AND MARKETS

1. Select a stock of interest and use its CACS screen to find if it has taken any of the following actions in the past few years:
 - Stock split
 - Stock dividend
 - Acquisitions
 - Divestures
 - New stock offerings
2. Select a stock of interest or the one you selected in Exercise 1 and use its DVD screen to find when its next ex-dividend and payment dates.
3. Bloomberg information on corporate actions such as acquisitions and limited partnership deals can be accessed on the CACS screen found on the company's equity menu. Select a company of interest that you know has been active in acquisitions and divestures and use CACS to search for its previous activities.
4. The LTOP screen displays top underwriters for the major fixed income, equity, equity-linked securities, and syndicated loan securities markets. Using the screen, identify the top underwriters over the past year for U.S. equity issues. Using the dropdown menu, study some of the recent deals for several of the top equity underwriter. To access: LTOP <Enter> On the LTOP screen, right click to access a dropdown menu showing descriptions and the underwriter's deals for that period.
5. The IPO screen displays IPO and seasoned issues in different stages in the underwriting process. Use the screen to select several IPOs in the following stages: Announced, Upcoming, Priced, Withdrawn/Postponed, and Lock-Up Expiring. Using the dropdown, get a description of the deal (use your cursor (found on the deal page). For a company that has just issued its IPO, get more information on the company by going to its equity screen.
6. Identify and study private equity activities by going to the "Private Equity" menu: PE <Enter>. Bloomberg's Private Equity screen displays a menu of links that provide access to specific Bloomberg private equity analysis functions.
7. The IMAP screen can be used to identify stocks that are traded on different exchanges around the world. On the IMAP screen, study the securities listed on an exchange outside the U.S.: IMAP <Enter>, select "All Securities," click region and country, and then an exchange (e.g., Frankfurt).
8. Using Bloomberg's search function (EQS <Enter>), search for the following types of securities:
 - a. ADRS or Global Depository Receipts: EQS <Enter>, on "Advance Screen" click "Security Types" and then ADRs and County.
 - b. Stocks of foreign companies by finding its listing on a foreign security exchanges. Use equity search: EQS <Enter>, on "Advance Screen" click "Exchange" and then country.

BOND VALUE AND RETURN, LEVEL AND STRUCTURE OF RATES, AND STRATEGIES

1. Select an option-free (bullet) corporate bond of interest. Evaluate the bond in terms of its price, yield, yield spread, and price-yield curve. In your evaluations, you may want to consider the following screens on the bond's menu screen:
 - a. CSHF screen to find the bond's cash flow
 - b. YA screen to determine price and yield
 - c. PT screen to view price-yield curve (enter percent steps in increments box)
 - d. TDH and ALLQ to determine the liquidity on the bond based on its trading activity and bid-ask spreads.

2. Select a U.S. Treasury bond with a long-term maturity (15 to 20 years). You may want to use the FIT screen to find your bond.
 - a. Conduct a total return analysis of the bond using the FIHZ screen for an instantaneous change in rates (set the horizon to the current settlement date) given different discount rates and reinvestment rates.
 - b. Conduct a total return analysis of the bond using the FIHZ screen for a given horizon period (e.g., one year) given different discount rates and reinvestment rates.
 - c. Conduct a total return analysis of the bond using the TRA screen. Select different horizon periods (current date, one-year horizon, etc.), yield shifts, and reinvestment rates.

Comment on the bond's sensitivity to interest rate changes.

3. Select a stripped U.S. Treasury bond with at least a 10-year maturity. You may want to use the FIT screen to find your bond.
 - a. Using the bond's YA, GY, PT, and CSHF screen to find the strip bond's price, yield to maturity, price-yield curve, and cash flows.
 - b. Using the TRA screen conduct a one-year total return analysis of the bond. Comment on the interest-rate risk of the bond given a one-year horizon.

4. Examine some of the economic trends in the U.S. economy using the ECOF screen or by pulling up the economic indicator' screen: Ticker <Index> <Enter>. Examples:
 - U.S. Nominal GDP: GDP CUR\$ <Index>
 - U.S. Real GDP: GDP CHWG <Index>
 - U.S. Inflation: CPY YOY <Index>
 - S&P/Case-Schiller: SPCS20 <Index>
 - U.S. Unemployment Rate: USURTOT <Index>
 - U.S. Deficit: FDEBTY <Index>
 - Government Debt: PUBLDEBT <Index>
 - Money Supply (M2): M1NS <Index>
 - Balance of Payments: USCABAL <Index>
 - Energy Prices: CPUPENER <Index>

Summarize with graphs and bullets.

5. Using the YCRV screen, compare current yield curves on Treasuries (I111) with different quality bonds, such as those for industrials. Provide some economic and policy arguments that might explain the differences in yields.
6. Use the Bloomberg RATC screen to identify bonds that have had recent ratings changes. On the RATC screen, you may want to limit your search to bonds in a particular industry (select industry from the red “Search” dropdown). Examine one of the bonds with ratings changes using the RSKC and DRSK screens. Comment on the ratings changes and information you find from the screens, such as Altman Z-score, probability of default, changes in financials, CDS spreads, and litigation.
7. Select a U.S. Treasury bond or note with an intermediate-term or long-term maturity (10 to 20 years). You may want to use the FIT screen to find your bond.
 - a. Using the YA screen on the selected bond’s menu screen (CUSIP <Govt> <Enter>), determine the bond’s Macaulay and modified duration.
 - b. Conduct a total return analysis of the bond using the TRA screen. Select different horizon periods, yield curve shifts, and reinvestment rates.
8. Suppose you have a horizon that matches the duration of the bond you selected in Exercise 7. Evaluate the interest rate risk on the bond using TRA screens. That is, using the TRA screen for the selected bond, evaluate interest rate risk by setting the screen to the horizon matching the bond’s duration and then selecting a reinvestment rate.
9. Select an option-free (bullet) corporate bond of interest. Evaluate the bond in terms of its credit risk, liquidity, and interest rate risk. In your evaluations, you may want to consider the following screens on the bond’s menu screen or its company’s equity menu screen.
 - a. YAS or YA (Yield & Spread tab) to determine the bond’s spread
 - b. YA (Graphs tab) to compare its market spread with other spreads (e.g., CDS spreads)
 - c. GY to evaluate the bond’s spread history
 - d. RSKC to see its credit risk profile
 - e. RSKC (“Altman Z” tab) to see its Altman Z score historically
 - f. DRSK (Issuer Default Risk Profile tab) to evaluate credit risk parameter graphically
 - g. DRSK (Industry Comparison tab) to evaluate the company relative to its peers
 - h. DRSK (Issuer Default Risk tab) to see graph of bond’s 5-year CDS and default probability (set graph screen to see those measures)
 - i. CRPR to see the bond’s credit history
10. Construct a portfolio of investment-grade corporate bonds and U.S. Treasuries or a high-yield fund (minimum of 10 bonds) using the PRTU screen. You may want to use the Bloomberg search/screen function, SRCH, to identify the bonds for your portfolio. After constructing the bond fund, evaluate the portfolio. Possible evaluations you may want to consider:

- a. Evaluate the portfolio's features using the tabs in PORT.
 - b. Using the BSA screen, evaluate the portfolio's duration and its sensitivity to different interest rate changes for different horizon periods.
11. Suppose you are a bond manager for an insurance company and have to invest \$10 million in fixed-income securities to meet a liability four years from now. Explain the concept of bond immunization and how you would immunize your investment against interest rate risk.

Bloomberg Part: Construct a bullet bond portfolio consisting of investment-grade corporate bonds and Treasuries with maturities of 6 to 8 years (include at least 10 bonds). Determine the duration of your portfolio (see PSD). Do a horizon analysis with your portfolio using BSA; set the time horizon equal to your duration (it should be close to 4). Comment on the total returns you get for different scenarios and the effectiveness of your bond immunization strategy.

12. **Launchpad:** Form a Launchpad for the bond portfolio you formed in Exercise 10 and include important screens for monitoring it: YCRV, ECO, YA screens for corporate credits, credit monitors, etc. etc.

DEBT SECURITIES AND MARKETS

1. The protective covenants, collateral, and priority of claims (subordination) for a bond issue can be found in a bond's prospectus. Select a bond of interest, identify its covenants and collateral, and determine whether there is any subordination. The covenants can be found on the bond's description page (DES, Covenants tab, CF/Prospectus).
2. The PGM screen displays MTN program by issuer. Search for a past or current MTN issue of a company using this screen: PGM <Enter>, click "Medium Term Notes" and then search for issuer and click for series. On the menu page access the Draw screen: Draw <Enter>. MTN can also be found using DECF.
3. The BNKF/CACT screen list recent bankruptcy filings (BNKF <Enter>). Use the screen to identify one or more companies that have filed for bankruptcy and then evaluate the current state of the company by going to its equity menu and reviewing some of the company's screens.
4. The DIS screen displays a list bonds that have traded at a yield of at least 10% over the Treasury benchmark rate the last five business days. Use the screen to identify one of more companies with distressed debt and then evaluate the current state of the company by going to its equity menu and reviewing some of the screens. Evaluate the company's credit risk using the company's RSKC and DRSK screens.
5. Select a Treasury-Inflation Protection Securities, TIP, from the FIT screen and study its features: FIT <Enter>, click TIPs. To access the menu screen enter CUSIP (or coupon rate and maturity) <Govt>. Screens on the menu you may want to consider include description (DES), dealer bid-ask quotes (ALLQ), and calculation of the yield on the TIP (YA). On the YA screen, change the inflation assumption and determine the yield based on your assumed inflation rate.
6. The performances of funds by type (e.g., mutual, hedge fund, ETFs, and unit investment trust) can be found on Bloomberg's Fund Heat Map Screen, FMAP. Use the screen to identify the top performers based on total return for several types: FMAP <Enter>, click "Fund Type" in "View By" dropdown.
7. Use the Bloomberg fund search screen, FSRC, to search for the some of the following types of debt-type funds and ETFs:
 - Fund Type: Open-End; Classification (Asset Class Focus): Debt; Management Style: Total Return; Analytic criterion: Input total return for one year of greater than X% (e.g., 10% or 20%).
 - Fund Type: Open-End; Classification (Asset Class Focus): Debt; Management Style: Principal Preservation; Management Style: Maturity band Focus (e.g., Long Term (> 10 years)); Management Style: Ratings Focus (e.g., Investment Grade); Analytic criterion: Input total return for one year of greater than X% (e.g., 4% or 10%).
 - Fund Type: Exchange-Traded Product; Classification (Asset Class Focus): Debt; Management Style: Ratings Focus (e.g., Speculative/High Yield).

- Fund Type: Fund of Funds; Classification (Asset Class Focus): Debt; Analytic criterion: input total return for one year of greater than X% (e.g., 10%)

Select one of the funds from each of your searches and study it using the functions on the fund's menu screen (Fund Ticker <Equity> <Enter>. Functions to include: DES, historical fund analysis (HFA), fund holdings (MHD), relative valuation (RV), and price graph (GP).

8. Bloomberg's REIT screen provides a menu for searching for real estate investment trusts by regions: U.S., Europe, Asia, Australia, Canada, and other. Using the screens, search and select some REITs from different regions. Study the REITs using the functions on the REIT's menu screen (Ticker <Equity> <Enter>).
9. Go to the FUND screen to find news and information on mutual funds, hedge funds, and ETFs: FUND <Enter>, click some of the links in the "News and Research" category.
10. The hedge fund industry is a leader in creating new investment product. To keep current, go to the BRIEF screen to access the Bloomberg newsletter: "Hedge Fund."

DERIVATIVES

1. Select an exchange call and put option on a company and evaluate the following option strategies with a profit table and/or graph using the Bloomberg OSA function: call purchase, put purchase, straddle purchase, straddle sale, synthetic long position, or synthetic short position.

Example: Construct a profit table and graph for options on IBM

- Enter IBM [EQUITY] OSA; on the OSA screen, click “Add Options” to identify IBM options (remember the standard size on a stock option contract is 100 options).

Evaluate the following option strategies for different holding periods with a profit table and/or graph using the Bloomberg OSA function: call purchase, put purchase, straddle purchase, straddle sale, synthetic long position, or synthetic short position.

2. Select an exchange call and put option on an index and evaluate the following option strategies with a profit table and graph using the Bloomberg OSA function: call purchase, put purchase, straddle purchase, straddle sale, synthetic long position, or synthetic short position.

Example: Profit table and graph for options on S&P 500:

- Enter SPX [INDEX] OSA
- On the OSA click “Add Options” to identify S&P 500 options

Evaluate the following option strategies for different holding periods with a profit table and/or graph using the Bloomberg OSA function: call purchase, put purchase, straddle purchase, straddle sale, synthetic long position, or synthetic short position.

3. Estimate the binomial (trinomial) price of call and put options on a selected stock using the Bloomberg OV or OVME function. Examine the model’s call and put values and stock price curve generated from Bloomberg. Use either Bloomberg defaulted values for the stock’s volatility, risk-free rate, and dividends or input your own.

Example: Binomial OPM Value on IBM call and put options. To access options on IBM

- Enter IBM [EQUITY] OMON
- Set cursor on option of interest (select a longer term option) and right click OVME.
- On the OV screen, select Trinomial; on dividend screen (Data & Setting Heading, Dividends), edit discrete dividends; on OV screen, you can change the volatility or keep the defaulted one (type help for information on program’s defaults), or click “Volatility Data” tab to find a volatility surface.

4. Estimate the binomial (trinomial) price of a call or put option on a stock index using the Bloomberg OV function. Examine the model's option value and stock price curve generated from Bloomberg. Use either Bloomberg's defaulted values for the stock's historical volatility, risk-free rate, and dividend yield or input your own.

Example: Binomial OPM Value on S&P 500 call and put. To access options on S&P 500

- Enter SPX [INDEX] OMON
- Set cursor on option of interest and right click OVME
- On the OV screen, select Trinomial; on dividend screen, input dividend flow; on OV screen, you can change the volatility or keep the defaulted one.

5. Estimate the Black–Scholes values of call and put options on a selected stock using the Bloomberg OVME function. Examine the model's option value and stock price curve generated from Bloomberg's OV function (Scenario Graph Tab).
6. Portfolio insurance: Use Bloomberg to construct an equity portfolio. Once you have constructed the portfolio, determine the index put positions you would need to create a portfolio insurance strategy (consider the horizon period when you select the maturity of the option). Use OSA to generate a profit graph and/or value graph of your hedged portfolio. Include screens in you answer and bullet points on key observations.
7. Find descriptions, recent prices, outstanding contracts, and other information on five different types of exchange-traded commodity and financial futures (exclude bond and interest rates) contracts. Type CTM to bring up "Contract Table Menu," find the contract of interest, and bring up the contract's menu screen: Ticker <Comdty>.
8. Use the Bloomberg SWPM screen to create and analyze a fixed/floating rate swap. Tab screens to include in your analysis: Details, Resets, Cashflow (Cashflow Table and Cashflow Graph), and Curves. Save the swap position you created in SWPM: go to the red "Actions" tab and click "Save," in the box, name the swap position (Custom id), and click "Save." Go to IRDL to identify your swap.
9. Select a CDS on a company of interest (Ticker CDS <Corp>) and analyze it using the following screens: DES, AllQ (Composite Quotes), GP, and CDSW (Valuation). Use the Bloomberg DRSK screen to determine the history of the implied probability of default loss (on DRSK chart the probability can be found on the dropdown).