

first 2 conditions of Redington immunization.

Customer want to take long position in  $F(0,T)$ .

=> You do enter the short position

By  $F_{1,T} - F_{2,T}$

Buy  $F_{1,T}$  and sell  $F_{2,T}$

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$F_{1,T} - F_{2,T}$

Changing a-due to calculable form

$$a\text{-due}_n^{(m)} = \frac{1}{i} \ddot{a}_{n|i}^{(m)}$$

If  $\Delta t = 2$   $a'(t)/a(t)$

$$\Rightarrow a(t) = \left[ \sum a(t) \right]^2$$

$i^{(m)}$ ,  $d^{(m)}$ ,  $i$ ,  $d$  and  $\Delta t$  in increasing order.

$$d^{(m)} < d < i^{(m)} < i \Rightarrow$$

Cost of Carry means costs incurred as a result of an investment position

$$C o C = r - \delta$$

Sinking Fund Payment is \$500, Interest Only Payment on Loan is \$150

=> net interest amount = ~~20~~ cannot be found need interest earned on last sinking fund payment

increment means payment

$$= ?$$

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