

This is part of your project; respond to these questions as seriously as you would a prompt on an opportunity.

Use the table here to answer the questions below. Show your work.

1. Find the price of a \$1000 par Chinese central bank bond as of December 2016. The bond matures in December of 2025.
2. Find the price of a \$1000 par BlueStar bond as of December 2016. The bond matures in December of 2020.

December 2016		
Security	Jun-16	Dec-16
USA (Dec. 2025)	2.25% \$ 809.47	2.25% \$ 818.52
China (Dec. 2025)	4%	4.50%
Venezuela (Dec. 2025)	10.25% \$ 395.73	\$ 420.00
BlueStar (Dec. 2020)	9.00% \$ 678.55	9.50%
Hybrid (Dec. 2020)	6.50%	6% \$ 792.09
BigFoods (Dec. 2020)	5.50% \$ 785.89	6% \$ 792.09

3. Find the yield to maturity (YTM) of a \$1000 par Venezuelan government bond as of December 2016. The bond matures in December of 2025.
4. Interpret this figure. What does the bond's YTM tell you?
5. Find your December 2016 News. Analyze the "Business News" story about Hybrid. What effect would this have on Hybrid as a company? As a result, what would the effect on their bonds be? Why? As someone who trades in corporate bonds, how can you profit from this?

