

Brief Contents

Part 1: Overview of the Financial Environment 1

- 1 Role of Financial Markets and Institutions 3
- 2 Determination of Interest Rates 23
- 3 Structure of Interest Rates 43

Part 2: The Fed and Monetary Policy 65

- 4 Functions of the Fed 67
- 5 Monetary Policy 85

Part 3: Debt Security Markets 111

- 6 Money Markets 113
- 7 Bond Markets 135
- 8 Bond Valuation and Risk 157
- 9 Mortgage Markets 185

Part 4: Equity Markets 211

- 10 Stock Offerings and Investor Monitoring 213
- 11 Stock Valuation and Risk 245
- 12 Market Microstructure and Strategies 283

Part 5: Derivative Security Markets 309

- 13 Financial Futures Markets 311
- 14 Option Markets 331
- 15 Swap Markets 365
- 16 Foreign Exchange Derivative Markets 393

Part 6: Commercial Banking 423

- 17 Commercial Bank Operations 425
- 18 Bank Regulation 445
- 19 Bank Management 469
- 20 Bank Performance 497

Part 7: Nonbank Operations 515

- 21 Thrift Operations 517
- 22 Finance Company Operations 539
- 23 Mutual Fund Operations 551
- 24 Securities Operations 577
- 25 Insurance Operations 603
- 26 Pension Fund Operations 623

Part 8: Emerging Topics 641

- 27 Fintech in Financial Markets 643

Appendix A: Comprehensive Project 665

Appendix B: Using Excel to Conduct Analyses 675

Glossary 679

Index 689