

Introduction to Fixed Income



Welcome to this two-minute training video on 'introduction to fixed income', instructed by Justin Sanders.

When a company wants to raise money, it has two main sources. It can look at the equity capital markets, also known as the stock market, or it can look at the debt market, also known as the fixed income market.

Unlike the stock market, investing in bonds does not give the investor an ownership interest in the company. Instead, the investor lends money to the company.

So, a bond is a debt instrument, requiring the issuer, also known as the debtor or borrower, to repay the lender or investor, the amount borrowed, plus interest, over some specified period of time.

Companies used to issue bond certificates. MDA Training has issued this bond. The nominal value, also known as the face value, or par value, is 1000. This is the amount that MDA Training has to return to the investor, or owner of this bond when it matures. The maturity date is September 30th, 2022, and the coupon rate is 10%, semi-annual.

This means every six months, the owner of the bond receives a coupon of 50.

That was an excerpt from the course 'Introduction to fixed income'.

To view the full, 90-minute e-learning programme, come visit us at mdatraining.com.