Nordea MARKETS

# Getting started

## Relative Value

Nordea Analytics

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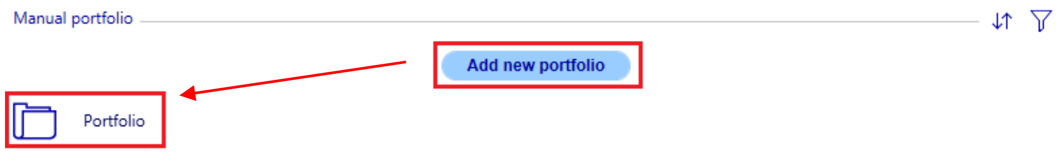
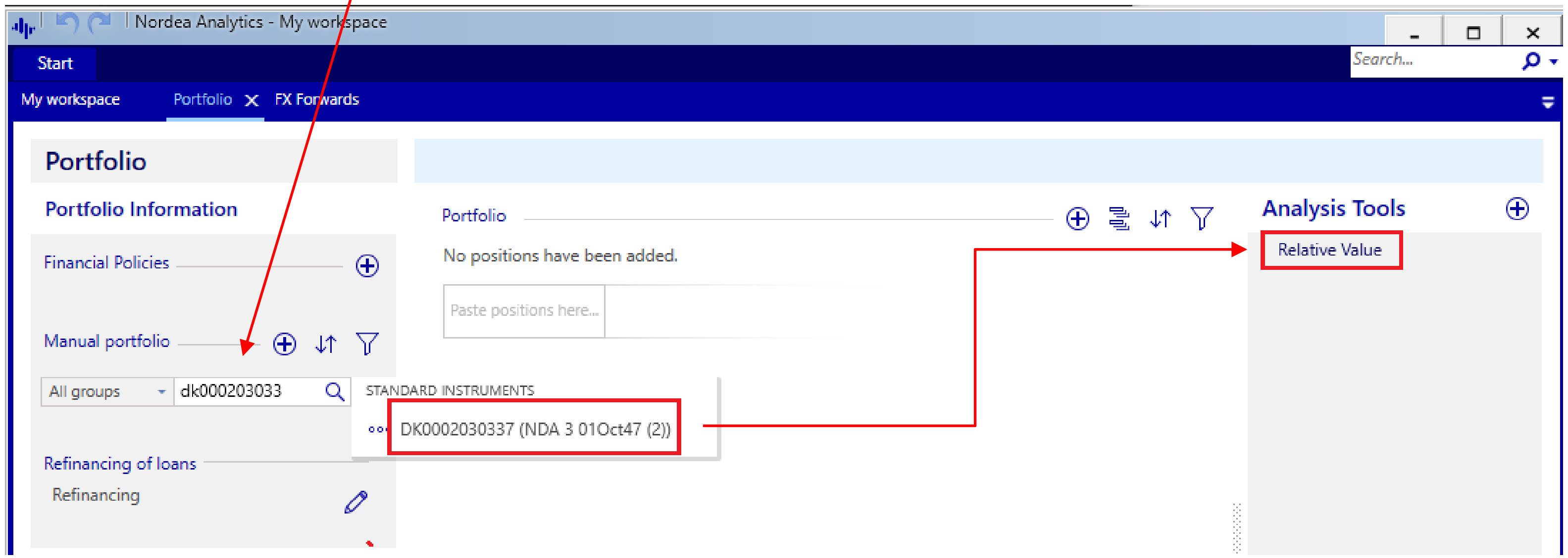
# Add instruments to portfolio

If you have not yet read the guide "Portfolio creation and saving", consider doing so before continuing.

Create a portfolio, add instruments and select Relative Value under Analytics Tools. If you already had a portfolio created, drag and drop it on to Relative Value.



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# General settings

To run Relative Value, press the play-icon .

By default, calculations with be done in real-time for a range of scenarios.

Change date to use quotes and curves on historical date. Today's date is real-time

Horizon return will be converted to this currency if not calculated in percentage


Horizon return is calculated over the period between Date and Horizon Date



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# Output

Report is split into three segments.

**Portfolio Overview**
Key figures for the aggregated portfolio.

**Instrument Overview**
Various key figures for each instrument separately.

**Horizon key figures**
Includes horizon return and key figures at horizon (Price, Spread, Yield) and prepayments over the horizon period.

Date 21/12/2020 Horizon Date 21/12/2021 Currency DKK Reinvest in series Returns in percentage More Settings ▾

PORTFOLIO OVERVIEW

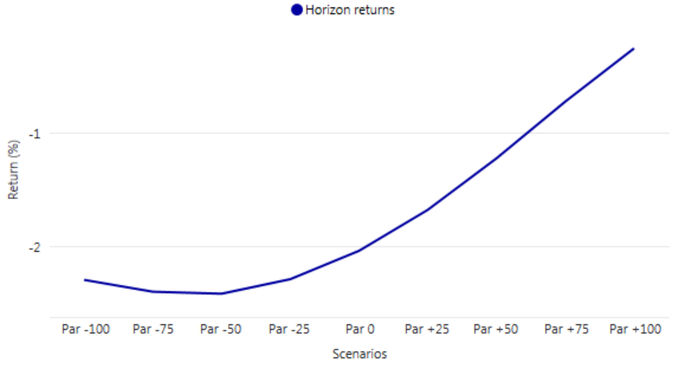
| Key figure | |
|---|---|
| PV | 107.48 |
| BPV | -0.27 |
| Horizon Return (%, 21/12/2021) | -2.03 |
| - Fixing carry (%) | 0.00 |
| - Curve roll (%) | -2.03 |

INSTRUMENT OVERVIEW

| Name | Instrument | Maturity | Received Currency | Quote | Nominal | Yield | PV (Dom. ccy) | BPV (Dom. ccy) | CVX (Dom. ccy) | PV | BPV | CVX | Fixing Carry (%) | Curve Roll (%) | Horizon Return (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | Danish Mortgage Bond | 01/07/2046 | DKK | 106.80 | 100 | 2.41 % | 107 | -0.27 | 1.98 | 107 | -0.27 | 1.98 | 0.00 % | -2.03 % | -2.03 % |

HORIZON RETURN (DKK)

| Name | Par -100 | Par -75 | Par -50 | Par -25 | Par 0 | Par +25 | Par +50 | Par +75 | Par +100 |
|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | -2.29 % | -2.39 % | -2.41 % | -2.28 % | -2.03 % | -1.67 % | -1.21 % | -0.71 % | -0.24 % |




PRICE AT HORIZON

| Name | Par -100 | Par -75 | Par -50 | Par -25 | Par 0 | Par +25 | Par +50 | Par +75 | Par +100 |
|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | 108.05 | 107.63 | 107.30 | 107.17 | 107.22 | 107.41 | 107.69 | 107.97 | 108.16 |

SPREAD AT HORIZON

| Name | Par -100 | Par -75 | Par -50 | Par -25 | Par 0 | Par +25 | Par +50 | Par +75 | Par +100 |
|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 | 7.99 |

YIELD AT HORIZON

| Name | Par -100 | Par -75 | Par -50 | Par -25 | Par 0 | Par +25 | Par +50 | Par +75 | Par +100 |
|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | 2.27 % | 2.31 % | 2.34 % | 2.35 % | 2.35 % | 2.33 % | 2.31 % | 2.28 % | 2.26 % |

PREPAYMENTS BETWEEN 21/12/2020 AND 21/12/2021

| Name | Date | Par -100 | Par -75 | Par -50 | Par -25 | Par 0 | Par +25 | Par +50 | Par +75 | Par +100 |
|---|---|---|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | Jan 2021 | 13.69 % | 13.69 % | 13.69 % | 13.69 % | 13.69 % | 13.69 % | 13.69 % | 13.69 % | 13.69 % |
| NDA 3 01Oct47 (2) | Apr 2021 | 23.23 % | 22.74 % | 22.19 % | 21.60 % | 20.96 % | 20.26 % | 19.52 % | 18.73 % | 17.90 % |
| NDA 3 01Oct47 (2) | Jul 2021 | 21.15 % | 20.74 % | 20.07 % | 19.25 % | 18.28 % | 17.15 % | 15.87 % | 14.45 % | 12.95 % |
| NDA 3 01Oct47 (2) | Oct 2021 | 18.48 % | 18.58 % | 18.32 % | 17.43 % | 16.25 % | 14.76 % | 13.00 % | 11.06 % | 9.04 % |

# User defined inputs

The following inputs can be changed by the user and affects the calculations.

- Quote
- Spread change at horizon per scenario
- Prepayment speed
- Prepayment between calculation date and horizon date

**USER DEFINED INPUTS**

| | Quote | PP speed | Spread change Par -100 | Spread change Par -75 | Spread change Par -50 | Spread change Par -25 | Spread change Par 0 |
|---|---|---|---|---|---|---|---|
| NDA 3 01Oct47 (2) | 106.8000 | 1.00 | | | | | |

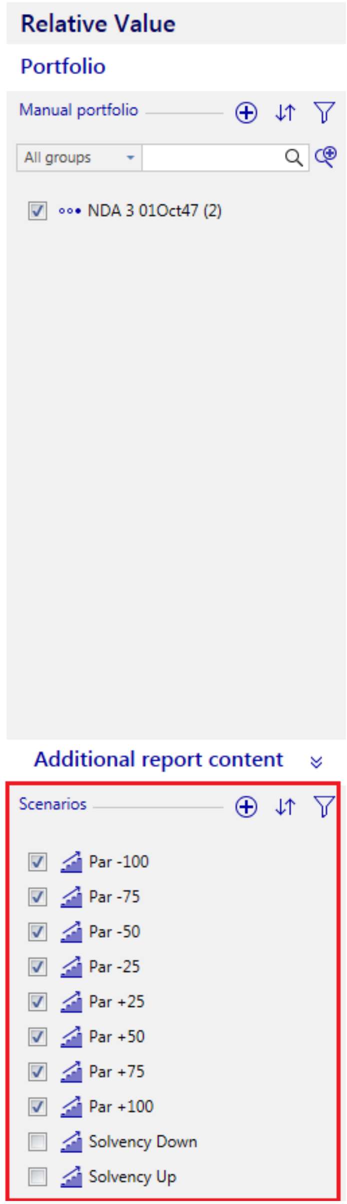
After changing e.g. quote, press enter and the report becomes greyed out. Press to Play-button to recalculate with the new inputs.

# Scenarios

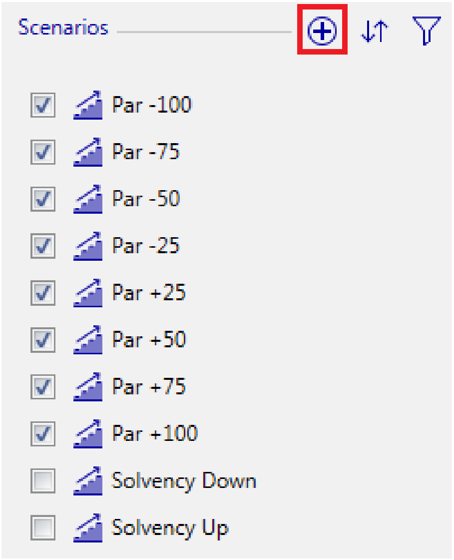
Scenarios can be found in the bottom left when Relative Value is open.

By default multiple scenarios are enabled. These can be disabled to reduce the number of calculations and speed up calculation time.

Par -100 up to Par +100 are all parallel shifts, It is possible to create new user-defined scenarios and they do not have to be parallel shifts.

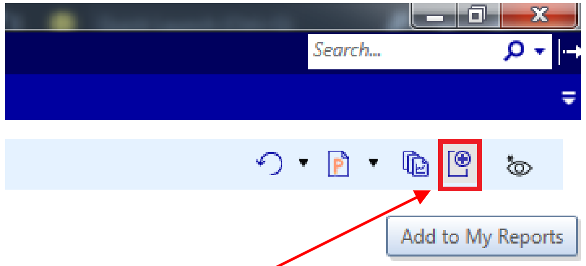



Adds new user-defined scenarios

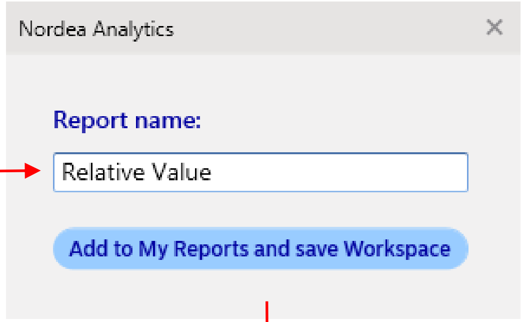


# Saving a Relative Value report

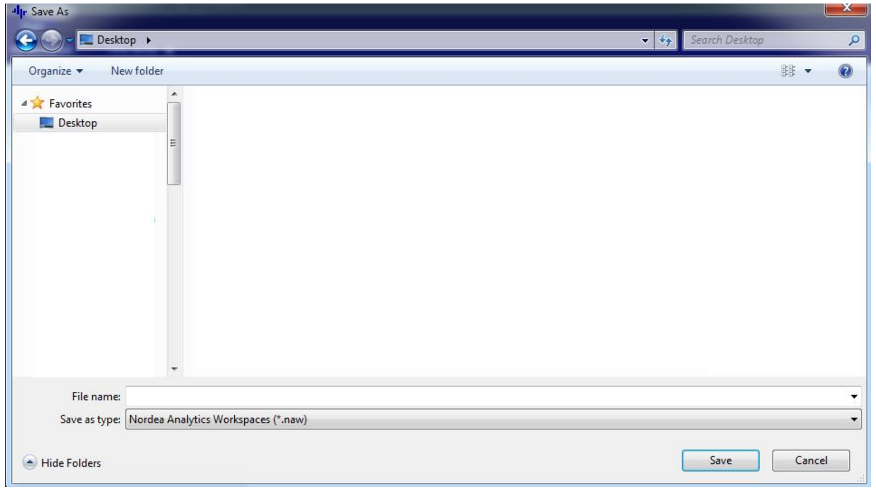
When the portfolio, key figures and settings have been set up, it can be saved to be easily accessed again.




**Add to My Reports:** Press the save-icon




**Report name:** You will be prompted to name the report containing your portfolio and selection of key figures.

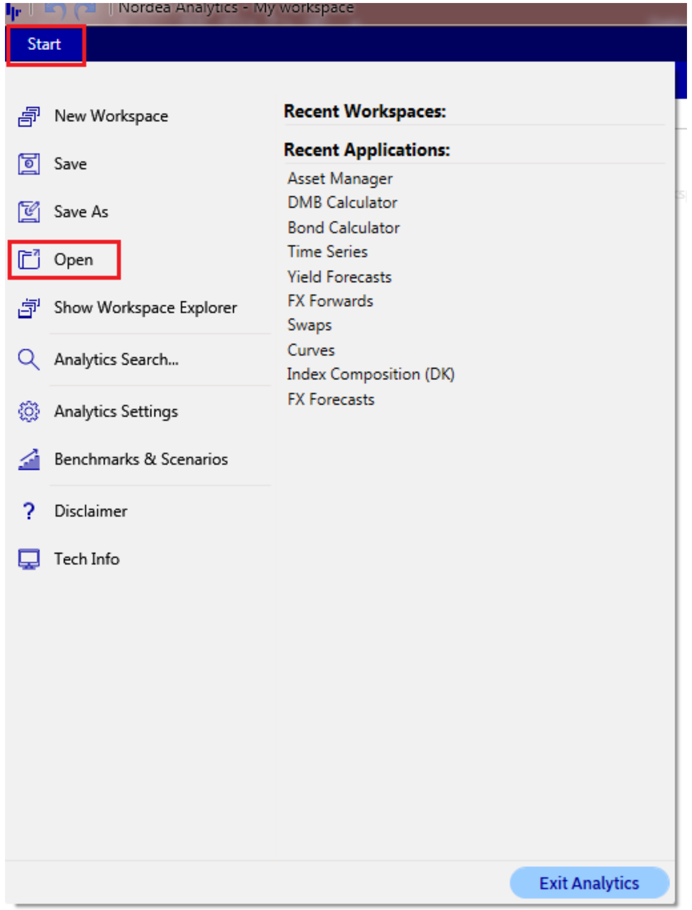



**Save workspace:** If you have not saved the workspace yet, you will be asked to do so now. This is the step that saves your settings, so they can be opened later after closing Nordea Analytics.

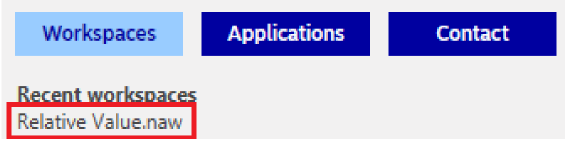
# Opening a saved Relative Value report

There are two ways of opening a saved report (workspace).

**1)** Select Start, Open and then find the (workspace) file saved on the previous slide




**2)** Alternative, the most recently used workspaces will be shown in the bottom right of the front page




In the bottom right corner, the title My Reports will show up with the saved Relative Value report (or the name chosen on the previous slide).