Nordea
MARKETS

Mortgage Tools

Description

*The **Mortgage Tools** report calculates yield and spread key figures for fixed-rate noncallable bonds in general and Swedish mortgage bonds in particular. The key feature of the report is the possibility to easily perform relative value analysis of bond yields and spreads for different mortgage institutions.*

Settings

It is possible to specify the following settings in Mortgage Tools

Mortgage Issuers: A list of institutions to choose from. Mainly Swedish mortgage institutions but also other countries and government issuers.

Date: Defines the date for when the calculations should be done. Default is today i.e. real-time.

Save curve in real time: If chosen, the curves are saved and reused when changing input, e.g. quote of a bond. If not chosen, the newest curves are always used but this hurts performance. If Date is not the current date, this setting has no effect.

Chart y-axis: Choose the key figure to show in the report graph. Default is Yield.

Advanced Settings

Include Trend line: Choose to enable trend line possibilities.
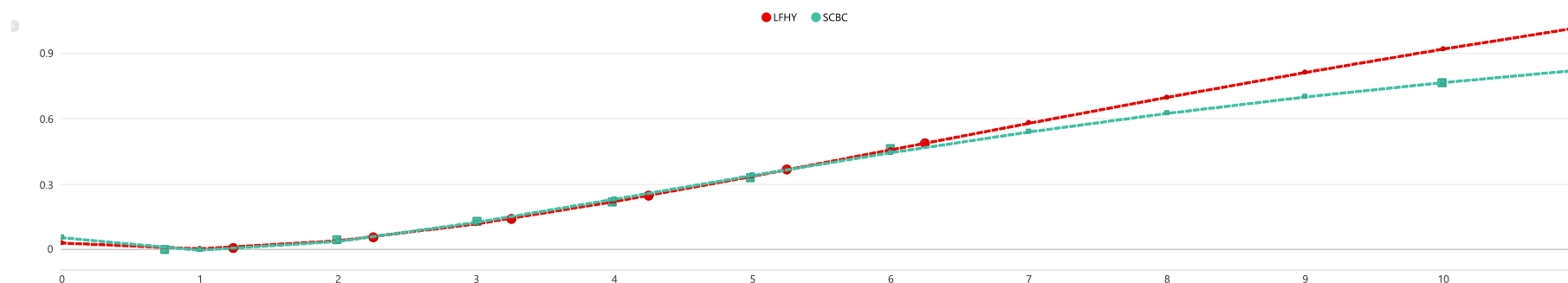
Trend line Type: Curve type for trend line estimation. Default is interpolation between points.

All issuers in one trendline: Choose to use all the issuers' bonds estimation one single trend line. Default is false.

Report elements

The Mortgage Tools report elements are described below.

Example:

The chart shows the chosen key figure (in this case yield) in the graph for the chosen issuers with the bonds' time to maturity in the x-axis. The dashed line is the estimated trend line.

LFHY (LÄNSFÖRSÄKRINGAR)

Name	Maturity	Time to maturity	Duration	Yield percent	Clean Price	Asw	Asw Mm	Asw Pp	Swap spread	Gov spread	Gov curve	Mtg spread	Mtg curve	Asw fixing frequency	Asw ccy basis	Status
LFHY 514	15-09-2021	1.2438	1.21	0.0100	102.14	-2	-2	-2	12	30	SEKGOV	-3	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded
LFHY 515	21-09-2022	2.2603	2.18	0.0600	104.91	4	3	4	20	39	SEKGOV	-1	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded
LFHY 516	20-09-2023	3.2575	3.17	0.1449	103.57	10	9	10	25	47	SEKGOV	0	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded
LFHY 517	18-09-2024	4.2548	4.09	0.2499	105.26	17	16	16	31	56	SEKGOV	0	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded
LFHY 518	17-09-2025	5.2521	5.04	0.3699	104.55	24	23	24	38	63	SEKGOV	0	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded
LFHY 519	16-09-2026	6.2493	5.91	0.4899	106.18	32	30	32	45	69	SEKGOV	0	SEKMTGLFHY	3.	SEK	12:19:00 - Succeeded

In the tables above, the key figures and used curves for the bonds per issuer are shown. You can change the values in the key figures that not only depend on time, such as yield. The other key figures will thereafter be recalculated based on the input.

The column *Mtg curve* is also editable where it is possible to change the mortgage curve to any interest curve; *Mtg spread* will be updated with yield spread using the chosen interest rate curve.

The *Asw fixing frequency* contains the fixing frequency for asset swap calculations (in the example 3 months) and is editable where after Asw, Asw Mm, and Asw Pp are changed.

The Column Status will contain any errors after a cell change.