

# Market Data

The *Market Data* window is used to acquire, maintain, and store in Fin-Scope information about yield curves and other imported data.

In Fin-Scope market data is stored in “yield curves” even though the data contains more information (such as index rates, mortgage rates, option volatilities, etc.) than just yield curve data.

This chapter has four sections:

**Getting Started** – identified by the thick blue border on the right page margin, this sections tells you the minimum steps to set-up yield curves

**Overview** – provides a “executive summary” of the window and the role it plays in Fin-Scope

**Window Organization and Contents** - describes the window layout, input fields, drop-down lists and buttons used

**Using Market Data** – describes how to operate the window to get things done

## Getting Started with Market Data

Accurate yield curve and market rate information is critical to operating Fin-Scope. Here are the steps to retrieve market data from The Bloomberg and use it in the application.

The screenshot shows the Market Data window interface. The 'YC Date' field is highlighted with a red circle and labeled '1'. The 'Retrieve' button is highlighted with a red circle and labeled '2'. Other visible fields include 'Import YC', 'Export YC', 'yc\_20050201', 'Data Source' (Bloomberg), 'User Name' (user), and 'Password' (password). Buttons for 'Save' and 'Delete' are also present.

Figure 15: Retrieving Market Data from Bloomberg

### 1. On the *Market Data* window, key a date into the *YC Date* field.

This is the date for which market data will be retrieved so it should be today’s date or a date prior to today.

🔄 Fin-Scope requires a yield curve date.

### 2. Click the *Retrieve* button.

This activates the built-in Bloomberg interface and requests a set of data points for the date you entered. (This might take a minute depending on your network environment.)

(Note: if you're not using Bloomberg you can still use this window to acquire market data. See *Importing a Yield Curve From a Flat File* later in this chapter.)

	Index	Index Rate	Spread	Mortgage Rate
30 Years	FNCR3010	5.17	0.45	5.22
15 Years	FNCR1510	5.24	0.45	5.69
7 Years	FNCR2310	3.869	0.9	4.869
5 Years	FNCR2510	3.869	0.9	4.769

Figure 16: Mortgage Index Spread Entry on the Market Data window

### 3. Key in spreads against mortgage indexes

Fin-Scope retrieves from Bloomberg a set of standard mortgage indexes (see Appendix 2 for a list).

The next step is to key into Fin-Scope the appropriate spreads on these indexes. Normally, you'll acquire these from the supplier of the prepayment model you're using.

For maximum precision, the spreads must be entered for every yield curve you create. Fin-Scope makes this easy by storing the spreads so that they can be recalled and reused on each new yield curve you create.

☞ Mortgage spreads are required.

Figure 17: Saving a Yield Curve

### 4. Key in a unique name in the combo-box.

You can choose any name that describes the data.

The Fin-Scope convention is to name yield curves as follows: "yc\_YYYYMMDD" where YYYY is a four digit year, MM is a two digit month, and DD is the two digit day. However, some users prefer to save each new curve simply as "yc\_current".

☞ Fin-Scope requires a name for the yield curve.

**5. Click Save.**

This (a) saves the yield curve data, market rates, and indexes to the Fin-Scope database, (b) makes it active for your session, and (c) makes it available to all other system users.

**That's it** — Fin-Scope has the market data it needs to perform calculations. The remainder of this chapter provides more details about the *Market Data* window and how to use it.