

## Chapter 9 and Chapter 10 formulas

Inflation:

$$(1+i) = (1+i')(1+r)$$

$$i' = \frac{i-r}{(1+r)}$$

Spot Rates:

$$NPV = \sum_t R_t (1+s_t)^{-t}$$

At Par Yield:

$$i = \frac{1 - (1+s_n)^{-n}}{\sum_{t=1}^n (1+s_t)^{-t}}$$

Forward Rates:

$$(1+s_{n-1})^{n-1} (1+f_{n-1}) = (1+s_n)^n = \prod_{t=0}^{n-1} (1+f_t)$$

$$(1+s_t)^t (1+{}_m f_t)^m = (1+s_{t+m})^{t+m}$$

↑  
t-term deferred  
m-term forward rate