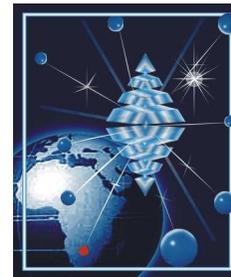




## YIELDXBONDS.XLS

### SETUP NOTES and PROCEDURES



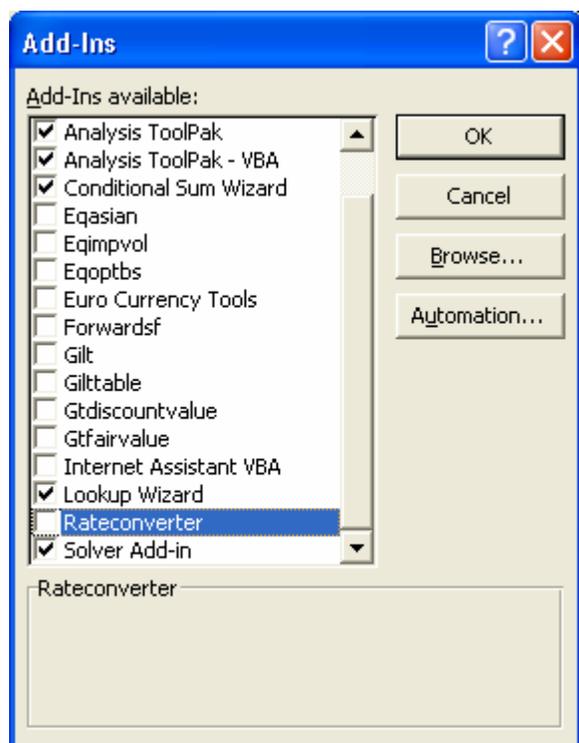
FINANCIAL  
C H A O S  
T H E O R Y

Microsoft Excel needs to be setup correctly for the YieldXBond.xls file to function properly. If you open the YieldXBonds.xls file and you get any error messages, please follow the setup instructions below.

### Excel Setup

#### **Step 1**

Open Excel. Click on the menu item *Tools*. In the drop down menu, click on *Add-Ins*. This brings up the Add-Ins dialog box as shown below



Ensure that there are ticks in front of the following add-ins

- Analysis Toolpak
- Analysis Toolpak – VBA
- Conditional Sum Wizard
- Solver Add-In

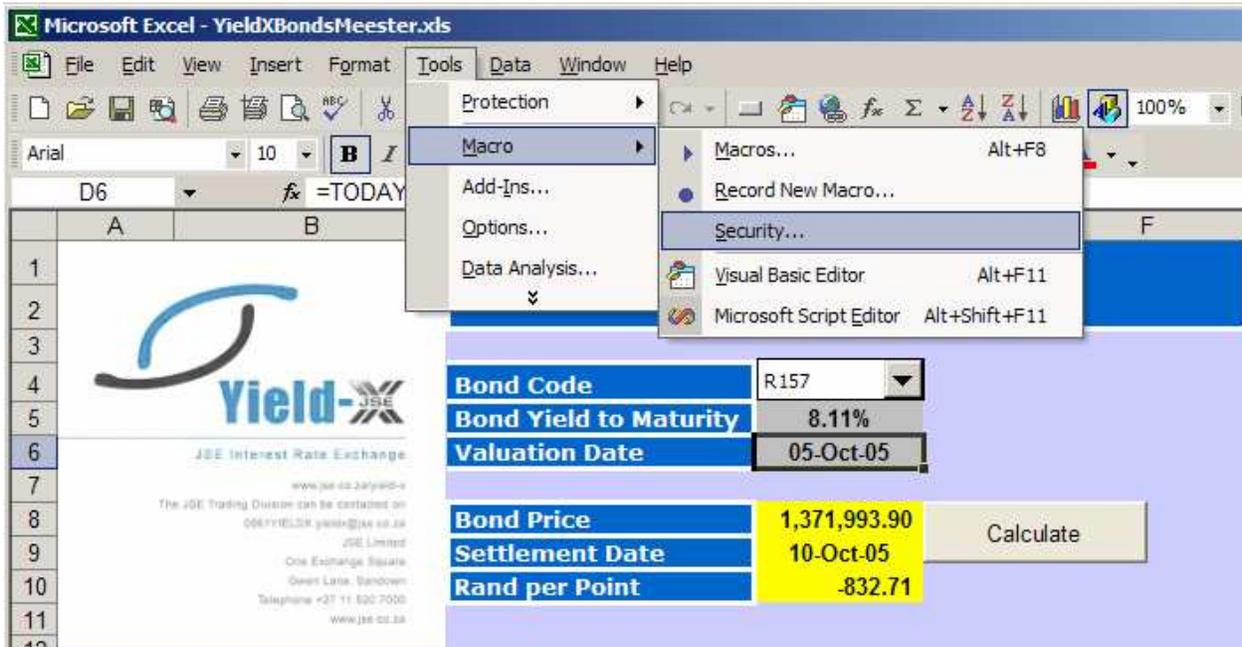
Click *OK*.

If some of the above add-ins are not available, it might be that you only operate off a **partial** MSOffice installation. Either do a **full** installation or contact your IT department to upgrade your installation to a full MSOffice installation.

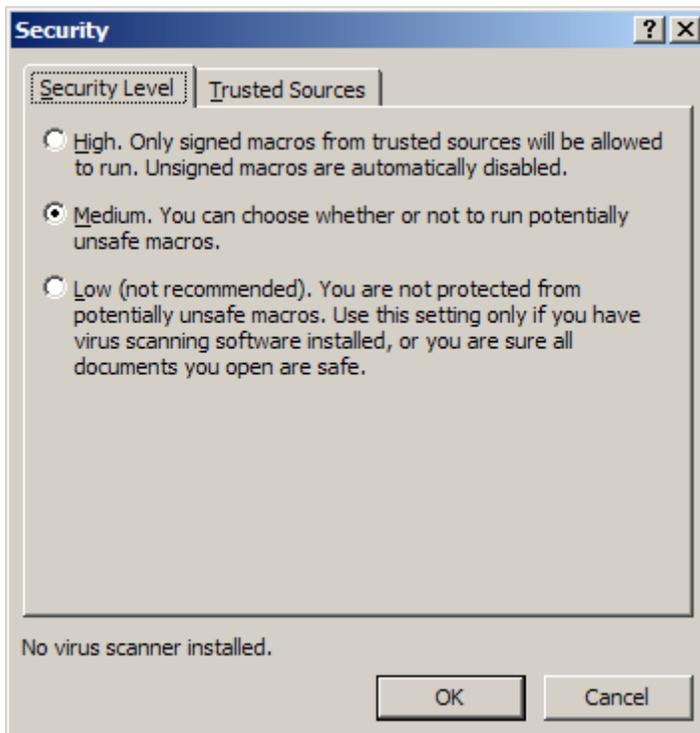
You might be prompted to insert the MSOffice CD. Do this or contact your IT department.

## Step 2

Open Excel. Click on the menu item *Tools*. In the drop down menu, move your cursor to *Macro*. This brings up a sub-menu as shown below.



Click on *Security...* This brings up the *Security* dialog box as shown below.

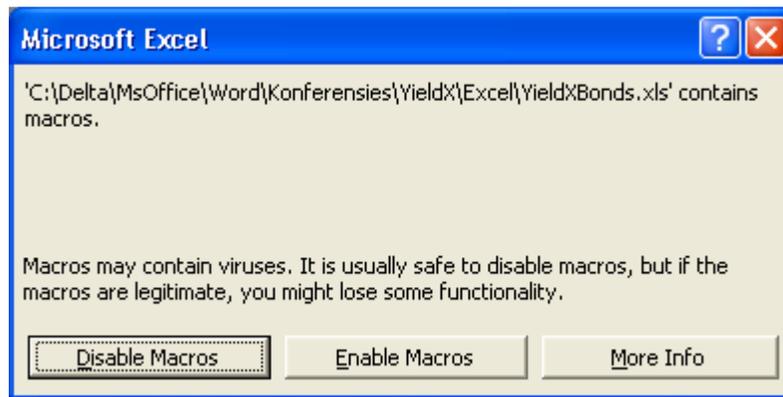


Click on the *Security Level* tab. Ensure that **Medium** is selected.

Click OK

## **Opening the File**

Upon opening the Excel file, you will see the following pop-up box



Click on "Enable Macros".

## **Input Parameters**

ALL yields or yields to maturity (YTM) and interest rates should be in percentage format e.g. 7.75% or 0.075. Divide yields by 100 if they are obtained through the DDE links to the YieldX trading system. Dates should be in SA date format e.g. dd/mm/yy or dd-mmm-yyyy

## **Calculating**

Choose the bond from the drop-down box. Update the dates, YTM, interest rate or volatility by changing the relevant cells. Click the button called "Calculate". This will run the software and calculate the values which are displayed in the yellow highlighted cells.

## **Protection**

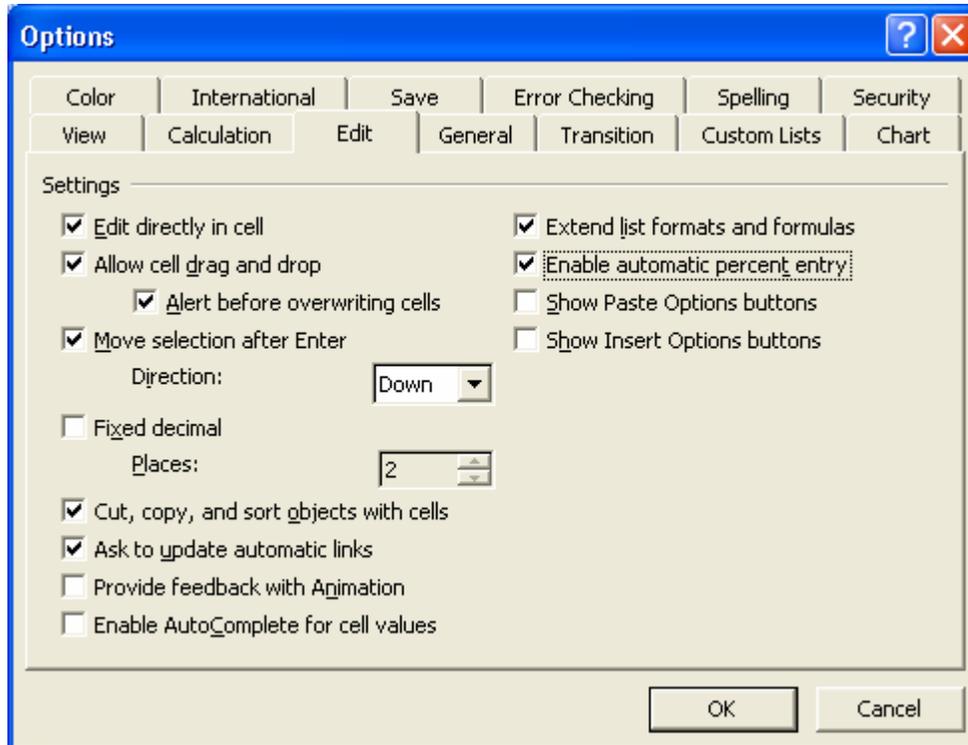
All pages are protected. Grey cells are used as inputs to market data - these cells can be changed and updated. Yellow cells are used for output - these can be changed but will be overwritten with every calculation. All other cells are protected

## **Public Holidays**

This version of the bond calculator does not take any public holidays into account. The settlement dates might thus be wrong if they fall on public holidays. Get around this by shifting the valuation or expiry dates.

## **Common Setup Problems**

Excel can be set to simplify ones yield and interest rate inputs. If one wants to enter just the number 8.85, for instance, instead of 0.0885 in any cell that is formatted to take percentages, do the following: in Excel click on the menu item *Tools*. In the drop down menu, click on *Options*. This brings up the Options dialog box. Click the *Edit* tab. This is shown below.



Ensure that the "Enable automatic percent entry" box is ticked. Click OK.

One can now enter just the number 8.85, for instance, in any interest rate or yield cell and Excel will automatically convert this number to its percentage format.

## **Upgrades and Further Help**

Contact Yield-X for further assistance or email Dr Antonie Kotzé at [consultant@quantonline.co.za](mailto:consultant@quantonline.co.za) with your questions.



JSE Interest Rate Exchange

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