UNIVERSIDADE DE LISBOA

INSTITUTO SUPERIOR DE ECONOMIA E GESTÃO

Master on Mathematical Finance

Interest Rate and Credit Risk Models

Exercise 1

1. Please estimate the yield curve for Portugal in two different dates, using the Nelson-Siegel, Svensson, McCulloch and polynomial methods.~

2. Please identify the pros and cons of each methodology.

3. How would you interpret the changes in the yield curve between the two dates?

Deadline: 31 Dec.2017