



LISBON  
SCHOOL OF  
ECONOMICS &  
MANAGEMENT  
UNIVERSIDADE DE LISBOA

# Interest Rate and Credit Risk Models

MASTER IN MATHEMATICAL FINANCE

2018/2019

## 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.2018