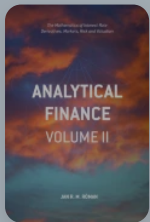


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Financial instruments

| Chapter | First Online: 09 August 2017

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Analytical Finance: Volume II

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Notes

1. Some exchanges use monthly settlement, for example, Nasdaq-OMX in Stockholm.
2. Since the financial crisis in 2008, this is not really true, since some currencies are more risky than others. Therefore, we have to add, a so-called cross currency basis spread to the discount function. This basis spread is set against the most liquid currency in a trade. Only USD will have a zero basis spread. We

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