The Management of Bond Investments and Trading of Debt, 9780750667265, 2005, 362 pages, Dimitris N. Chorafas, Elsevier Butterworth-Heinemann, 2005

The Management of Investments is based on an extensive research project done by the author in 2003 and 2004, in the United States, England, Germany, France, Italy and Switzerland. The author outlines the rules behind the able management of investments by private individuals, banks, and institutional investors. These rules are examined within the perspective of each entity's goals and challenges. Based on research results and on his own experience, the author demonstrates that shareholder value is usually being paid lip service.Â To help in explaining these rules, the book outlines the way capital markets work, equity research is done, and risks associated to biases. In finance, a bond is an instrument of indebtedness of the bond issuer to the holders. The most common types of bonds include municipal bonds and corporate bonds. Bonds can be in mutual funds or can be in private investing where a person would give a loan to a company or the government. The bond is a debt security, under which the issuer owes the holders a debt and (depending on the terms of the bond) is obliged to pay them interest (the coupon) or to repay the principal at a later date, termed the Written for managers and professionals in business and industry, and using a minimum of mathematical language, The Management of Bond Investments and the Trading of Debt addresses three key issues: Bondholder's options, risks and rewards in making investments in debt instruments; The dynamics of inflation, and how they affect both trading in the bond market, and investment decisions; and The democratization of. lending, socialization of risk, and effect of the global economy on the bond market.Financial expert Dimitris Chorafas discusses these issues in straightforward language for manage... A debt manager normally wants to minimise the rate of interest paid on government debt, an objective that may conflict with setting interest rates needed to achieve price stability as well as leading to short-falls in sales of government debt (which causes further problems for monetary policy).Â In Korea, trading in bonds received a boost after the establishment of a bond futures market. A similar trend has also been noted in Singapore. Lowering or even eliminating taxes on securities transactions have been suggested to improve trading.Â A trade execution process that leads to more competition among traders and improves the information flow to market participants should lower spreads and increase liquidity.