

Input - Bond Pricing Call Options

Micromuni uses the Bond Pricing Call Options information when pricing bonds when Computing Bond Interest and Pricing Bonds or Solving for Bond Maturity Amounts. Micromuni prices each bond to maturity and then prices it to each call date that applies to this maturity. Micromuni then selects the least expensive price as the price for the maturity and uses that price to calculate the gross production. The power the Bond Pricing Call Option screen is that it allows you to specify one or more call options that apply to various maturities.

The screenshot shows the 'Micromuni Debt' interface with the 'Input' dropdown menu open. The menu options are: General Bond Information, Amounts, Coupons, Yields, Prices, Call Options (Bond Pricing) (highlighted), and Mandatory Redemptions. The main screen displays a table with columns for Maturity, Last Maturity, and Call Price. A single row is visible with values: Maturity: 7/01/2035, Last Maturity: 7/01/2039, Call Price: 100.000000. There are buttons for 'Cancel Changes', 'Save', and 'Delete'.

The complete screen looks as follows:

The screenshot shows the full 'Micromuni Debt' interface. At the top, there are navigation buttons: Save, Add Row, Cancel Changes, BOND PRICING CALL OPTIONS, and Info. Below these is a note: 'Note: You must press the Save Button to complete changes, inserts and deletions.' The main table has columns: Call Date, First Maturity, Last Maturity, Call Price, and a Delete button. A single row is visible with values: Call Date: 7/01/2030, First Maturity: 7/01/2035, Last Maturity: 7/01/2039, Call Price: 100.000000. There are also navigation buttons at the bottom and a page indicator '1 - 1 of 1 items'.

This input page allows you to specify call options that apply to a range of bonds.

Micromuni uses the call options entered to price each bond to its maturity date and then prices the bond to each call date that applies to this maturity.

Micromuni then selects the least expensive price as the offering price.

You enter information about each bond call option on a different row. Headings at the top of each column on this screen tell the types of information to enter; the headings are explained in this section. The "Add Row" button above the grid is used to enter a new row for a call option. Individual call options can be deleted using the delete button at the end of each call option row.

Call Date

This is the call date for bond pricing. Bond Maturities from the First Maturity to the Last Maturity will be priced to the call date with a redemption price of the call price. Micromuni will perform this pricing for each bond maturity that has valid call dates. Micromuni will then select the cheapest price to ensure the investor will receive the stated yield entered on the Bond Amounts, Coupons, Yield input screen.

First Maturity

This is the first maturity to consider for this call option date. Bond Maturities from the First Maturity to the Last Maturity will be priced to the call date with a redemption price of the call price.

Last Maturity

This is the last maturity to consider for this call option date. Bond Maturities from the First Maturity to the Last Maturity will be priced to the call date with a redemption price of the call price.

Call Price

This is the bond redemption price to be paid if this bond were to be redeemed on the call date. Bonds redeemed prior to their stated maturity date are not always redeemed at par.