

PLOTTING THE YIELD CURVE

This project is all about exploring the data and getting a field for the yield curve.

The main aim is to plot an animation of the yield curve over time — or better get multiple yield curves.

The first challenge is to get the data into Excel, then load into into Matlab.

You can then use the movie function in Matlab to create your animations.

With your animation complete here are some ideas to take things further

- It is known that an "inverted" yield curve is a good predictor of a recession.

~~QAA~~

Can you illustrate this?

- Are there any good charts you could produce to investigate this?
- What do the volatilities of the different rates look like at each time?
- How well can you fit the Vasicek model to a yield curve?
- How does this Vasicek model fit over time?