[Glossary]

[Derivatives (Part - 1)]

Subject:	Business Economics
Course:	B. A. (Hons.), 5th Semester, Undergraduate
Paper No. & Title:	Paper – 511 Macroeconomics - II
Unit No. & Title:	Unit – 5 Derivatives
Lecture No. & Title:	Lecture – 1 Derivatives (Part - 1)

Glossary:

Basis: It is the variation between the spot price of a deliverable commodity and the relative price of the futures contract for the same actual that has the shortest duration until maturity.

Eurodollar future: It is futures contracts tied to a forward LIBOR rate.

T-Bond Future: It is future contract tied to a pool of Treasury bonds that consists of all bonds with a remaining maturity greater than 15 years.