Once you open FactSet, click on the Fixed Income tab which can be found on the far left of the industry segments outlined.

1\textsuperscript{st} Step: type in the identifier (or fixed income security, ETF, fund etc...) that you would like to search. For the purpose of this tutorial guide, I will be analyzing the Bank of Montreal’s bond.

I started by typing in BMO-CA (CA for Canadian) in the search bar. The view in FactSet is easy to understand and convenient as all the data is aggregated for you (it cuts out unnecessary information).

**Current Credit Ratings:** Rating agencies such as Moody’s and S&P rate a corporation’s credit and assign it a grade i.e. A+. Currently, BMO exhibits an investment grade rating (a grade of BBB or higher). This is important to consider when investing in bond as they pose a risk of credit default which must be accounted for beforehand.

**Debt Capital Structure Summary:** Analyzing a company’s capital structure is also important. Ensuring that a company has a strong balance sheet is pivotal. Capital structure can be observed within the parameters of a company’s balance sheet. The structure describes the composition of a company’s long term capital, which consists of both debt and equity. Usually, companies composed more of equities are considered to be healthier as they are seen to carry lower risk of default. It is important to analyze a company’s liabilities versus its asset to see whether or not a company can cover its liability claims with the assets it owns.

**Liquidity Summary:** Generally, the more liquid a company is (meaning that its assets are composed primarily of current assets such as cash, account receivables etc...). BMO for instance, has a lot of cash and short term investments indicating it’s quite liquid. However, BMO is a bank which means it is also highly leverage. **Ensure that it has enough cash on hand to cover the leverage it has on hand.**

When pricing a bond, the coupon rate, maturity, and price are all important considerations. Make your way to DCS Detail to obtain all these variables that you need to price bonds properly.