

	Instrument to be synthesized	Method
1	Plain Vanilla receive fixed interest rate swap	Buy a bond and issue a FRN
2	Plain Vanilla receive floating interest rate swap	Buy a FRN and issue a bond
3	Fixed for fixed currency swap	Buy a bond denominated in one currency and sell a bond denominated in another currency
4	Synthetic Fixed Rate Debt	Combine the existing floating rate debt with a receive fixed interest rate swap  OR - - -  Combine the existing <b>floating</b> rate debt with the <b>sale</b> of Eurodollar futures contracts (the gain from the short sale of the Eurodollar contracts offsets the loss made from a higher LIBOR (floating) rate) <sup>1</sup>
5	Synthetic Floating Rate Debt	Combine the existing fixed rate debt with a receive floating interest rate swap  OR - - -  Combine the existing <b>fixed</b> rate debt with the <b>purchase</b> of Eurodollar futures contracts (the gain from the purchase of the Eurodollar contracts reduces the net borrowing costs on the loan, and the purchaser has this benefited from the reduction in rates even though the rates on his loan was fixed)
6	Synthetic Callable Debt	Purchase a put swaption
7	Synthetic Non-Callable Debt	Sell a call swaption
8	Synthetic Dual Currency Debt	Local currency denominated bond with a fixed for fixed currency swap
9	Synthetic Treasury Bill	Combine a long position in equities with a short position in stock index futures
10	Synthetic Equity position	Combine a long position in Treasury Bills with a long position in stock index futures

<sup>1</sup> Note that there is an inverse relationship between LIBOR and the value of the Eurodollar futures contracts, i.e. as LIBOR increases so the value of the Eurodollar futures decreases. Thus, if rates are expected to decrease, i.e. the value of the Eurodollar contracts are expected to increase, the borrower should purchase the Eurodollar futures contracts.