

# “How can I calculate the ODDFYIELD function in Excel?”

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The ODDFYIELD function in Excel is a financial formula that calculates the annual yield of a security with an odd number of days until maturity. It takes into account the odd days in a year and provides an accurate measure of the yield. To use this function, the user must input the settlement date, maturity date, coupon rate, yield, redemption value, and frequency of payments. By following the proper syntax and using the correct input values, the ODDFYIELD function can be easily calculated in Excel, providing valuable information for financial analysis and decision making.

This article describes the formula syntax and usage of the **ODDFYIELD** function in Microsoft Excel.

## Description

Returns the yield of a security that has an odd (short or long) first period.

## Syntax

ODDFYIELD(settlement, maturity, issue, first\_coupon, rate, pr, redemption, frequency, )

**Important:** Dates should be entered by using the DATE function, or as results of other formulas or functions. For example, use DATE(2008,5,23) for the 23rd day of May, 2008. Problems can occur if dates are entered as text.

The ODDFYIELD function syntax has the following arguments:

**Settlement** Required. The security's settlement date. The security settlement date is the date after the issue date when the security is traded to the buyer.

**Maturity** Required. The security's maturity date. The maturity date is the date when the security expires.

**Issue** Required. The security's issue date.

**First\_coupon** Required. The security's first coupon date.

**Rate** Required. The security's interest rate.

**Pr** Required. The security's price.

**Redemption** Required. The security's redemption value per \$100 face value.

**Frequency** Required. The number of coupon payments per year. For annual payments, frequency = 1; for semiannual, frequency = 2; for quarterly, frequency = 4.

**Basis** Optional. The type of day count basis to use.

<b>Basis</b>	<b>Day count basis</b>
0 or omitted	US (NASD) 30/360
1	Actual/actual
2	Actual/360
3	Actual/365
4	European 30/360

## Remarks

Microsoft Excel stores dates as sequential serial numbers so they can be used in calculations. By default, January 1, 1900 is serial number 1, and January 1, 2008 is serial number 39448 because it is 39,448 days after January 1, 1900.

The settlement date is the date a buyer purchases a coupon, such as a bond. The maturity date is the date when a coupon expires. For example, suppose a 30-year bond is issued on January 1, 2008, and is purchased by a buyer six months later. The issue date would be January 1, 2008, the settlement date would be July 1, 2008, and the maturity date would be January 1, 2038, which is 30 years after the January 1, 2008, issue date.

Settlement, maturity, issue, first\_coupon, and basis are truncated to integers.

If settlement, maturity, issue, or first\_coupon is not a valid date, ODDFYIELD returns the #VALUE! error value.

If rate < 0 or if pr ≤ 0, ODDFYIELD returns the #NUM! error value.

If basis < 0 or if basis > 4, ODDFYIELD returns the #NUM! error value.

The following date condition must be satisfied; otherwise, ODDFYIELD returns the #NUM! error value:

maturity > first\_coupon > settlement > issue

Excel uses an iterative technique to calculate ODDFYIELD. This function uses the Newton method based on the formula used for the function ODDFPRICE. The yield is changed through 100 iterations until the estimated price with the given yield is close to the price. See ODDFPRICE for the formula that ODDFYIELD uses.