How can I use the COUPDAYS function in Excel to calculate the number of days from the settlement date to the next coupon date for a bond?

Authored by
stats writer

June 29, 2024

The COUPDAYS function in Excel is a useful tool for calculating the number of days from the settlement date to the next coupon date for a bond. This function takes into account the specific bond's payment frequency and maturity date to accurately determine the number of days in the given time period. By inputting the necessary parameters, such as the settlement date, maturity date, and payment frequency, users can easily and efficiently calculate the number of days until the next coupon date, providing valuable information for bond investors and financial analysts. This function is a reliable and efficient way to calculate bond payment schedules and make informed investment decisions.

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

Description

Returns the number of days in the coupon period that contains the settlement date.

Syntax

COUPDAYS(settlement, maturity, 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 COUPDAYS 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.

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.

Basis	Day count basis
0 or omitted	US (NASD) 30/360
1	Actual/actual
2	Actual/360

Basis	Day count basis
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 is January 1, 2038, 30 years after the January 1, 2008 issue date.

All arguments are truncated to integers.

If settlement or maturity is not a valid date, COUPDAYS returns the #VALUE! error value.

If frequency is any number other than 1, 2, or 4, COUPDAYS returns the #NUM! error value.

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

If settlement ≥ maturity, COUPDAYS returns the #NUM! error value.