

Example of bond investment research paper

[Business](#), [Company](#)



3M Company is a manufacturing company. Its headquarters is situated in St Paul, Minnesota. It was previously referred to as the Minnesota Mining and Manufacturing Company. 3M Company invests in stocks and bonds. 3M shares are traded in the New York Securities Exchange market. A bond is defined as an investment, in the form of debt that an entity, a corporation or government, receives from the investor for a definite period to be repaid at a fixed rate of interest. Bonds are exploited by companies and governments to fund different activities and carry out certain projects.

3M Company has experienced tremendous growth over the past years. The company manages six segments, which include businesses in electronics & communication, healthcare, consumer and office, industrial and transportation, safety, security & protection, as well as display and graphics. In the short run, the company is doing very well in terms of revenue generation. 3M Company has over 63% of its overall profits created from outside the United States. The company is growing day in day out and is expanding to other continents to boost its sales.

Market interest rates in the short run are not expected to fall. Since the company is experiencing tremendous growth over the past and recent times, the interest rates in the market that affect the share prices and the return on bonds floated by the company are not expected to have changes in the short run. The global downtown of 2008 had affected the business, but it is now recovering.

Investing a bond in 3M Company is not a wrong decision after all. Investors are major on checking returns that their bond will yield in choosing whether to invest in a company. 3m has built strong business models and employs

wise strategies in business implementation. Some factors will determine the market interest rates. Demand and supply of money will determine the rate of return that the bond will yield. It is, however, of the essence to note that regardless of whether the interest rates in the market flip or not, the rate at which the bond was issued will be the determiner of the interest at which it will be available to the investor.

In the long run, 3M Company is set to venture into other markets around the globe and this will make it a Multinational Company. Openings of more subsidiaries, as well as acquiring businesses offering similar products, are the long run objectives of the company. By so doing, the company will be increasing its value, capital base as well as the share prices. The company will also need to float more bonds so as to acquire the funds it needs for expansion.

Market interest rates are particularly relevant to bonds flotation as they determine the value of money. They establish the demand and supply of money. If a bond matures when inflation rates are high, then the value of the bond may be lower than the amount it was acquired. If a bond is matures when the inflation rates are low, investors stand to gain for investing in the bond.