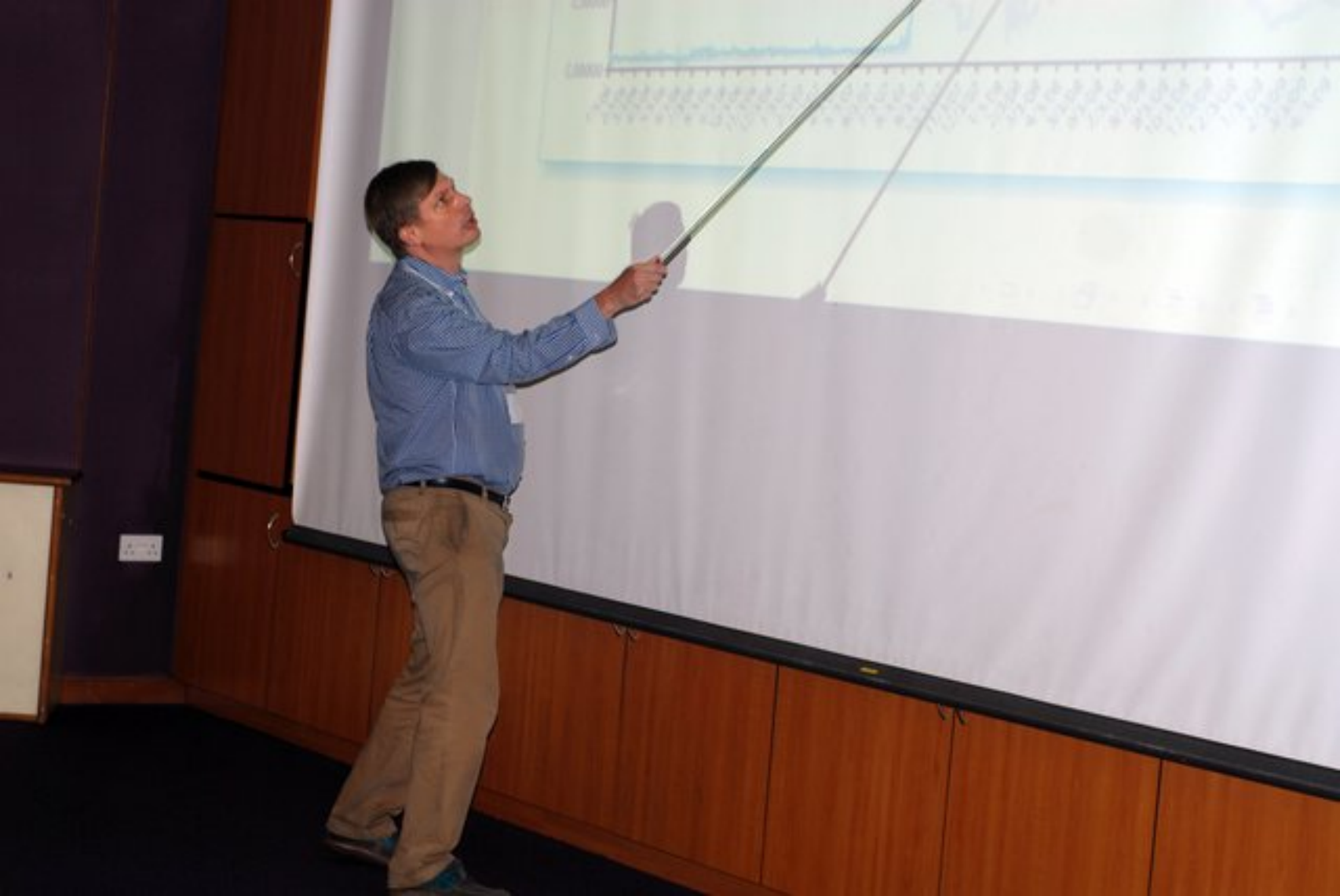


Properties: What about the econo

- Full allocation: $\sum RA_k(L) = R(L)$
- Riskless allocation: $RA_k(m) = m$
- Causal Responsibility: $R(L + \Delta L)$
- Additivity: $RA_1(L) + RA_2(L) = RA$

Samuel Epstein — Multivariate Risk Assessment and Monetary Risk Allocation





e with asymptotics on

the incomplete market
complete markets

3

09:03



geometrically relations betw
ing to the "expected return







Based on ... Gökhan Cebiroğlu and Nikol









EXIT



EXIT



□ Time of default τ_D : first jump time of $N(t)$

Localising Forward Intensities



EXIT ▶



developed

- The series of bonuses is worth interval between bonus determi
- The shorter the bonus determi banker's risk-taking incentive earnings volatility
 - short-term bonus contracts
 - imposing a bonus deferral ca

Jakkola, Koppo, Yuan



EXIT ▶









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Uniform app

- Foster and Whang (2010, Quarterly Journal of Economics) show that this can be a mimic strategy.
- A *mimic strategy* can be, for example, investing in the benchmark portfolio and shorting the digital options to earn the premium.



Equity Risk Premium

- Filtered probability space $(\Omega, \mathcal{F}, \mathbb{P})_{t \in [0, T]}$
- Risk-neutral measure $\mathbb{Q}$ equivalent to $\mathbb{P}$
- Under $\mathbb{Q}$, the stock price process satisfies

$$\frac{dS_t}{S_t} = r dt + \sigma dW_t = \int_t^T (\lambda(S_t, t) - r) \mathbb{Q}(d\tau)$$

- Equity Risk Premium:

$$ERP(t, T) = \frac{1}{\sigma} \frac{1}{T-t} \left(\sigma^2 \left(\frac{\partial \lambda}{\partial S} - \frac{\partial \lambda}{\partial t} \right) \right) = \sigma^2 \left(\frac{\partial \lambda}{\partial S} - \frac{\partial \lambda}{\partial t} \right)$$

EXIT ▶



- Existing theoretical (Dammon and Spatt, Marekwica 2012):

- ▶ An investor should invest in the short term so that the investment is not affected by short-term rate changes.
- ▶ An investor should invest in the long term, so that the investment is not affected by short-term rate changes for the realized interest rate, but the potential subsequent changes in the short-term rate.

Min Dai et al.



with Ω and Γ_N refer to interior domain and Neumann boundary respectively. No condition is applied.

The above equality and inequalities are said to be of variational form



- They argue that their results are consistent with trading in options that spills to stocks

Luís Gonçalves-Pinto and Alqaoudes Hameed

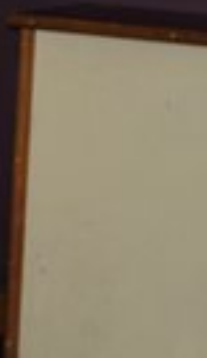
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EXIT ▶





Optimal Display of Limit Orders

On the interaction of upstairs and downstairs markets

ULRICH HORST¹

Humboldt-Universität zu Berlin
Department of Mathematics
and
School of Business and Economics



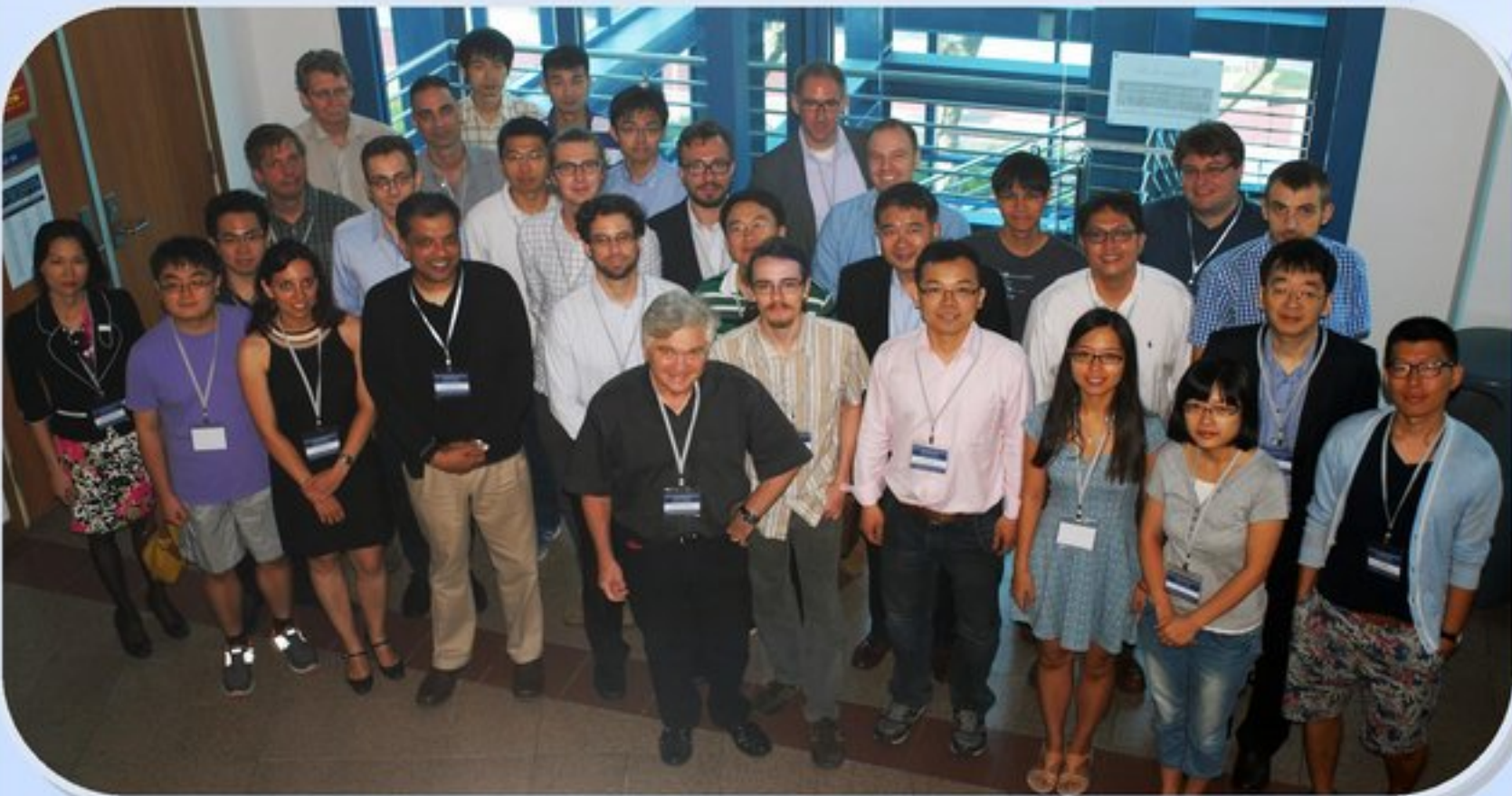
¹Based on joint work with Gökhan Cebiroğlu and Nikolaus Hautsch

09:01



Berlin-Princeton-Singapore Workshop on Quantitative Finance

29 June - 1 July 2015, Singapore





EXIT →



for a function $f : \mathbb{R} \rightarrow (0, \infty)$ with $f' > 0$ and

- For continuous A , the proceeds up to time T

$$\int_0^T S_{t-} dA_t$$



parameters are identified?

problem is typically as difficult as the
can be made with asymptotics on
?

ability: viewing the incomplete market
ation around a complete markets

3

09:04







BPS Workshop on Quantitati