



SCUOLA
NORMALE
SUPERIORE

NO FREE LUNCH SEMINAR

seminari di finanza quantitativa

Mercoledì 18 luglio 2012
ore 13.00

Scuola Normale Superiore
Pisa
(Aula 2)

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Terrà un seminario dal titolo:

“Arbitrage-free SVI volatility surfaces”

Abstract:

In this talk we motivate the widely-used SVI ("stochastic volatility inspired") parameterization of the implied volatility surface and show how to calibrate it in such a way as to guarantee the absence of static arbitrage. In particular, we exhibit a large class of arbitrage-free SVI volatility surfaces with a simple closed-form representation. We demonstrate the high quality of typical SVI fits with a numerical example using recent SPX options data. We conclude by suggesting that SVI might one day replace SABR as the implied volatility parameterization of choice.

Tutti gli interessati sono invitati a partecipare.

Classe di Scienze