



SCUOLA  
NORMALE  
SUPERIORE

## **NO FREE LUNCH SEMINAR**

seminari di finanza quantitativa

**Martedì 4 novembre 2014**

ore 13.00

Scuola Normale Superiore

Pisa

Aula Bianchi (Scienze)

**Fabio Caccioli**

*University College London*

Terrà un seminario dal titolo:

### **“Instabilities in portfolio optimization and regularization”**

**Abstract:**

*We consider the problem of portfolio selection in presence of market impact, and we show that including a term which accounts for finite liquidity in portfolio optimization naturally mitigates the instabilities that arise in the estimation of coherent risk measures. This is because taking into account the impact of trading in the market is mathematically equivalent to introducing a regularization on the risk measure. We show that the impact function determines which regularizer is to be used, and we characterize the typical behavior of the optimal portfolio in the limit of large portfolio sizes for the case of Expected Shortfall.*

Tutti gli interessati sono invitati a partecipare.

Classe di Scienze