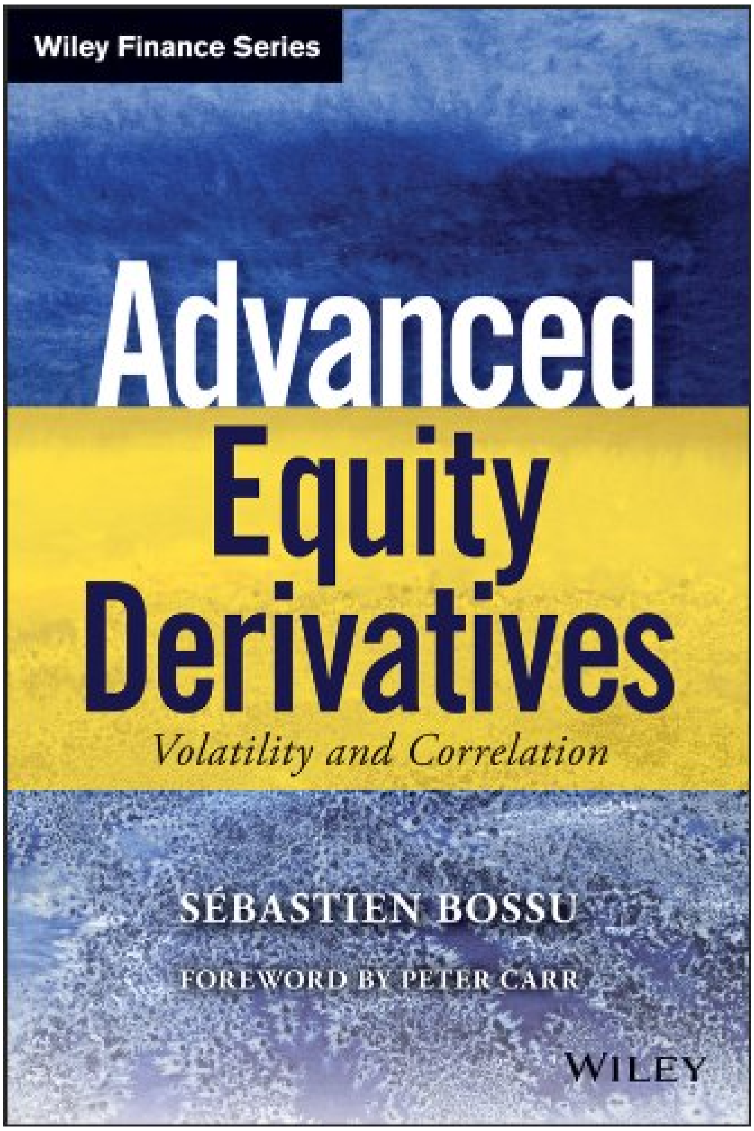
Advanced Equity Derivatives: Volatility and Correlation (Wiley Finance)



Sebastien Bossu : Advanced Equity Derivatives: Volatility and Correlation (Wiley Finance) before purchasing it in order to gage whether or not it would be worth my time, and all praised Advanced Equity Derivatives: Volatility and Correlation (Wiley Finance):

2 of 3 people found the following review helpful. A fantasticly, succinct reference to volatility tradingBy CustomerI'm an undergraduate student studying economics and looking to enter into a market risk management role.I found both this text and the accompanying introduction to equity derivatives to be fantastic reference material. The author has a

succinct writing style and well written examples throughout.I would recommend combining this book with larger more comprehensive texts such as some from Willmott or Hull if you aren't familiar with volatility trading.1 of 2 people found the following review helpful. like the Chapter 8 (LVLC model) 9 (how to ...By George AdvaniThis is the 2nd book from Sebastien Bossu. As with the 1st book, it is heavily focused on exotic equity derivative instruments pricing.The author shared his work experience back at his early days at JPM Dresdner. I, particulary, like the Chapter 8 (LVLC model) 9 (how to model stochastic correlation). Moreover, the exercises at the end of each chapters are quite useful for preparing quant interviews, clearing up concept, etc.It is a good reference book for financial professionals.- George Advani , Ex-VP, cross-asset OTC Derivatives Quant (Hong Kong)1 of 2 people found the following review helpful. Five StarsBy CustomerBest overview, provides practitioner essentials, no "fluff"

In Advanced Equity Derivatives: Volatility and Correlation, Seacute;bastien Bossu reviews and explains the advanced concepts used for pricing and hedging equity exotic derivatives.nbsp; Designed for financial modelers, option traders and sophisticated investors, the content covers the most important theoretical and practical extensions of the Black-Scholes model. Each chapter includes numerous illustrations and a short selection of problems, covering key topics such as implied volatility surface models, pricing with implied distributions, local volatility models, volatility derivatives, correlation measures, correlation trading, local correlation models and stochastic correlation. The author has a dual professional and academic background, making Advanced Equity Derivatives: Volatility and Correlation the perfect reference for quantitative researchers and mathematically savvy finance professionals looking to acquire an in-depth understanding of equity exotic derivatives pricing and hedging.

From the Inside FlapEquity exotic derivatives are staples of sophisticated investment and portfolio management strategies. Knowing the formulas that lead to correct fair value pricing and hedging of these instruments is requisite for trading equity-linked products and enhancing yields. Advanced Equity Derivatives is a resource for traders, analysts, and other finance professionals who want to gain an in-depth understanding of how these advanced instruments work. This book ventures far beyond vanilla products and instruments that were considered exotic thirty years ago, making it a definitive text in the field. Written for readers with a solid background in basic equity derivatives pricing and advanced mathematics, this book references Black-Scholes and other standard formulas for exotics from the most common to the cutting-edge. With this background, readers can make use of detailed discussions of central concepts in advanced equity derivatives. Implied distributions, volatility derivatives, and correlation trading are among the topics addressed, and each chapter concludes with practice exercises and important derivations. Numerous illustrations allow readers to quickly grasp complicated concepts. Seacute;bastien Bossu is a highly experienced exotics specialist. In Advanced Equity Derivatives, he presents his own work alongside the work of others in the field in order to prepare readers to accurately price next-generation instruments. In 2004, Bossu discovered a model that corrected errors in the pricing and hedging of correlation swaps, and this model forms the basis for the correlation chapters of this book. Other possibilities, including stochastic correlation models, are also thoroughly explored, giving readers a sufficient understanding to transpose formulas into any context. This book builds on the concepts and principles explained by Bossu's popular textbook, An Introduction to Equity Derivatives. For investment professionals who need to go beyond the basics to manage risk and understand pricing models, this book is the indispensable next step. The front line of current equity exotics research is repre??sented in the pages of Advanced Equity Derivatives. From standard instruments to brand new practices, this text quickly brings readers up to date on Wall Street standards and the direction of equity exotic derivatives markets.From the Back CoverPraise for Advanced Equity Derivatives "Written by a leading expert who spearheaded the joint pricing and modeling of equity volatility and correlation swaps, this book covers all the theory, models, and practical issues essential for everyone on the buy- or sell-side involved in the pricing and risk management of options. A superb read and a must-read for graduate students studying the subject." mdash;Martin Bertsch, Co-Founder of Kledia Consulting and MyFinanceTutor "A great resource for academics, practitioners, and graduate students. Seacute;bastien Bossu is the definite expert on how to link volatility and correlation together." mdash;Franccedil;ois Brochet, Harvard Business School "Seacute;bastien Bossu shares his knowledge of sophisticated derivatives concepts, instruments and strategies used by traders, investment managers, and risk managers. Understanding volatility and correlation in depth is crucial to successfully pricing and hedging equity options. This book is a must-have in this highly specialized field." mdash;Kay Torshen, CEO and Founder, Torshen Capital Management LLC Accurate pricing strategies for cutting-edge exotic derivatives For equity derivative traders and quantitative analysts who need to understand the latest models in pricing and hedging advanced equity instruments, this book is the perfect choice. Seacute;bastien Bossu gets down to details immediately, concisely presenting single- and multi-asset exotics before moving into the key concepts that sophisticated traders need to know. Advanced Equity Derivatives addresses everything from well-established volatility instruments to the most advanced correlation models. With Advanced Equity Derivatives, readers gain a highly developed understanding of complex issues related to volatility and correlation, including: Implied volatility surface models and their consequence for the pricing of exotics Pricing European payoffs using implied distributions Local and stochastic volatility models

Variance swaps and other volatility derivatives Extending Black-Scholes and local volatility models to include correlation assets Dispersion trading and correlation swaps Local and stochastic correlation models and matrices About the AuthorSEacute;BASTIEN BOSSU is Principal at Ogee Group LLC, an investment management and software development business based in New York. His past experience includes positions as director of Equity Derivatives Structuring for a London bank and exotics structurer at J.P. Morgan. Bossu is currently an adjunct professor at Pace University and also recently taught at Fordham University.