SS 4521G/FM 9521B - Advanced Financial Modelling
Outline of Lectures: 10-14 February 2014

Midterm Exam 1 – Tuesday, 11 Feb 2014, 19:00-21:05HRS

NO lecture on Tuesday in consideration of the evening midterm that day.

For this week, we aim to cover the following theories/concepts:

1. Achieving a delta-neutral portoflio

2. Hedging with other Greek letters: Theta, Gamma, Vega and Rho. Making a portfolio simultaneously gamma-, vega- and delta-neutral

3. Other Greek Letters: Theta, Gamma, Vega and Rho

4. Models for stochastic interest rate process in the context of simulation

5. The Ho-Lee, Vasiček and Cox-Ross-Ingersoll interest rate models