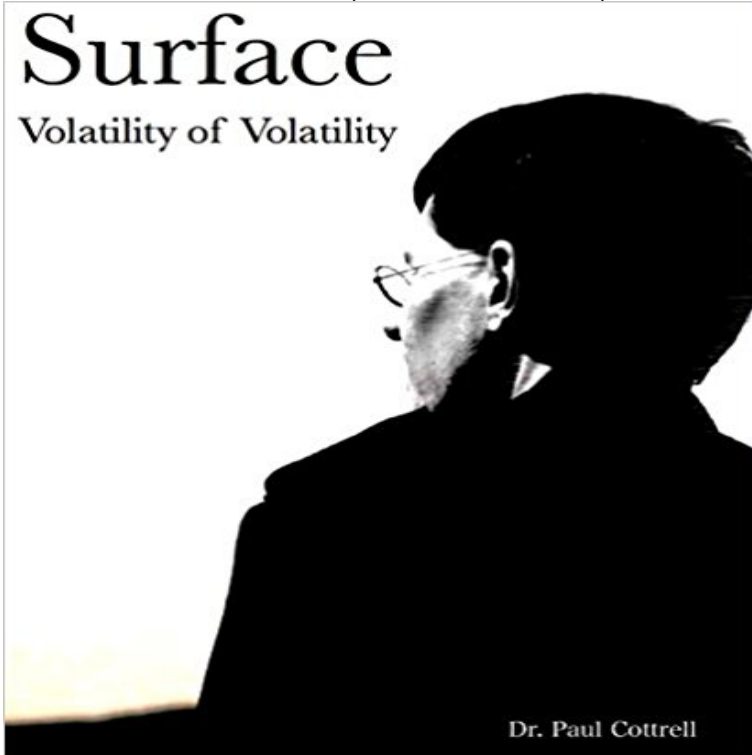


Surface: Volatility of Volatility



There is a lack of research in the area of hedging future contracts, especially in illiquid or very volatile market conditions. It is important to understand the volatility of the oil and currency markets because reduced fluctuations in these markets could lead to better hedging performance. This study compared different hedging methods by using a hedging error metric, supplementing the Receding Horizontal Control and Stochastic Programming (RHCSP) method by utilizing the London Interbank Offered Rate with the Levy process. The RHCSP hedging method was investigated to determine if improved hedging error was accomplished compared to the BlackScholes, Leland, and Whalley and Wilmott methods when applied on simulated, oil, and currency futures markets. A modified RHCSP method was also investigated to determine if this method could significantly reduce hedging error under extreme market illiquidity conditions when applied on simulated, oil, and currency futures markets. This quantitative study used chaos theory and emergence for its theoretical foundation. An experimental research method was utilized for this study with a sample size of 506 hedging errors pertaining to historical and simulation data. The historical data were from January 1, 2005 through December 31, 2012. The modified RHCSP method was found to significantly reduce hedging error for the oil and currency market futures by the use of a 2-way ANOVA with a t test and post hoc Tukey test. This study promotes positive social change by identifying better risk controls for investment portfolios and illustrating how to benefit from high volatility in markets. Economists, professional investment managers, and independent investors could benefit from the findings of this study.

ECOVENTIONS Help Cultivate The Alchemical Garden: An Edible Garden and Art Park at Newburyport's Rail Trail Posted by erin on April 25, 2011 3 comments The Alchemical Garden site February 2010 GAL is turning a desolate field of weeds into a visually compelling garden that will educate and engage the community for years to come. Located on a 160 x 25 site near the south entrance of Newburyports Clipper City Rail Trail, the Alchemical Garden is a richly layered evolving art and horticulture experience that is accessible on many different levels to the public. Alchemical Garden Plot plan Alchemical Garden is designed to become a model for a sustainable, interactive public garden through the use of symbiotic, low maintenance plantings and recycled materials. The ancient discipline of Alchemy marries art and science and is famously known for transforming a common material into gold. The Alchemical Garden will lead the community to transform on a number of levels : Alchemical Garden with Spring Wheat "Crop Circles" June, 2011 BUILD COMMUNITY: The Garden creates a gathering space for individuals to form a more intimate relationship with their community. The space is designed with visual features and seating areas to compel passers-by to pause, reflect, and have a multi-sensory interactive experience (sight, smell, touch, taste, smell) with the garden and the community. Read the rest of this entry Categories: Alchemical Garden, Articulture, Current Events, Projects. Tags: alchemy, art, bike, crucible, ecology, garden, green art, hedge, hyper-accumulating, industry, living structure, Newburyport, permaculture, rail, sculpture, soil remediation, trail, tree guilds.

Volatility Surfaces - Rotman School of Management - University of Calibration of SVI to given implied volatility data (for example. [12]). [2] showed how to parameterize the volatility surface so as to preclude dynamic arbitrage.

Implied volatility surface Black-Scholes and the Volatility Surface. When we studied discrete-time models we used martingale pricing to derive the Black-Scholes formula for. European **Volatility Smile - Investopedia** Practitioners often quote/monitor implied volatility for each option contract instead of the option invoice price. Liuren Wu. Implied Volatility Surface. Options **Volatility Surfaces: Theory, Rules of Thumb, and Empirical Evidence The interest volatility surface - Matematiska institutionen** The result is a two-dimensional curved surface plotted in three-dimensions whereby the current market implied volatility **What is volatility surface? - Quora** May 22, 2014 While we introduced the concept of implied and local volatilities in lesson one on volatility surfaces we didnt spend time in differentiating **The Volatility Surface: Statics and Dynamics - Baruch MFE Program** Oct 27, 2006 Page 2 of 30. . October 21, 2006. The Implied Volatility Smile/Surface. Black-Scholes implied volatilities for equity indices:.

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volatility surfaces In financial mathematics, the implied volatility of an option contract is that value of the volatility . There exist few known parametrisation of the volatility surface (Schonbusher, SVI and gSVI) as well as their de-arbitraging methodologies. **Spot and Vol Correlation in Idealised Regimes of the Volatility Surface** Modeling the Implied Volatility Surface. Jim Gatheral. Stanford Financial Mathematics Seminar. February 28, 2003 **Why is the term structure of the implied volatility surface non** volatility of a European option on a particular asset as a function of strike price and time to maturity is known as the assets volatility surface. Traders monitor **Riding the volatility surface - BSIC Bocconi Students Investment Club 1**) Sticky delta (or sticky moneyness). Sticky delta assumes a constant volatility for options of the same strike as a percentage of spot. For example, ATM or 100% **Building Volatility surfaces in Excel - A tutorial Jawwad Farid**

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