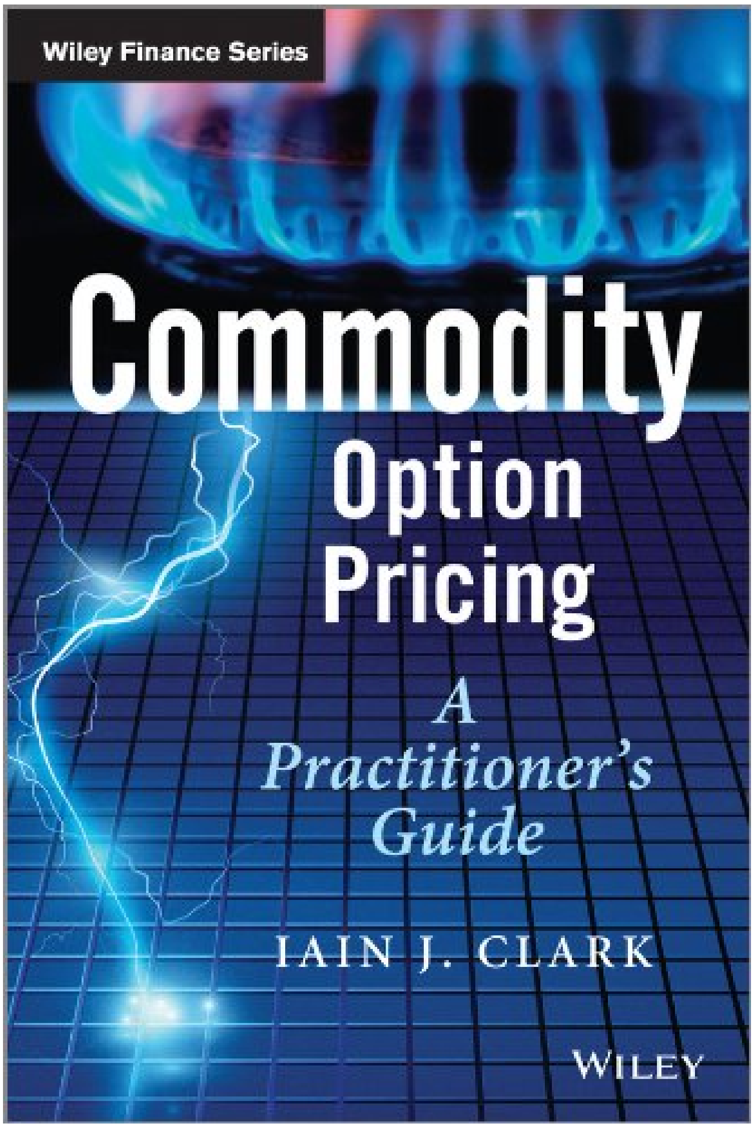
# Commodity Option Pricing: A Practitioner's Guide (The Wiley Finance Series)

*Iain J. Clark*

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**Iain J. Clark : Commodity Option Pricing: A Practitioner's Guide (The Wiley Finance Series)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Commodity Option Pricing: A Practitioner's Guide (The Wiley Finance Series):

0 of 1 people found the following review helpful. Great book that presents a lot of types of commodities ...By TiberiuIt is not a book for beginners. Readers should have a background regarding option pricing, Black-Sholes Model, stochastic calculus and trading. Great book that presents a lot of types of commodities as well as pricing models

including some "exotic products" like weather derivatives.I would recommend it!1 of 5 people found the following review helpful. A doctorial thesis ?By James E. JessupJimI found this book to be utterly pedantic. Lots of higher level math. Endless footnotes. And only a sliver of nuts-and-bolts information on trading options.If you're looking for a long-winded treatment of rare, thinly-traded commodities, then you may benefit. You also may benefit if you wish to trade on exchanges around the world. Hmm0 of 0 people found the following review helpful. A very good description of the models and market conventions used for pricing commodity derivativesBy Mathew N SmithThe book provides a very good description of the pricing models commonly used for commodity derivatives, as well as worked examples of applying them, which is very useful for gaining a better understanding of how the models actually work in practice.It also provides invaluable background information about the most important commodity product lines and the quoting conventions used in these markets, which I had previously only been able to gain information about by talking to traders or quantitative analysts.I previously developed/maintained an analytics library for a commodity derivatives desk in an investment bank, having come from an interest rates background with little knowledge of commodities. Had this book been available then it would have proved invaluable.That being said, this book is not really intended for those who just wish to gain a better understanding of the strategies used to trade commodity derivatives, either in the context of hedging customer facing business as a dealer or for proprietary trading.

Commodity Option Pricing: A Practitionerrsquo;s Guide covers commodity option pricing for quantitative analysts, traders or structurers in banks, hedge funds and commodity trading companies. Based on the authorrsquo;s industry experience with commodity derivatives, this book provides a thorough and mathematical introduction to the various market conventions and models used in commodity option pricing. It introduces the various derivative products typically traded for commodities and describes how these models can be calibrated and used for pricing and risk management. The book has been developed with input from traders and examples using real world data, together with relevant up to date academic research. The book includes practical descriptions of market conventions and quote codes used in commodity markets alongside typical products seen in broker quotes and used in calibration. Also discussed are commodity models and their mathematical derivation and volatility surface modelling for traded commodity derivatives. Gold, silver and other precious metals are addressed, including gold forward and gold lease rates, as well as copper, aluminium and other base metals, crude oil and natural gas, refined energy and electricity. There are also sections on the products encountered in commodities such as crack spread and spark spread options and alternative commodities such as carbon emissions, weather derivatives, bandwidth and telecommunications trading, plastics and freight. Commodity Option Pricing is ideal for anyone working in commodities or aiming to make the transition into the area, as well as academics needing to familiarize themselves with the industry conventions of the commodity markets.

About the AuthorDr Iain J. Clark is former Head of Foreign Exchange and Commoditiesnbsp;Quantitative Analysis at Standard Bank's London office, and has also worked for JP Morgan, BNP Paribas, Lehman Brothers, Dresdner Kleinwort and UniCredit. He holds a PhD in applied mathematics and an MSc in financial mathematics. He is the author of Foreign Exchange Option Pricing: A Practitioner's Guide and is currently an independent researcher and consultant.