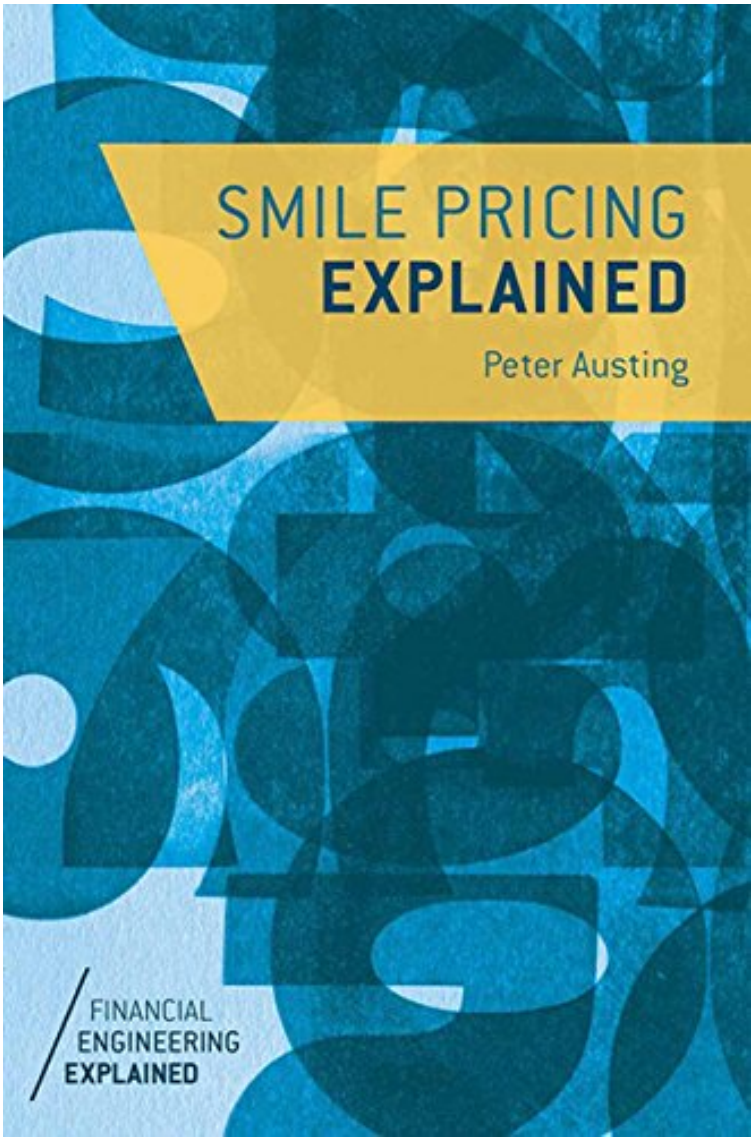
Smile Pricing Explained (Financial Engineering Explained)

P. Austing
**Download PDF | ePub | DOC | audiobook | ebooks*



#738552 in eBooks 2014-08-29 2014-08-29File Name: B00O2AC5A2 | File size: 65.Mb

P. Austing : Smile Pricing Explained (Financial Engineering Explained) before purchasing it in order to gage whether or not it would be worth my time, and all praised Smile Pricing Explained (Financial Engineering Explained):

0 of 2 people found the following review helpful. purely awesomeBy DanielIt's a very good book, clearly explained the option pricing from the very basic to very modern tools and model. I feel so lucky I have spent my 30$ on this.5 of 6 people found the following review helpful. Must Have !!By LEONARDO CABRALThis book is a must read for anyone working with derivatives, especially in FX. Peter's experience in models implementation combined with his great knowledge makes this book a great resource for both quants and traders. As a portfolio manager in a HF, I have

already put Peter's work to use among the quants of the firm and look forward to his next publications.3 of 11 people found the following review helpful. The font is way to small to be read comfortably. I could not read the book.By Ordinary guyThe one stars are just for the font/presentation. The font is way to small to be read comfortably. I could not read the book and I will return it. One star because the small font was a show stopper for me. What is the point of having a (supposedly) good book if it is not made easily accessible and readable? I was looking forward to reading this book, but I was very disappointed by the exceedingly small font! I don't wear glasses, I read a lot and I love reading, but I had to put down this book after the first few pages. The font size is similar to that of the small font of the "pocket reference" series of o'reilly. The content of the book seems interesting (from the table of contents and from skimming through the book) but it hurts my eyes to go through it even briefly. Also, the grey highlighting at the top of each page is pretty annoying too. Why could not the author just keep things simple and useful?

Smile Pricing Explained provides a clear and thorough explanation of the concepts of smile modelling that are at the forefront of modern derivatives pricing. The key models used in practice are covered, together with numerical techniques and calibration.

'This appealing little book is skillfully written by Dr. Peter Austing, a well-known authority on options pricing. It is easy to understand and covers a lot of ground on theory and practice of smile pricing. It will be helpful to both seasoned and aspiring quants, as well as other financial practitioners and academics.' - Alexander Lipton, MD, Quantitative Solutions Executive, Bank of America 'A gem of a book, 'Smile Pricing Explained' oozes with the enthusiasm that its author Dr Austing, a seasoned practitioner and expert on multi-asset smile modelling, has for the subject. The book takes us on a concise but very exciting journey from the carefully yet succinctly explained basics of arbitrage pricing to the cutting edge of correlation smile, a journey that is fuelled by generous measures of intuition and practical advice. There is no doubt that students and practicing quants alike will enjoy this book immensely and will learn a lot from it too.' - Vladimir Piterbarg, Managing Director and Head of Quantitative Analytics, Barclays 'Smile Pricing Explained takes the reader on a sophisticated journey starting with the elements of arbitrage pricing theory and ending right at the frontier of quant practice with impressively succinct explanations of local stochastic volatility and local correlation models. Students and experienced practitioners alike will find this concise but self-contained book both a pleasure to read and an invaluable reference.' - Jim Gatheral, Presidential Professor, Baruch College, CUNY and author of The Volatility Surface 'Finally a book that explains Ito's lemma in exact and yet tangibly applied terms. I was elated!' - Peter Jauml;ckel, Managing Director of OTC Analytics, Deputy Head of VTB Capital Quantitative Research, and author of Monte Carlo Methods in Finance 'This is a very interesting book on smile modelling written with passion by Dr Peter Austing, a researcher at Imperial College London with important industry experience on using models in practical contexts and day to day situations. It is rare finding authors with this combination of skills working as full time academics, and the book reflects this peculiar background. The approach in the book is not just using rigorous mathematics for smile modelling, but also letting the reader understand why this is important and how the models can then be implemented. I found the chapter on local stochastic volatility and the final chapter on the multivariate setting particularly appealing. Eclectic, rigorous, practical, written with passion, this book is recommended to both the advanced expert and the newcomer.' - Professor Damiano Brigo, Dept. of Mathematics, Imperial College London, co-originator of the no-arbitrage mixture dynamics approach to smile modelling 'A super book which describes the state of the art for skew option pricing, specifically in FX markets. It brings together both theory and practice, including accessible mathematical derivations, practical market considerations and implementation techniques. Models described in detail include both local and stochastic volatility, the synthesis of the two, and the author's own ground-breaking work on multi-asset skew pricing. Well-written and filled with enthusiasm for all aspects of the subject.' - Martin Baxter, Head of Quantitative Research, Nomura, (co-author of the best selling Financial Calculus) 'Aristotle realized that the earth is not flat in 330 BC, but it was not until the crash of 1987 that option market makers drew the same conclusion for the implied vol surface. This friendly book explores two widely accepted extensions of the Black Scholes paradigm called local vol and stochastic vol. The reader of this book will have a good understanding of these concepts in the continuous-time continuous sample-path setting that is widely used in practice'. - Peter Carr, PhD., Global Head of Market Modeling, Morgan Stanley and Executive Director of NYU Math Finance ProgramAbout the AuthorIn Smile Pricing Explained, Peter Austing draws on a decade of experience building the mathematical models for derivatives trading at major investment banks, most recently Barclays Capital where he was a Director in Quantitative Analytics. Before moving to finance, Dr Austing held research positions in theoretical physics studying candidate theories of quantum gravity. It was at Oxford University, while teaching mathematics at St John's College, that he developed his love for teaching and accessible style.A seasoned quantitative practitioner, and regular conference speaker, Peter Austing is best known for his work on multi-asset derivative pricing with correlation smile. He is currently engaged in research at Imperial College, London.