

Springer

2nd
edition

2nd ed. 2005, XVI, 638 p.

Printed book

Hardcover

Printed book

Hardcover

ISBN 978-3-540-20966-9

£ 89,99 | CHF 118,00 | 99,99 € |
109,99 € (A) | 106,99 € (D)

Available

Discount group

Science (SC)

Product category

Monograph

SeriesStochastic Modelling and Applied
Probability**Other renditions**

Softcover

ISBN 978-3-642-05898-1

Economics : Econometrics

Musiela, Marek, Rutkowski, Marek, BNP Paribas, London, UK

Martingale Methods in Financial Modelling

- Has sold over 8000 copies since release in 1997
- Bridges the mathematical theory and industry practice of option pricing at the ideal level for both audiences
- Brand new chapter on volatility risk

In the 2nd edition some sections of Part I are omitted for better readability, and a brand new chapter is devoted to volatility risk. As a consequence, hedging of plain-vanilla options and valuation of exotic options are no longer limited to the Black-Scholes framework with constant volatility. In the 3rd printing of the 2nd edition, the second Chapter on discrete-time markets has been extensively revised. Proofs of several results are simplified and completely new sections on optimal stopping problems and Dynkin games are added. Applications to the valuation and hedging of American-style and game options are presented in some detail. The theme of stochastic volatility also reappears systematically in the second part of the book, which has been revised fundamentally, presenting much more detailed analyses of the various interest-rate models available: the authors' perspective throughout is that the choice of a model should be based on the reality of how a particular sector of the financial market functions, never neglecting to examine liquid primary and derivative assets and identifying the sources of trading risk associated. This long-awaited new edition of an outstandingly successful, well-established book, concentrating on the most pertinent and widely accepted modelling approaches, provides the reader with a text focused on practical rather than theoretical aspects of financial modelling.

Order online at [springer.com/booksellers](https://www.springer.com/booksellers)**Springer Nature Customer Service Center GmbH**

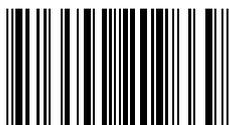
Customer Service

Tiergartenstrasse 15-17

69121 Heidelberg

Germany

T: +49 (0)6221 345-4301

row-booksellers@springernature.com

ISBN 978-3-540-20966-9 / BIC: KCH / SPRINGER NATURE: SCW29010

Prices and other details are subject to change without notice. All errors and omissions excepted. Americas: Tax will be added where applicable. Canadian residents please add PST, QST or GST. Please add \$5.00 for shipping one book and \$ 1.00 for each additional book. Outside the US and Canada add \$ 10.00 for first book, \$5.00 for each additional book. If an order cannot be fulfilled within 90 days, payment will be refunded upon request. Prices are payable in US currency or its equivalent.