PIMS / AMI Seminar Series

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Tuesday, July 20, 2010
3:00 p.m.
CAB 657

"On Financial Market with Long-Range Dependence"

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Abstract

We consider the model of financial market that involves two independent components based on standard and fractional Brownian motions. The notions of self financing strategy is introduced and it is proved that the market is free of arbitrage in the class of Markov self-financing strategies. The approximation of the capital of such a strategy via semimartingale markets is presented. Equilibrium of the mixed market is considered. The standard market with stochastic volatility involving long-range dependence is studied.

Refreshments will be served in CAB 649 at 2:30 p.m.