We consider the problem of maximizing the expected utility from consumption or terminal wealth in a market where logarithmic securities prices follow a Lévy process. More specifically, we give explicit solutions for power, logarithmic and exponential utility in terms of the Lévy-Khintchine triplet. In the first two cases, a constant fraction of current wealth should be invested in each of the securities, as is well-known for related discrete-time models and for Brownian motion. The situation is different for exponential utility.
International: Ja

Book review: Nein

commissioned: not commissioned

Professional Journal: Nein

Occurences:
- Einrichtungen > Fakultäten > Fakultät für Mathematik > Zentrum Mathematik > M13 Lehrstuhl für Finanzmathematik (Prof. Zagst) > Journal Papers

Entries: