This paper discusses a new approach to contingent claim valuation in general incomplete market models. We determine the neutral derivative price which occurs if investors maximize their local utility and if derivative demand and supply are balanced. We also introduce the sensitivity process of a contingent claim. This process quantifies the reliability of the neutral derivative price and it can be used to construct price bounds. Moreover, it allows to calibrate market models in order to be consistent with initially observed derivative quotations.
International: Ja
Book review: Nein
commissioned: not commissioned
Professional Journal: Nein

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

Entries: