Título: Financial Modelling With Jump Processes

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During the last decade, financial models based on jump processes have acquired increasing popularity in risk management and option pricing. Much has been published on the subject, but the technical nature of most papers makes them difficult for nonspecialists to understand, and the mathematical tools required for applications can be intimidating. Potential users often get the impression that jump and Lévy processes are beyond their reach.Financial Modelling with Jump Processes shows that this is not so. It provides a self-contained overview of the theoretical, numerical, and empirical aspects involved in using jump processes in financial modelling, and does so in terms within the grasp of nonspecialists. The introduction of new mathematical tools is motivated by its use in the modelling process, and precise mathematical statements of results are accompanied by intuitive explanations. Topics covered in this book include: jump-diffusion models, Lévy processes, stochastic calculus for jump processes, pricing and hedging in incomplete markets, implied volatility smiles, time-inhomogeneous jump processes and stochastic volatility models with jumps. The authors illustrate the mathematical concepts with many numerical and empirical examples and provide the details of numerical implementation of pricing and calibration algorithms. This book demonstrates that the concepts and tools necessary for understanding and implementing models with jumps can be more intuitive that those involved in the Black Scholes and diffusion models. If you have even a basic familiarity with quantitative methods in finance, Financial Modelling with Jump Processes will give you a valuable new set of tools for modelling market fluctuations.