For favour of posting

DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar

Mr. KAN Kin Hung, Felix

Department of Applied Mathematics
The University of Western Ontario
Canada

will give a talk

entitled

BIAS REDUCTION OF THE LEAST-SQUARES MONTE CARLO ESTIMATORS OF AMERICAN OPTION VALUE

Abstract

Whitehead, Davison and Reesor (2008) developed a general bias-reduction technique for pricing American options by Monte Carlo methods based on large sample theory that corrects the stochastic tree estimators. This technique is applied to the popular least-squares Monte Carlo (LSM) estimators using well-known results on the large sample properties of least-squares regression estimators. Numerical results show that by reducing the bias, the convergence rate of the LSM estimators is doubled.

on

Wednesday, May 6, 2009

4:00 p.m. – 5:00 p.m.

at

Room 524, Meng Wah Complex
(behind the Chong Yuet Ming Amenities Centre)

Visitors Please Note that the University has limited parking space. If you are driving please call the Department at 2859 2466 for parking arrangement.

All interested are welcome