

For favour of posting

DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar

Dr. Harry ZHENG

Department of Mathematics
Imperial College
London, UK

will give a talk

entitled

**APPROXIMATE BASKET OPTIONS VALUATION
FOR JUMP-DIFFUSION MODELS**

Abstract

In this talk we will discuss the approximate basket options valuation for jump-diffusion models. We suggest two new approximate pricing methods. One is the weighted sum of Roger and Shi's lower bound and the conditional second moment adjustments. The other is the smart expansion to approximate the conditional expectation of the stochastic variance associated with the basket value process. The numerical tests show that the suggested methods are fast and accurate in comparison with the Monte Carlo and other methods in most cases.

on

Friday, July 16, 2010

2:00 p.m. – 3:00 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