Numerical methods in financial engineering

Stéphane Crépey (University Evry)

Course : 18 hours - TP : 9 hours

Objectives

The course focuses on numerical methods for EDPs in finance: pricing methods (numerical calculation of prices and Greeks of derivatives) and model calibration methods.

Outline

- Fourier Transform Pricing Methods.
- Tree Pricing Methods - Cox Ross Rubinstein Binomial Tree. Trinomial Tree by Kamrad Ritchken. Case Study: Barrier and Bermuda shorts options.

Bibliography