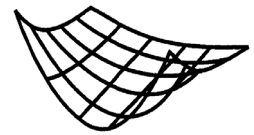


Practitioner Workshops at QMF 2006

11 and 12 December 2006 – Sydney, Australia



Quantitative Finance Research Centre



Calibration Methods for Derivative Pricing Models

Abstract

The development and calibration of derivative pricing models is of crucial importance in investment banking and other areas of risk management. The workshop provides a comprehensive treatment of the theoretical concepts and practical problems that arise in the calibration of a range of derivative instruments. The challenges in model construction, calibration, derivative pricing and hedging will be discussed in detail. The two day workshop will equip the participants with powerful tools to improve the quality of their calibration methodologies for equity, FX, fixed income and credit risk instruments. Increasingly important problems on model risk will be brought in perspective.

- Model calibration and its relation with hedging
- Requirements for a good calibration method
- Extracting implied distributions from option prices
- Calibration of diffusion models: from implied to local volatility
- Calibration of jump-diffusion models
- Calibration of single-name default intensities to Credit Default swap term structures
- Calibration of portfolio loss distribution models to CDO tranche spreads
- Coping with parameter uncertainty
- A probabilistic approach to model calibration : random mixtures
- Model risk



Rama Cont is a world expert in the theory and practice of derivative pricing and hedging. He is a CNRS Research Scientist at Ecole Polytechnique (France), founding partner of *Finance Concepts* and a consultant in risk management for various international investment banks and software firms. His book, *Financial Modelling with Jump Processes* (CRC Press 2004), co-authored with P Tankov, is one of the most successful recent publications in the area of Quantitative Finance. Rama Cont is a frequent lecturer at international conferences on financial modeling and risk management and has extensive experience in training courses for practitioners in the area of derivative pricing and risk management.

Information

One workshop at QMF 2006:

\$1,100 (payment on/before 20 Oct 06)

\$1,250 (payment made after 20 Oct 06)

Two workshops at QMF 2006:

\$2,100 (payment on/before 20 Oct 06)

\$2,250 (payment made after 20 Oct 06)

The fee includes GST, morning and afternoon teas, and lunch.

Date & Time

11 & 12 Dec 2006 / 9.00 am - 5.00 pm

Registration

The number of participants is limited so please register for this workshop as soon as possible. Contact the Conference Coordinator to receive a registration form or visit the QFRC website.

Venue

Manly Pacific Sydney, 55 North Steyne, Manly NSW 2095

Contact Details

QMF Conference Coordinator
School of Finance and Economics
University of Technology, Sydney
PO Box 123
Broadway NSW 2007, Australia

Tel: +612 9514 7735

Fx: +612 9514 7722

Email: qmf@uts.edu.au

www.qfrc.uts.edu.au/qmf