

Day 3 Session 2 Volatility Modelling (Anoushe)

Volatility is the single most important parameter in finance and forms the basis for derivative pricing and fund strategies – in both buy side and sell side. It is an essential tool in risk management and arbitrage opportunities. Yet it is generally misunderstood and feared. The different types of volatility are presented - actual, realised, implied and stochastic.

Day 4 Session 1 Computational Finance (Anoushe)

Computational Finance is Numerical Analysis for quantitative finance and comprises of numerical techniques of use in solving the pricing equations as well as financial modelling. The two main techniques, i.e. Monte Carlo Methods and Finite Difference Scheme are covered. The former relies on probabilistic techniques (simulations) while the latter is for discretising the Black-Scholes problem.