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Nota di contenuto	Dynamic Copula Methods in Finance; Contents; Preface; 1 Correlation Risk in Finance; 1.1 Correlation Risk in Pricing and Risk Management; 1.2 Implied vs Realized Correlation; 1.3 Bottom-up vs Top-down Models; 1.4 Copula Functions; 1.5 Spatial and Temporal Dependence; 1.6 Long-range Dependence; 1.7 Multivariate GARCH Models; 1.8 Copulas and Convolution; 2 Copula Functions: The State of the Art; 2.1 Copula Functions: The Basic Recipe; 2.2 Market Co-movements; 2.3 Delta Hedging Multivariate Digital Products; 2.4 Linear Correlation; 2.5 Rank Correlation; 2.6 Multivariate Spearman's Rho 2.7 Survival Copulas and Radial Symmetry 2.8 Copula Volume and Survival Copulas; 2.9 Tail Dependence; 2.10 Long/Short Correlation; 2.11 Families of Copulas; 2.11.1 Elliptical Copulas; 2.11.2 Archimedean Copulas; 2.12 Kendall Function; 2.13 Exchangeability; 2.14 Hierarchical Copulas; 2.15 Conditional Probability and Factor Copulas; 2.16 Copula Density and Vine Copulas; 2.17 Dynamic Copulas; 2.17.1 Conditional Copulas; 2.17.2 Pseudo-copulas; 3 Copula Functions and Asset Price

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 5.13.3 Spread Options

Sommario/riassunto

The latest tools and techniques for pricing and risk management. This book introduces readers to the use of copula functions to represent the dynamics of financial assets and risk factors, integrated temporal and cross-section applications. The first part of the book will briefly introduce the standard theory of copula functions, before examining the link between copulas and Markov processes. It will then introduce new techniques to design Markov processes that are suited to represent the dynamics of market risk factors and their co-movement, providing techniques to both e