TU-E2211 Financial risk management with derivatives 1

- How would you hedge a business where natural gas is bought at a floating price and sold at a fixed price with long contracts?
- Your company buys components in dollars and sells cars in pounds.
  What is the currency risk? How would you model the exchange rate as a stochastic process?
- Which interest rate should you choose for your mortgage, 3-month Euribor, 6-month Euribor or 12-month Euribor?

Financial risk management is a multidisciplinary field involving financial theory, engineering methods, applied mathematics and programming.
Aims of the course:

- Intuition on financial risk management and the mathematics behind it.
- Working knowledge in option pricing, hedging, and volatility estimation.

Fall 2024, periods I and II, 3, 5 or 6 credits
Lectures on Wednesdays at 12-14
Exercises on Fridays at 12-14