Extreme Financial Risks: From Dependence to Risk Management

Yannick Malevergne, Didier Sornette
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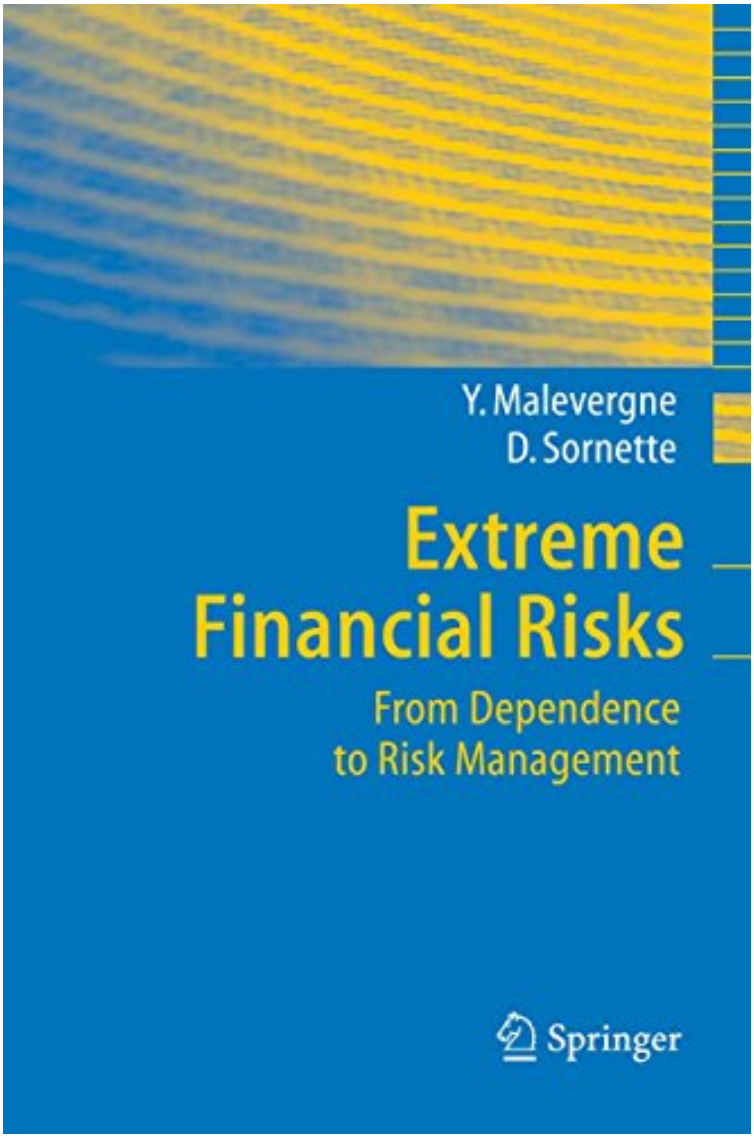

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Yannick Malevergne, Didier Sornette : Extreme Financial Risks: From Dependence to Risk Management before purchasing it in order to gage whether or not it would be worth my time, and all praised Extreme Financial Risks: From Dependence to Risk Management:

"Clearly elucidates extreme financial risks associated with rare events such as financial crashes. The highlight of the book is the delineation of various copulas in conjunction with financial dependences among different assets of a portfolio. In particular, the insightful discussion on quadrant and orthant dependences casts new light on the

connection between marginal models and financial dependence...brings a vivid portrayal of the subject." -- MATHEMATICAL REVIEWS

From the reviews: "This book clearly elucidates extreme financial risks associated with rare events such as financial crashes. The highlight of the book is the delineation of various copulas in conjunction with financial dependences among different assets of a portfolio. In particular, the insightful discussion on quadrant and orthant dependences casts new light on the connection between marginal models and financial dependence. hellip; It is well organized and systematically brings a vivid portrayal of the subject to researchers and graduate students in mathematics and statistics." (John Tuhao Chen, Mathematical s, Issue 2006 j) "Its originality lies in detailed and thorough presentations of the state of the art on (i) the different distributions of financial returns for various applications (Value-at-Risk, stress testing), and (ii) the most important and useful measures of dependences hellip; . Many of the results presented here are novel and have not been published or have been recently obtained by the authors or their colleagues." (Alexandr B. Vasilrsquo;ev, Zentralblatt MATH, Vol. 1093 (19), 2006) "Extreme Financial Risk deals with the modeling of extreme events with applications in finance. hellip; The book is very well structured. hellip; the book is written in a very lucid style, very easy to understand. Detailed proofs of certain results are given in the appendices at the end of each chapter. hellip; The authors also provide a large list of references, which could make this text very attractive for researchers. hellip; Students interested in extreme events in financial markets would find this an interesting text." (Ita Cirovic Donev, MathDL, March, 2006)From the Back CoverPortfolio analysis and optimization, together with the associated risk assessment and management, require knowledge of the likely distributions of returns at different time scales and insights into the nature and properties of dependences between the different assets. This book offers an original and thorough treatment of these two domains, focusing mainly on the concepts and tools that remain valid for large and extreme price moves. Strong emphasis is placed on the theory of copulas and their empirical testing and calibration, because they offer intrinsic and complete measures of dependences. Extreme Financial Risks will be useful to: students looking for a general and in-depth introduction to the field; financial engineers, economists, econometricians, actuarial professionals; researchers and mathematicians looking for a synoptic view comparing the pros and cons of different modelling strategies; and quantitative practitioners for the insights offered on the subtleties and the many dimensional components of both risk and dependence. In toto, the content of this book will also be useful to a broader scientific community interested in quantifying the complexity of many natural and artificial processes in which a growing emphasis is on the role and importance of extreme phenomena.