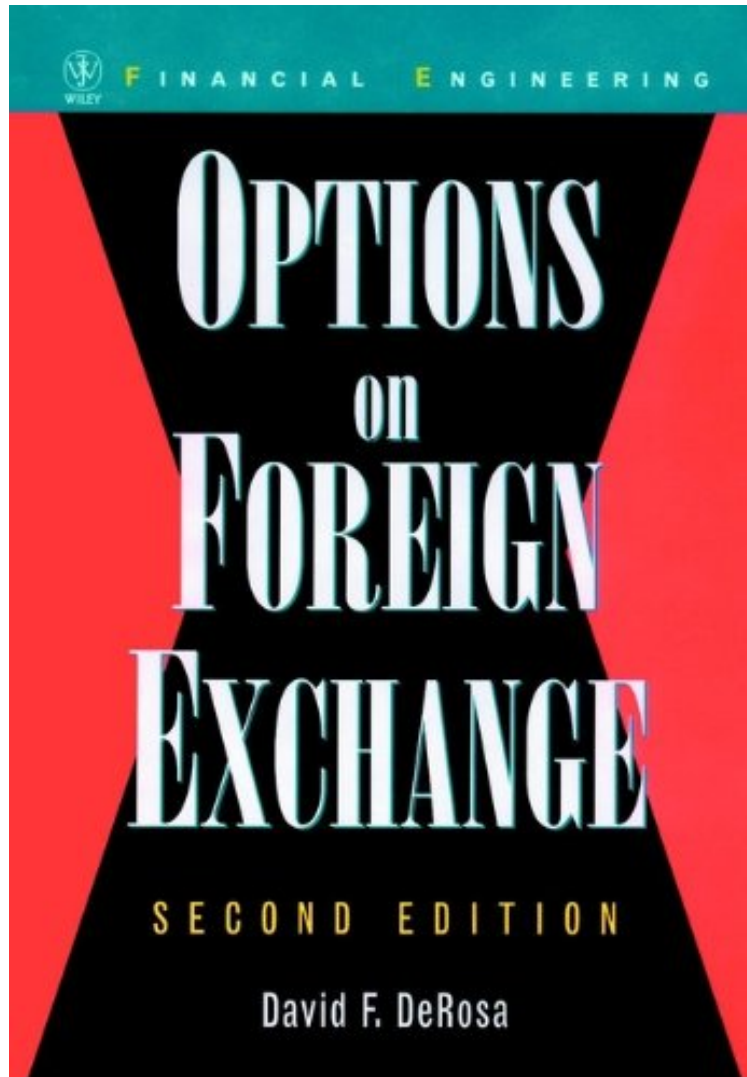


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Options on Foreign Exchange (Wiley Series in Financial Engineering)

David F. DeRosa

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David F. DeRosa : Options on Foreign Exchange (Wiley Series in Financial Engineering) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Options on Foreign Exchange (Wiley Series in Financial Engineering):

0 of 0 people found the following review helpful. Great referenceBy GrahamThis is a great reference book but not for the beginner, but then options aren't really for the beginner anyway.9 of 13 people found the following review helpful. Good introductionBy Bert SmitsMr De Rosa has written a well structured introduction into the forex option market. The clear examples and the pleasant writing style make it an easy read (two nights, tops!). Starting by showing the reader an

EBS dealing screen, he explains the price setting using the Black-Scholes model. A bit more explanation might have been in order on how the interbank market really works in practice (volatility runs for ATMS Straddles, market making, etc...). The section on exchange traded options and futures is interesting for readers unaware of the important differences with the OTC market. The formulas for the Greeks contain almost no typos thus making the book useful as a reference for a programmer. The section on barrier options is a bit disappointing. The relationship between higher order derivatives and the volatility smile might not have been out of place (I am referring to the celebrated "three option method" to quickly price exotics without having to use MC-simulation). Also, when introducing alternatives to the BS-model, the formulae appear as by Deusex Machina. Nothing is said about calibration difficulties. And when introducing alternative models, why not going into long term fx options? All in all, I would recommend the book to any beginning forex option trader or salesperson, but as those people generally do not earn the largest of salaries, it is even better if they borrow it from their institution's library. 7 of 8 people found the following review helpful. Non-technical but intuitive

By Mr. Nikolay K. Kolev
This book is a nice introduction to the subject. A trader would benefit from reading the text more than a financial engineer would. It may be a good idea to read the author's "Currency Derivatives," as well. People who have read any text at the level of Hull or higher are advised to move on to "Currency Derivatives" directly.

Your A to Z Guide to the World's Largest Option Market "A clearly written manual that flows smoothly. Whether you have 20 years of experience in the FX options markets or none, you will learn something interesting from reading this book. Highly recommended for both traders and non-traders." * Adam Kreysar, Global Head FX Options Warburg Dillon Read "DeRosa presents technical material with a minimum of technical fuss. Filtered through his scholarship and practical trading experience, up-to-date topics such as exotic options, forward volatilities, and the volatility smile become accessible. The book will be extremely useful to asset managers and risk managers." * Allan M. Malz, Partner The RiskMetrics Group "This new edition of Options on Foreign Exchange provides an exhaustive review of the literature on currency options, in addition to covering the practical aspects of the business. It is greatly pedagogical and well written-as can be expected from David DeRosa." * Nassim Taleb, President Empirica Capital LLC

From the Inside Flap
It is well known that foreign exchange is the world's largest financial market. What is less well known is that the market for currency options and other derivatives on foreign exchange is also massive and still growing. This book has been written for end users of currency options and newcomers to the field of foreign exchange. It employs the real-world terminology of the foreign exchange market whenever possible so that readers can make a smooth transition from the text to actual market practice. The opening chapters present a substantive discussion of the spot and forward foreign exchange market and the mechanics of trading currency options. Next, attention turns to the pervasive Black-Scholes-Merton option pricing model as applied to currency options. An examination of currency futures options follows. The final chapters are devoted to exotic currency options, with special attention given to a variety of barrier currency options. Average rate, compound, basket, and quantos currency options are also covered. Options on Foreign Exchange, Second Edition is written for traders, corporate treasurers, risk managers, and students of financial markets.

From the Back Cover
Your A to Z Guide to the World's Largest Option Market "A clearly written manual that flows smoothly. Whether you have 20 years of experience in the FX options markets or none, you will learn something interesting from reading this book. Highly recommended for both traders and non-traders." * Adam Kreysar, Global Head FX Options Warburg Dillon Read "DeRosa presents technical material with a minimum of technical fuss. Filtered through his scholarship and practical trading experience, up-to-date topics such as exotic options, forward volatilities, and the volatility smile become accessible. The book will be extremely useful to asset managers and risk managers." * Allan M. Malz, Partner The RiskMetrics Group "This new edition of Options on Foreign Exchange provides an exhaustive review of the literature on currency options, in addition to covering the practical aspects of the business. It is greatly pedagogical and well written-as can be expected from David DeRosa." * Nassim Taleb, President Empirica Capital LLC

About the Author
DAVID F. DEROSA is President of DeRosa Research and Trading, Inc. and Adjunct Professor of Finance at the Yale School of Management. He has worked at a number of Wall Street asset management firms and has traded foreign exchange for Swiss Bank Corporation, New York. DeRosa received his PhD in finance and economics from the Graduate School of Business of the University of Chicago. He is the editor of Currency Derivatives (Wiley), and the author of Managing Foreign Exchange Risk. DeRosa also contributes columns on international finance to Bloomberg News.