

Event-driven Finance

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Abstract:

Real financial systems are driven dynamical systems and modeling and trading these systems depend on recognizing boundary conditions in space and time. We will look at option pricing in the presence of typical events such as earnings, take-overs, crashes, FDA events, etc.

Lecture 1: Boundary conditions and event-driven finance

Lecture 2: Crashes and time scales

Lecture 3: Pinning; a specific example in detail