

CONTENTS

PART I: Introduction, Overview, and Exercise

1. Introduction and Outline
2. Overview
3. An Exercise

PART II: Risk Lab (Nuts and Bolts of Risk Management)

4. Equity Options
5. FX Options
6. Equity Volatility Skew
7. Forward Curves
8. Interest-Rate Swaps
9. Bonds: An Overview
10. Interest-Rate Caps
11. Interest-Rate Swaptions
12. Portfolios and Scenarios

PART III: Exotics, Deals, and Case Studies

13. A Complex CVR Option
14. Two More Case Studies
15. More Exotics and Risk
16. A Pot Pourri of Deals
17. Single Barrier Options
18. Double Barrier Options
19. Hybrid 2-D Barrier Options
20. Average-Rate Options

PART IV: Quantitative Risk Management

21. Fat Tail Volatility
22. Correlation Matrix Formalism; the N - Sphere
23. Stressed Correlations and Random Matrices
24. Optimally Stressed PD Correlation Matrices
25. Models for Correlation Dynamics, Uncertainties
26. Plain-Vanilla VAR
27. Improved/Enhanced/Stressed VAR
28. VAR, CVAR, CVAR Volatility Formalism
29. VAR and CVAR for Two Variables
30. Corporate-Level VAR
31. Issuer Credit Risk
32. Model Risk Overview
33. Model Quality Assurance
34. Systems Issues Overview
35. Strategic Computing
36. Qualitative Overview of Data Issues
37. Correlations and Data
38. Wishart's Theorem and Fisher's Transform
39. Economic Capital
40. Unused-Limit Risk

PART V: Path Integrals, Green Functions, and Options

- 41. Path Integrals and Options: Overview
- 42. Path Integrals and Options I: Introduction
- 43. Path Integrals and Options II: Interest-Rates
- 44. Path Integrals and Options III: Numerical
- 45. Path Integrals and Options IV: Multiple Factors
- 46. The Reggeon Field Theory, Fat Tails, Chaos

PART VI: The Macro-Micro Model (A Research Topic)

- 47. The Macro-Micro Model: Overview
- 48. A Multivariate Yield-Curve Lognormal Model
- 49. Strong Mean-Reverting Multifactor YC Model
- 50. The Macro-Micro Yield-Curve Model
- 51. Macro-Micro Model: Further Developments
- 52. A Function Toolkit

Index