Energy And Power Risk Management: New Developments In Modeling, Pricing, And Hedging

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Our model incorporates that assumption by modelling the mean reversion level through a Fourier series. To validate the model, we perform an empirical study of futures prices on Natural Gas, Crude Oil, and Heating Oil. Our findings show that our model outperforms both benchmarks, providing a simple and powerful tool for portfolio management, risk management and derivative pricing. Utilization of non-linear tools to characterize the state of development of the electricity markets in Italy and Greece. This is equivalent to testing the Efficient Market Hypothesis on these markets. We directly consult these financial innovations as a new measure of corporate hedging. Energy Trading and Risk Management: A Practical Approach to Hedging, Trading and Portfolio € by Iris Marie Mack Hardcover $75.82. Only 3 left in stock (more on the way). Ships from and sold by Amazon.com. After laying down a solid foundation, Energy and Power Risk Management moves on to explore the pricing and hedging models appropriate for these markets. Topics include: Reduced-form price models, including mean-reverting and jump-diffusion processes. Hedging and risk management; Trading more than 500 instruments; Over-the-counter contracts with clearing on exchanges. Hedging and risk management; Margin trading in all liquid assets; Constant monitoring and expansion of the instruments spectrum. Without a doubt, the development of a risk strategy is a complex process that involves analysis, choice of instruments traded, development and testing of risk management strategy. This requires special knowledge and experience and, consequently, can lead to extra costs. In this case outsourcing services will dramatically lower the costs, while reducing the risks and potential losses.