

Global Derivatives Trading & Risk Management 2009

www.icbi-derivatives.com

Pricing, Hedging & Risk Management Of Credit; Interest Rates; Equity; FX; Commodities; Inflation & Volatility Derivatives In Rapidly Changing & Turbulent Markets

Book by
27 FEB, 09
Save up to
£700

CRITICAL ECONOMIC & BUSINESS INSIGHTS FROM THESE GUEST SPEAKERS



Roger Bootle
Leading Authority on the World Economy & Former Chief Economist, HSBC



Baroness Susan Greenfield CBE
Neurologist, Renowned Brain Researcher & Author

What Makes Global Derivatives The "Must-Attend" Event In These Challenging Times

- 1 Stop-Shop For The Derivatives Industry
- 450 Attendees Every Year
- 90 Practitioner Speakers
- 47 Hours Networking Time
- 40 Hours Of Derivatives-Focused Learning
- 4 Practical Masterclasses
- 1 Volatility & Correlation Summit
- 95 Cutting-Edge Sessions
- 2 Breakfast Research Briefings
- 13 Champagne Discussion Tables
- 4 Quick-Fire Model Showcases
- 1 Lunchtime Research Session

"If You Only Attend One Event - This Is The One Not To Miss - Stimulating Discussion And Fantastic Content"

Marek Musiela, BNP Paribas

"A First Rate Event With First Rate Minds – The Best Gathering In Quantitative Finance"
Nassim Nicholas Taleb

Global Derivatives & Risk Management Will Answer The 7 Critical Questions Facing The Derivatives Industry

- Which Models Deliver Robust Pricing -If Any?
- How Bank Risk Management Has To Change
- Determining The Future Demand For Derivatives
- Successful Derivatives Trading Strategies In Extreme Market Conditions
- How To Achieve More Robust Derivatives Pricing & Risk Management
- Mark To Market Vs. Mark To Model - The Woes Of The Crisis?
- Pricing & Hedging Derivatives In Volatile Markets

Find Out The Future Of Quantitative Finance From These Leading Practitioners



J. Doyne Farmer
SANTA FE INSTITUTE



Jim Gatheral
MERRILL LYNCH



Paul Glasserman
COLUMBIA GRADUATE SCHOOL OF BUSINESS



Riccardo Rebonato
ROYAL BANK OF SCOTLAND



Bruno Dupire
BLOOMBERG



Leif Andersen
BANC OF AMERICA SECURITIES



Alex Lipton
MERRILL LYNCH



Peter Carr
BLOOMBERG

Cutting-Edge Insights From 90+ Heads Of Trading & Heads Of Quantitative Analysis Including:

- Vasilios Siokis, Chief Risk Officer, CHEYNE CAPITAL MANAGEMENT
- David Li, Chief Risk Officer, CHINA INTERNATIONAL CAPITAL CORPORATION
- Ilija Bouhouev, Managing Director, Global Head of Energy Derivatives, KOCH SUPPLY & TRADING
- Martin Baxter, Quantitative Analyst, NOMURA
- Jean-Philippe Bouchaud, Head of Research, CAPITAL FUND MANAGEMENT
- Joe Holderness, Global Head of Investment Bank Credit Portfolio Group, JPMORGAN
- Jesper Andreasen, Global Head of Quantitative Research, DANSKE BANK
- Vladimir Piterbarg, Global Head of Quantitative Analytics, BARCLAYS CAPITAL
- Michael Hintze, CEO & SIO, CQS (UK) LLP
- Russell Abrams, Founder, TITAN CAPITAL GROUP
- Dariush Mirfendereski, Head of Inflation Linked Trading, UBS
- Nasir Afaf, Global Head of FX Trading, CALYON
- Richard Carson, Head of Global Equity Derivatives & Head of Prime Services Risk, DEUTSCHE BANK
- Zhenyu Duanmu, Head of Equity Structured Trading PacRim, MERRILL LYNCH
- Lorenzo Bergomi, Head of Equity Derivatives Quantitative Research, SOCIETE GENERALE
- Eric Auld, Global Head of FX & FX Hybrids, BNP PARIBAS
- Ali Hirsra, Head of Analytical Trading Strategy, NATIXIS CASPIAN CAPITAL MANAGEMENT
- Vladimir Finklestein, Chief Science Officer, HORTON POINT LLC
- Alex Bernard, Global Head of Structured Credit Products, DEUTSCHE BANK

Don't Miss The Volatility & Correlation Trading Summit

27 April 2009 - see page 5 for details

PLUS

Don't Miss Four Intensive Practical Masterclasses With Leading Industry Gurus

27 April 2009
Re-Examining The Fundamentals Of Credit Derivatives

Led by
John Hull
University of Toronto

1 May 2009
Volatility & Correlation Modelling & Trading In Practice

Led by
Bruno Dupire, Bloomberg

1 May 2009
Examining The LMM-SABR Model

Led by
Riccardo Rebonato,
Royal Bank of Scotland

1 May 2009
Counterparty Risk And Credit Modelling With Lessons From The Crisis

Led by
Damiano Brigo,
Imperial College London & Massimo Morini, Banca IMI

Sheraton Roma Conference Center
Main Conference: 28-30 April 2009
Summit: 27 April 2009
Workshops: 27 April & 1 May 2009
Info@icbi.co.uk
www.icbi-derivatives.com

Lead Sponsor



Co-Sponsor



Organised by:



an informabusiness



Paper sourced from sustainable forests



Elemental Chlorine Free (ECF)

VOLATILITY & CORRELATION SUMMIT

Monday 27 April 2009

08.30	Registration & Coffee
08.50	Chairman's Welcome: Peter Carr , Head of Quantitative Financial Research, BLOOMBERG
09.00	QUANTITATIVE VOLATILITY TRADING Examining The Latest Quantitative Trading Strategies & Robust Risk Management Practices Russell Abrams , Founder, TITAN CAPITAL GROUP
09.40	TALKING VOLATILITY Volatility Trading In Today's Dynamic Marketplace: Examining New Products And New Horizons Moderator: Paul Stephens , Director & Department Head, CBOE Russell Abrams , Founder, TITAN CAPITAL GROUP Richard Carson , Head of Global Equity Derivatives & Head of Prime Services Risk, DEUTSCHE BANK Vasilios Siokis , Chief Risk Officer, CHEYNE CAPITAL MANAGEMENT Marco Avellaneda , Professor of Mathematics and Finance, NEW YORK UNIVERSITY & Senior Partner, FINANCE CONCEPTS
10.30	Morning Coffee & Networking Break
11.00	Assessing The Risk Management Challenges In Asset-Based Portfolios Vasilios Siokis , Chief Risk Officer, CHEYNE CAPITAL MANAGEMENT
11.40	Consistent Pricing In A Discrete-Time Stochastic Volatility Model Ali Hirsu , Head of Analytical Trading Strategy, NATIXIS CASPIAN CAPITAL MANAGEMENT
12.30	Lunch & Discussion Break
14.00	Statistical Arbitrage Of US Cash Equities And Relation To VIX And Market Volatility Marco Avellaneda , Professor of Mathematics and Finance, NEW YORK UNIVERSITY & Senior Partner, FINANCE CONCEPTS
14.40	Robust Pricing Of Volatility Derivatives On Jump Processes Peter Carr , Head of Quantitative Financial Research, BLOOMBERG
15.20	Examining Recent Behaviour Of Volatility Over The Past Year And What This Means For Product Performance & Trading Strategies Peter van Kleef , Partner, LAKEVIEW ARBITRAGE
16.00	GLOBAL DERIVATIVES & RISK MANAGEMENT PRACTICAL STRATEGY LABS The ideal opportunity to delve more deeply into the intricacies of key issues in volatility and correlation trading. This extended session will consist of 4 discussion tables led by an expert speaker and then followed with an interactive panel and more time for Q&A 30 minutes – Feedback From Each Group & Panel Reflections 20 minutes – Refreshments & Networking
17.20	End of Summit

Plus Don't Miss These Practical Masterclasses

27 April 2009
PRE-CONFERENCE WORKSHOP
Re-Examining The Fundamentals Of Credit Derivatives
Led by **John Hull** University of Toronto
See p4 for details

1 May 2009
POST-CONFERENCE WORKSHOP
Volatility & Correlation Modelling & Trading In Practice
Led by: **Bruno Dupire**, Bloomberg
See p4 for details

1 May 2009
POST-CONFERENCE WORKSHOP
Examining The LMM-SABR Model
Led by: **Riccardo Rebonato**, Royal Bank of Scotland
See p4 for details

1 May 2009
POST-CONFERENCE WORKSHOP
Counterparty Risk And Credit Modelling With Lessons From The Crisis
Led by: **Damiano Brigo**, Imperial College London & **Massimo Morini**, Banca IMI
See p4 for details

MAIN CONFERENCE DAY ONE

Tuesday 28 April 2009

07.50	Registration & Coffee
08.20	Chairman's Opening Welcome: Riccardo Rebonato , Global Head of Market Risk and Quantitative Analysis, GBM, ROYAL BANK OF SCOTLAND
08.30	ECONOMY GLOBAL ECONOMIC OUTLOOK The Future Of Economies & Markets Roger Bootle , Leading Authority on the World Economy and Former Chief Economist, HSBC
09.10	THE GLOBAL DERIVATIVES & RISK MANAGEMENT 2009 TASKFORCE Modelling The Perfect Financial Storm: Are Derivatives Weapons Of Mass Destruction? Alex Bernand , Global Head of Structured Credit Products, DEUTSCHE BANK Michael Hintze , CEO & Senior Investment Officer, CQS (UK) LLP Eric Auld , Global Head of FX & FX Hybrids, BNP PARIBAS Onuoha Odim , Partner & Senior Portfolio Manager, TITAN CAPITAL GROUP Alex Lipton , Global Head of Credit Analytics, MERRILL LYNCH, Visiting Professor, IMPERIAL COLLEGE, LONDON
10.00	LIQUIDITY IN THE SPOTLIGHT Examining Liquidity & Market Impact J. Doyne Farmer , Professor, SANTA FE INSTITUTE
10.45	Morning Coffee & Networking Break Including Q&A Coffee with Roger Bootle (pre-registration required)

	Practical Modelling & Implementation Techniques In Volatile Markets	Enhanced Pricing, Hedging & Trading Credit Derivatives & Correlation	Advanced Pricing & Hedging Of Equity Derivatives & Equity Correlation	The Latest Innovations In Interest Rate Modelling
11.20	A New Multilevel Monte Carlo Path Simulation Mike Giles UNIVERSITY OF OXFORD	Dynamic Modelling Through The Credit Crisis Martin Baxter NOMURA	New Advances In Modelling The Smile Of Volatility (Of Volatility) Lorenzo Bergomi SOCIETE GENERALE	Hedging With The LMM-SABR Model: Theoretical Results, Empirical Evidence And How To Deal With Conditions Of Market Excitation Riccardo Rebonato RBS
12.00	Exact Monte Carlo For The Heston Stochastic Volatility Model Paul Glasserman COLUMBIA GRADUATE SCHOOL OF BUSINESS	Handling The Credit Correlation Skew Speaker tbc		Topic tbc Alexandre Antonov NUMERIX
12.40	Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition			
14.00	New Research On Implied Levy Volatility Wim Schoutens CATHOLIC UNIVERSITY OF LEUVEN	The Latest Challenges And Opportunities In Structured Credit Alex Bernand DEUTSCHE BANK	Handling The Hidden Forward Skew In Exotic Options On Equities Boris LeBlanc BNP PARIBAS	Correlation Markets And CMS Spread Pricing Alan Stacey NOMURA
14.40	Automated Options Market Making With Local VG Dynamics Peter Carr BLOOMBERG	Systemic And Liquidity Risk In Market Models Massimo Morini BANCA IMI	Equity Forward Prices In The Presence Of Funding Spreads Paul Bardeen UBS	Examining The Latest Correlation Products For Better Pricing Martin Dahlgren BANK OF AMERICA
15.20	Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition			
15.55	Efficient Risk Management With Monte Carlo: Reducing The Variance Of Likelihood Ratio Greeks In Monte Carlo Luca Capriotti CREDIT SUISSE	Copulas Under The Microscope: Advances In & Beyond The Gaussian Copula John Hull UNIVERSITY OF TORONTO	Transfer Of Volatility Risk Without Variance Swaps Philipp Ruede CREDIT SUISSE	Multi-Factor Quadratic Gaussian Models Of Interest Rates In Practice Vladimir Piterberg BARCLAYS CAPITAL
16.35	New Advances In Monte Carlo Simulation & Implementation Techniques For More Robust Derivatives Pricing And Sensitivities Christian Fries DZ BANK		Advances In Multi-Asset Stochastic Volatility Modelling: Calibrating On Basket And Outperformance Options Vladimir Lucic BARCLAYS CAPITAL	The Poor Man's Local And Stochastic Volatility Model Jesper Andreasen DANSKE BANK
17.10	Accelerating Derivative Pricing Models By 20X-100X: Latest Developments In Parallel Programming For GPUs Curt Randall SCICOMP	Managing Credit Gap Risk For More Robust Risk Management Of Credit Correlation	New Techniques For Enhanced Practical Management Of Equity Correlation & Volatility	Determinants Of Interest Rates Oldrich Vasicek MOODY'S KMW

17.45	5 minute transfer break						
17.50 - 18.45	The Global Derivatives & Risk Management 2009 Quick-Fire Model Showcase Your opportunity to present your model to the most prestigious derivatives audience. There are 4 slots of 10 minutes each available followed by 5 minutes Q&A for each presenter. To apply contact sstartup@icbi.co.uk						
18.45	Champagne Round-Tables Discussions - see page 5 for details These are a chance to discuss the latest issues with leading experts over a glass of champagne						
19.45	John Hull UNIVERSITY OF TORONTO	Paul Glasserman COLUMBIA GRADUATE SCHOOL OF BUSINESS	Riccardo Rebonato RBS	J. Doyne Farmer SANTA FE INSTITUTE	Alex Lipton MERRILL LYNCH	Jesper Andreasen DANSKE BANK	Peter Carr BLOOMBERG




MAIN CONFERENCE DAY TWO

Wednesday 29 April 2009

07:30 - 08:45	EARLYBIRD BREAKFAST BRIEFING Enjoy Cutting-Edge Research Over Breakfast! Analytical Formulas For Pricing CMS Products In The LMM Model Led by: Alexandre Antonov , Senior Vice President, Quantitative Research, NUMERIX			
08:45	Morning Coffee & Registration			
	Innovations In Volatility Modelling & Trading	The Latest Innovations In Credit Correlation Modelling & Trading	Advanced Modelling Of Hybrid Derivative Products	FX Derivatives Modelling & Trading
09:00	Examining Supply & Demand For Volatility Paul Stephens CBOE	The Implications Of The Credit Crunch: A View From The Trenches Alex Lipton MERRILL LYNCH	Handling The Dimensionality Of Multi-Asset Products: Achieving Fast Pricing & Fast Greeks Philippe Balland MERRILL LYNCH	Emerging Markets And Managed Currency Pairs: A Practitioner's Assessment Of Market Behaviour And Modelling Challenges Marouane Benchekroun HSBC
09:40	Risk Measure Computation Using Monte Carlo Simulation Mark Broadie COLUMBIA GRADUATE SCHOOL OF BUSINESS	Exact And Efficient Simulation Of Correlated Defaults Kay Giesecke STANFORD UNIVERSITY	Modelling, Pricing And Risk Management Of Callable PRDC And Dual-Range Accrual FX-Fixed Income Hybrids Faisal Yousof HSBC	Generation Of Systemic Non-Linearity Due To Model Imperfections In FX Markets Nasir Afaf CALYON
10:20	No-Dynamic-Arbitrage And Market Impact Jim Gatheral MERRILL LYNCH	Base Correlation Calibration With A Stochastic Recovery Model Youssef Elouerkhaoui CITIGROUP	An Efficient Approximation Method For Multi Asset Equity Options Per Horfelt BARCLAYS CAPITAL	A New Approach To Intrinsic Currency Analysis Paul Doust RBS
11:00	Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition			
11:30	TALKING VOLATILITY Trading In Extreme Market Conditions & Determining Which Trading & Hedging Strategy Has Been Most Successful Zhenyu Duanmu IML Mike de Vegvar , UBS Arthur Berd , CAPITAL FUND MANAGEMENT Vladimir Finklestein , HORTON POINT LLC	Advances In & Beyond The Gaussian Copula David Li CICC	Commodities Trading & Risk Management Examining Recent Developments In Commodity Derivatives Markets Ilija Bouchouev KOCH SUPPLY & TRADING	Accurate Sensitivities With Auto-Differentiation Juergen Hakala STANDARD CHARTERED BANK
12:10	Single Stock Variance Swaps: Pricing And Risk Management In Volatile Markets Vladimir Finklestein HORTON POINT LLC	Pricing By Replication Within One Factor Credit Correlation Models Jean David Fermanian BNP PARIBAS Oliver Vigneron JPMORGAN	Robust Pricing Of The Volatility Surface On Commodity Indices Jerome Drouin CREDIT SUISSE	PRDs As WMDs: Risk Managing Correlation Eric Auld BNP PARIBAS
12:50	Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition Including 13:15 - Lunchtime Research Session: Golf Strategy And Performance Led by Mark Broadie , COLUMBIA GRADUATE SCHOOL OF BUSINESS (pre-registration required)			
14:00	Optimal Dynamic Hedging Of Multi-Asset Options Vivek Kapoor CITIGROUP	Modelling Systemic Risk: A New Approach To Portfolio Credit Risk Rama Cont COLUMBIA UNIVERSITY	Commodity Indices: A Practitioner's Approach To Modelling Topics Hugo Picca UBS	Climate Change & Catastrophe Derivatives Climate Change As An Investment Sector/Opportunity Joaquim de Lima HSBC
14:40	Smile Dynamics - A Theory Of The Implied Leverage Effect JP Bouchaud CAPITAL FUND MANAGEMENT	Modelling And Successful Management Of Credit-Counterparty Risk Of Derivative Contracts Christoph Burgard BARCLAYS CAPITAL	Determinants Of Commodity Prices And Convenience Yields: A New Three Factor Model For Spot Prices With Closed Form Futures Prices Michael Dempster UNIVERSITY OF CAMBRIDGE	Examining The Catastrophe Derivatives Marketplace Session I The Bank Perspective Nir Vidra DEUTSCHE BANK
15:20	Non Black-Scholes Pricing & Hedging Of Derivatives Moderator: Vivek Kapoor CITIGROUP JP Bouchaud CAPITAL FUND MANAGEMENT Rama Cont COLUMBIA UNIVERSITY	Credit Trader TaskForce Unravelling Recent Market Events: What Are The Lessons To Be Learnt In Handling Credit Volatility? Chair: Peter Jaeckel OTC ANALYTICS Joe Holderness JP MORGAN CHASE Nir Vidra DEUTSCHE BANK	Counterparty Risk Valuation In Oil Swaps: Impact Of Volatilities And Correlations Damiano Brigo IMPERIAL COLLEGE, LONDON	Session II The Insurance Perspective Albert Selius SWISS RE
16:00	Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition			
16:35	Quantitative Finance Strategy Labs These sessions consist of 25 minute presentations followed by open discussion with the audience on these practical topics			
16:35	Reinventing Derivatives: A Quant's Perspective Piotr Karasinski HSBC	The Future Of Structured Products - For How Long Can The Tail Keep On Wagging The Dog? Riccardo Rebonato ROYAL BANK OF SCOTLAND	Finiteness, Liquidity, Feedback And Constraints In Market Dynamics With Implications For Regulation Nasir Afaf CALYON	
17:35 - 18:30	Champagne Round-Tables Discussions - see page 5 for details These are a chance to discuss the latest issues with leading experts over a glass of champagne			
17:35	Mark Broadie COLUMBIA GRADUATE SCHOOL OF BUSINESS	JP Bouchaud CAPITAL FUND MANAGEMENT	David Li CICC	Jim Gatheral MERRILL LYNCH
18:30			Kay Giesecke STANFORD UNIVERSITY	Ilija Bouchouev KOCH SUPPLY & TRADING
18:00 - 20:00	Global Derivatives & Risk Management 2009 Cocktail Party			

MAIN CONFERENCE DAY THREE

Thursday 30 April 2009

07:30 - 08:45	EARLYBIRD BREAKFAST BRIEFING Enjoy Cutting-Edge Research Over Breakfast! Dependence Modeling And Pricing Of Options On Baskets Using Acceptable Risks Led by: Dilip Madan , Professor of Mathematical Finance, ROBERT H. SMITH SCHOOL OF BUSINESS, UNIVERSITY OF MARYLAND			
08:45	Morning Coffee			
08:55	Chairman's Welcome			
09:00	NEW ACADEMIC RESEARCH The Financial Crisis Observatory: Why Stock Markets Crash? & Implications For The Future Of Markets Didier Sornette Professor of Entrepreneurial Risks and Finance, ETH ZURICH			
09:45	NEW RESEARCH INTO THE 21st CENTURY IDENTITY ID: The Quest For Identity In The 21st Century Baroness Susan Greenfield CBE Neurologist, Renowned Brain Researcher & Author			
10:30	5 Minute Transfer Break			
10:35	Quantitative Problem Solving Working Groups Delegates will have the opportunity to submit their problems for each asset class prior to the event. 3 problems per group will then be selected and discussed with each speaker and attendees during the session. Come prepared to add your thoughts to the perennial problems in your everyday work!			
10:35	Equity TaskForce Bruno Dupire , BLOOMBERG & Peter Carr , BLOOMBERG	Interest Rates TaskForce Leif Andersen , BANC OF AMERICA SECURITIES & Jesper Andreasen , DANSKE BANK	Credit TaskForce Alex Lipton , MERRILL LYNCH & Peter Jaeckel , OTC ANALYTICS	
11:20	Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition Including Q&A Coffee With Baroness Susan Greenfield CBE (pre-registration required)			
11:50	The Latest Innovations In Interest Rate & Inflation Modelling & Trading	Derivatives Trading In Volatile Markets	Innovations In Volatility Modelling & Trading	
12:30	Local-Stochastic Volatility Modeling Of FX Rates Leif Andersen BANC OF AMERICA SECURITIES	Exploring Mileage Options: Derivations And Potential Applications Zhenyu Duanmu MERRILL LYNCH	Functional Ito Calculus And Robust Volatility Hedging Bruno Dupire BLOOMBERG	
12:30	Talking Interest Rate Trading CMS Spread Options & Gamma Trap For CMS Spread Products: Market Dynamics Or Modelling Failure? Carlos Sin , UBS Ken Yan , NOMURA	Examining Supply & Demand For Volatility Juan Martini EUREX		
13:10	Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition			
14:20	Inflation Derivatives: Market Dislocations Post-Credit Crunch Dariusz Mirfendenski UBS	Constructing The Smile Surface & Handling Volatility In Emerging Market Interest Rate Derivatives Chris Hunter BNP PARIBAS	Generalizing The KMV Methods To Levy Processes In Determining Loan Spreads Dilip Madan UNIVERSITY OF MARYLAND	
15:00	Noisy Hedges And Fuzzy Payoffs: Using Soft Computing To Improve Risk Stability Lucy Withington ROYAL BANK OF CANADA	Hedging Range Accruals To The Dynamics Of Yield Curves Carlos Sin UBS	Factor Models And Comovement And Pricing Of Individual Equity Options Duane Seppi CARNEGIE MELLON UNIVERSITY	
15:40	Pricing Long-Dated Derivatives With Stochastic Interest Rates And Stochastic Volatility Roger Lord RABOBANK INTERNATIONAL	Carbon Markets: A New Commodity Is Born Marcelo Labre STANDARD BANK	Volatility Of Investment Strategies Vs. Volatility As An Investment Strategy Arthur Berd CAPITAL FUND MANAGEMENT	
16:15	End of Main Conference			
17:00	Post-Conference Workshops - 1 May 2009 See page 4 for details Interest Rate Derivatives Led by: Riccardo Rebonato , ROYAL BANK OF SCOTLAND & Credit Derivatives Led by: Damiano Brigo , IMPERIAL COLLEGE, LONDON Massimo Morini , BANCA IMI & Volatility & Correlation Led by: Bruno Dupire , BLOOMBERG			

"I always tell people that Global Derivatives & Risk Management is the best conference in our field"

- David Li, CICC

To Promote Yourself To This Fantastic Audience Contact Greg Harley Gharley@icbi.co.uk +44 (0) 20 7017 7225

Monday
27 April 09
8.30am-5pm

Re-Examining The Fundamentals Of Credit Derivatives

Led by: **John Hull**, Maple Financial Professor of Derivatives & Risk Management, UNIVERSITY OF TORONTO

John Hull is the Maple Financial Professor of Derivatives and Risk Management at the Joseph L. Rotman School of Management, University of Toronto. He is well known for his books and for his research covering many areas, including credit derivatives. He has won many teaching awards, including the prestigious Northrop Frye award.

Background

- The products: CDSs, cash CDOs, synthetic CDOs, etc
- The credit crisis: how it happened, what we can learn from it
- Default probabilities and recovery rates
- Real world vs risk-neutral probability measures

The Standard Market Model

- Examining the nature of copulas
- Factor-based copulas

- Gaussian copula model of time to default
- Relation to structural models
- Implementation of model
- Other Factor-Based Correlations

Base Correlation And Alternative Measures

- Compound correlation and base correlation
- The loss distribution
- The hazard rate distribution
- The expected loss function

The Implied Copula Approach

- A parametrization of the model
- Step-by-implementation
- Valuation of bespoke
- Homogeneous vs heterogeneous model
- One factor vs two factors

About Your Workshop Leader



John Hull is an internationally recognized authority on derivatives and risk management. Recently his research has been concerned with credit risk, executive stock options, volatility surfaces, market risk, and interest rate derivatives. He was, with Alan White, one of the winners of the Nikko-LOR research competition for his work on the Hull-White interest rate model. He has acted as consultant to many North American, Japanese, and European financial institutions.

in to many languages and are widely used in trading rooms throughout the world. He has won many teaching awards, including University of Toronto's prestigious Northrop Frye award, and was voted Financial Engineer of the Year in 1999 by the International Association of Financial Engineers. He is co-director of Rotman's Master of Finance program.

In addition to the University of Toronto, Dr. Hull has taught at York University, University of British Columbia, New York University, Cranfield University, and London Business School.

He has written three books "Risk Management and Financial Institutions" (first published in 2006), "Options, Futures, and Other Derivatives" (now in its seventh edition) and "Fundamentals of Futures and Options Markets" (now in its sixth edition). The books have been translated

Friday
1 May 09
8.30am-5pm

The LMM-SABR Model: The New Paradigm For Pricing, Calibrating, Hedging Interest-Rate Derivatives In The Presence Of Smiles

Led by: **Riccardo Rebonato**, Global Head of Market Risk and Quantitative Analysis, GBM, RBS, and Visiting Lecturer, Mathematical Finance, OXFORD UNIVERSITY

The LIBOR Market Model Framework (Deterministic Volatility)

- Deriving the drifts of the Forward Rates
- Specifying the volatility
- Specifying the correlation
- Calibrating

Examining The SABR Model

- Pricing formulae
- Special cases
- Qualitative hedging behaviour
- Pitfalls

Combining LMM And SABR

- Deriving the drifts of the Forward Rates
- Deriving the drifts of the volatilities
- Analytical approximation to swaption prices

Calibrating

- Calibrating the volatility function
- Calibrating the volatility of volatility
- Calibrating the correlation structure
- When to use to Implied Approach and when to use the Historical Approach

Empirical Evidence

- Estimating the volatilities
- Estimating the volatility of volatility
- Estimating the correlation structure
- Statistical behaviour of fitted parameters and how to use this information for hedging

Hedging

- Hedging under normal market conditions: how to quantify the exposure to level, slope and curvature of the smile
- Hedging under conditions of market turmoil

About Your Workshop Leader



Dr Riccardo Rebonato is Global Head of Market Risk and Global Head of the Quantitative Research Team at RBS. He is a Visiting Lecturer at Oxford University (Mathematical Finance) and Adjunct Professor at Imperial College (Tanaka Business School). He sits on the Board of Directors of ISDA and on the Board of Trustees for GARP. He is an Editor for the International Journal of Theoretical and Applied Finance, for Applied Mathematical Finance, for the Journal of Risk and for the Journal of Risk Management in Financial Institutions. He is the author of the books *Plight of the Fortune Tellers - Thoughts on the Quantitative Management of Financial Risk* (2007), *Volatility and Correlation in Option Pricing* (2004, 1999), *Modern Pricing of Interest-Rate Derivatives* (2002), *Interest-Rate Option Models* (1998, 1996).

Friday
1 May 2009
8.30am-5pm

Volatility & Correlation Modelling & Trading In Practice

Led by: **Bruno Dupire**, Quantitative Research, BLOOMBERG

The Fundamentals Of Volatility

- The different kinds of volatility
- Market facts: volatility behaviour and regimes
- Historical volatility estimation
- Implied volatility inter/extrapolation, roger lee's moment formula
- Study of empirical behaviour/Market facts: volatility behaviour and regimes
- Historical volatility estimation
- Implied volatility inter/extrapolation, roger lee's moment formula
- Study of empirical behaviour

Volatility Models Review

- Black-Scholes model
- Local Volatility Model
- Heston model
- SABR model
- Stochastic local volatility models

Building An Implied Volatility Surface

- Requirements: accurate, arbitrage free, robust and smooth
- First step: model fitting
- Second step: non parametric fitting of residuals
- Examples and applications

Local Volatility In Practice

- Obtaining the local volatility surface: calibration vs. Stripping formula

About Your Workshop Leader



Bruno Dupire has headed the Derivatives Research teams at Société Générale, Paribas Capital Markets and Nikko Financial Products before joining Bloomberg to develop pricing, risk management and arbitrage models. He is best known for having pioneered the widely used Local Volatility model (simplest extension of the Black-Scholes-Merton model to fit all option prices) in 1993 and subsequent stochastic volatility extensions. He is a Fellow and Adjunct Professor at NYU and he is in the Risk magazine "Hall of Fame" of the 50 most influential people in the history of Derivatives and Risk Management. He is the recipient of the 2006 "Cutting edge research" award of *Wilmott* magazine and was voted in 2006 the most contributing practitioner of the 5 previous years in the ICB Global Derivatives industry survey. He is the recipient of the Risk Magazine "Lifetime Achievement" award for 2008.

- Pricing with local volatility: finite difference and monte carlo
- Robust risk management: computing superbuckets
- Stochastic interest rates

Variance Swaps

- Replication strategy from vanillas
- Issue of discrete strikes/Put extrapolation
- Impact and (non)hedgeability of jumps
- Stochastic rates and dividend modelling

Volatility Arbitrage

- Frequency/phase arbitrage
- Dynamic skew arbitrage
- Volatility derivatives arbitrage

Advanced Topics

- Matching the volatility surface and the forward skew
- Impact of the skew on exotics: case study with barrier options and cliques
- Delta hedge: calendar time and business time delta hedge
- Linking skew and uncertainty on historical volatility
- Application to volatility derivatives: links between vanilla option, vix options and variance options
- Time based vs move based strategies
- Robust hedging: decomposing volatility risk across strikes and maturities

Correlation Basics

- Misconceptions about correlation
- Measures of dependency: correlation, copula and more
- Correlation across assets and time
- Coupling random variables or processes?
- Coupling levels or returns?

Modeling Correlation

- Estimating correlation; asynchronous and incomplete data
- Study of empirical facts
- nD Local Volatility model
- Stochastic covariance matrix modeling
- How to model stochastic correlation
- How to correlate jumps

Pricing With Correlation

- Break-even points in n dimensions
- Correlation skew: basket options and CDO examples
- Spread options and steepeners
- Pricing Mountain Range options
- Hedgeability with options on the components

Correlation Trading

- What can be locked and not locked
- Correlation swaps and options
- Correlation management
- Dispersion and diversification trades and arbitrage

Friday
1 May 2009
8.30am-5pm

Counterparty Risk And Credit Modelling With Lessons From The Crisis

Led by: **Damiano Brigo**, Global Head of Quantitative Innovation, FITCH SOLUTIONS & Visiting Professor, Dept. of Mathematics, IMPERIAL COLLEGE, LONDON & **Massimo Morini**, Head of Credit Models, BANCA IMI

Part I

Counterparty risk valuation in general

Impact of dynamics, volatilities and correlation on the adjustments

Three examples: rates, commodities and CDS

Part II

Studying default cases with Realistic Structural Models

The relation between equity and credit implied by realistic structural model

- Application to EDS and equity counterparty risk

Intensity modelling with credit spread volatility and jumps

- How sudden default will be?
- Gap risk in Credit Notes

Default correlation modelling

- How the static Gaussian Copula model missed the risk of losses concentrated in time

How flat correlation missed the link between skew and systemic risk

- How mapping missed the role of dispersion in skew dynamics

Solutions in practice: making correlation a function of seniority and dispersion-based mapping

Probability of a financial amageddon implied in CDX and i-Traxx markets

- How it evolved in the crisis
- The implication on Credit Market Models and the pricing of index options

Counterparty and liquidity risk in Libor during the credit crunch

Credit convexity adjustments for new term structure relations

About Your Workshop Leaders



Damiano Brigo obtained a Ph.D. in stochastic filtering with differential geometry in 1996. In 1997 he moved to financial modeling at Banca INTESA in Milan, dealing with the pricing/hedging of equity, basket and interest-rate derivatives and with Risk Measurement. In 1998 he moved to Banca IMI, where he has been appointed as Head of the Credit Models department. In July 2007 Damiano joined London-based Fitch Solutions as Managing Director and Global Head of the Quantitative Innovation team. Over the years he has published several academic and practitioner-oriented articles in financial modeling, probability and systems theory journals. He is author of the book "Interest Rate Models: Theory and Practice" for Springer-Verlag. Damiano is currently visiting professor at the Dept. of Mathematics at Imperial College, London, has been the most cited author in 2006 in Risk magazine and is Managing Editor of the International Journal of Theoretical and Applied Finance.



Massimo Morini holds a PhD in Mathematics and a MSc in Economics. He is Head of Credit Models and coordinator of financial modelling research at IMI Bank of Intesa San Paolo, where in the past he worked as a senior quant on interest rate and credit derivatives with Damiano Brigo and Fabio Mercurio. Massimo is Professor of Fixed Income at Bocconi University. He was Research Fellow at Cass Business School of London City University with Professor Nick Webber. He also teaches at Polytechnic of Milan, Milan University, Bologna University.

VOLATILITY & CORRELATION SUMMIT

Monday 27 April 2009

NEW FOR GLOBAL DERIVATIVES & RISK MANAGEMENT 2009

Volatility & Correlation Trading Summit – 27 April 2009

This whole day will feature the top traders and hedge funds to give you the latest thinking and strategies in volatility and correlation trading.

4 Guest Speakers To Provide You With New Research And Food For Thought:

Roger Bootle, Leading Authority on the World Economy and Former Chief Economist, HSBC will give you a Global Economic Outlook perspective on the future of the economics and markets

Baroness Susan Greenfield CBE will go into details on her latest book focused on ID and the quest for identity in the 21st Century.

This new research will give you insights into how the brain responds in crisis and risk taking scenarios - essential for these turbulent times.

J. Doyne Farmer's keynote speech will provide you with the latest thinking in liquidity and volatility - a key topic for this conference

Didier Sornette will present on his latest research into why markets crash - an unmissable session for all!

The Quantitative Finance Strategy Labs

These unique sessions will focus on the bigger picture of quantitative finance modelling and trading from the premier names in the industry for these more strategic and philosophical sessions.

The Quantitative Problem Solving Working Groups

More take-away learning - These sessions provide an opportunity to assess current market quantitative problems. With this in mind, we have developed the Quantitative Problem Solving Working Groups. This is your opportunity to submit your perennial problems to the speaker panel for each asset class: Credit; Equity & Interest Rates. Answers to these key issues will be discussed live at the event. Contact startup@icbi.co.uk to submit your problems.

4 Brand New Practical Workshops

See page 4 for details

1. Credit Derivatives – 27 April 2009

Led by **John Hull, University of Toronto**

2. Volatility & Correlation – 1 May 2009

Led by **Bruno Dupire, Bloomberg**

3. Credit Derivatives – 1 May 2009

Led by **Damiano Brigo, Imperial College, London & Massimo Morini, Banca IMI**

4. Interest Rate Derivatives - 1 May 2009

Led by **Riccardo Rebonato, RBS**

08.30

Registration & Coffee

11.00

08.50

Chairman's Welcome:

Peter Carr, Head of Quantitative Financial Research, BLOOMBERG

See page 5 for biographical information

09.00

OPENING KEYNOTE ADDRESS

Examining The Latest Quantitative Trading Strategies & Robust Risk Management Practices



Russell Abrams, Founder, TITAN CAPITAL GROUP

Russell Abrams is Titan Capital Group's founder and Senior Portfolio Manager. Russell has extensive experience managing options portfolios as well as trading both index and single stock options in a variety of markets. Prior to forming Titan, Russell was co-head of US Equity Derivative Trading and Convertible Arbitrage at Merrill Lynch from 1997-2000. Russell spent the previous five years working for Bank Paribas and then CS First Boston where he gained significant experience trading derivatives in multiple markets. During 1992 and 1993, Russell worked with Fischer Black researching derivative strategies at Goldman Sachs Asset Management.

09.40

TALKING VOLATILITY

Volatility Trading In Today's Dynamic Marketplace: Examining New Products And New Horizons

Moderator:

Paul Stephens, Director & Department Head, CBOE

Russell Abrams, Founder, TITAN CAPITAL GROUP

see previous for biographical information



Marco Avelaneda, Professor of Mathematics and Finance, NEW YORK UNIVERSITY & Senior Partner, FINANCE CONCEPTS

Marco Avelaneda is currently Professor of Mathematics and Director of Division of Financial Mathematics at New York University's Courant Institute of Mathematical Sciences. He began his Wall Street career as vice-president in the Morgan Stanley Derivative Products Group. Subsequently, he was portfolio manager in equity volatility Strategies at Gargoyle Strategic Investments LLC, Head of Volatility Arbitrage at Capital Fund Management, where he managed the Nimbus Fund, and, more recently, Portfolio Manager in quantitative equity strategies at the Galleon Group in New York. He is known in academic finance as the inventor of the Uncertain Volatility model and for his work on the Weighted Monte Carlo algorithm and the theory of Dispersion Trading, as well as for several other papers in quantitative finance and derivatives.



Richard Carson, Head of Global Equity Derivatives & Head of Prime Services Risk, DEUTSCHE BANK

Richard Carson is a Managing Director and Head of Global Equity Derivatives for Global Markets Equity. Additionally, Richard also runs Prime Services Risk for Jon Hitchon & Barry Bausano. He joined the bank in 1996 as a European equity derivatives trader and helped grow the exotics, fund derivatives and synthetic equity businesses before taking his current role. Prior to DB, Richard came from Bankers Trust and Banque Paribas where he had worked as a quantitative analyst for 3 years.



Vasilios Siokis, Chief Risk Officer, CHEYNE CAPITAL MANAGEMENT

Vasilios Siokis, PhD is the Chief Risk Officer of Cheyne Capital Management LLP. He began his career in 2000 at Algorithms Ltd., a risk management software provider, as a financial engineer covering a wide range of clients including investment banks and asset managers in the EMEA region, working in risk modelling and risk reporting projects. He then moved to HSBC where he served as a senior risk manager covering the equity and structured credit derivatives desks between 2002 and 2004. Prior to joining Cheyne, Dr. Siokis was with Talaqar Asset Managers, a multi-strategy hedge fund platform, specialising in event driven, special situations, long/short equity and volatility arbitrage strategies, serving as Risk Management Director.

10.30

Morning Coffee & Networking Break

Assessing Risk Management Challenges In Asset-Based Portfolios

● Asset-based portfolios: Non-core and overlooked asset

- Due diligence and downside risk
- Probability of default and loss given default
- Macroeconomic risk factors and their impact on IRRs

Vasilios Siokis, Chief Risk Officer,

CHEYNE CAPITAL MANAGEMENT

See previous for biographical information

11.40

Consistent Pricing In A Discrete-Time Stochastic Volatility Model

- Introduction of Discrete-Time Stochastic Volatility Model
- Yield curve and swaption pricing in that framework
- Comparison with Continuous Stochastic Volatility models
- Findings and Observations



Ali Hirsra, Head of Analytical Trading Strategy, NATIXIS CASPIAN CAPITAL MANAGEMENT

Ali Hirsra is Head of Analytical Trading Strategy at Natixis Caspian Capital Management, LLC. Prior to his current position, Ali worked at Morgan Stanley, Banc of America Securities, and Prudential Securities. He is also an adjunct professor at Columbia University and Courant Institute.

12.30

Lunch & Discussion Break

14.00

Statistical Arbitrage Of US Cash Equities And Relation To VIX And Market Volatility

- Market-neutral quantitative investment
- Review of different techniques for detrending stock returns: PCA and ETFs
- Connection between market correlations and risk-premium (VIX) and performance-attribution of stat-arb
- Backtesting stat-arb in the US equities market
- Lessons from 2007/2008

Marco Avelaneda, Professor of Mathematics and Finance, NEW YORK UNIVERSITY & Senior Partner, FINANCE CONCEPTS

See previous for biographical information

14.40

Robust Pricing Of Volatility Derivatives On Jump Processes

- Examples of volatility derivatives trading on exchanges and OTC
- Review of previous parametric and non-parametric approaches to pricing
- A new semi-parametric approach using time-changed Levy processes
- Explaining deviations of variance swap rates from the log contract
- Applications to options on realized variance and vol swaps



Peter Carr, Head of Quantitative Financial Research, BLOOMBERG

Dr. Peter Carr has over twelve years of experience in the derivatives industry. For the past 5 years, Dr. Carr has headed Quantitative Financial Research at Bloomberg and the Masters in Mathematical Finance program at NYU's Courant Institute. Prior to his current positions, he headed equity derivative research groups at 2 major banks and was a finance professor for 8 years at Cornell University. Conducting research in the interface between academia and industry, he has published extensively in both academic and industry-oriented journals. He is currently the treasurer of the Bachelor Finance Society and an associate editor for 8 journals related to mathematical finance. He recently won the ISA Medal for Science for the CGMY model from the University of Bologna. Previous awards are from Wilmut Magazine for Cutting Edge Research and from Risk Magazine for "Quant of the Year".

15.20

Examining Recent Behaviour Of Volatility Over The Past Year And What This Means For Product Performance & Trading Strategies

- Volatility term structure movements
- Volatility skew movements
- Limits and predictability of movements
- Taking advantage of extreme movements

Peter van Kleef, Partner, LAKEVIEW ARBITRAGE

Prior to his role at Lakeview, Peter managed significant hedge fund type investment portfolios and quantitative trading departments for among others Cooper Neff, Salomon Brothers, HypoVereinstbank and Credit Lyonnais. He has over 15 years of experience in the development and running of sophisticated automated trading operations.

16.00

Global Derivatives & Risk Management Practical Strategy Labs

The ideal opportunity to delve more deeply into the intricacies of key issues in volatility and correlation trading. This extended session will consist of 4 discussion tables led by an expert speaker and then followed with an interactive panel and more time for Q&A.

- 30 minutes – Discussion Tables
- 30 minutes – Feedback From Each Group & Panel Reflections
- 20 minutes – Refreshments & Networking

17.20

End of Summit

CHAMPAGNE ROUNDTABLES - 28 & 29 April 2009

These are a chance to discuss the latest issues with leading experts over a glass of champagne

28 April 2009 – Champagne Roundtables

- Liquidity & Volatility
J. Doyne Farmer, SANTA FE INSTITUTE
- Volatility Derivatives & Jump Models
Peter Carr, BLOOMBERG
- The Quant Job In Retrospective And Perspective
Alex Lipton, MERRILL LYNCH
- Lessons From The Credit Crunch
John Hull, UNIVERSITY OF TORONTO
- Monte Carlo For The Heston Stochastic Volatility Model
Paul Glasserman, COLUMBIA GRADUATE SCHOOL OF BUSINESS
- Hedging And Empirical Evidence Relating To The LMM-SABR Model
Riccardo Rebonato, ROYAL BANK OF SCOTLAND
- The Poor Man's Local And Stochastic Volatility Model
Jesper Andreasen, DANSKE BANK

29 April 2009 – Champagne Roundtables

- Market Impact
JP Bouchaud, CAPITAL FUND MANAGEMENT
- Is Commodities An Asset Class?
Illa Bouchouev, KOCH SUPPLY & TRADING
- Monte Carlo Methods In Finance And Golf
Mark Broadie, COLUMBIA GRADUATE SCHOOL OF BUSINESS
- Portfolio Credit: Top-Down Or Bottom-Up?
Kay Giesecke, STANFORD UNIVERSITY
- Problems With Gaussian Copula And Possible Solutions
David Li, CICC
- Market Microstructure And Econophysics
Jim Gatheral, MERRILL LYNCH

MAIN CONFERENCE DAY 1
Tuesday 28 April 2009

07.50

Registration & Coffee

08.20

Chairman's Opening Welcome:

Riccardo Rebonato, *Global Head of Market Risk and Quantitative Analysis, GBM, RBS, and Visiting Lecturer, Mathematical Finance, OXFORD UNIVERSITY*

08.30

GLOBAL ECONOMIC OUTLOOK

The Future Of Economies & Markets

Economy



Roger Bootle,

Leading Authority on the World Economy & Former Chief Economist at HSBC

One of the City of London's best-known economists, Roger Bootle runs the consultancy, Capital Economics, which specialises in macroeconomics and the economics of the property market. He is also Economic Adviser to Deloitte, a Specialist Adviser to the House of Commons Treasury Committee, an Honorary Fellow of the Institute of Actuaries and a Visiting Professor at Manchester Business School. Roger Bootle studied at Oxford University and then became a Lecturer in Economics at St Anne's College, Oxford. Most of his subsequent career has been spent in the City of London. He was formerly Group Chief Economist of the HSBC Group and, before the change of government, was a member of the former Chancellor's panel of Independent Economic Advisers, the so-called "Wise Men". A regular columnist on the Daily Telegraph, Roger also appears frequently on national television and radio.

09.10

THE GLOBAL DERIVATIVES & RISK MANAGEMENT 2009 TASKFORCE

Modelling The Perfect Financial Storm: Are Derivatives Weapons Of Mass Destruction?



Alex Bemand,

Global Head of Structured Credit Products, DEUTSCHE BANK

Alex Bemand, Managing Director, is responsible for managing globally the bank's credit correlation risk, including tranches of synthetic CDOs (Correlation Book) and Longevity Derivative repackagings. Alex joined DB in 2006 from Bank of America where he ran Global Structured Credit Products and International Credit Trading (including Credit Proprietary), as well as the International Equity Derivative and Equity Finance platforms. Alex has been trading Credit for the past 13 years, having started his career at BNP Paribas within Emerging markets.



Michael Hintze,

CEO & Senior Investment Officer, COS (UK) LLP

Michael Hintze is the founder, Chief Executive and Chief Investment Officer of COS. He is also Chairman of the COS Operating Committee. Prior to establishing COS, Michael was Managing Director in the Leveraged Funds Group at CSFB where he developed the strategy and management team for the CSFB Convertible & Quantitative Strategies Fund, which later became COS Convertible & Quantitative Strategies Fund. Before this Michael was Managing Director and Head of Convertibles and Equity Derivatives at CSFB, responsible for global convertible bond and equity derivative research, proprietary trading and sales. Before joining CSFB in 1996, Michael worked at Goldman Sachs for 12 years in a variety of roles including; Managing Director and Head of UK Trading and Head of European Emerging Markets Trading.



Eric Auld,

Global Head of FX & FX Hybrids, BNP PARIBAS

Prior to his current role, Eric Auld was based in Tokyo, Japan as the Global Co-Head of Options and Structured Products. Previously he held a number of trader roles in options and structured products after having started his career as a quant researcher.



Onuoha Odum,

Partner & Senior Portfolio Manager, TITAN CAPITAL GROUP

Onu has more than nineteen years experience as both a Derivatives Trader and Manager of Traders and Businesses. Prior to joining Titan, Onu was a Managing Director at both Credit Suisse and at Merrill Lynch. Onu spent eight years at Credit Suisse and four years in Proprietary Trading, and four years managing the derivatives, convertibles, and quantitative trading businesses at CSFB and Credit Suisse Financial Products. Onu spent six years at Merrill Lynch: four years running the North American Equity Linked Business (equity derivatives, convertibles and portfolio trading), and two years running the Global Cash Equities Business.



Alex Lipton,

Global Head of Credit Analytics, MERRILL LYNCH, Visiting Professor, IMPERIAL COLLEGE, LONDON

Alex Lipton is a Managing Director and Global Head of Credit Analytics at Merrill Lynch, and a Visiting Professor of Mathematics at Imperial College London. Prior to his current role, he was a Managing Director and Head of Capital Structure Quantitative Research at Citicredit Investment Group in Chicago; he has also worked at Credit Suisse, Deutsche Bank and Bankers Trust. Previously, Alex was a Full Professor of Mathematics at the University of Illinois at Chicago and a Consultant at Los Alamos National Laboratory. His current interests include credit correlation and related topics, quantitative aspects of securitization, as well as technical trading strategies. In 2000 Alex was awarded the first Quant of the Year Award by Risk Magazine. Alex is the author of two books (Magnetohydrodynamics and Spectral Theory and Mathematical Methods for Foreign Exchange) and the editor of three more.

10.00

KEYNOTE ADDRESS

Examining Liquidity & Market Impact

- Liquidity is key driver of volatility in markets
- Volatility and market impact are closely related
- Theory for market impact



J. Doynne Farmer, *Professor, SANTA FE INSTITUTE*

J. Doynne Farmer is a professor at the Santa Fe Institute. He has broad interests in complex systems, and has done research in dynamical systems theory, time series analysis and theoretical biology. At present his main interest is in developing quantitative theories for social evolution, in particular for financial markets (which provide an accurate record of decision making in a complex environment) and the evolution of technologies (whose performance through time provides a quantitative record of one component of progress). He was a founder of Prediction Company, a quantitative trading firm that was recently sold to the United Bank of Switzerland, and was their chief scientist from 1991 - 1999. During the eighties he worked at Los Alamos National Laboratory, where he was an Oppenheimer Fellow, founding the Complex Systems Group in the theoretical division. He began his career as part of the U.C. Santa Cruz Dynamical Systems Collective, a group of physics graduate students who did early research in what later came to be called "chaos theory". In his spare time during graduate school he led a group that designed and built the first wearable digital computers (which were used to beat the game of roulette). For popular press see The Newtonian Casino by Thomas Bass, Chaos by Jim Gleick, Complexity by Mitch Waldrop, and The Predictors by Thomas Bass.

10.45

Morning Coffee & Networking Break

Including

Q&A Coffee with Roger Bootle -

Your chance to ask your burning questions on the state of the economy (pre-registration required)

PRACTICAL MODELLING & IMPLEMENTATION TECHNIQUES IN VOLATILE MARKETS

11.20

A New Multilevel Monte Carlo Path Simulation

- Basic idea for European options
- Extensions for path-dependent and digital options
- Quasi-Monte Carlo

Mike Giles, *Professor of Scientific Computing, OXFORD UNIVERSITY*

Mike Giles is a professor of scientific computing at the University of Oxford, and a member of the Oxford-Man Institute of Quantitative Finance. After many years of developing new algorithms in computational fluid dynamics with applications to aircraft engine design, in the last 5 years he has moved into computational finance working on both Monte Carlo and finite difference methods. He and Paul Glasserman were named Quants of the Year 2007 by Risk magazine for their research on the use of adjoint techniques for efficient Monte Carlo estimation of Greeks.

12.00

Exact Monte Carlo For The Heston Stochastic Volatility Model

- The challenges of accurate pricing in the Heston model; the methods of Andersen and Broadie-Kaya
- Rescaling the variance process to get a squared Bessel process
- Developing a gamma expansion of the variance bridge for exact sampling
- Computational speed-ups for superior performance



Paul Glasserman, *Jack R. Anderson Professor of Risk Management, COLUMBIA GRADUATE SCHOOL OF BUSINESS*

Paul Glasserman is the author of the book Monte Carlo Methods in Financial Engineering, which received the 2005 INFORMS Outstanding Simulation Publication Award and the 2006 Lancaster Prize. Paul was co-winner of Risk Magazine's 2007 Quant of the Year Award and the recipient of the 2004 Wilmott Award for Cutting-Edge Research in Quantitative Finance.

12.40

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.00

New Research On Implied Levy Volatility

- Introducing new variations of implied volatility
- Implied space and implied time volatility
- Delta hedging under implied Levy and the effect on the P&L
- The historical optimal hedge

Wim Schoutens, *Research Professor, CATHOLIC UNIVERSITY OF LEUVEN*

Wim Schoutens has a degree in Computer Science and a PhD in Science, Mathematics. He is a research professor in the Department of Mathematics at the Catholic University of Leuven, Belgium. His research interests cover all areas of financial Mathematics, in particular Levy jump models. Wim is author of the Wiley book "Levy Processes in Finance: Pricing Financial Derivatives" and editor (together with A.E. Kyprianou and Paul Wilmott) of the Wiley-book "Exotic Option Pricing and Advanced Levy Models".

14.40

Automated Options Market Making With Local VG Dynamics

- The pricing and risk management problem for an options market maker
- The pros and cons of existing approaches
- Mixing and arbitrage-free interpolation of discrete strikes and maturities
- Surface-consistent pricing of path dependent claims



Peter Carr, *Head of Quantitative Financial Research, BLOOMBERG*

See page 5 for biographical details

15.20

Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition

15.55

Efficient Risk Management With Monte Carlo: Reducing The Variance Of Likelihood Ratio Greeks In Monte Carlo

- Speeding up Monte Carlo simulations: variance reduction techniques
- A new approach: Least Squares Importance Sampling (LSIS) and
- Effective Stratification (LSIS+)
- Test case: Libor Market model
- Fast Greeks with Monte Carlo: likelihood ratio method
- Reducing the variance of likelihood ratio Greeks: which variance reduction technique?

Luca Capriotti, *Vice President, CREDIT SUISSE*

Luca Capriotti is a Vice President at Credit Suisse Group, Investment Banking Division, where he works in the Global Modelling and Analytics Group (GMAG). He was previously a researcher at the Kavli Institute for Theoretical Physics, Santa Barbara, California, working in the field of High Temperature Superconductivity and Quantum Monte Carlo methods for Condensed Matter systems. His current interests are in the field of Computational Finance, mainly focusing on efficient numerical techniques for Derivatives Pricing and Risk Management.

16.35

New Advances In Monte Carlo Simulation & Implementation Techniques For More Robust Derivatives Pricing And Sensitivities

- Monte-Carlo pricing and Monte-Carlo sensitivities
- General Monte-Carlo techniques for trigger products pricing and sensitivities
- Specialized Monte-Carlo techniques for auto callable pricing and sensitivities
- Specialized Monte-Carlo techniques for Bermudan callable sensitivities
- Object oriented design patterns for Monte-Carlo pricing and sensitivities

Christian Fries, *Head of Model Development, Risk Control, DZ BANK*

Christian Fries is head of model development, rates & hybrids at DZ Bank's risk control and a lecturer at University of Frankfurt. His current research interests are hybrid interest rate models and Monte Carlo methods. He is the author of "Mathematical Finance: Theory, Modeling, Implementation", Wiley, 2007.

17.10

Accelerating Derivative Pricing Models By 20X-100X: Latest Developments In Parallel Programming For GPUs

- Using software synthesis, derivative pricing model code optimized for Nvidia/CUDA accelerates execution on a standard PC by factors of 20X-100X
- Techniques will be discussed and results shown for Monte Carlo simulation, PDE solutions, and calibration

Curt Randall, *Principal, SCICOMP INC*

Curt holds a PhD in Applied Physics from the University of California. He is co-author, with Domingo Tavella of Octani Associates, of the book "Pricing Financial Instruments: The Finite Difference Method".

17.45

5 minute transfer break

17.50

The Global Derivatives & Risk Management 2009 Quick-Fire Model Showcase

Your opportunity to present your model to the most prestigious derivatives audience. There are 4 slots of 10 minutes each available for free by 5 minutes Q&A for each presenter. To apply for a slot, email: ststartup@icbi.co.uk

18.45-19.45

Champagne Round-Tables Discussions

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 5 for further details

ENHANCED PRICING, HEDGING & TRADING CREDIT DERIVATIVES & CORRELATION

11.20

Dynamic Modelling Through The Credit Crisis

- Levy modelling of credit to solve the problems of Base Correlation
- Useful and practical Levy models
- Credit crisis explanation in terms of Levy models
- Model dynamics - defaults and spreads

Martin Baxter, *Quantitative Analyst, NOMURA*

Martin Baxter was a lecturer in mathematics at Cambridge University, where he co-wrote the best-selling textbook "Financial Calculus". Since 1997, he has worked at Nomura in its London Fixed Income quantitative research group. He has developed models for both interest rates and credit, and is a founder member of the team which has built Nomura's risk management system.

12.00

Handling The Credit Correlation Skew

Speaker tbc

12.40

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.00

The Latest Challenges And Opportunities In Structured Credit

Alex Bernard, *Global Head of Structured Credit Products, DEUTSCHE BANK*
See page 5 for biographical details

14.40

Systemic And Liquidity Risk In Market Models

- A paradox in default correlation: how Gaussian copula misses liquidity risk
- The weaknesses of standard correlation modelling in front of systemic risk. Some solutions
- Credit and liquidity risk in the interbank market. Modelling the term structure in the credit crunch



Massimo Morini, *Head of Credit Models, BANCA IMI*

Massimo holds a PhD in Mathematics and a MSc in Economics. He is Head of Credit Models and coordinator of financial modelling research at IMI Bank of Intesa San Paolo, where in the past he worked as a senior quant on interest rate and credit derivatives with Damiano Brigo and Fabio Mercurio. Massimo is Professor of Fixed Income at Bocconi University. He was Research Fellow at Cass Business School of London City University with Professor Nick Webber. He also teaches at Polytechnic of Milan, Milan University, Bologna University.

15.20

Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition

15.55

Copulas Under The Microscope: Advances In & Beyond The Gaussian Copula

- Alternative approaches for improving on the Gaussian copula
- The implied copula and its parametrization
- Results for historical data
- Homogeneous model vs heterogeneous model
- Valuing bespoke



John Hull, *Maple Financial Professor of Derivatives & Risk Management, UNIVERSITY OF TORONTO*

John Hull is an internationally recognized authority on derivatives and risk management. Recently his research has been concerned with credit risk, executive stock options, volatility surfaces, market risk, and interest rate derivatives. He was, with Alan White, one of the winners of the Nikko-LOR research competition for his work on the Hull-White interest rate model. He has acted as consultant to many North American, Japanese, and European financial institutions. He has written three books "Risk Management and Financial Institutions" (first published in 2006), "Options, Futures, and Other Derivatives" (now in its seventh edition) and "Fundamentals of Futures and Options Markets" (now in its sixth edition). The books have been translated into many languages and are widely used in trading rooms throughout the world.

17.10

Managing Credit Gap Risk For More Robust Risk Management Of Credit Correlation

speaker tbc

17.45

5 minute transfer break

17.50

The Global Derivatives & Risk Management 2009 Quick-Fire Model Showcase

Your opportunity to present your model to the most prestigious derivatives audience. There are 4 slots of 10 minutes each available followed by 5 minutes Q&A for each presenter. To apply for a slot, email: ssstartup@icbi.co.uk

NEW

18.45 - 19.45

Champagne Round-Tables Discussions

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 5 for further details

ADVANCED PRICING & HEDGING OF EQUITY DERIVATIVES & EQUITY CORRELATION

11.20

New Advances In Modelling The Smile Of Volatility (Of Volatility)

- A flexible framework for the joint dynamics of the spot and its variance curve
- Smiling forward volatilities
- Calibration of VIX futures & options
- Swaptions & options on realized variance
- The vanilla skew



Lorenzo Bergomi, *Head of Equity Derivatives Quantitative Research, SOCIETE GENERALE*

Lorenzo Bergomi is head of Quantitative Research in the Equity Derivatives department at Société Générale, where he has been since 1997. Originally trained in electrical engineering, Lorenzo obtained a PhD in theoretical physics in the theory group at CEA, Saclay, France, then spent two years in the physics department of MIT before joining SG.

12.40

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.00

Handling The Hidden Forward Skew In Exotic Options On Equities

Boris LeBlanc, *Deputy Head of Equity & Derivatives Research, BNP PARIBAS*

Boris LeBlanc has 13 years of experience in equity derivatives research. After graduating from Ecole Polytechnique and completing a PhD in applied mathematics with Marc Yor, he joined BNP Paribas. His main research areas are on equities modeling: Stochastic volatilities and Correlations. He is currently building bridges between the non-arbitrage theory and the risk premiums embedded in derivatives products.

14.40

Equity Forward Prices In The Presence Of Funding Spreads

- Identifying the risk free rate
- The funding rate for equity forward trades
- Collateral value and equity yield
- Modelling correlation between funding spread and equity price

Paul Barden, *Managing Director and Global Head of Equities Quantitative Strategies, UBS*

Paul Barden has worked for UBS and its predecessors since 1994 as a quant and exotic options trader. He is currently a Managing Director and Global Head of Equities Quantitative Strategies.

15.20

Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition

15.55

Transfer Of Volatility Risk Without Variance Swaps

- Recent market turmoil – likely results
- Variance swaps trading at a substantial premium of vanilla options?
- What are the alternatives?

Philipp Ruede, *Co-Head Global Equity Derivatives Structuring, CREDIT SUISSE*

Philipp Ruede is a Managing Director of Credit Suisse in the Investment Banking division, based in Hong Kong. He is global Co-Head for Equity Derivatives Structuring for Investors. Mr. Ruede joined Credit Suisse in Zurich in September 2000, where he was mainly responsible for Private Banking coverage in the Swiss Equity Derivatives sales team. Prior to this role, Mr. Ruede worked at Bank Vortobel.

16.35

Advances In Multi-Asset Stochastic Volatility Modelling: Calibrating On Basket And Outperformance Options

- Variance smile dynamics models
- Efficient LSV and forward-inductive calibration
- Options on VIX
- Multidimensional stochastic volatility: calibration to basket and outperformance options
- Pricing case studies for single asset and multi-asset forward vol products

Vladimir Lucic, *Senior Quantitative Analyst, BARCLAYS CAPITAL*

Vladimir Lucic is a senior member of Barclays Quantitative Analytics working on modelling equity derivatives and related hybrids. He has spent nine years working as a front office quant. Prior to joining Barclays in 2007 he worked at Nomura International plc and TD Securities.

17.10

New Techniques For Enhanced Practical Management Of Equity Correlation & Volatility

Speaker tbc

17.45

5 minute transfer break

17.50

The Global Derivatives & Risk Management 2009 Quick-Fire Model Showcase

Your opportunity to present your model to the most prestigious derivatives audience. There are 4 slots of 10 minutes each available followed by 5 minutes Q&A for each presenter. To apply for a slot, email: ssstartup@icbi.co.uk

NEW

18.45 - 19.45

Champagne Round-Tables Discussions

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 6 for further details

THE LATEST INNOVATIONS IN INTEREST RATE MODELLING

11.20

Hedging With The LMM-SABR Model: Theoretical Results, Empirical Evidence And How To Deal With Conditions Of Market Excitation

- Is the LMM-SABR model well specified?
- Empirical Evidence on volatility, correlation and volatility of volatility
- The Bartlett correction to the Hagan Delta - a new derivation
- Empirical tests on when and why the extra terms matter
- Hedging correlation risk

Riccardo Rebonato, *Global Head of Market Risk and Quantitative Analysis, GBM, RBS, and Visiting Lecturer, Mathematical Finance, OXFORD UNIVERSITY*

Dr Riccardo Rebonato sits on the Board of Directors of ISDA and on the Board of Trustees for GARP. He is an Editor for the International Journal of Theoretical and Applied Finance, for Applied Mathematical Finance, for the Journal of Risk and for the Journal of Risk Management in Financial Institutions. He is the author of the books Flight of the Fortune Tellers – Thoughts on the Quantitative Management of Financial Risk (2007), Volatility and Correlation in Option Pricing (2004, 1999), Modern Pricing of Interest-Rate Derivatives (2002), Interest-Rate Option Models (1998, 1996).

12.00

Topic TBC

Alexandre Antonov

Senior Vice President, Quantitative Research

NUMERIX

See page 8 for biographical details

12.40

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.00

Correlation Markets And CMS Spread Pricing

- Fitting the correlation smile: copula-based approaches and alternatives
- Correlation term structures and their impact on callable spread products
- Libor market model correlation structures: how to choose a good one and why the popular models cannot be right

Alan Stacey, *Quantitative Analyst*

NOMURA

Alan Stacey was an academic for ten years, mostly in the pure mathematics department in Cambridge, but also including two years as a professor at UCLA working primarily in probability and combinatorics. He joined the Quantitative Research Centre at the Royal Bank of Scotland in 2003, working with Riccardo Rebonato and Mark Joshi, on both credit and interest rate derivatives modelling. He joined the front office rates team at Lehman Brothers in 2005 where he remained until the end. He now has a similar role at Nomura.

14.40

Examining The Latest Correlation Products For Better Pricing In Different Models

Martin Dahlgren

Quantitative Analyst

BANK OF AMERICA

In his current role, Martin Dahlgren focuses on interest rates derivatives. Prior to this he was a structured rates/inflation trader and a hybrids quant.

15.20

Afternoon Tea & Opportunity To Visit The Global Derivatives 2009 Exhibition

15.55

Multi-Factor Quadratic Gaussian Models Of Interest Rates In Practice

- Parametrization
- Calibration
- Volatility smile dynamics
- Implications for exotics
- Spread options

Vladimir Piterberg,

Global Head of Quantitative Analytics Group, BARCLAYS CAPITAL

Vladimir Piterberg is a Managing Director and the Head of Quantitative Analytics at Barclays Capital. Before joining Barclays Capital in March 2005, he was a co-head of quantitative research for Bank of America, where he had worked for 8 years. Vladimir Piterberg's main areas of expertise are the modelling of exotic interest rate and hybrid derivatives.

16.35

The Poor Man's Local And Stochastic Volatility Model

- Models with local and stochastic volatility solved by combining small parameter expansions and finite difference methods
- Symmetric approximations for European and exotic options
- Backward equations for exotic derivatives and forward equations for European options
- Applications to short dated FX

Jesper Andreasen

Global Head of Quantitative Research,

DANSKE BANK

Jesper Andreasen heads the Quantitative Research Department at Danske Bank in Copenhagen. Prior to this, Jesper has held positions in the quantitative research departments of Bank of America, Nordea, and General Re Financial Products. Jesper's research interest include: term structure modeling, volatility smiles, and numerical methods. In 2001 Jesper received Risk Magazine's Quant of the Year award.

17.10

Determinants Of Interest Rates

- What is the mechanism by which interest rates are determined in general equilibrium?
- Which economic quantities influence interest rates?
- How do changes in investors' preferences affect interest rates?

Oldrich Vasicek

Special Advisor

MOODY'S KMW

Dr. Oldrich Alfons Vasicek is a founding partner of KMW Corporation and a Special Advisor to Moody's KMW. He has published over 30 articles in financial and mathematical journals and has received a number of honors, including the Graham and Dodd Award, the Roger F. Murray Prize, the Award of the Institute for Quantitative Research in Finance, the IAFE Financial Engineer of the Year Award, and the Risk Magazine Lifetime Achievement Award.

17.45

5 minute transfer break

17.50

NEW

The Global Derivatives & Risk Management 2009 Quick-Fire Model Showcase

Your opportunity to present your model to the most prestigious derivatives audience. There are 4 slots of 10 minutes each available followed by 5 minutes Q&A for each presenter. To apply for a slot, email: ststartup@icbi.co.uk

18.45 - 19.45

Champagne Round-Tables Discussions

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 6 for further details

**MAIN CONFERENCE DAY 2
Wednesday 29 April 2009**

07.30 - 08.45

**EARLYBIRD
BREAKFAST BRIEFING**
Enjoy Cutting-Edge Research Over Breakfast!

Analytical Formulas for Pricing CMS Products In The LMM Model

- Simultaneous calibration to European swaptions and European CMS products
- Approximation of the European CMS products for the BGM SV model: Basic ideas
- Case studies:
 - Approximation of the CMS swaps and CMS caps
 - Approximation of the CMS spread options
- Numerical experiments

Alexandre Antonov, Senior Vice President, Quantitative Research, NUMERIX

Alexandre Antonov got his PhD degree from the Landau Institute for Theoretical Physics in 1997 and joined Numerix LLC in 1998 where he currently works as a Senior Vice President of Quantitative Research. His activity is concentrated on modeling and numerical methods for interest rates, cross currency, hybrid and credit.

08.45

Morning Coffee & Registration

**INNOVATIONS IN VOLATILITY
MODELLING & TRADING**

09.00

Examining Supply & Demand For Volatility

- Current trends in equity volatility markets
- Impact of non-equity volatility products on equity volatility products
- Changing characteristics of volatility and vol of vol surfaces
- Historical performance of select volatility trades over time

Paul B. Stephens, Director & Department Head, CHICAGO BOARD OPTIONS EXCHANGE

Paul Stephens has over twenty years experience in options, futures and other derivative securities. Currently, he is Director and Head of the Institutional and International Marketing Department of the Chicago Board Options Exchange (CBOE). Prior to this he was a Senior Staff Instructor with The Options Institute division of the CBOE. Before arriving at the CBOE, Mr. Stephens served as Financial Derivatives Instructor for the global investment bank S.G. Warburg and he has been a floor broker at the Chicago Mercantile Exchange.

09.40

Risk Measure Computation Using Monte Carlo Simulation

- Computing risk when prices are estimated by Monte Carlo
- Challenges of simulation-within-simulation algorithms
- Handling bias and statistical error
- New algorithms, efficiency improvements and practical examples

Mark Broadie, Carson Family Professor of Business, COLUMBIA GRADUATE SCHOOL OF BUSINESS

Mark Broadie is the Carson Family Professor of Business at Columbia University. His research focuses on the pricing of derivative securities, risk management and portfolio optimization. His paper with Boyle and Glasserman "Recent advances in simulation for security pricing" was honored as a landmark paper in the four decades of the Winter Simulation Conference. He is editor-in-chief of the Journal of Computation Finance and serves on the editorial board of Finance and Stochastics Operations Research, SIAM Journal on Financial Mathematics and Computational Management Science.

10.20

No-Dynamic-Arbitrage And Market Impact

- A stock price process that incorporates market impact
- The principle of No-Dynamic-Arbitrage
- Which models are consistent with this principle?
- A model that works
- Consistency with stylized facts and constraints on model parameters

Jim Gatheral, Managing Director, MERRILL LYNCH

Jim Gatheral, Adjunct Professor at the NYU Courant Institute of Mathematical Sciences since 1998, is a Managing Director at Merrill Lynch, focussed on volatility modeling and modeling equity market microstructure for algorithmic trading. Between 1996 and 2005, Dr Gatheral led the Equity Quantitative Analytics Group at Merrill Lynch and prior to that he has been involved in all of the major derivative product areas as bookrunner, risk manager and quantitative analyst in London, Tokyo and New York. His well-known book The Volatility Surface: A Practitioner's Guide has become a standard reference for practitioners, academics and students alike.

11.00

Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

11.30

TALKING VOLATILITY

Trading In Extreme Market Conditions & Determining Which Trading & Hedging Strategy Has Been Most Successful

Zhenyu Duanmu, Head of Equity Structured Trading PacRim, MERRILL LYNCH

Zhenyu Duanmu has been in his current role since 2006. Prior to this he was a senior exotic options trader in Merrill Lynch's Equity Derivatives Desk in New York and a quantitative analyst in Bear Stearns.

Mike de Vegvar, Managing Director, Exotic Equity Derivatives Trading, UBS

Mike de Vegvar is a Managing Director responsible for trading exotic equity index, correlation, and hybrid products at UBS in London. Prior to joining UBS in 1997, Mike traded interest rate derivatives at Bankers Trust and First Chicago. He holds BS and MS degrees in Electrical Engineering from MIT and an MBA from the Wharton School of Business.

Arthur Bard, Head of OTC & Macro Volatility Strategies, CAPITAL FUND MANAGEMENT

Dr Arthur Bard is the Head of OTC and Macro Vol Strategies at Capital Fund Management, a leading hedge fund specializing in systematic investment strategies. Prior to that, he was the Head of Quantitative Market Strategies at BlueMountain Capital Management. Earlier, Arthur was a Senior Vice President at Lehman Brothers, and a Vice President at Goldman Sachs Asset Management. Arthur holds a PhD in physics from Stanford University. He is a member of the editorial board of the Journal of Credit Risk, and a coordinator of the advisory committee for arXiv.org/q-fin, a global electronic research repository for quantitative finance.

Vladimir Finklestein, Chief Science Officer, HORTON POINT LLC

See below for biographical details

12.10

Single Stock Variance Swaps: Pricing And Risk Management In Volatile Markets

Vladimir Finklestein, Chief Science Officer, HORTON POINT LLC

Now Research

Vladimir Finklestein is a founding partner and Chief Science Officer of Horton Point LLC, investment management company specializing in quantitative strategies across asset classes. Prior to that, he was a Managing Director and Head of Quantitative Research at Citadel Investment Group (2003-2006) responsible for support of all credit-related strategies including model development, pricing and risk management. In 2000-2003 Vladimir was a Head Derivatives Risk Modeler and a global head of Credit Derivatives Analytics at Goldman Sachs.

12.50

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Including

13:15 - Lunchtime Research Session:

Golf Strategy And Performance

Using tools from quantitative finance, Mark Broadie analyzes the game of golf in order to understand what separates professionals from amateurs, to assess the importance of the long game versus the short game, and to develop optimal strategies for playing the game of golf. Results of his research have been featured in Golf Digest, Golf magazine, and the New York Times, where his work and results were described as "exhaustive," "counterintuitive" and "heresy." Broadie is a member of the United States Golf Association's handicap research team.

Led by **Mark Broadie, COLUMBIA GRADUATE SCHOOL OF BUSINESS** (pre-registration required)

14.00

Optimal Dynamic Hedging Of Multi-Asset Options

- How to compute expected costs of hedging & residual risks for jumpy assets?
- How does realized correlation control hedge slippage?
- What are the optimal hedging strategies for long & short correlation positions?
- Is the carry worth the hedge slippage risks?
- Bad-deal bounds for option trade-hedges

Vivek Kapoor, Director, Multi-Assets & Hybrids, CITIGROUP

Vivek Kapoor is with Multi-Asset & Hybrid Derivatives Trading at Citigroup. In his current and prior roles at UBS and Credit-Suisse, Kapoor has been responsible for analyzing structured product trading-hedging strategies and developing relative value metrics that are cognizant of the practical and theoretical limits of replication.

14.40

Smile Dynamics -- A Theory Of The Implied Leverage Effect

- Historical leverage and implied skew
- Market cap dependence of the volatility and the leverage effect
- Smile dynamics: sticky delta or sticky strike
- Comparison with empirical data and anomalous implied leverage

Jean-Philippe Bouchaud, Head of Research, CAPITAL FUND MANAGEMENT

Jean-Philippe Bouchaud became interested in theoretical finance in 1991. He founded the company Science & Finance in 1994 with J.-P. Aguilar, that merged with Capital Fund Management (CFM) in 2000. He now oversees, with Marc Potters, the research team of CFM (35 PhDs) and teaches statistical mechanics and finance at Ecole Polytechnique. He wrote the book Theory of Financial Risk and Derivative Pricing.

15.20

Non Black Scholes Pricing & Hedging Of Derivatives

In real-world option trading perfect replication by dynamic hedging is not remotely possible for elementary or complex derivatives. However, valuation models continue to presume perfect replication with an emphasis on ease of fitting to market prices. Traders develop rules of thumb to try to flourish and survive around the edges of the perfect replication model. "Unexpected"

blowups in exotic trading desks occur with surprising regularity.

- Should valuation models be required to display the inevitable hedging errors enroute to pricing?
- Are models assuming perfect replication particularly misleading for complex derivatives?
- Are these models more embedded in the sell-side compared to the buy-side due to regulations & accounting policies?
- How can market agents exploit the blind-spots of such unrealistic valuation models?
- How can quantitative finance tools address both trading and risk management imperatives head-on?
- What types of models help develop an understanding of risk premiums embedded in option prices?
- ellanists with backgrounds in trading, risk-management, and theory and practice of quantitative finance will attempt to answer these questions.

Moderator: Vivek Kapoor, Managing Director, Multi-Assets & Hybrids, CITIGROUP
See previous for biographical details

Jean-Philippe Bouchaud, Head of Research, CAPITAL FUND MANAGEMENT
See previous for biographical details

Rama Cont, Director, Centre for Financial Engineering, COLUMBIA UNIVERSITY
See page 3 for biographical details

16.00

Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Quantitative Finance Strategy Labs

These sessions consist of 25 minute presentations followed by open discussion with the audience on these practical topics.

16.35

Reinventing Derivatives: A Quant's Perspective

- A bit of philosophy
- Warren Buffett's derivatives prophecy
- Major market crises since the Late 80s
- Examples of product design, quality and safety crises outside of finance
- Design for manufacturability and derivative products
- Fischer Black's legacy: simple models are better
- What needs to be reinvented?

Piotr Karasinski, Global Head of Quantitative Development, HSBC

Piotr is responsible for front office derivatives teams at HSBC. He is a native of Poland where he received physics MSc from Warsaw University. He started his finance career in New York at Moccata Metals in 1984 following physics PhD studies at Yale. He later moved to Goldman Sachs in New York where he was hired by Fischer Black. In 1997 he joined Citibank in London from which he moved to HSBC in 2005. His work spans all asset classes and included applications of derivatives thinking in corporate finance.

16.35

The Future Of Structured Products - For How Long Can The Tail Keep On Wagging The Dog?

- The interaction between 'underlyings', derivative products and liquidity
- How does this bode for the future of structured products?

Riccardo Rebonato, Global Head of Market Risk and Quantitative Analysis, GBM, RBS, and Visiting Lecturer, Mathematical Finance, OXFORD UNIVERSITY

See page 7 for biographical details

16.35

Finiteness, Liquidity, Feedback And Constraints In Market Dynamics With Implications For Regulation

- Non-linearity in finance
- Case studies
- Implications for models
- Risk management
- Regulatory framework

Nasir Afaf, Global Head of FX Trading, CALYON

Prior to joining Calyon, Nasir was Global Head of FX and Precious Metals Derivatives at Commerzbank AG and a member of its Alternative Investments Committee. Previous roles include Senior Structurer and Head of Financial Engineering in Equity & Fund Derivatives at Rabobank, Head of Currency Options Trading at ING Bank NV, Emerging Markets Derivatives Trader at Deutsche Bank and Quantitative Analyst in Global Options and the Relative Value & Arbitrage Group at CSFB. A special focus throughout his career has been the development of cutting edge approaches to derivatives trading, valuation and hedging - with special focus on smile related issues.

17.35 - 18.30

Champagne Round-Tables

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 6 for further details

18.00 - 20.00

Global Derivatives & Risk Management 2009 Cocktail Party

**THE LATEST INNOVATIONS IN CREDIT
CORRELATION MODELLING & TRADING**

09.00

Credit Crunch: View From The Trenches

- Simple models for complex products or complex models for simple products
- Foundations of probability (von Mises vs. Kolmogorov) and Credit Default Swaps
- Where to next?

Alex Lipton, *Global Head of Credit Analytics, MERRILL LYNCH, Visiting Professor, IMPERIAL COLLEGE, LONDON*
See page 6 for biographical details

09.40

Exact And Efficient Simulation Of Correlated Defaults

- Markovian projection for bottom-up portfolio credit
- Calculating the projection
- Sequential thinning algorithm
- Variance reduction: particle algorithm
- Estimating credit portfolio risk measures
- Estimating cash and synthetic CDO rates

Defaults

Kay Giesecke, *Professor, STANFORD UNIVERSITY*

Kay's research and teaching address the quantitative modeling and estimation of financial risk, in particular credit risk. His research group CreditLab has been funded by grants from JP Morgan, Morgan Stanley, Mizuho, Moody's Corp, Credit Suisse and American Express. Prior to joining Stanford in 2005, he taught financial engineering at Cornell University's School of Operations Research and Information Engineering.

10.20

Base Correlation Calibration With A Stochastic Recovery Model

- Motivation: need for a consistent modelling framework to calibrate CDO tranches
- Review of stochastic recovery models
- Towards a general theory of stochastic recovery modelling
- A new marked point process based approach
- Applications:
 - Calibration of the correlation skew
 - Risk management: deltas and bespoke
 - Pricing super-senior tranches

Youssef Elouerkhaoui, *Managing Director,*

Global Head of Credit Derivatives Quantitative Research, CITIGROUP

Youssef Elouerkhaoui is the Global Head of Credit Derivatives Quantitative Research at Cit. His group supports all aspects of product development and modelling across desks, this covers: correlation trading, ABS correlation, options, credit exotics and emerging markets. Prior to this, he was a Director in the Fixed Income Derivatives Quantitative Research Group at UBS, where he was in charge of developing and implementing models for the Structured Credit Derivatives Desk.

11.00

Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

11.30

Advances In & Beyond The Gaussian Copula

- Measure change for non-Gaussian risk
- Esscher transform and Wang Transform
- Risk Neutral Default Probability for a Single Name
- Risk Neutral Default Probability for a Credit Portfolio
- New result and its properties

David Li, *Chief Risk Officer,*

CHINA INTERNATIONAL CAPITAL CORPORATION

David Xianglin Li is currently the Head of Risk Management at China International Capital Corporation (CICC) Limited where he is responsible for firm-wide risk management and quantitative analytics. David was previously with Barclays Capital and Citigroup where he managed the quantitative analytics and research team for credit derivatives. As one of the early pioneers in credit derivatives David has established standard market valuation method: Gaussian copula model or Li model.

12.10

Pricing By Replication Within One Factor Credit Correlation Models

- CDO tranches delta-hedged by single name CDS
- How can we get a perfect hedging?
- Break-even correlations and empirical spread correlations

Jean-David Fermaian,

Senior Credit Derivatives Quantitative Analyst,

BNP PARIBAS

Previous to his current role, Jean-David Fermaian was the Head of risk methodologies at his CIB, in the Risk Control Department. Just prior to joining his CIB, he was professor in Statistics at ENSAE and head of the Statistics laboratory at CREST (Paris). His research interests include particularly survival analysis, simulated methods and copulas.

Oliver Vigneron, *Managing Director, JP MORGAN*

Oliver Vigneron is co-leading credit correlation and exotics trading globally at JP Morgan. He previously held a similar position at BNP Paribas.

12.50

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Including - 13:15 - Luncheon Research Session:

Golf Strategy And Performance

See page 8 for further details
Led by **Mark Broadie**,
COLUMBIA GRADUATE SCHOOL OF BUSINESS
(pre-registration required)

NEW

14.00

Modelling Systemic Risk: A New Approach To Portfolio Credit Risk

- The 2007-2008 crisis and the failure of portfolio credit risk models
- Systemic risk and the need to model it
- Counterparty risk and the domino model
- A new approach to 'default correlation' modelling
- When is a firm 'too big to fail'?

Rama Cont, *Director, Centre for Financial Engineering,*

COLUMBIA UNIVERSITY

Rama's research has focused on the modeling of volatility, correlation and credit risk and the pricing and risk management of derivative securities.

14.40

Modelling And Successful Management Of Credit-Counterparty Risk Of Derivative Contracts

- Managing derivatives credit-counterparty risk
- Modelling approaches for credit-counterparty risk
- Right-way/wrong-way risk and stochasticity of credit
- Dual credit: effects of own credit spread
- Incorporating funding costs in derivatives pricing
- Instruments to trade credit-counterparty risk

Christopher Burgard, *Global Head of Equity, Credit, EM*

and Credit-Counterparty Derivatives Modelling,

BARCLAYS CAPITAL

Christopher Burgard is Global Head of Equity, Credit, Credit-Counterparty and EM derivatives modelling at Barclays Capital. After obtaining a PhD in particle physics from Hamburg University he was a fellow at CERN and DESY before joining Barclays Capital in 1999.

15.20

Credit Trader TaskForce

Unravelling Recent Market Events: What Are The Lessons To Be Learnt In Handling Credit Volatility?

Chair: **Peter Jaekel**, *Managing Director, OTC ANALYTICS*

After a short period in academic research, Peter migrated into quantitative analysis and financial modelling in 1997 when he joined Nikko Securities. When Nikko closed down its European operations in 1998, he changed to NatWest, which later became part of the Royal Bank of Scotland group. In 2000, he moved to Commerzbank Securities' product development group, and headed up the team jointly with a co-head from 2003. From September 2004 to May 2008, he was with ABN AMRO as Global Head of Credit, Hybrid, Inflation, and Commodity Derivative Analytics. Since June 2008, he has been working as an independent consultant under the company name OTC Analytics.

Joe Holdemess, *Managing Director, Global Head of*

Investment Bank Credit Portfolio Group,

JPMORGAN CHASE

Joseph Holdemess is currently Managing Director, Global Head of Investment Bank Credit Portfolio Group for JP Morgan Chase. Prior to joining Chase, he was head of Financial Engineering for Baring Securities in London, and before that held positions in quantitative analysis and arbitrage strategy at County NatWest and BARRA.

Nir Vidra, *Managing Director, Head of Risk, Structured*

Credit Products, DEUTSCHE BANK

Nir is responsible for the risk taking and risk management activities of the Structured Credit Product team in the Americas. Nir has over 13 years of trading experience focused on principal finance, structured credit, and structured financing. He joined Deutsche Bank in 2001.

further panellists tbc

16.00

Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

16.35

Quantitative Finance Strategy Labs

These sessions consist of 25 minute presentations followed by open discussion with the audience on these practical topics. See page 8 for full details.

17.35 - 18.30

Champagne Round-Tables

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 5 for full details.

18.00 - 20.00

Global Derivatives & Risk Management 2009 Cocktail Party

ADVANCED MODELLING OF HYBRID DERIVATIVE PRODUCTS

09.00

Handling The Dimensionality Of Multi-Asset Products: Achieving Fast Pricing & Fast Greeks

- Stochvol & variant
- Fast & robust calibration
- Quanto adjustment
- Efficient simulation technique
- Pricing high dimensional payoff using Monte-Carlo and finite-difference methods

Philippe Balland, *Director, MERRILL LYNCH*

Philippe Balland is a Managing Director in the Fixed Income Division of Merrill Lynch where he has the responsibility for all quantitative development in Short-Dated and Long-Dated FX and Hybrids.

09.40

Modelling, Pricing And Risk Management Of Callable PRDC And Dual-Range Accrual FX-Fixed Income Hybrids

- Key modelling approaches for FX-FI Hybrids;
- Modelling/Pricing Callable Power Reverser Dual Currency (PRDCs) and Callable Dual Range Accrual Products
- Managing P&L, Risks, Reserves for Hybrid Products

Faisal Yousaf, *Global Head of Derivative*

Analytics Product Control, HSBC

Since 2001 Faisal has held various positions at HSBC Investment Bank based in Canary Wharf London and he took up his current position as Global Head of Derivative Analytics, Product Control, for HSBC in March 2006. Faisal has had extensive exposure to modelling and pricing problems within FX, Fixed Income, Credit, Equity and Hybrid Derivatives. His current role spans issues across all of these asset classes.

10.20

An Efficient Approximation Method For Multi Asset Equity Options

- An efficient method to generate accurate risk reports for multi asset options that usually are priced with the Monte Carlo method

- The pricing method is based on an approximation method and it can be used for several popular equity options like worst of or best of options and podiums
- The conditional independence model
- Faster than the Monte Carlo method and numerical examples indicates that it gives good approximations

Per Horfelt, *Equity Derivatives Quantitative Analyst,*

BARCLAYS CAPITAL

Per Horfelt has spent the last 4 years as an equity quant at Barclays Capital. Prior to this, he worked at the Fraunhofer-Chalmers Centre which is a research centre in industrial mathematics.

11.00

Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

COMMODITIES TRADING & RISK MANAGEMENT

11.30

Examining Recent Developments In Commodity Derivatives Markets

Commodities

- Market participants: changing behaviour and structural impact on the marketplace
 - Derivatives instruments: product evolution and growing demand for managing new risks
 - Generating alpha from systematic volatility trading strategies
 - **Ilija Bouchouev**, *Managing Director, Global Head of Energy Derivatives, KOCH SUPPLY & TRADING*
- For the last ten years Ilija Bouchouev has been managing the global energy derivatives business for Koch Industries, the world largest privately held company. Koch Structured Products group became one of the most active liquidity providers of energy options to corporate end-users and hedge funds with desks in New York, Wichita (Kansas), Geneva, and Singapore. The group has pioneered a number of unique energy derivatives instruments and been recognized as a leading quantitative volatility trader in commodities.

12.10

Robust Pricing Of The Volatility Surface On Commodities Indices

- In a relatively illiquid market, there is necessity in hedging index vega from single component vega
 - Term structure of correlations
 - The Index surface skew is inferred from components skew
 - **Jerome Drouin**, *MD, Global Head of Commodity Indices, CREDIT SUISSE*
- Prior to his current role, Jerome Drouin was MD, Global Head of commodity indices at UBS where he invented CMCI. Prior to this he was a VP at Macquarie in New York.

12.50

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Including - 13:15 - Luncheon Research Session:

Golf Strategy And Performance

See page 8 for further details
Led by **Mark Broadie**,
COLUMBIA GRADUATE SCHOOL OF BUSINESS
(pre-registration required)

14.00

Commodity Indices: A Practitioner's Approach To Modelling Topics

- From single commodities to commodity indices
- Designing commodity indices
- Modelling discussions

Hugo Picca, *Director, Commodity Index Trading, UBS*

Hugo was previously lead quantitative analyst in the Commodities group with JP Morgan Chase and is now senior commodity index trader with UBS. His recent work focused on designing and trading the first commodity index of the second generation, the UBS Bloomberg Constant Maturity Commodity Index

14.40

Determinants Of Commodity Prices And Convenience Yields: A New Three Factor Model For Spot Prices With Closed Form Futures Prices

- Extension to short and long term factor jumps
- Model calibration with extended Kalman filtering
- Factor economic interpretation for hydrocarbon and metals markets
- Applications to real option evaluation

Michael Dempster, *Professor Emeritus, UNIVERSITY OF CAMBRIDGE*

Michael Dempster has taught and researched in leading universities on both sides of the Atlantic and is currently Editor-in-Chief of Quantitative Finance. He has been consultant to a number of global financial institutions and is regularly involved in executive education in financial engineering and risk management around the world.

15.20

Counterparty Risk Valuation In Oil Swaps: Impact Of Volatilities And Correlations

- Counterparty risk valuation adjustment (CVA) for oil swaps
- Induced model dependencies
- Dynamical oil model correlated with counterparty credit quality
- Impact of oil volatility, credit spread volatility and correlation
- A case study

Damiano Brigo, *Visiting Professor, Dept. of Mathematics, IMPERIAL COLLEGE, LONDON*

In 1997 Damiano Brigo moved to financial modeling at Banca INTESA in Milan, dealing with the pricing/hedging of equity, basket and interest-rate derivatives and with Risk Measurement. In 1998 he moved to Banca IMI, where he has been appointed as Head of the Credit Models department. In July 2007 Damiano joined London-based Fitch Solutions as Managing Director and Global Head of the Quantitative Innovation team.

16.00

Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

16.35

Quantitative Finance Strategy Labs

These sessions consist of 25 minute presentations followed by open discussion with the audience on these practical topics. See page 8 for full details

17.35 - 18.30

Champagne Round-Tables

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 5 for further details

18.00 - 20.00

Global Derivatives & Risk Management 2009 Cocktail Party

FX DERIVATIVES MODELLING & TRADING

09.00

Emerging Markets And Managed Currency Pairs: A Practitioner's Assessment Of Market Behaviour And Modelling Challenges

- Market challenges
- Standard models behaviour
- Alternative models & conclusions

Marouane Benchekroun, Global Head of FX And Precious Metals Quantitative Development, HSBC
Marouane heads the Global FX and Precious Metals quant team at HSBC. He started his FX quant career in 1998 in Paris at CCF after graduating from Ecole Polytechnique and completing DEA in Numerical Analysis from Paris VI. After CCF's acquisition by HSBC in 1999, he moved to London to join the newly merged FX Options Desk. Marouane has been a key contributor to the growth of HSBC's FX & PM Derivatives business. Over the past 10 years he developed their analytics library and built his quant team.

09.40

Generation Of Systemic Non-Linearity Due To Model Imperfections In FX Markets

- Customer behaviour
- Market maker response
- Feedback into subsequent customer and market maker response
- Dynamical patterns
- Aggregate Greeks impacts and volatility dynamics
- Statistical signatures from cause and effect - as opposed to "blind man" modelling

Nasir Afaf, Global Head of FX Trading, CALYON
See page 6 for biographical details

10.20

A New Approach To Intrinsic Currency Analysis

- Calculation of intrinsic currency values and volatilities
- Assessing strength of currencies in their own right, rather than in conjunction with another currency in a currency pair
- Tenor independent intrinsic currency correlation
- Application to cross-currency asset allocation

Paul Doust, Head of Quantitative Analysis, ROYAL BANK OF SCOTLAND

Paul Doust has been working in the financial markets since 1987 in a variety of trading, structuring and quantitative roles. As a complex derivative trader in the early 1990's, he did some of the early work on convexity adjustments, before moving into structured credit in the late 1990's. He now runs the Quantitative Analysis team at the Royal Bank of Scotland, where the focus is the application of quantitative techniques to solve client problems.

11.00

Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

11.30

Accurate Sensitivities With Auto-Differentiation

- What is auto-differentiation?
- How can sensitivities benefit?
- Auto-differentiation for Monte Carlo
- Dealing with non-differentiable payoffs

Juergen Hakala, Head of Quantitative Analytics - FXO, Commodities & Hybrids, STANDARD CHARTERED BANK

Juergen Hakala works at Standard Chartered Bank, where he leads a global team of quants involved in modeling for a variety of asset classes, in particular foreign exchange, as well as commodities, equity derivatives, and hybrids. He is interested in all aspects of mathematical and computational finance and risk management. He is, together with Uwe Wystup, the editor of a book about 'Foreign Exchange Risk'.

12.10

PRDs As WMDs: Risk Managing Correlation

Eric Auld, Global Head of FX & FX Hybrids, BNP PARIBAS

See page 6 for biographical details

12.50

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Including - 13:15 - Luncheon Research Session:

Golf Strategy And Performance

See page 8 for further details

Led by **Mark Broadie, COLUMBIA GRADUATE SCHOOL OF BUSINESS** (pre-registration required)

CLIMATE CHANGE & CATASTROPHE DERIVATIVES

14.00

Climate Change As An Investment Sector/Opportunity

Joaquim de Lima, Director, Global Head of Equity Derivatives & Quantitative Research HSBC

Joaquim has over 12 years' experience in the area of quantitative and equity derivatives research and began his career developing quantitative futures trading models. He is currently the Head of Equity Derivative & Quantitative Research at HSBC which includes responsibility for the index creation group.

14.40

Examining The Catastrophe Derivatives Marketplace

Session I - The Bank Perspective

- Historical overview
- Structures & formats - ILW, Catbonds, Sidecars, UNL
- Relative Value & diversification

Nir Vidra, Managing Director, Head of Risk, Structured Credit Products, DEUTSCHE BANK
see previous for biographical information

Session II - The Insurance Perspective

- Global growth
- European growth obstacles and solutions
- European triggers
- Perils Re vs PCS
- Paradox

Albert Selius, Head of ILS Trading, SWISS RE
Albert Selius joined Swiss Re in 2001 and was instrumental in the creation of the insurance Linked Securities (ILS) initiative within the Capital Markets Division of Swiss Re. Mr. Selius is currently head of the ILS Trading desk for Swiss Re's Insurance Linked Financial Products (ILFP) team. The trading desk trades in cat bonds, derivatives, and ILVs. Prior to his position with Swiss Re, Mr. Selius was employed at Greenwich Capital Markets in Trading and Risk Management. He worked on the proprietary mortgage trading desk in trading complex mortgage, credit and municipal securities and derivatives. Previous to his trading experience at Greenwich Capital, Mr. Selius was instrumental in starting the Mortgage Risk Management department.

16.00

Afternoon Tea & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

16.35

Quantitative Finance Strategy Labs

These sessions consist of 25 minute presentations followed by open discussion with the audience on these practical topics. See page 8 for full details.

17.35 - 18.30

Champagne Round-Tables

These are a chance to discuss the latest issues with leading experts over a glass of champagne. See page 5 for full details.

18.00 - 20.00

Global Derivatives & Risk Management 2009 Cocktail Party

MAIN CONFERENCE DAY 3
Thursday 30 April 2009

07.30 - 08.45

EARLYBIRD BREAKFAST BRIEFING
Enjoy Cutting-Edge Research Over Breakfast!

Dependence Modeling And Pricing Of Options On Baskets Using Acceptable Risks

Led by **Dilip Madan, Professor of Mathematical Finance, ROBERT H. SMITH SCHOOL OF BUSINESS, UNIVERSITY OF MARYLAND**

Dilip Madan is Professor of Finance at the Robert H. Smith School of Business. He specializes in Mathematical Finance. Currently he serves as a consultant to Morgan Stanley, Cassin Capital LLC, Citigroup and Bloomberg and has also consulted for the FDC and Wachovia Securities. He is a founding member and immediate Past President of the Bachelor Finance Society, recipient of the 2006 von Humboldt award in applied mathematics, Managing Editor of Mathematical Finance and the Review of Derivatives Research, Associate Editor for the Journal of Credit Risk, and Quantitative Finance. His work is dedicated to improving the quality of financial valuation models, enhancing the performance of investment strategies, and advancing the understanding and operation of efficient risk allocation in modern economies.

08.45

Morning Coffee

08.55

Chairman's Welcome

"The conference was fabulous, I have always enjoyed Global Derivatives, but this time even more. Just the right mix of theory and practice"

Vivek Kapoor, Citigroup

09.00

NEW ACADEMIC RESEARCH

The Financial Crisis Observatory: Why Stock Markets Crash? & Implications For The Future Of Markets

- Financial excesses, bubbles and crashes
- How to diagnose them?
- Towards forecasting rallies and crashes
- Reverse engineering and pockets of predictability

Led by **Didier Sornette, Professor of Entrepreneurial Risks and Finance, ETH ZURICH**
Didier Sornette holds the Chair of Entrepreneurial Risks at ETH Zurich (Swiss Federal Institute of Technology Zurich) since March 2006 where he teaches on financial market risks and on entrepreneurial risks. He is a member of the Swiss Finance Institute. He is also the Director of Research of Insight Research LLC, a R&D California based company providing softwares for financial risks and consulting services in trading and the president of the Board of Renaissance Investment Management, a UK-based Hedge Fund. Didier Sornette is the author and coauthor of more than 380 research papers in refereed international journals.

09.45

SPECIAL GUEST ADDRESS

ID: The Quest For Identity In The 21st Century

When a human baby is born, although most of the brain cells are already present, it is the growth of the connections between those cells that accounts for the growth of the brain after birth. More than for any other species, this post-natal expansion in the brain enables it to reflect personal experiences. It is this personalization of the brain that I shall suggest is the human mind. We shall discuss examples of how we can lose our mind with dementia and blow our minds with drugs. We shall also see how, in normal development however, the growth of connections, driven by unique experiences enables us to shift from a sensory to a cognitive view of the world. However, for the first time that world could be changing. Given the malleability of the human brain to experience, it follows that the new experiences of living for protracted periods of time, interacting with a computer screen, might literally leave it's mark on the brain. In particular, thinking, identity, and risk-taking might all be transformed in future generations.

We shall explore how previous types of identity may be challenged. Whilst a "someone" scenario characterizes 20th century materialism, and an "anyone" scenario strong ideological movements, we could now also be confronted by a "nobody" option, of a world that is more sensory that cognitive i.e. more analogous to the world of the infant. We shall conclude by exploring the question of whether there might be a fourth option that enables a 21st century citizen to be both fulfilled and individual.

Baroness Susan Greenfield CBE

Baroness Greenfield is the first female director of the Royal Institution. She is also Professor of Pharmacology at Oxford, heading a unit undertaking groundbreaking research into Parkinson's and Alzheimer's Disease. She is author of several books, including Tomorrow's People and The Human Brain - A Guided Tour. Greenfield is a regular guest on Radio 4, presenter of Brain Story and an occasional columnist on The Times and The Sunday Times. She has been profiled as one of the fifty most powerful women in Europe.

10.30

5 Minute Transfer Break

10.35

Quantitative Problem Solving Working Groups

Delegates will have the opportunity to submit their problems for each asset class prior to the event. 3 problems per group will then be selected and discussed with each speaker and attendees during the session. Come prepared to add your thoughts to the perennial problems in your everyday work! To submit your problems, email ststartup@icbi.co.uk

Equity TaskForce

Led by **Bruno Dupire, Quantitative Research, BLOOMBERG & Peter Carr, Head of Quantitative Financial Research, BLOOMBERG**

Interest Rates TaskForce

Led by **Leif Andersen, Global Head GCIB Quantitative Research, BANC OF AMERICA SECURITIES & Jesper Andersen, Global Head of Quantitative Research, DANSKE BANK**

Credit TaskForce

Led by **Alex Lipton, Global Head of Credit Analytics, MERRILL LYNCH, Visiting Professor, IMPERIAL COLLEGE, LONDON & Peter Jaekel, Managing Director, OTC ANALYTICS**

11.20

Morning Coffee & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

Including

Q&A Coffee With Baroness Susan Greenfield CBE

Your chance to ask your burning questions in this pre-eminent neuroscientist and author (pre-registration required)

THE LATEST INNOVATIONS IN INTEREST RATE & INFLATION MODELLING & TRADING

11.50

Local-Stochastic Volatility Modeling Of FX Rates

- Smile dynamics
- Parameter averaging
- Calibration
- Exotic pricing & extensions

Leif Andersen, Global Head GCIB Quantitative Research, BANC OF AMERICA SECURITIES

Leif is currently head of the rates and credit quantitative research group at Banc of America Securities. Before that he spent 9 years at General Re Financial Products, working in a variety of financial markets.

12.30

Talking Interest Rate Trading

CMS Spread Options & Gamma Trap For CMS Spread Products: Market Dynamics Or Modelling Failure?
Carlos Sin, UBS

Ken Yan, Head of International Structured Derivatives Trading, NOMURA

Ken Yan is Head of international rate structured derivatives in Nomura international. Prior to Nomura, he traded exotic derivatives in Citibank in NY, and Tokyo Mitsubishi International in London. He has a Ph.D in mathematics, and was a Professor in mathematics in Universities in the U.S before joining the finance industry.

13.10

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.20

Inflation Derivatives: Market Dislocations Post-Credit Crunch

- Bifurcation of inflation swaps from inflation-indexed bond breakevens
- Mechanisms for market correction
- Modelling challenges: \$billions of at-the-money and in-the-money options now that inflation forwards are negative
- Latest developments in the main markets: Eurozone, UK, and US markets

Dariusz Mirfendereski, Managing Director, Head of Inflation Linked Trading, UBS INVESTMENT BANK

In addition to Dariusz's trading responsibilities, he has been closely involved in winning inflation-indexed bond mandates from The Republic of Italy, the UK Debt Management Office and the French Trésor since joining UBS in 2004. Prior to joining UBS, Dariusz was head of inflation derivatives at Barclays Capital, where he started trading inflation-linked products in 1998. Dariusz is a co-author of the book "Inflation-Indexed Securities: Bonds, Swaps, and Other Derivatives, 2nd Ed.", published in January 2004 – the leading reference on this asset class.

15.00

Noisy Hedges And Fuzzy Payoffs: Using Soft Computing To Improve Risk Stability

- Dealing with the effects of noise on pricing derivatives; problems with hedges and risk computations
- Using fuzzy logic to manage uncertainty in the computation of price and risk of structured payoffs
- Implementing generalised smoothing of payoffs; fuzzifying trade description languages and other frameworks

- Practical application to a digital type of interest rate derivative; a range accrual swap. Improvements in price convergence and reduction of noise in risk reports

Lucy Withington, Quantitative Analyst, ROYAL BANK OF CANADA

Lucy's career as a quantitative analyst started at Santander, where she spent three years working for the structured interest rates desk. Since 2005, Lucy has been part of the growing structured products business at RBC in London, developing and implementing new interest rate models.

15.40

Pricing Long-Dated Derivatives With Stochastic Interest Rates And Stochastic Volatility

- Incorporating stochastic interest rates in stochastic volatility models
- The Schöbel-Zhu-Hull-White (SZHW) model
- The SZHW FX model
- Efficient simulation within the Schöbel-Zhu and SZHW models

Roger Lord, Quantitative Analyst, RABOBANK INTERNATIONAL

After starting as a financial engineer at Cardano Risk Management in 2001, and subsequently joining Rabobank International's model validation department, Roger joined Rabobank International's Financial Engineering team in 2006, developing front-office pricing models for interest rate/FX derivatives. His work has been published in several leading journals.

16.15 End of Main Conference

DERIVATIVES TRADING IN VOLATILE MARKETS

11.50

Exploring Mileage Options: Derivations And Potential Applications

- A brief history
- 2 derivations (a trader's way and a more academic way)
- Its applications

Zhenyu Duanmu, Head of Equity Structured Trading PacRim, MERRILL LYNCH
See page 8 for biographical details

12.30

Innovative Exchange Solutions To Reduce OTC Counterparty Risk

- Currex Wholesale OTC initiative - recent improvements and new challenges
- How a central clearing counterpart can reduce counterparty risk?

Juan Martini, Institutional Sales, EUREX
Juan Martini, CFA, recently joined Eurex Zurich AG the Swiss Office of EUREX, one of the worldwide leading derivatives exchanges, as an institutional sales manager, responsible for end-customers (Asset Managers, Pension Funds, Insurances, Hedge Funds) for Switzerland and Italy. His task is to develop business, enhance sales and public awareness, e.g. for Eurex Clearing AG, enhancing Wholesale OTC initiative for reducing counterparty risk, and marketing the launch of exchange-traded new derivative products.

13.10

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.20

Constructing The Smile Surface & Handling Volatility In Emerging Market Interest Rate Derivatives

- Survey of emerging market interest rate options
- Relationship of IR smiles with FX smiles
- Example: Turkey

Emerging Markets

Chris Hunter, Head of Emerging Market Interest Rate Options and Exotics Trading Europe, BNP PARIBAS
Christopher Hunter is the Head of Emerging Market Interest Rate Options and Exotics Trading - Europe, covering Central and Eastern European, Russian, Turkish, Middle East and South African markets. He joined BNP-Paribas in 2001 and spent 4 years in quantitative research, working on interest rate and FX modeling in both London and New York. In 2005 he moved to trading, and prior to his current role he was trading hybrid derivatives.

15.00

Hedging Range Accruals To The Dynamics Of Yield Curves

Carlos Sin, UBS

15.40

Carbon Markets: A New Commodity Is Born

- Overview of the carbon markets
- Pricing and hedging strategies
- Risk management techniques
- Forecasting supply and demand of carbon credits

Marcelo Labre, Global Head Quantitative Analytics and Risk Methods, STANDARD BANK

Mr. Labre heads the department responsible for derivative pricing and risk models at Standard Bank overseeing all asset classes and businesses. He has specialised in commodities trading and more specifically in the pricing and risk management of carbon credits instruments and portfolios.

16.15

End of Main Conference

INNOVATIONS IN VOLATILITY MODELLING & TRADING

11.50

Functional Ito Calculus And Robust Volatility Hedging

- Extension of Ito calculus to functionals of the price path
- Black-Scholes PDE for path dependent options
- Volatility expansion: Price impact of various models
- Handling the risk of the full implied volatility surface
- Optimal hedge of exotic options with vanillas

Bruno Dupire, Quantitative Research, BLOOMBERG

After having headed derivatives research teams at Société Générale, Paribas and Nikko FP, Bruno joined Bloomberg in New York in 2004 to develop advanced analytics. He is best known for his work on volatility modeling, including the Local Volatility Model (1993), simplest extension of the Black-Scholes-Merton model to fit all option prices, and subsequent results on stochastic volatility and volatility derivatives. He is a Fellow and Adjunct Professor at NYU. He was included in December 2002 in the Risk magazine "Hall of Fame" of the 50 most influential people in the history of derivatives. He is the recipient of the 2006 "Cutting edge research" Wilmut award and has been voted in 2006 the most important derivatives practitioner of the past 5 years in the Global Derivatives industry survey. He received in 2008 the "Lifetime Achievement Award" of Risk Magazine.

13.10

Lunch & Opportunity To Visit The Derivatives & Risk Management 2009 Exhibition

14.20

Generalizing The KMV Methods To Levy Processes In Determining Loan Spreads

Dilip Madan, Professor of Mathematical Finance, ROBERT H. SMITH SCHOOL OF BUSINESS, UNIVERSITY OF MARYLAND
See page 10 for biographical details

15.00

Factor Models And Co-Movement And Pricing Of Individual Equity Options

- Estimation of objective and risk neutral factor models of return with index and idiosyncratic stochastic volatility
- Consistency of index volatility dynamics in index options and in the cross-section of options on individual stocks
- Co-movement of option pricing surfaces across stocks

Duane Seppi, NY Mellon Professor of Finance, Tepper School of Business, CARNEGIE MELLON UNIVERSITY
Duane Seppi's research interests include equity and commodity derivative valuation and also market microstructure issues relating to liquidity and to limit order markets. His research has been published in the Journal of Finance, the Review of Financial Studies, and other leading finance and economics journals.

15.40

Volatility Of Investment Strategies Vs. Volatility As An Investment Strategy

- An econometric model for fat-tailed, asymmetric and variable volatility returns
- Differentiating the risk premia for volatility, skewness and kurtosis
- Volatility as a driver of strategy allocations
- Volatility as an investment strategy and as a portfolio hedge

Arthur Berd, Head of OTC & Macro Volatility Strategies, CAPITAL FUND MANAGEMENT
See page 8 for biographical details

16.15

End of Main Conference

About Your Exhibitors & Other Supporting Companies

Bloomberg

KNOW MORE

Bloomberg is the world's leading provider of real-time financial information.

To find out what Bloomberg can offer you and your business, call our 24/7 Global Customer Support on +44 20 7930 7850, or visit www.bloomberg.com

The first and last stop for finance professionals

Exotic options trading

Introduces QUANTITATIVE FINANCE

WILEY FINANCE

MSCF

Master of Science in Computational Finance

Carnegie Mellon

- Tepper School of Business
- Department of Mathematical Sciences
- Department of Statistics
- H. John Heinz III School of Public Policy and Management

www.cmu.edu/mscf

nag

Results Matter. Trust NAG.

www.nag.co.uk

MFE Master's in Financial Engineering

Recruits graduate students and alumni from the #1 Financial Engineering Program in the country

For more information, please contact us by email: SFIE@MFE.FIN or visit www.mfe.finance

eurex

e-mail: eurex.sales@eurexchange.com

website: www.eurexchange.com

SciComp Inc.

The ultimate flexible derivatives coding solution.

- Reduced development costs
- Cutting edge algorithms
- 30-100x code acceleration

www.scicomp.com
info@scicomp.com
Tel: +1 512 451 1050

To promote your company at this premier derivatives event, contact

Greg Harley
+44 (0) 20 7017 7225
gharley@icbi.co.uk

Register Now – Five Easy Ways!

1. Fax this form on +44 (0) 20 7017 7807
2. Post this form to: Global Derivatives 2009 Conference Administrator, ICBI, 8th Floor, 29 Bressenden Place London SW1E 5DR, UK
3. Telephone us on +44 (0) 20 7017 7200
4. Email: info@icbi.co.uk
5. Via the website: www.icbi-derivatives.com Always quote your VIP CODE when registering.

“A really good occasion to meet many impressive people from the industry”

Richard Carson, Head of Global Equity Derivatives
Deutsche Bank

Please do not cover VIP code
Conference Code: KR2205

DATES

- **Volatility & Correlation Summit**
27 April 2009
- **Credit Workshop**
27 April 2009
- **Main Conference**
28-30 April 2009
- **Bruno Dupire Workshop**
1 May 2009
- **Credit Workshop**
1 May 2009
- **Interest Rates Workshop**
1 May 2009

www.icbi-derivatives.com

VENUE DETAILS

Sheraton Roma Hotel & Conference Center
Viale del Pattinaggio, 100
00144 Roma, Italy
Tel: 00 39 06 54531
Fax: 00 39 06 5940689
www.sheraton.com/roma
res497.sheraton.roma@sheraton.com

Download hotel booking form at
www.icbi-derivatives.com



25% DISCOUNT

VIP: KR2205SCIEM

1st Delegate:

Name _____
Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

I would like to receive information on future events & services via email. By giving you my email address I am giving ONLY IIR companies the permission to contact me by email.

Yes! I would like to receive info on future events & services via fax

Signature

Hd of Dept: Name

Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

Booking Contact: Name

Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

Person who will attend if I have to cancel:

Name _____
Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

2nd Delegate:

Name _____
Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

I would like to receive information on future events & services via email. By giving you my email address I am giving ONLY IIR companies the permission to contact me by email.

Yes! I would like to receive info on future events & services via fax

Signature

3rd Delegate:

Name _____
Job title _____ Department _____
Direct Tel _____ Mobile Tel _____
Email Address _____ Direct Fax _____

I would like to receive information on future events & services via email. By giving you my email address I am giving ONLY IIR companies the permission to contact me by email.

Yes! I would like to receive info on future events & services via fax

Signature

YOUR COMPANY DETAILS

Company Name: _____ Nature of Company's business: _____
Address: _____
Postcode: _____

	DATES	Bookings received by 27 February 2009	SAVE	Bookings received by 27 March 2009	SAVE	Bookings received after 27 March 2009	SAVE
<input type="checkbox"/> 5 Day Package: Conference, Summit & 1 Workshop (please specify below) <input type="checkbox"/> Volatility & Correlation <input type="checkbox"/> Credit Derivatives <input type="checkbox"/> Interest Rates	27 April - 1 May 09	£4,397 (+VAT) = £5,276.40	£800	£4,697 (+VAT) = £5,636.40	£500	£4,797 (+VAT) = £5,756.40	£400
<input type="checkbox"/> 5 Day Package: Conference & 2 Workshops (please specify below) <input type="checkbox"/> Credit (27 April) and <input type="checkbox"/> Volatility & Correlation or <input type="checkbox"/> Credit or <input type="checkbox"/> Interest Rates (All 1 May)	27 April - 1 May 09	£4,197 (+VAT) = £5,036.40	£800	£4,597 (+VAT) = £5,516.40	£400	£4,697 (+VAT) = £5,636.40	£300
<input type="checkbox"/> 4 Day Package: Main Conference & Volatility Trading Summit	27 - 30 April 09	£3,598 (+VAT) = £4,317.60	£500	£3,798 (+VAT) = £4,557.60	£300	£3,898 (+VAT) = £4,677.60	£200
<input type="checkbox"/> 4 Day Package: Conference & 1 Masterclass (please specify below) <input type="checkbox"/> Credit (27 April) or <input type="checkbox"/> Volatility & Correlation or <input type="checkbox"/> Credit or <input type="checkbox"/> Interest Rates (All 1 May)	27-30 April 09 or 28 April-1 May 09	£3,398 (+VAT) = £4,077.60	£500	£3,698 (+VAT) = £4,437.60	£200	£3,798 (+VAT) = £4,557.60	£100
<input type="checkbox"/> 3 Day Package – Main Conference only	28-30 April 09	£2,499 (+VAT) = £2,998.80	£300	£2,699 (+VAT) = £3,238.80	£100	£2,799 (+VAT) = £3,358.80	
<input type="checkbox"/> 1 Day Package – Volatility Trading Summit Only	27 April 09	£1,299 (+VAT) = £1,558.80		£1,299 (+VAT) = £1,558.80		£1,299 (+VAT) = £1,558.80	
<input type="checkbox"/> 1 Day Package: Workshop only <input type="checkbox"/> Credit (27 April) or <input type="checkbox"/> Volatility & Correlation or <input type="checkbox"/> Credit or <input type="checkbox"/> Interest Rates (All 1 May)	27 April 1 May	£999 (+VAT) = £1,198.80	£100	£1,099 (+VAT) = £1,318.80		£1,099 (+VAT) = £1,318.80	

Savings include Multiple Booking & Early Booking Discounts. All discounts can only be applied at the time of registration and discounts cannot be combined. All discounts are subject to approval. Please note the conference fee does not include travel or hotel accommodation costs. Italian VAT = 20%

£200 discount for 4th and subsequent delegates.

PAYMENT DETAILS

Please use this form as our request for payment. Fax and phone bookings should be made with a credit card number, or followed up by a posted registration form. Places are only guaranteed by full payment, which must be received before the conference.

I will pay by:

- Cheque/bankers draft made payable to ICBI for £.....
 Invoice to be sent to my company
 Bank transfer - full details of bank transfer options will be given with your invoice on registration.

Please debit my Mastercard Visa Eurocard American Express

Card Number

Expiry Date / with the sum of £

Signature _____

CVV Number

3 digit security code on the reverse of card, 4 digits for AMEX card

CANCELLATION POLICY

CANCELLATION POLICY: Should you be unable to attend, a substitute delegate is always welcome at no extra charge. Alternatively, we will make a prompt refund less a service charge of 10% of the fee for cancellations received in writing (letter or facsimile) no later than 30 March 2009. Where notice is given between this date and 13 April 2009, refunds will be 50% of the fee, thereafter we regret that no refunds can be made.

PERSONAL DATA

Personal data is gathered in accordance with the Data Protection Act 1998. Your details may be passed to other companies (in countries within or outside the EEA) who wish to communicate with you offers related to your business activities. If you do not wish to receive these, please tick the box



Additional Requirements. Please notify ICBI at least one month before the conference date if you have any additional requirements e.g. wheelchair access, large print etc.