



these supertraders, spectacular winners whose success occurs across a spectrum of financial markets. These traders use different methods, but they all share an edge. How do they do it? What separates them from the others? What can they teach the average trader or investor? In *The New Market Wizards*, these wildly successful traders relate the financial strategies that have rocketed them to success, as well as the embarrassing losses that have proven them all too human. Meet the Wizards of Wall Street: \* Stan Druckenmiller, who, as manager of the Soros Quantum Fund, realized an average annual return of more than 38 percent on assets ranging between \$2.0 and \$3.5 billion \* William Eckhardt, a mathematician who, in collaboration with trader Richard Dennis, selected and trained the now-legendary circle known as the Turtles \* Bill Lipschutz, a former architect who, for eight years, was Salomon Brothers' largest and most successful currency trader \* Blair Hull, a one-time blackjack player who began an options trading company with *Asking the questions that readers with an interest in the financial markets would love to pose to the financial superstars, and filled with candid appraisals, The New Market Wizards takes its place as a classic.*

*Cut risk and generate profit even after the market drops* *The Second Leg Down offers practical approaches to profiting after a market event. Written by a specialist in global macro, volatility and hedging overlay strategies, this book provides in-depth insight into surviving in a volatile environment. Historical back tests and scenario diagrams illustrate a variety of strategies for offsetting portfolio risks with after-the-fact options hedging, and the discussion explores how a mixture of trend following and contrarian futures strategies can be beneficial. Without a rational analysis-based approach, investors often find themselves having to cut risk and buy protection just as options are at their most over-priced. This book provides practical strategies, expert analysis and the knowledge base to assist you in recovering your portfolio. Hedging strategies are often presented as expensive and unnecessary, especially during a bull market. When equity indices and other unstable assets drop, they find themselves stuck - hedging is now at its most expensive, but it is imperative to hedge or face liquidation. This book shows you how to salvage the situation, with strategies backed by expert analysis. Identify the right hedges during high volatility Generate attractive risk-adjusted returns Learn new strategies for offsetting risk Know your options for when losses have already occurred Imagine this scenario: you've incurred significant losses, you're approaching risk limits, you must cut risk immediately, yet slashing positions would damage the portfolio - what do you do? The Second Leg Down is your emergency hotline, with practical strategies for dire conditions.*

*Mathematica is a computer program (software) for doing symbolic, numeric and graphical analysis of mathematical problems. In the hands of economists, financial analysts and other professionals in econometrics and the quantitative sector of economic and financial modeling, it can be an invaluable tool for modeling and simulation on a large number of issues and problems, besides easily grinding out numbers, doing statistical estimations and rendering graphical plots and visuals. Mathematica enables these individuals to do all of this in a unified environment. This book's main use is that of an applications handbook. Modeling in Economics and Finance with Mathematica is a compilation of contributed papers prepared by experienced, "hands on" users of the Mathematica program. They come from Building Intuition with Delta Hedging and Monte Carlo Simulation using Excel*

*The Kelly Capital Growth Investment Criterion*

*Currency Derivatives*

*FX Options and Structured Products*

*Pricing and Hedging of Financial Derivatives*

*Statistical Consequences of Fat Tails*

*Strategies for Profiting after a Market Sell-Off*

*This second edition - completely up to date with new exercises - provides a comprehensive and self-contained treatment of the probabilistic theory behind the risk-neutral valuation principle and its application to the pricing and hedging of financial derivatives. On the probabilistic side, both discrete- and continuous-time stochastic processes are treated, with special emphasis on martingale theory, stochastic integration and change-of-measure techniques. Based on firm probabilistic foundations, general properties of discrete- and continuous-time financial market models are discussed.*

*This book is an invaluable resource of hedging case studies and examples, explaining with clarity and coherence how various instruments - such as futures and options - are used in different market scenarios to contain, control and eliminate price risk exposure. Its core objective is to elucidate hedging transactions and provide a systematic, comprehensive view on hedge performance. When it comes to hedge strategies specifically, great effort has been employed to create new instruments and concepts that will prove to be superior to classic methods and interpretations. The concept of hedge patterns - introduced here - proves it is possible to tabulate a hedging strategy and interpret its use with diagrams, so each example is shown visually with the result of radical clarity. A compelling visual pattern is also attached to each case study to give you the ability to compare different solutions and apply a best-fit hedging strategy in real-world situations. A diverse range of hedging transactions showing the ultimate payoff profiles and performance metrics are included. These have been designed to achieve the ultimate goal - to convey the necessary skills to allow business and risk management teams to develop proper hedging mechanisms and apply them in practice.*

*Valuation and hedging of financial derivatives are intrinsically linked concepts. Choosing appropriate hedging techniques depends on both the type of derivative and assumptions placed on the underlying stochastic process. This volume provides a systematic treatment of hedging in incomplete markets. Mean-variance hedging under the risk-neutral measure is applied in the framework of exponential L(r)vy processes and for derivatives written on defaultable assets. It is discussed how to complete markets based upon stochastic volatility models via trading in both stocks and vanilla options. Exponential utility indifference pricing is explored via a duality with entropy minimization. Backward stochastic differential equations offer an alternative approach and are moreover applied to study markets with trading constraints including basis risk. A range of optimal martingale measures are discussed including the entropy, Esscher and minimal martingale measures. Quasi-symmetry properties of stochastic processes are deployed in the semi-static hedging of barrier options. This book is directed towards both graduate students and researchers in mathematical finance, and will also provide an orientation to applied mathematicians, financial economists and practitioners wishing to explore recent progress in this field."*

*Advanced Guidance to Excelling in the FX Market Once you have a textbook understanding of money market and foreign exchange products, turn to FX Options and Structured Products, Second Edition, for the beyond-vanilla options strategies and traded deals proven superior in today's post-credit crisis trading environment. With the thoroughness and balance of theory and practice only Uwe Wystup can deliver, this fully revised edition offers authoritative solutions for the real world in an easy-to-access format. See how specific products actually work through detailed case studies featuring clear examples of FX options, common structures and custom solutions. This complete resource is both a wellspring of ideas and a hands-on guide to structuring and executing your own strategies. Distinguish yourself with a valued skillset by: Working through practical and thought-provoking challenges in more than six dozen exercises, all with complete solutions in a companion volume Gaining a working knowledge of the latest, most popular products, including accumulators, kikos, target forwards and more Getting close to the everyday realities of the FX derivatives market through new, illuminating case studies for corporates, municipalities and private banking FX Options and Structured Products, Second Edition is your go-to road map to the exotic options in FX derivatives.*

*Economic and Financial Modeling with Mathematica®*