(Mobile ebook) How to Calculate Options Prices and Their Greeks: Exploring the Black Scholes Model from Delta to Vega (The Wiley Finance Series)

How to Calculate Options Prices and Their Greeks: Exploring the Black Scholes Model from Delta to Vega (The Wiley Finance Series)

Pierino Ursone
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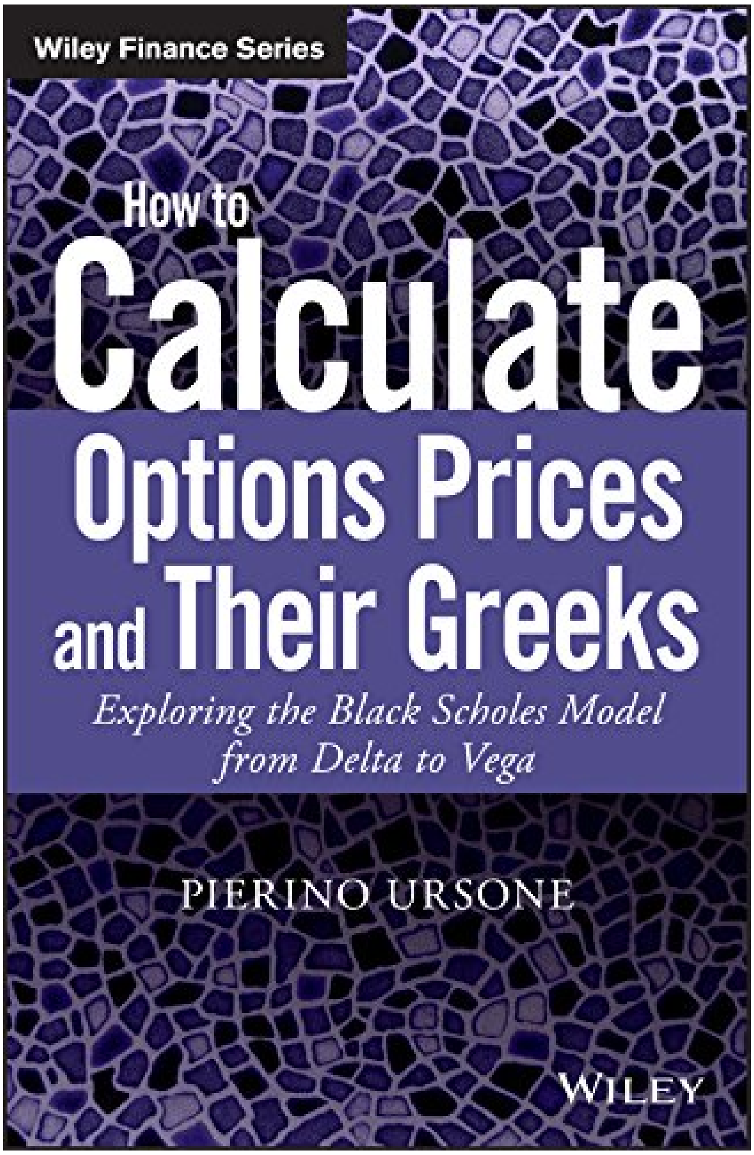

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Pierino Ursone : How to Calculate Options Prices and Their Greeks: Exploring the Black Scholes Model from Delta to Vega (The Wiley Finance Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised How to Calculate Options Prices and Their Greeks: Exploring the Black Scholes Model from Delta to Vega (The Wiley Finance Series):

5 of 5 people found the following review helpful. I've been trading Options for 7 years now. Once ...By anthonyI've been trading Options for 7 years now. Once I realized that I needed to understand the Greeks and risk management, I started making money on a consistent basis. Pierino Ursone's book "How to Calculate Options Prices and Their Greeks" bridges the gap between Theory and real life practice. This author provides a level of math and graphs that solidifies your understanding of the Greeks. Dan Passarelli book "Trading Option Greeks" provides insight into the dynamics of the Greeks in your strategy and your risks. You can see the dynamics of the Greeks with Dan, especially on a practical level. Brian Johnson's book "Option Strategy Risk/return Ratios" provides a foundation on risk in a unique paradigm. Then you have Larry's book on Options, considered to be the bible on options. Pierino Ursone's book links all the above books. He provides just the right amount of math. For example, he provides the definition of Delta as the first derivative and the corresponding formula. He then proceeds with a graphical interpretation of delta. Then he departs from most other books and shows how Delta changes graphically with concrete and practical trading. If you as a trader are able to put the formula, the graph, the numbers together as a dynamic trade, you will see in the utility in his book. He complements Dan, Larry, and Brian. Though you may trade options without knowing the Greeks, real traders know that the Greeks shows a sensitivity to risk.0 of 0 people found the following review helpful. Not only does it present you with a great theoretical and mathematical background as to how Options and ...By SentinelLook no further. If you want a practical, detailed explanation of proper risk management for Options Traders you will find it in this gem of a book. Not only does it present you with a great theoretical and mathematical background as to how Options and their Greeks behave but it does so in a very straghtforward and practical "rule-of-thumb" manner. I especially appreciated the formulas to quickly figure out ATM Straddles and with this information get a rough but very accurate estimate (with no need for Trading Platforms or sophisticated software) of an Option's Greeks. The fact that it touches upon second and third order greeks beside gamma (Vomma, Vanna, Charm, etc) is a welcome plus without making the subject confusing at all.The author of this book is clearly a great teacher, being able to explain difficult concepts in a clear and concise manner (for example with Greeks behaviour over time, volatility ranges, etc.) and it shows that he has been down in the trenches trading Options in the market as well and knows the everyday tools that professional traders need to have at their disposal.2 of 2 people found the following review helpful. You will learn how the market prices options and how you can exploit better option prices for your own gainBy Glenn WekonyIf You Trade Options, you must read this book. You will learn how the market prices options and how you can exploit better option prices for your own gain. Mr. Ursone is a proponent of Black-Scholes-Merton with excellent financial results fully documented. This book is a must read.

A unique, in-depth guide to options pricing and valuing their greeks, along with a four dimensional approach towards the impact of changing market circumstances on options How to Calculate Options Prices and Their Greeks is the only book of its kind,nbsp;showing you how to value options and the greeks according to the Black Scholes model but also how to do this without consulting a model. You'll build a solid understanding of options and hedging strategies as you explore the concepts of probability, volatility, and put call parity, then move into more advanced topics in combination with a four-dimensional approach of the change of the PL of an option portfolio in relation to strike, underlying, volatility, and time to maturity. This informative guide fully explains the distribution of first and second order Greeks along the whole range wherein an option has optionality, and delves into trading strategies, including spreads, straddles, strangles, butterflies, kurtosis, vega-convexity , and more. Charts and tables illustrate how specific positions in a Greek evolve in relation to its parameters, and digital ancillaries allow you to see 3D representations using your own parameters and volumes. nbsp;The Black and Scholes model is the most widely used option model, appreciated for its simplicity and ability to generate a fair value for options pricing in all kinds of markets. This book shows you the ins and outs of the model, giving you the practical understanding you need for setting up and managing an option strategy. bull;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp; Understand the Greeks, and how they make or break a strategy bull;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp; See how the Greeks change with time, volatility, and underlying bull;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp; Explore various trading strategies bull;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp;nbsp; Implement options positions, and more nbsp; Representations of option payoffs are too often based on a simple two-dimensional approach consisting of PL versus underlying at expiry. This is misleading, as the Greeks can make a world of difference over the lifetime of a strategy. How to Calculate Options Prices and Their Greeks is a comprehensive, in-depth guide to a thorough and more effective understanding of options, their Greeks, and (hedging) option strategies.

From the Inside FlapHow to Calculate Options Prices and Their Greeks gives options traders, risk managers, fund managers, and private investors an in-depth guide for valuing and understanding options and "the Greeks". This important resource explains the ins and outs of the commonly used Black and Scholes model that is appreciated for its simplicity and ability to generate a fair value for options pricing in all kinds of markets as well as how to calculate/approximate values for options and the Greeks without applying a model. The author outlines a practical approach for using the strengths of the Black and Scholes model to understand, set up, and effectively manage an option position. The author explains, step by step the most effective options and hedging strategies. While other resources rely on an ineffective two dimensional approach to investing in options, Ursone takes a practical, four-dimensional approach that puts the emphasis on the distribution of the Greeks. Greeks measure the sensitivity of the value of an option with regards to changes in parameters like the strike, underlying (Future), volatility (measure of the variation of the underlying), time to expiry or maturity and the interest rate. Any change in one of the parameters will directly result in a change in the Greeks and will have an impact on the PL of an options portfolio.The author therefore accentuates an understanding of the Greeks as a prerequisite for trading and managing an options portfolio. This informative guide explains the distribution of first and second order Greeks along the whole range wherein an option has optionality, and delves into trading strategies, including spreads, straddles, strangles, butterflies, kurtosis, vega - convexity, and more. The book's illustrative charts and tables clearly show how specific positions in a Greek evolve in relation to its parameters. How to Calculate Options Prices and Their Greeks offers traders at all levels effective strategies that eschew the simplistic two dimensional approach of PL versus underlying and shows how the Greeks can make a world of difference over the lifetime of an options portfolio. How to Calculate Options Prices and Their Greeks is a comprehensive guide to a thorough and more effective understanding of options, their Greeks, and managing option strategies.From the Back CoverPraise for How to Calculate Options Prices and Their Greeks "Clearly written and easy to read. The book covers all the essential topics and has many very interesting approaches. In my current job, liaising with derivatives trading houses and as a former options trader, I can conclude that the book demonstrates that the Netherlands still functions as an expert area for the options business. How to Calculate Options Prices and Their Greeks has everything in it to become the standard reference book on options. Highly recommended!" mdash;Rogier Elsenburg, Head of Benelux France Huxley Banking Financial Services "Pierino Ursone's How to Calculate Options Prices and their Greeks provides a long overdue, comprehensive, and at the same time digestible update to the literature exploring options pricing and strategy. His writing is clear, concise, and straight-forward; unlocking the Holy Grail for the inexperienced and even the most experienced options trader. Ursone liberally illustrates each chapter with graphics and acknowledges the Black Scholes Model's mathematical and theoretical nderpinnings in plain, straight-forward language that makes new understanding of the complexity of options trading possible for both the novice and the expert. Ursone's thorough explanation of the practical application of first and second order greeks goes beyond the simplistic, two-dimensional strategies most traders will find when trying to educate themselves about options. He uses his vast experience and knowledge to act as expert, trader, tactician, and teacher, guiding readers through the markets and allowing them to look inside as they could never before." mdash;Matt Daen, Options Specialist "Finally a holistic guide to options! This practical guide is essential for those seeking an understanding of option derivatives. Beyond merely informative, this handbook for the practitioner details the finer points of the use of options as tools for trading and price-risk management. No professional should be without it." mdash;Dr Tom James, Commodity Market Expert Author "An easy to read handbook for investors who wish to thoroughly understand, trade and manage an options portfolio. Pierino explains the characteristics and behaviour of options in a pragmatic way, coming from a trading perspective. Very helpful for private and professional investors with a goal of running a complex derivatives portfolio in a controlled manner." mdash;Jelle Elzinga, Former Global Management Committee Optiver GroupAbout the AuthorPIERINO URSONE has extensive option trading experience. He began his career as a Market Maker with Optiver, an international market maker that trades on all of the world's major financial markets. Afterwards, Ursone ran his own option trading company on the Dutch options exchange in Amsterdam, and after nine years in equity options, he entered the Energy commodity market, trading options on a proprietary basis.