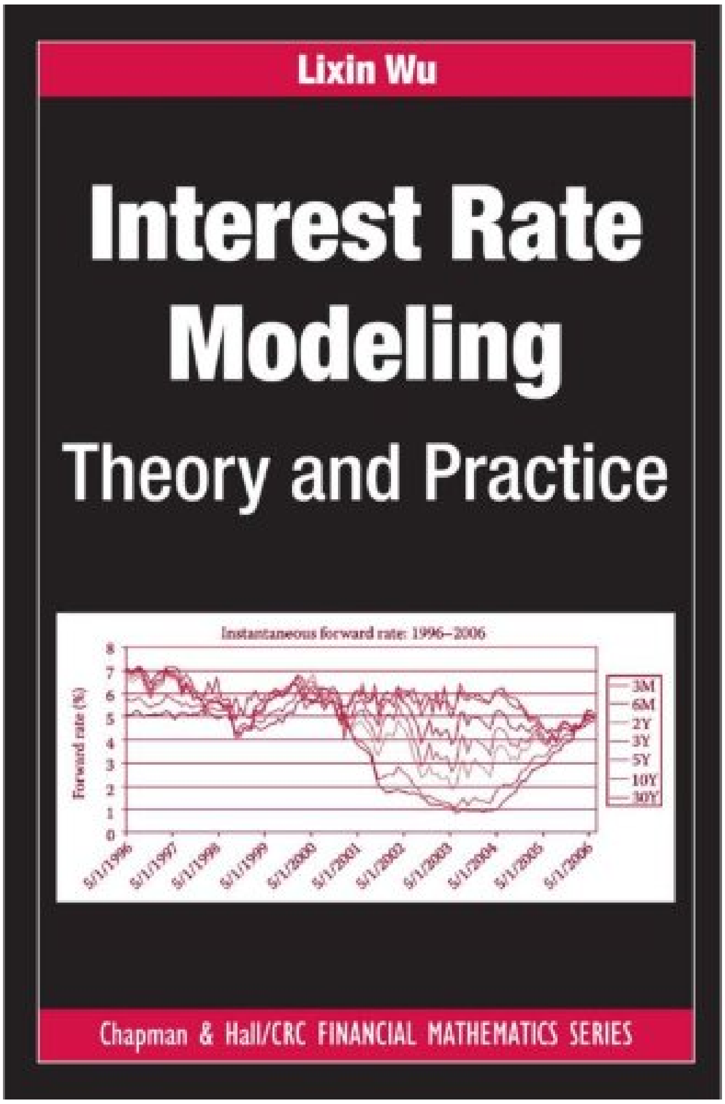
Interest Rate Modeling: Theory and Practice (Chapman and Hall/CRC Financial Mathematics Series)

Lixin Wu



#1306318 in eBooks 2009-05-14 2009-05-14File Name: B005H6M898 | File size: 29.Mb

Lixin Wu : Interest Rate Modeling: Theory and Practice (Chapman and Hall/CRC Financial Mathematics Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Interest Rate Modeling: Theory and Practice (Chapman and Hall/CRC Financial Mathematics Series):

0 of 0 people found the following review helpful. Better than other interest rate modeling booksBy BookreaderI have read other interest rate modeling books and this book is definitely the best. Other books tend to cover too many theories without depth and too many kinds of models which do not have much practical values. This book not only has

the right amount of practical models but also provides you with understandable derivations and numerical examples which are vitally important for learners and practitioners. As a teaching professor and an active researcher in the forefront, the author clearly understands what is important from students' point of view and which theory is most important. Since the author is also a specialist in numerical analysis, the numerical examples are also better presented than other books.If you are seriously interested in learning interest rate modeling, buy this book.2 of 3 people found the following review helpful. DelightfulBy Wenzheng XieThis book is a delight to read. Apparently the author has put a lot of thoughts into the selection and presentation of the materials, so that it is concise and deep, yet can be followed page by page easily. I have read many other texts and monographs, and consider this as a rare find in financial modeling books. As a practitioner, I find it useful as a well-organized top-down review and in-depth research of the most popular interest rate models. As a former university professor, I know this would be my choice of textbook if I were to teach a course in interest rate models, as students would benefit from the very relevant materials and the clarity and easy flow of logic.0 of 0 people found the following review helpful. A comprehensive treatment of interest rate modelsBy Chris T.This book offers a long needed comprehensive overview treatment of interest rate models. It is ideal for quants who want a sound introduction to the area, on a rigid step-by-step basis and a decent coverage of all of the standard model classes. It is nice to find several worked examples and brief model applications.

Containing many results that are new or exist only in recent research articles, Interest Rate Modeling: Theory and Practice portrays the theory of interest rate modeling as a three-dimensional object of finance, mathematics, and computation. It introduces all models with financial-economical justifications, develops options along the martingale approach, and handles option evaluations with precise numerical methods.The text begins with the mathematical foundations, including Itorsquo;s calculus and the martingale representation theorem. It then introduces bonds and bond yields, followed by the Heathndash;Jarrowndash;Morton (HJM) model, which is the framework for no-arbitrage pricing models. The next chapter focuses on when the HJM model implies a Markovian short-rate model and discusses the construction and calibration of short-rate lattice models. In the chapter on the LIBOR market model, the author presents the simplest yet most robust formula for swaption pricing in the literature. He goes on to address model calibration, an important aspect of model applications in the markets; industrial issues; and the class of affine term structure models for interest rates.Taking a top-down approach, Interest Rate Modeling provides readers with a clear picture of this important subject by not overwhelming them with too many specific models. The text captures the interdisciplinary nature of the field and shows readers what it takes to be a competent quant in todayrsquo;s market.This book can be adopted for instructional use. For this purpose, a solutions manual is available for qualifying instructors.

"The book presents in a balanced way both theory and applications of interest rate modeling. hellip;The book can serve as a textbook. It is self-contained in mathematics and presents rigorous justifications for almost all results. Many exercises are provided which often require computer implementation. To a large extent, this book can also serve as a research monograph as it contains many new results. The book shows the readers what has to be a competent quantitative analysis in financial markets."?Pavel Stoynov, Zentralblatt MATH 1173About the AuthorLixin Wu is an associate professor at the Hong Kong University of Science and Technology. Best known in the financial engineering community for his work on market models, Dr. Wu co-developed the PDE model for soft barrier options and the finite-state Markov model for credit contagion.