Properties: What about the economic properties?

- Full allocation: \( \sum RA_k(L) = R(L) \)
- Riskless allocation: \( RA_k(m) = m \)
- Causal Responsibility: \( R(L + \Delta L) = R(L) + \Delta R \)
- Additivity: \( RA_1(L) + RA_2(L) = RA_{1+2}(L) \)
Time of default \( \tau_D \): first jump time of \( N(t) \)

Localising Forward Intensities
The series of bonuses is worth an interval between bonus determination.

- The shorter the bonus determination
- banker's risk-taking incentive 
- earnings volatility

- short-term bonus contracts
- imposing a bonus deferral can
A mimic strategy can be, for example, investing in the benchmark portfolio and shorting the digital options to earn the premium.
Equity Risk Premium

- Filtered probability space \( (\Omega, F, \mathbb{P}) \)
- Risk-neutral measure \( \mathbb{Q} \) equivalent to \( \mathbb{P} \).
- Under \( \mathbb{Q} \), the index price process satisfies

\[
\mathbb{E}^\mathbb{Q}[S_T] = S_0 e^{rT} + \int_0^T e^{-r(t)} \left( \mathbb{E}^\mathbb{Q}[S_{t+1} | \mathcal{F}_t] - \mathbb{E}^\mathbb{Q}[S_t | \mathcal{F}_t] \right) dt
\]

- Equity Risk Premium:

\[
\text{ERP} = \frac{1}{T} \left( \mathbb{E}^\mathbb{Q}[S_T] - \mathbb{E}^\mathbb{Q}[S_0] \right)
\]
Existing theoretical frameworks (e.g., Dammon and Spatt, 2012) show that:

- An investor should purchase a put option so that the investor anticipates a decline in the appreciation of the underlying asset price.
- An investor should sell a call option for a period of time, so that the investor is committed to selling the underlying asset for the realized price at the option expiration date, thereby reducing potential subsequent losses.

Min Dai et al.
with $\Omega$ and $\Gamma_N$ refer to interior domain and Neumann boundary respectively. Notably, the condition is applied.
The above equality and inequalities are said to be of **variational form**.
They argue that their results are consistent with trading in options that spills to stocks...

Lute Garcia-Pinto and Alioune Hameed

When Does...
Optimal Display of Limit Orders
On the interaction of upstairs and downstairs markets

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Based on joint work with Gökhan Celâl and Nikolaus Hautsch
for a function $f : \mathbb{R} \to (0, \infty)$ with $f'' > 0$ and $f < 0$.

- For continuous $A_t$, the proceeds up to time $T$.

$$\int_0^T S_t \, dA_t$$
parameters are identified?

A problem is typically as difficult as the class can be made with asymptotics on it?


determinability: viewing the incomplete market formulation around a complete markets