Risk drivers that cause liquidity exposures

liquidity resources available
For details of this workshop, please visit:
http://cqx.nus.edu.sg/5th_R%5E2_W
\[ dP_t^i = P_t^i (r_t \, dt + \sigma_t^i \, dW_t). \]
\[ dP_t^i = P_t^i (r_t \, dt + \sigma^i_t \, dW_t - \frac{1}{2} \sigma^i_t \, \sigma_t^i \, dt). \]
We propose a dynamic risk model to help overcome all these three inherent weaknesses.

- By using a network, we can also introduce in a natural way the spillover effect, price impact, and wrong-way risks suggested by Lee (2016).
Here \( \mu \) is...

Tree structure...