

General Mathematics Seminar
of the
University of Luxembourg
in cooperation with the
Luxembourg Mathematical Society

June, 2013

Tuesday, June 11, 2013 at 17:00

Campus Kirchberg, Room B02

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Convex order for path-dependent American options using the Euler scheme of a martingale jump diffusion process.

Abstract: We explore the functional convex order of martingale diffusions and stochastic integrals with respect to their diffusion coefficient in both a Brownian and a jump framework. We finally extend this result to the Snell envelope of functionals of these process, i.e. to American options written on pathwise payoffs.