

Applied Mathematical Finance >
Volume 18, 2011 - Issue 1

217 Views | 13 CrossRef citations to date | 0 Altmetric

Papers

Variance-Optimal Hedging for Time-Changed Lévy Processes

Jan Kallsen & Arnd Pauwels

Pages 1-28 | Received 19 May 2009, Published online: 13 Sep 2010

Cite this article <https://doi.org/10.1080/13504861003669164>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

- Full Article
- Figures & data
- References
- Citations
- Metrics
- Reprints & Permissions
- Read this article**

Abstract

In this article, we solve the variance-optimal hedging problem in stochastic volatility (SV) models based on time-changed Lévy processes, that is, in the setup of Carr et al. (2003). The solution is derived using results for general affine models in the companion article [Kallsen and Pauwels (2009)].

Key Words: Variance-optimal hedging | Stochastic volatility | Time-changed Lévy process

Laplace tr

About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings

Ack

The first
1682/2-

ie KA
hard

