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Pricing Equity Swaps in an Economy with Jumps

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Abstra

Empirica ... hat asset
retur ... ding quanto
equit ... marked
point pr ... order to
obtain c ... eters in the
asset pri ... derive swap
prices us ... show how to
calculate ... nsion of the
results o ... of Futures

Markets, 23(8), pp. 751–772). The martingale method is the key that enables the extension.

Key Words:

Derivatives pricing equity swaps convexity corrections marked point processes martingales

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Notes

1 Recall that and are martingales under .

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