October 14th, 2019
KAP 414
2:00 P.M. – 3:00 P.M.

Professor Fabrice Baudoin

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"Modelling Anticipations on Financial Markets"

Abstract: Financial markets obviously have asymmetry of information. That is, there are different type of traders whose behavior is induced by different types of information that they possess. Let us consider a "small" investor who trades in a arbitrage free financial market so as to maximize the expected utility of his wealth at a given time horizon. We assume that he possesses extra information about the future price of a stock. The basic question we will try to address is: What is the value of this information?