

January 25th, 2021
Zoom Meeting
2:00 P.M. - 3:00 P.M.

Prof. Ibrahim Ekren
(Florida State University)

Information Asymmetry and Optimal Transport

Abstract: In this talk, we present a flexible technique to solve the continuous-time multi-asset/multi-option Kyle model under general assumptions on the distribution of the noise, and the distribution of the prior. The main insight is to postulate the pricing rule of the market maker at maturity as an optimal transport map. If the informed agent is risk averse, we show that our methodology yields to the existence of equilibrium by considering a system of backward quasilinear parabolic equation and a forward Fokker-Planck equation coupled via a transport type constraint at final time. Based on joint works with F. Cocquemas, A. Lioui and S. Bose.

Zoom link:

Topic: Math Finance Colloquium

Time: Jan 25, 2021 02:00 PM Pacific Time (US and Canada)

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