

October 10th, 2016
KAP 414
2:00 P.M. – 3:00 P.M.

Professor Kiseop Lee
(Purdue University)

**“Insiders’ Hedging In A Stochastic Volatility Model
with Informed Traders of Multiple Levels”**

Abstract: We study a market where are traders with different levels of information. Insiders observe exclusive, non-public information which affects the volatility of the price process, and the information levels are different even among insiders. We extend Lee and Song (2007), Kang and Lee (2014) and Park and Lee (2016) to the case where there are multiple information processes, both discrete and continuous. Also, we study local risk minimization strategies of insiders of various levels under stochastic volatility models.