Help

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#include <stdlib.h>
#include <math.h>

#include "copulas.h"
#include "pnl/pnl_random.h"
#include "pnl/pnl_specfun.h"

typedef struct {
  double      x1;
  double      x2;
  double      cdf_x1;
  double      cdf_x2;
} element_cdf;

typedef struct {
  double      alpha;
  double      beta;
  double      gamma;
  double      mu;
  int         size;
  element_cdf     *data;
} t_nig_cdf;

typedef struct {
  double      a;
  double      g_a;
  double      alpha;
  double      beta;
  double      gamma;
  double      mu;
  double      factor;

  step_fun        *cdf_Xi;
  step_fun        *cdf_Ai;
  t_nig_cdf       *xcdf;
  t_nig_cdf       *icdf;
} nig_params;

const double        GL5_pt[] = { -0.90617984593866399279,
                                 -0.53846931010568309103,
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                                0.,
                                0.53846931010568309103,
                                0.90617984593866399279 };
const double        GL5_wg[] = { 0.23692688505618908751,
                                0.47862867049936646804,
                                0.56888888888888888888,
                                0.47862867049936646804,
                                0.23692688505618908751 };

static double    nig_generic_density(const double        x,
                                     const double        alpha,
                                     const double        beta,
                                     const double        gamma,
                                     const double        mu,
                                     const double        delta)
{
  double      f_x = sqrt(delta * delta + (x-mu) * (x-mu));
  return ( (delta * alpha * exp(delta * gamma + beta * (x-
    mu)) *
            pnl_bessel_k(1, alpha * f_x)) / (M_PI * f_x) );
}

static double    ig_generic_density(const double     y,
                                    const double     alpha,
                                    const double     beta)
{
  double      z = alpha - beta * y;

  if (y <= 0) return ( 0. );
  return ( M_1_SQRT2PI * (alpha / sqrt(beta)) * pow(y, -1.5
    ) * exp(- z*z / (2. * beta * y)) );
}

static double  nig_generic_cdf(const double        x,
                               const double        alpha,
                               const double        beta,
                               const double        gamma,
                               const double        mu,
                               const double        delta)
{
  double      y;
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  double      z;
  double      t;
  double      h;
  double      s1;
  double      s2;

  s1 = 0;
  h = 4./100.;
  for (y = MINDOUBLE; y < 4.; y += h) {
    z = ( x - (mu + beta*(y+0.5*h)) ) / sqrt(y+0.5*h);
    s1 += cdf_nor(z) * ig_generic_density(y+0.5*h, delta *
    gamma, gamma * gamma);
  }
  s1 *= h;
  s2 = 0;
  h = exp(-4.)/20.;
  for (t = MINDOUBLE; t < exp(-4.); t += h) {
    y = -log(t+0.5*h);
    z = ( x - (mu + beta*y) )/ sqrt(y);
    s2 += cdf_nor(z) * ig_generic_density(y, delta * gamma,
     gamma * gamma) * (1./(t+0.5*h));
  }
  s2 *= h;

  return (s1 + s2);
};

static void     init_data_cdf(t_nig_cdf     *cdf){
  double      mean = cdf->mu + cdf->alpha * (cdf->beta /
    cdf->gamma);
  double      std_dev = sqrt(cdf->alpha * cdf->alpha * cdf-
    >alpha / (cdf->gamma * cdf->gamma * cdf->gamma));
  double      x;
  double      h;
  double      cdf_x;
  double      s;
  int         i;
  int         j;

  x = mean - 8 * std_dev;
  h = (16. * std_dev) / (double) (cdf->size - 1);
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  cdf->data = malloc(cdf->size * sizeof(element_cdf));
  cdf->data[0].x1 = - MAXDOUBLE;
  cdf->data[0].cdf_x1 = 0.;
  cdf->data[0].x2 = x;
  cdf_x = nig_generic_cdf(x, cdf->alpha, cdf->beta, cdf->
    gamma, cdf->mu, cdf->alpha);
  cdf->data[0].cdf_x2 = cdf_x;
  for (i = 1; i < cdf->size-1; i++) {
    cdf->data[i].x1 = cdf->data[i-1].x2;
    cdf->data[i].cdf_x1 = cdf->data[i-1].cdf_x2;
    if (i % 200 == 0) {
      cdf_x = nig_generic_cdf(x+h, cdf->alpha, cdf->beta,
    cdf->gamma, cdf->mu, cdf->alpha);
    }
    else {
      s = 0;
      for (j = 0; j < 5; j++)
        s += GL5_wg[j] * nig_generic_density(x + 0.5 * h *
    (GL5_pt[j] + 1), cdf->alpha, cdf->beta, cdf->gamma, cdf->
    mu, cdf->alpha);
      cdf_x += 0.5 * h * s;
    }
    x += h;
    cdf->data[i].x2 = x;
    cdf->data[i].cdf_x2 = cdf_x;
  }
  cdf->data[i].x1 = cdf->data[i-1].x2;
  cdf->data[i].cdf_x1 = cdf->data[i-1].cdf_x2;
  x += h;
  cdf->data[i].x2 = MAXDOUBLE;
  cdf->data[i].cdf_x2 = 1.;

  return ;
}

static int      compare_cdf(const void      *a,
                            const void      *b)
{
  element_cdf     *ea = (element_cdf *) a;
  element_cdf     *eb = (element_cdf *) b;
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  if (ea->cdf_x1 < eb->cdf_x1) return (-1);
  if (ea->cdf_x1 > eb->cdf_x2) return (1);
  return (0);
}

static double       nig_inv_cdf(const t_nig_cdf     *cdf,
                                const double        cdf_x)
{

  element_cdf     a;
  element_cdf     *r;

  a.cdf_x1 = cdf_x;
  r = bsearch(&a, cdf->data, cdf->size, sizeof(element_cdf)
    , compare_cdf);
  if (r->cdf_x1 == 0)
    return ( r->x2 + log(cdf_x / r->cdf_x2) );
  if (r->cdf_x2 == 1)
    return ( r->x1 - log((1 - cdf_x) / (1 - r->cdf_x1)) );
  return ( r->x1 + (r->x2 - r->x1)/(r->cdf_x2 - r->cdf_x1)
    * (cdf_x - r->cdf_x1) );
}

static double       nig_cdf(const t_nig_cdf     *cdf,
                            const double        x)
{
  double      min_x;
  double      max_x;
  double      cdf_x;
  double      x0;
  double      s;
  int         i;

  min_x = cdf->data[0].x2;
  max_x = cdf->data[cdf->size-1].x1;
  if ( (x < min_x)||(x > max_x) )  {
    return ( nig_generic_cdf(x, cdf->alpha, cdf->beta, cdf-
    >gamma, cdf->mu, cdf->alpha) );
  }
  else {
    i = (int) ceil((x - min_x) / (max_x - min_x) * (cdf->si
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    ze - 1));
    i = (x < cdf->data[i].x1) ? (i-1) : i;
    i = (x > cdf->data[i].x2) ? (i+1) : i;
    cdf_x = cdf->data[i].cdf_x1;
    x0 = cdf->data[i].x1;
    s = 0;
    for (i = 0; i < 5; i++)
      s += GL5_wg[i] * nig_generic_density(x0 + 0.5 * (x -
    x0) * (GL5_pt[i] + 1), cdf->alpha, cdf->beta, cdf->gamma,
    cdf->mu, cdf->alpha);

    return( cdf_x + 0.5 * (x - x0) * s);
  }
}



static double       nig_density(const copula        *cop,
                                const double        x)
{
  nig_params      *p = cop->parameters;

  return ( nig_generic_density(x, p->alpha, p->beta, p->gam
    ma, p->mu, p->alpha) );
}


static double       *nig_compute_prob(const copula      *
    cop,
                                      const double      f_
    t)
{
  double      *result;
  nig_params      *p = cop->parameters;
  double      C;
  int         jv;

  result = malloc(cop->size * sizeof(double));
  C = nig_inv_cdf(p->icdf, f_t);
  for (jv = 0; jv < cop->size; jv++) {
    result[jv] = nig_cdf(p->xcdf, (C - p->a * cop->points[
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    jv]) / p->g_a );
  }

  return (result);
}



static double       nig_generic_generate(const double   alp
    ha,
                                         const double   bet
    a,
                                         const double   gam
    ma,
                                         const double   mu,
                                         const double   de
    lta)
{
  double  chi = pow(pnl_rand_normal(0), 2.);
  double  tau = delta / gamma;
  double  lambda = delta * delta;
  double  z;

  z = tau + tau * (tau * chi -  sqrt(tau * chi * (4 * lambd
    a + tau * chi))) / (2 * lambda);
  z = (pnl_rand_uni(0) <= tau / (tau + z)) ? z : (tau * ta
    u / z);

  return ( mu + beta * z + sqrt(z) * pnl_rand_normal(0) );
}

static void     nig_generate(copula         *cop)
{
  nig_params  *p = cop->parameters;

  p->factor = nig_generic_generate(p->alpha, p->beta, p->
    gamma, p->mu, p->alpha);
}
```

```
static int      nig_compute_dt(const copula     *cop,
                               const step_fun       *H,
                               double           *time)
{
  nig_params      *p = cop->parameters;
  double      Vi;
  double      zi;

  p = cop->parameters;
  Vi = p->a * p->factor + p->g_a * nig_generic_generate(p->
    xcdf->alpha, p->xcdf->beta, p->xcdf->gamma, p->xcdf->mu,
    p->xcdf->alpha);
  zi = -log(1. - nig_cdf(p->icdf, Vi));
  if (zi >= H->data[H->size-1].y2) return ( 0 );
  else {
    *time = inverse_sf(H, zi);
    return ( 1 );
  }
}


copula          *init_nig_copula(const double       a,
                                 const double       alpha,
                                 const double       beta)
{
  copula      *cop;
  nig_params      *p;
  double      v0;
  double      h;
  int         jv;

  cop = malloc(sizeof(copula));
  cop->name = "One-factor NIG Copula";
  cop->nfactor = 2;
  p = malloc(sizeof(nig_params));
  p->a = a;
  p->g_a = sqrt(1. - a*a);
  p->alpha = alpha;
  p->beta = beta;
  p->gamma = sqrt(alpha * alpha - beta * beta);
  p->mu = - alpha * beta / p->gamma;
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  p->icdf = malloc(sizeof(t_nig_cdf));
  p->icdf->alpha = alpha / a;
  p->icdf->beta = beta / a;
  p->icdf->gamma = p->gamma / a;
  p->icdf->mu = p->mu / a;
  p->icdf->size = 10000;
  init_data_cdf(p->icdf);


  p->xcdf = malloc(sizeof(t_nig_cdf));
  p->xcdf->alpha = alpha * p->g_a / a;
  p->xcdf->beta = beta * p->g_a / a;
  p->xcdf->gamma = p->gamma * p->g_a / a;
  p->xcdf->mu = p->mu * p->g_a / a;
  p->xcdf->size = 10000;
  init_data_cdf(p->xcdf);


  cop->parameters = p;
  cop->size = 200;
  cop->points = malloc(cop->size * sizeof(double));
  cop->weights = malloc(cop->size * sizeof(double));
  h = 24. / (cop->size-1);
  for (jv = 0, v0 = -12.; jv < cop->size; jv++, v0 += h) {
    cop->points[jv] = v0;
    cop->weights[jv] = nig_density(cop, v0) * h;
  }
  cop->density = nig_density;
  cop->compute_cond_prob = nig_compute_prob;
  cop->generate = nig_generate;
  cop->compute_default_time = nig_compute_dt;

  return (cop);
}
```

References