Master Thesis

February 15, 2024

Contents

Title

Swaptions pricing

Thesis statement

In this thesis, I will investigate asset allocation with respect to swaptions and the affect different swaptions strategies has. This analysis receivers a model selection to price swaptions and the different strategies will be back tasted on data.

Structure

1 Asset allocation

- Write about different assets.
- drawdown plot on some equites, bonds and implied volatility
- inflation plot on the same equites, bonds and implied volatility

The idea is to give a motivation for swaptions as derivative in asset allocation.

2 Swaptions

3 Pricing swaptions

4 Black model

5 SABR model - implied volatility

6 Risk premium

7 Two strategies