Errata

1. Page 33. Third displayed equation and text should be:
   $x + u = \beta(v - \mu) + u$
   As v and u are independent and normal, $x + u$ is normal with mean 0
2. Page 33. Fourth displayed equation, and sentence that follows should read:
   $S = \mu + (x + u)\frac{\sigma}{2\sigma_u}$,
   so that the linear sensitivity parameter is $\lambda = \sigma/(2\sigma_u)$.
3. Page 36. First sentence in paragraph preceding 2.3.1 should read: In later chapters we show how trading algorithms are built to either take advantage of informational advantages or to adjust the depth at which LOs are posted to recover losses from trading **with** more informed traders.
4. Page 37: the Δ_a in $F(\Delta_a)$ in the denominator should be Δ_b. This is the right equation
   $\Delta_b = \frac{1}{1+\frac{1-\alpha}{\alpha}\frac{(1-F(\Delta_b))/2}{1-p}}(\mu - V_L).$
5. Pages 110-111. The equations below (5.21) onwards should be
   - $$\mathcal{L}^\pi_t = (r\,x + (\mu - r)\,\pi)\;\partial_x + \tfrac{1}{2}\sigma^2\,\pi^2\,\partial_{xx} + (\mu - r)\,S\,\partial_S + \tfrac{1}{2}\sigma^2\,S^2\,\partial_{SS} + \sigma^2\,\pi\,$$
   - $$\begin{aligned} 0 = &\left(\partial_t + r\,x\,\partial_x + (\mu - r)\,S\,\partial_S + \tfrac{1}{2}\,\sigma^2\,S^2\,\partial_{SS}\right) H \\ &+ \sup_\pi \left\{\pi\,\left((\mu - r)\,\partial_x + \sigma^2\,S\,\partial_{xS}\right) H + \tfrac{1}{2}\sigma^2\,\pi^2\,\partial_{xx}H\right\}\,, \end{aligned}$$
   - $$\begin{aligned} &\pi\,\left((\mu - r)\,\partial_x + \sigma^2\,S\,\partial_{xS}\right) H + \tfrac{1}{2}\sigma^2\,\pi^2\,\partial_{xx}H \\ &\quad = \tfrac{1}{2}\,\sigma^2\,\partial_{xx}H\left((\pi - \pi^*)^2 - (\pi^*)^2\right)\,, \end{aligned}$$
   - $$\pi^* = -\frac{(\mu - r)\,\partial_x H + \sigma^2\,S\,\partial_{xS}H}{\sigma^2\,\partial_{xx}H}$$
   - $$0 = \left(\partial_t + r\,x\,\partial_x + (\mu - r)\,S\,\partial_S + \tfrac{1}{2}\,\sigma^2\,S^2\,\partial_{SS}\right) H - \frac{\left((\mu - r)\,\partial_x H + \sigma^2\,S\,\partial_{xS}\right.}{2\,\sigma^2\,\partial_{xx}H}$$
6. Page 111, the inequality in point (ii) should be $\gamma < 1$ NOT $\gamma > 1$. For $\gamma > 1$, there is an upper bound on wealth, rather than a lower bound.
7. In the exercises of Chapter 6 the liquidation penalty has the same typo in three places. The penalty is not '**minus**' $Q^\nu_T(S_T - \alpha\,Q^\nu_T)^2$ it should be '**plus**' $Q^\nu_T(S_T - \alpha\,Q^\nu_T)$
   The typos appear in first displayed equation in E.6.1, and equations (6.41) and (6.47)
8. Page 175. There is a minus sign missing in equation (7.22) . The equation should be:
   $h_1(t,\mu) = b\,\mathbb{E}_{t,\mu}\left[\int_t^T \left(\frac{\zeta e^{\gamma(T-u)} - e^{-\gamma(T-u)}}{\zeta e^{\gamma(T-t)} - e^{-\gamma(T-t)}}\right)\,\mu_u\,du\right]\,.$

Feel free to contact us if you find any. If you can, please use the following format

Section:

Page:

Equation/figure/table number:

The error is:

Also, we prefer it if you send the maths in LaTeX format

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