**Options Update – 11/09/20**

**Outline**

1. **Outline Project and Provide Visuals Explaining Project**
   1. Have a diagram – Tree diagram – of what volatility trading is and further breakdown into dispersion.
   2. Show another tree of exactly what dispersion trading is and how opportunities are identified.
2. **Literature Overview - John**
   1. 3 slides broken down by topic.
      1. Dispersion trading
      2. Volatility as asset class
         1. Make sure to relate how other places created indices and looked at using vol in portfolio.
      3. Other resources (like textbooks and skew trading)
   2. Very important to define how each paper and piece of literature helps build towards our goal and relates directly to project.
3. **Data - Scott**
   1. Clear definition on what data we are collecting, cleaning, and why.
   2. Show time series price graph on some of the compiled option price data.
   3. Talk about how we interpolated some data using Black-Scholes, but this does not impact expiration value, only to estimate path movements.
   4. Mention use of unadjusted stock data.
   5. Add Volume to option data.
4. **Initial Implementation - Greg**
   1. Show results for basic dispersion trade.
   2. Talk about how we will expand.
5. **ETF/Index Research**
   1. Do some research on how ETFs/indices are priced and how we can construct one from the returns of our strategy.
   2. Outlook, next steps/risk analysis
   3. Conclusion