

HW 3: Pricing an ELS
(This assignment will be the first half of the final)
(Due: Oct. 8, 2018)

1. As you are noticed at the beginning of the class, choose any ELS whose underlying assets are at least two. To find an example, you may visit homepage of security investment banks. If you select an ELS expired currently, then you know the whole paths of underlying prices. Price your ELS with various scenarios i.e., various set of parameters and compare your answer with the result of simulation.
2. Calculate Greeks: delta, gamma, vega, and sensitivity on correlation. Specify your units of Greeks
3. Graph the relation between ELS prices and underlyings. Graph the relation between deltas and underlyings.