# Title for paper submitted to International Journal of Scientific and Research Publications

##### **Luca Somigli**

Department of Economics, Mathematics and Statistics

Birkbeck, University of London

Dissertation submitted in partial fulfillment of the requirements for the degree of

**Master of Science in Mathematical Finance**

Student Number: 13197480

Words count: XXXXXXXX

***Abstract*-** The Quantitative finance world has stepped up well since its last centuries beginnings. Since the beginning with Black’s formula in 1973, financial mathematicians, engineers, academics and practitioners have contributed to building models that more realistically identify the stochastic behavior of prices in the financial markets. Such behavior has changed drastically over the decades and since the times where volatility was assumed to be constant over time. The presence of the equity skew and volatility smiles, moving from a flatter, simpler kind, suggested the utilization of a new way of thinking, with volatility not being fixed anymore, but following a stochastic process.

This research paper wants not only to study, but also to compare the current trends in identifying forward looking implied volatility, starting with the Dupire model – fixing volatility over time and treating as a constant; the Heston model – volatility following a stochastic process with a mean reverting structure; the more modern SABR models – stochastic alpha, beta and rho with complex structures that have many variants according to specific situations. Follows an in-depth analysis and plotting of such models that will serve our understanding of their accuracy and intricacy with respect to calculating market implied volatility.

1. Introduction

T

his section is here to introduce the topics confronted by outlining the major discussions, divided by chronological order. Section 1 will do something, section 2 will follow with something else, etcetera.

Identify the constructs of a Journal – Essentially a journal consists of five major sections. The number of pages may vary depending upon the topic of research work but generally comprises up to 5 to 7 pages. These are:

1. Abstract
2. Introduction
3. Research Elaborations
4. Results or Finding
5. Conclusions

**In Introduction you can mention the introduction about your research.**

1. LITERAURE REVIEW

It's the foremost preliminary step for proceeding with any research work writing. While doing this go through a complete thought process of your Journal subject and research for it's viability by following means:

1. Read already published work in the same field.
2. Goggling on the topic of your research work.
3. Attend conferences, workshops and symposiums on the same fields or on related counterparts.
4. Understand the scientific terms and jargon related to your research work.
5. THEORY: A HISTORY OF VOLATILITY, FROM CONSTANT TO STOCHASTIC

## The Black Model

In this approach combine all your researched information in form of a journal or research paper. In this researcher can take the reference of already accomplished work as a starting building block of its paper.

Jump Start

This approach works the best in guidance of fellow researchers. In this the authors continuously receives or asks inputs from their fellows. It enriches the information pool of your paper with expert comments or up gradations. And the researcher feels confident about their work and takes a jump to start the paper writing.

## Constant Elasticity of Variance and Dupire’s Local Volatility

There are numbers of software available which can mimic the process involved in your research work and can produce the possible result. One of such type of software is Matlab. You can readily find Mfiles related to your research work on internet or in some cases these can require few modifications. Once these Mfiles are uploaded in software, you can get the simulated results of your paper and it easies the process of paper writing.

As by adopting the above practices all major constructs of a research paper can be written and together compiled to form a complete research ready for Peer review.

## Stochastic Volatility and the Heston Model

There are numbers of software available which

## SABR

There are numbers of software available which

## Beyond SABR, Stochastic Local Volatility and mixed models

There are numbers of software available which

1. GET PEER REVIEWED

Here comes the most crucial step for your research publication. Ensure the drafted journal is critically reviewed by your peers or any subject matter experts. Always try to get maximum review comments even if you are well confident about your paper.

**For peer review send you research paper in IJSRP format to** [**editor@ijsrp.org**](mailto:editor@ijsrp.org)**.**

1. IMPROVEMENT AS PER REVIEWER COMMENTS

Analyze and understand all the provided review comments thoroughly. Now make the required amendments in your paper. If you are not confident about any review comment, then don't forget to get clarity about that comment. And in some cases there could be chances where your paper receives number of critical remarks. In that cases don't get disheartened and try to improvise the maximum.

**After submission IJSRP will send you reviewer comment within 10-15 days of submission and you can send us the updated paper within a week for publishing.**

This completes the entire process required for widespread of research work on open front. Generally all International Journals are governed by an Intellectual body and they select the most suitable paper for publishing after a thorough analysis of submitted paper. Selected paper get published (online and printed) in their periodicals and get indexed by number of sources.

**After the successful review and payment, IJSRP will publish your paper for the current edition. You can find the payment details at:** [**http://ijsrp.org/online-publication-charge.html**](http://ijsrp.org/online-publication-charge.html)**.**

1. CONCLUSION

A conclusion section is not required. Although a conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extensions.

Appendix

Appendixes, if needed, appear before the acknowledgment.

Acknowledgment

The preferred spelling of the word “acknowledgment” in American English is without an “e” after the “g.” Use the singular heading even if you have many acknowledgments.

References

1. G. O. Young, “Synthetic structure of industrial plastics (Book style with paper title and editor),” in *Plastics*, 2nd ed. vol. 3, J. Peters, Ed. New York: McGraw-Hill, 1964, pp. 15–64.
2. W.-K. Chen, *Linear Networks and Systems* (Book style)*.* Belmont, CA: Wadsworth, 1993, pp. 123–135.
3. H. Poor, *An Introduction to Signal Detection and Estimation*. New York: Springer-Verlag, 1985, ch. 4.
4. B. Smith, “An approach to graphs of linear forms (Unpublished work style),” unpublished.
5. E. H. Miller, “A note on reflector arrays (Periodical style—Accepted for publication),” *IEEE Trans. Antennas Propagat.*, to be published.
6. J. Wang, “Fundamentals of erbium-doped fiber amplifiers arrays (Periodical style—Submitted for publication),” *IEEE J. Quantum Electron.*, submitted for publication.

Authors

**Author** – Luca Somigli, Birkbeck, University of London.

**Correspondence Author** – Author name, email address, alternate email address (if any), contact number.