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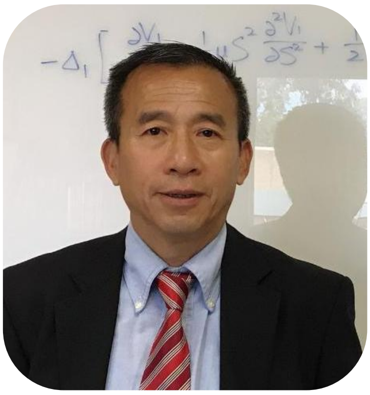

Prof Song-Ping Zhu
(University of Wollongong, Australia)

Price connection between Parasian options with a moving window and their 'fixed window' counterparts

Date:
Friday, 10 October 2025

Time:
13h10-14h10 SAST

Venues:

- Room 2048, 2nd floor
  Van der Sterr Building,
  cnr Victoria & Bosman Streets
  Stellenbosch
- Online

WHO SHOULD ATTEND?
All are welcome.

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ABSTRACT:

As exotic options, Parisian and Parasian options can be very useful in determining if a bankruptcy protection should be sought. This paper untangles a price connection between Parasian options with a moving window and their seemly disconnected 'fixed window' counterparts through a simple and elegant coordinate transform to the pricing PDE (Partial Differential Equation) system. As a result of our newly discovered quantitative connection between the two, not only are we able to price the former much more efficiently through the latter, we can also provide a better understanding and financial interpretation of the former in their application in finance, particularly corporate finance, as well as potentially for other derivatives of similar 'window-sampling' structure such as convertible bonds with the conversion right being defined on a moving window.

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