

SEMINAR ANNOUNCEMENT

College of William & Mary
Department of Economics

Title	The Most Amazing Idea in Finance!
Abstract	<p>According to the Bank for International Settlements, the notional value of derivatives outstanding is now approximately $\frac{3}{4}$ of a <i>quadrillion</i> dollars! That's on the order of 50 times U.S. GDP. Options and swaps are now an integral part of trading and investing, corporate finance, and risk management, and impact everyone's lives (as we've most recently discovered!). When I was an economics student at William & Mary, for all practical purposes, derivatives did not exist. This massive industry was spawned by a single, amazing idea (first published when I was a freshman) that is a powerful example of applying a fundamental economic principle and a little mathematics to solve a very "real world" problem. The ideas undergirding derivatives valuation are both deep and elegant, and almost shockingly self-evident in hindsight. Yet, even today, both the provenance and interpretation of the fundamental results is often incorrect – even in prominent textbooks. In this seminar we will explore, via a simple example, the powerful, but counterintuitive, idea behind the valuation of derivatives.</p>
Presenter	<p>Paul Staneski. Paul is a 1977 graduate (with high honors) from the Department of Economics at William & Mary. He also earned M.S. and Ph.D. degrees in statistics from Old Dominion University. He is currently Global Head of Derivatives Solutions and Training at Credit Suisse. He also was an equity research analyst and portfolio strategist (upon graduating from W&M), spent 10 years university teaching, ran his own consulting business (focusing on investments and environmental statistics) and spent 11 years at UBS and its predecessors before joining Credit Suisse over 4 years ago.</p>
Date	Thursday, November 13
Time	3:30 – 5:00 pm
Place	