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Fat Tailed and Skewed Asset Return Distributions

Implications for Risk Management, Portfolio Selection, and Option Pricing

SVETLOZAR T. RACHEV
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A fat-tailed distribution is a probability distribution that exhibits a large skewness or kurtosis, relative to that of either a normal distribution or an exponential distribution. In common usage, the term fat-tailed and heavy-tailed are synonymous, different research communities favor one or the other largely for historical reasons. Fat-tailed distributions have been empirically encountered in a variety of areas: physics, earth sciences, economics and political science. The class of fat-tailed Fat-Tailed and Skewed Asset Return Distributions examines this dilemma and offers readers a less technical look at how portfolio selection, risk management, and option pricing modeling should and can be undertaken when the assumption of a non-normal distribution for asset returns is violated. Topics covered in this comprehensive book include an extensive discussion of probability distributions, estimating probability distributions, portfolio selection, alternative risk measures, and much more. Fat-Tailed and Skewed Asset Return Distributions provides a bridge between the highly technical the or Start by marking â€œFat-Tailed and Skewed Asset Return Distributionsâ€ as Want to Read: Want to Read savingâ€¦ Want to Read.Â Weâ€™d love your help. Let us know whatâ€™s wrong with this preview of Fat-Tailed and Skewed Asset Return Distributions by Svetlozar T. Rachev. Problem: Itâ€™s the wrong book Itâ€™s the wrong edition Other.