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Kiseop Lee* (kiseop.lee@louisville.edu), Department of Mathematics, University of Louisville, Louisville, KY 40292, and **Sang-Hyeon Park**. *Insiders' hedging in a stochastic volatility model*. Preliminary report.

We study a market where there are traders with different levels of information. Insiders observe exclusive, non-public information that affects the volatility of the price process, and the information levels are different even among insiders. By the nature of information, some information processes are continuous, while others are discrete. We study the local risk minimization hedging strategies of the insiders under stochastic volatility models, and compare them with an honest trader's strategy. A numerical example is provided. (Received July 25, 2015)