

1038-60-159

Kyounghee Kim* (kim@math.fsu.edu), Department of Mathematics, Florida State University, Room 208, 1017 Academic Way, Tallahassee, FL 32306, and **Jungmin Choi**. *Derivatives of Asian Call option prices.*

An asian option is an option whose payoff is linked to the average value of the underlier on a specific set of dates during the life time of the option. Because the distribution of the averaging process is not known, there is no "formula" for the price of an Asian option. Using the appropriate measure change, the price of an European style Asian Call option and the derivatives can be expressed as the expected values of simple functions of Geometric Brownian motion. We will also discuss properties of average process of Geometric Brownian motion and some issues related to the sensitivity simulation. (Received February 06, 2008)