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Hasanjan Sayit* (hs7@wpi.edu), 100 Institute road, Worcester, MA 01609, and **Viens Frederi** (viens@stat.purdue.edu), Purdue University, West Lafayette, IN 47907. *Arbitrage free models in markets with transaction costs.*

In this note, we study no-arbitrage conditions in a market with multiple risky assets and proportional transaction costs. We present a condition which is sufficient for the market to be arbitrage-free and investigate its properties. In particular, we provide examples of price processes that are not semimartingales but are consistent with absence of arbitrage. (Received February 11, 2010)