1000-00-125 **Knut Solna*** (`ksolna@math.uci.edu`), Mathematics Department, Irvine, CA 92697. *Multiscale Parameter Variation in Pricing of Derivatives.* Preliminary report.

We consider issues related to pricing of financial derivatives and credit risk in the context of multiscale stochastic volatility. We show how pricing approximations can be derived that exploits separation of time scales. (Received August 21, 2004)

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