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Generalized Barndorff-Nielsen and Shephard model with applications in financial swaps.

In this presentation, a class of generalized Barndorff-Nielsen and Shephard model will be investigated from the viewpoint of derivative asset analysis. It will be shown that such models can be effectively used for arbitrage free pricing of volatility, variance, and covariance swaps. One of the major challenges in arbitrage free pricing of swap is to obtain an accurate pricing expression which can be used with good computational accuracy. In this presentation various approximate expressions will be obtained for the pricing of volatility, variance, and covariance swaps. (Received January 12, 2017)