

# GRADUATE SEMINAR

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Alternative models for pricing options due to the impact of pandemic on spot prices

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3:00 PM

Zoom meeting ID: [930 8730 3609](#)

## **Abstract**

On April 2020 the prices of WTI crude oil settled below zero for the first time in the history of this future contracts. Also, from March 2020 the mean-reverting level of the prices of NYMEX-Natural Gas experienced a drastic change after years.

The Black-76 model or a variation of this model has been always applied for the valuation of options by Market Participants. However, these models require positive underlying assets, and the mean-reverting level parameter in them is zero. In this project, we identified alternative models to apply on the preceding future prices.