

Wilmott Awards 2006



The winners of this year's awards as voted by users of wilmott.com



Contribution to Quantitative Finance (Cutting Edge Research)

WINNER Bruno Dupire

Bruno Dupire has headed the Derivatives Research teams at Societe Generale, Paribas Capital Markets and Nikko Financial Products before joining Bloomberg to develop pricing, risk management and arbitrage models. He is best known for having pioneered the widely used Local Volatility model (simplest extension of the Black-Scholes-Merton model to fit all option prices) in 1993 and subsequent stochastic volatility extensions. His recent work includes pricing and hedging of volatility derivatives and optimal delta hedging strategies. Before these years, he obtained a Master's Degree in Artificial Intelligence, a PhD in Numerical Analysis and introduced the use of Neural Networks for financial time series forecasting. He is a Fellow and Adjunct Professor at NYU.

REACTION

"This award reached me during my vacation in St Barth, and it has



Bruno Dupire

indeed been a very nice surprise, topping a gorgeous day filled with sun and beauty. I just finished reading a novel by André Gide and I was meditating on his sentence 'Rien ne décourage plus la pensée que cette persistance de l'azur.'

"Life needs a balance between effort and idleness, and New York certainly gives strong incentives to the former. These last two years at Bloomberg in NY have been intense, stimulated by an excellent research environment and the opportunity to present in numerous places my recent results on volatility derivatives, optimal hedging strategies, technical analysis, skew modeling and volatility arbitrage, amongst other.

"I want to thank the people who judged my work worthy the award and wish to congratulate *Wilmott* for having established in a short span of time a respected publication and a hugely popular forum. Finally, I want to thank my wife and my two kids for their constant love and support."

NOMINEES

Vladimir Piterberg

Head of Fixed Income Quantitative Research Barclays Capital. Prior to this he lead the quantitative interest rate modelling group at Bank of America which governed the banks approach to rates based products globally. He gained his PhD in Mathematics (Stochastic Calculus) at the University of Southern California.

Wim Schoutens

Wim Schoutens has a degree in Computer Science and a PhD in Science, Mathematics. He is a research professor in the Department of Mathematics at

the Catholic University of Leuven, Belgium. He has been a consultant to the banking industry. Wim is author of the Wiley book "*Lévy Processes in Finance: Pricing Financial Derivatives*" and editor (together with A E Kyprianou and P Wilmott) of the Wiley-book "*Exotic Option Pricing and Advanced Lévy Models*". His research interests cover all areas of financial Mathematics, in particular Lévy models. He recently has published on advanced equity models, model risks, hedging of variance swaps, jump driven credit models and multivariate financial modeling. He currently teaches several courses related to financial engineering in different Masters programs and is an engaging lecturer for the financial industry.



Contribution to Quantitative Finance (Implementation)

WINNER Emanuel Derman

Along with Fischer Black, Emanuel Derman is one of the people responsible for molding Goldman Sachs' reputation of the late eighties and early nineties. Derman paid equal attention to financial modeling and its implementation in the trading world. The Black, Derman Toy (BDT) yield curve model and Derman-Kani local volatility model are now ubiquitous, as is the move from hard science to the markets – and it was Derman who helped beat that path. Derman joined Goldman in 1985 in its financial strategies group. After developing BDT, Derman moved to spearheading the GS-One object-oriented modeling library. He took a break from Goldman for a year working at the adjustable rate mortgage research group at Salomon Brothers at the end of the decade