Bocconi

Università Commerciale Luigi Bocconi

Department of Decision Sciences

Statistics Seminars

Adapted Wasserstein distance for robust optimization in finance

Beatrice Acciaio
ETH Swiss Federal Institute of Technology in Zürich

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Abstract

In this talk I will introduce the concept of Adapted Wasserstein distance, that originates from imposing a causality constraint in optimal transport. This allows to capture the temporal structure of the transported objects, which is crucial when transporting measures on path spaces. I will present several applications of the AW-distance to illustrate its suitability for multiple optimization problems in mathematical finance and stochastic analysis.