The financial risk of a set portfolio

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Keywords: Coherent risk measure. Random set. Risk measure. Stochastic ordering.
AMS: 91B30, 91B82, 60D05

Abstract

We model a risky portfolio as a random set in the $d$-dimensional Euclidean space. A slight modification of the definition of risk measures for vector portfolios given by Cascos and Molchanov [4] makes is valid for the new set portfolios. In this framework, the risk of each set portfolio is given in terms of a subset of $\mathbb{R}^d$. Some relations between risk measures for set portfolios and stochastic orderings for random sets will be briefly discussed.

Acknowledgements: The financial support of the Spanish Ministry of Education and Science under grant MTM2005-02254 is acknowledged.

References