



## **Research Seminar Series**

**Thursday, January 22 2009  
Time: 16:00 – 18:00, Room 013**

### **Seminar Title**

## **“On Agent's Agreement And Partial Equilibrium Pricing In Incomplete Markets”**

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### **Summary**

We consider two risk-averse financial agents who negotiate the price of an illiquid indivisible contingent claim in an incomplete semimartingale market environment. Under the assumption that the agents are exponential utility maximizers with non-traded random endowments, we provide necessary and sufficient conditions for negotiation to be successful, i.e., for the trade to occur. We also study the asymptotic case where the size of the claim is small compared to the random endowments and we give a full characterization in this case. Finally, we study a partial-equilibrium problem for a bundle of divisible claims and establish existence and uniqueness. A number of technical results on conditional indifference prices is provided.

**Michail Anthropelos** got his Ph.D. in Mathematics from the Department of Mathematics of the University of Texas at Austin, in December 2008. He received his Master's in Mathematics with specialization in Mathematics of Finance from Columbia University in May 2003. He was awarded (with honors) the Bachelor of Science degree in Statistics and Insurance Science by the University of Piraeus in July 2002.