

Cornell center will give Wall St. workshops on computational finance

By Margaret Corbit

Add Silicon Alley in Manhattan to the long reach of the Cornell campus. The towering structure of 55 Broad St. might not be a 15-minute walk from Day Hall, but it is just down the street from the New York Stock Exchange -- not far for participants attending the first series of workshops presented by Cornell faculty and collaborators at the Financial Industry Solutions Center (FISC) beginning Wednesday, May 10.

Spring 2000 FISC workshops during May and June will provide lectures and hands-on training in computational finance delivered by leading academic practitioners in a state-of-the-art laboratory environment. Participants will have the opportunity to gain fresh insight into some of the most important theoretical and computational models currently used for financial analysis.

FISC, a joint venture of the Cornell Theory Center (CTC) and Silicon Graphics Inc. (SGI), works with the financial community to solve computational problems in risk management, financial engineering and business intelligence. The center offers the latest parallel computing and visualization technologies as well as financial modeling and computational finance expertise from Cornell.

The introductory session in the FISC spring workshop series, "Introduction to Computational Finance using MATLAB," features Thomas F. Coleman, director of both CTC and FISC and Cornell professor of computer science, and Robert A. Jarrow, the Ronald P. and Susan E. Lynch Professor of Investment Management at Cornell's Johnson Graduate School of Management. They will provide an introduction to some of the fundamental concepts for the practice of computational finance within the framework of the MATLAB software environment.

Coleman will focus on computational methods for improving computer programs used to hedge against large-scale variability in futures portfolios. Jarrow will present a new method for using market prices to estimate recovery rates and default probabilities, essential inputs for quantifying credit risk and tools for pricing corporate debt and credit derivatives.

Johannes Gehrke, assistant professor in Cornell's computer science department, will share his insight into one of today's most promising information tools for financial analysis during a May workshop, "An Overview of Modern Data Mining Technology." Participants will learn the basics of data mining, including gaining hands-on experience with data mining model construction through concrete data analysis examples using SGI's MineSet software.

The final spring workshop will run for two days beginning June 14. Peter Forsyth and Ken Vetzal of the University of Waterloo, Ontario, will present this session on modeling option pricing problems.

Each day's session runs from 8:30 a.m. to 5:00 p.m. Information about FISC programs, including workshops and seminars, can be seen at <http://www.fisc-ny.com/>. Online registration is available at <http://www.fisc-ny.com/workshops/register.html>.

May 4, 2000

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