

CURRICULUM VITAE

Personal

Name Fabio Mercurio
Birth date 26 September 1966
Nationality Italian
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Education

26 September 1996 *Ph.D. in Mathematical Finance*
Erasmus University Rotterdam, The Netherlands
Thesis title: "Claim Pricing and Hedging under Market Imperfections"
Supervisor: Prof. Dr. A.C.F. Vorst
21 November 1990 *Undergraduate degree in Mathematics*
University of Padova, Italy
Supervisor: Prof. W.J. Runggaldier

Working experience

February 2008 - Present *Senior Quant*
Quantitative Financial Research
Bloomberg, New York
June 2007 - February 2008 *Head of Financial Engineering*
Banca IMI, Milan
October 1998 - May 2007 *Head of Financial Models*
Product and Business Development
Banca IMI, Milan
December 1996 - October 1998 *Quantitative analyst*
Risk Management and Research
Banca Intesa, Milan

Other Appointments

February 2008 - Present *President of the Scientific Committee*
Iason Ltd (www.iasonltd.com)
November 2005 - December 2007 *Adjunct professor*
Bocconi University

Honors and awards

Most cited author in Risk Magazine, year 2008.
Only author in the annual top list of citations since 2004.

Languages

Italian (mother tongue)
English (fluent)
Portuguese (basic)

Programming skills

Matlab (good)
C e C++ (basic)

Current tasks and activities

- Responsible for the research on interest rates and inflation derivatives at Bloomberg. Tasks include: i) support to the development group in the pricing of specific payoffs, and the bootstrapping of yield curves; ii) research on possible extensions of market models that account for a multi-curve (single-currency) setting; iii) development of inflation models for the valuation of the year-on-year convexity correction and the pricing of generic caps and floors; iv) derivation of risk-neutral forward inflation densities;
- Invited speaker in international conferences and workshops.

Previous tasks and activities

- Head of Financial Engineering at Banca IMI, Milan. Tasks included: i) management of twenty people (modelers and developers); ii) study and development of models for the pricing and hedging of equity, interest rates, foreign exchange, credit and hybrid derivatives; iii) development of C++ codes for the relevant pricing functions; iv) development of the front office system interface (linking proprietary libraries for the pricing of exotics); v) academic research.
- Quant Analyst at the Risk Management Department of Cariplo, Milan. Tasks included: i) market risk evaluations and measurement; ii) study and implementation of interest rate models; iii) pricing of exotic products;
- Course teacher both for Risk and Marcus Evans.

Publications

1. F. Mercurio (2009) "Caps and Floors". To appear in: Encyclopedia of Quantitative Finance, edited by Rama Cont, Wiley (to be published in 2010).
2. F. Mercurio (2009) "The Lognormal-Mixture Local-Volatility Model". To appear in: Encyclopedia of Quantitative Finance, edited by Rama Cont, Wiley (to be published in 2010).
3. F. Mercurio (2009) Modelling Interest Rates: Latest Advances for Derivatives Pricing. Risk Books.
4. F. Mercurio and M. Morini (2009) "No-Arbitrage dynamics for a tractable SABR term structure Libor Model". In: Modelling Interest Rates: Latest Advances for Derivatives Pricing, edited by F. Mercurio, Risk Books.
5. F. Mercurio and M. Morini (2009) "A Note on Hedging with Local and Stochastic Volatility Models". In: Modelling Interest Rates: Latest Advances for Derivatives Pricing, edited by F. Mercurio, Risk Books.
6. A. Castagna, F. Mercurio and M. Tarenghi (2009) "Smile-consistent CMS adjustments in closed form: introducing the Vanna-Volga approach. In: Modelling Interest Rates: Latest Advances for Derivatives Pricing, edited by F. Mercurio, Risk Books.
7. F. Mercurio and N. Moreni (2009) "Inflation modelling with SABR dynamics". Risk June, 106-111.
8. F. Mercurio and M. Morini (2009) "Verso l'unione dei modelli SABR e Libor". Risk Italia, primavera 2009, 38-44.

9. F. Mercurio and M. Morini (2009) "Joining the SABR and Libor models together". Risk March, 80-85.
10. F. Mercurio and Y. Yildirim. (2008) "Modelling Inflation". In: Inflation Risks and Products: The Complete Guide, edited by Brice Benaben and Sebastian Goldenberg, Risk Books.
11. F. Mercurio (2008) "Cash-settled swaptions and no-arbitrage". Risk February, 96-98.
12. A. Castagna and F. Mercurio (2007) "Building Implied Volatility Surfaces from the Available Market Quotes: A Unified Approach". In: Volatility As An Asset Class, edited by I. Nelken, Risk Books.
13. A. Castagna and F. Mercurio (2007) "The Vanna-Volga Method for Implied Volatilities", Risk January, 106-111.
14. F. Rapisarda, D. Brigo and F. Mercurio (2006) "Parameterizing correlations: a geometric interpretation", IMA Journal of Management Mathematics, doi:10.1093/imaman/dpl010. Available online at: <http://imaman.oxfordjournals.org/cgi/content/short/dpl010v1>
15. F. Mercurio and A. Pallavicini (2006) "Sorridere alle convessità", Risk Italia, Inverno 2006.
16. F. Mercurio and A. Pallavicini (2006) "Smile at Convexity", Risk August, 64-69.
17. D. Brigo and F. Mercurio (2006), "Interest Rate Models: Theory and Practice" 2nd Ed., Springer Finance, Heidelberg.
18. F. Mercurio and N. Moreni (2006) "Inflation with a Smile", Risk March, 70-75.
19. L. Bisesti, A. Castagna and F. Mercurio (2005), "Consistent Pricing and Hedging of an FX Options Book", Kyoto Economic Review, LXXIV, 65-83.
20. F. Mercurio (2005), "Pricing Inflation-Indexed Derivatives", Quantitative Finance 5(3), 289-302.
21. D. Brigo, F. Mercurio and F. Rapisarda (2005) "Smile at Uncertainty". In: Derivatives Trading and Option Pricing, Dunbar N. (Editor), Risk Books.
22. D. Brigo, F. Mercurio and M. Morini (2005), "The LIBOR Model Dynamics: Approximations, Calibration and Diagnostics", European Journal of Operational Research 163, 30-51.
23. D. Brigo, F. Mercurio and F. Rapisarda (2004) "Smile con volatilità incerta", Risk Italia, Novembre 2004.
24. D. Brigo, F. Mercurio and F. Rapisarda (2004) "Smile at the uncertainty", Risk May.
25. D. Brigo, F. Mercurio, F. Rapisarda and R. Scotti (2003) "Approximated moment-matching dynamics for basket-options pricing", Quantitative Finance, vol 4 N. 1 (2003) pp. 1-16.
26. D. Brigo, F. Mercurio and G. Sartorelli (2003), "Alternative asset-price dynamics and volatility smile", Quantitative Finance 3 (3), 173-183.
27. D. Brigo and F. Mercurio (2003), "Analytical Pricing of the Smile in a Forward LIBOR Market Model", Quantitative Finance 3(1), 15-27.
28. D. Brigo and F. Mercurio (2003) "A mixed-up smile". In: Lipton, A. (Editor), Exotic Options: The cutting edge collection, Risk Books.
29. D. Brigo and F. Mercurio (2002), "Lognormal-Mixture Dynamics and Calibration to Market Volatility Smiles", International Journal of Theoretical & Applied Finance 5 (4), 427-446.
30. D. Brigo and F. Mercurio (2002), "Calibrare il Libor", Risk Italia, Agosto 2002.

31. D. Brigo and F. Mercurio (2002), "Calibrating LIBOR", Risk January.
32. D. Brigo and F. Mercurio (2001), "Interest Rate Models: Theory and Practice", Springer Finance, Heidelberg.
33. D. Brigo and F. Mercurio (2001), "A Deterministic-Shift Extension of Analytically-Tractable and Time-Homogeneous Short-Rate Models", Finance and Stochastics 5(3), 369-387.
34. D. Brigo and F. Mercurio (2001), "Displaced and Mixture Diffusions for Analytically-Tractable Smile Models". In Mathematical Finance - Bachelier Congress 2000, Geman, H., Madan, D.B., Pliska, S.R., Vorst, A.C.F., eds. Springer Finance, Springer, Heidelberg.
35. F. Mercurio and J. Moraleda (2001), "A Family of Humped Volatility Models", The European Journal of Finance 7, 93-116.
36. F. Mercurio (2001), "Claim Pricing and Hedging under Market Incompleteness and Mean-Variance Preferences", European Journal of Operational Research 133/3, 181-198
37. A. Adotti, D. Brigo and F. Mercurio (2001) "Uno Smile per Combinazione", Risk Italia, Marzo 2001, 64-68.
38. D. Brigo and F. Mercurio (2000), "A Mixed-up Smile", Risk September, Vol. 13 (9), 123-126.
39. D. Brigo and F. Mercurio (2000), "Option Pricing Impact of Alternative Continuous Time Dynamics for Discretely Observed Stock Prices", Finance and Stochastics 4 (2), 147-160.
40. D. Brigo and F. Mercurio (2000), "The CIR++ Model and other deterministic-shift extensions of short rate models". Proceedings of the 4th Columbia-JAFEE Conference for Mathematical Finance and Financial Engineering, Tokyo, December 16-17, 2000, pp. 563-584.
41. D. Brigo and F. Mercurio (2000), "Lognormal-mixture dynamics and calibration to market volatility smiles". Proceedings of the 4th Columbia-JAFEE Conference for Mathematical Finance and Financial Engineering, Tokyo, December 16-17, pp. 281-296.
42. F. Mercurio and J. Moraleda (2000), "An Analytically Tractable Interest Rate Model with Humped Volatility", European Journal of Operational Research 120/1, 205-214.
43. D. Brigo and F. Mercurio (1999), "Correction: Is Ito calculus oversold?" Risk April, Vol. 12 (4), 67.
44. D. Brigo and F. Mercurio (1999), "Expensive Markovianity and time holes in Black and Scholes". Proceedings of the conference Mathematical Theory of Networks and Systems, Padova, Italy, July 6-10, 1998. Il Poligrafo, Padova
45. F. Mercurio and A.C.F. Vorst (1997), "Option Pricing and Hedging in Discrete Time with Transaction Costs", Mathematics of Derivative Securities, edited by M.A.H. Dempster and S.R. Pliska, Cambridge University Press.
46. F. Mercurio and A.C.F. Vorst (1996), "Option Pricing with Hedging at Fixed Trading Dates", Applied Mathematical Finance 3, 135-158.
47. F. Mercurio and W.J. Runggaldier (1993), "Option Pricing for Jump-Diffusion: Approximations and Their Interpretation", Mathematical Finance 3, 191-200.