# Volatility Trading, + Website (Wiley Trading)

*Euan Sinclair*
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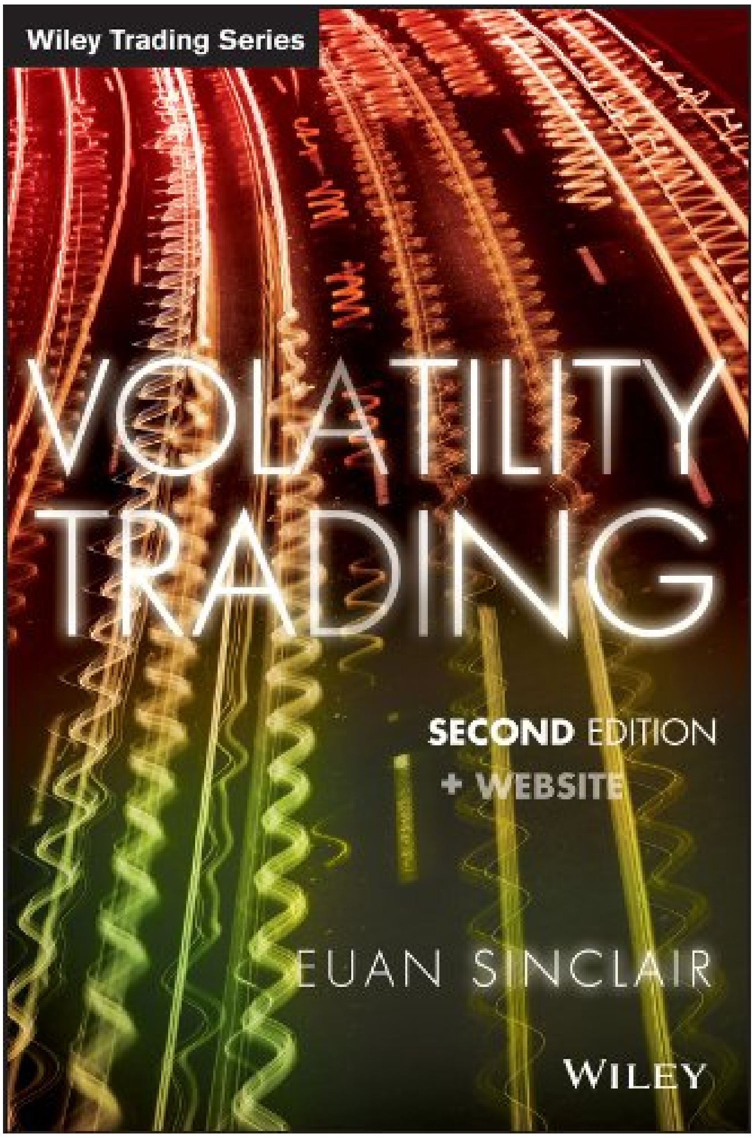




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**Euan Sinclair : Volatility Trading, + Website (Wiley Trading)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Volatility Trading, + Website (Wiley Trading):

0 of 0 people found the following review helpful. Volatility trading explored in depth ...By JayZ MITThe author is a physicist who is a trader by both have avocation and vocation. His analysis of all aspects of volatility is beautifully done and described. Yes, there is mathematics involved, but it is mostly from a practical, trader's perspective and not from a theoretical financial engineers perspective. Even if the math is too much for you, the text summarizes the key points and implications in words and with trading examples from the authors own experience.I am in intermediate trader with a scientific background. I will be going back to this text as my experience grows, to absorb the finer points

presented here. It is not an easy read but a definitely worthwhile one.In addition, The last chapter is a summary of books, articles, and websites the author has found useful. I wish more authors of trading texts would do this for their readers: a very valuable feature.Anyone trading volatility or wishing to learn about volatility should have this book on their shelf and read.5 of 5 people found the following review helpful. Reads like a novel, teaches like a textbookBy Tyler J. StannardWhen I got the book, I was amazed at how small it was, and less than 300 pages! As I read through it, I was fascinated by Dr. Sinclair's analogies to the gambling world. He also gave some great references at the end of the book which included explanations of their uses for the aspiring option trader. Some of the math and discussions of distributions went over my head a bit, but the references he gave at the end should help me to understand those topics as well and piece everything together. I may do more research on those references and read the book again.10 of 11 people found the following review helpful. I guess there are some very brilliant traders out there who really belong in MensaBy MerilynI guess there are some very brilliant traders out there who really belong in Mensa. I believe Euan Sinclair is a physicist. There were so many formulas and equations to support theory that I must admit I finally realized I would need to spend $40,000 to go back to school for a PhD in order to follow what he says. I am sure it's brilliant. I made it to page 70. I may continue and see if I can glean something from this, but if you are looking for simple options ideas to trade and make money this might not be the easiest way to find out about it.

Popular guide to options pricing and position sizing for quant traders In this second edition of this bestselling book, Sinclair offers a quantitative model for measuring volatility in order to gain an edge in everyday option trading endeavors. With an accessible, straightforward approach, he guides traders through the basics of option pricing, volatility measurement, hedging, money management, and trade evaluation. This new edition includes new chapters on the dynamics of realized and implied volatilities, trading the variance premium and using options to trade special situations in equity markets. Filled with volatility models including brand new option trades for quant traders Options trader Euan Sinclair specializes in the design and implementation of quantitative trading strategies Volatility Trading, Second Edition + Website outlines strategies for defining a true edge in the market using options to trade volatility profitably.

From the Inside FlapVolatility, by definition, is indicative of underlying randomness. But there are patterns within the noise that can be measured and exploited. No one knows this better than author Euan Sinclair, a highly successful options trader with a doctorate in quantum chaos. But the Second Edition of Volality Trading isn't just about the numbers. Drawing upon his fifteen years as a professional trader, Sinclair provides a fully fleshed-out approach to trading that relies as much on the all-important "human element" and the psychological and emotional biases that drive trading decisions, as it does on quantitative analysis. Ultimately, says Sinclair, trading is about having a coherent trading philosophy and developing a rigorous system. It's about setting a goal that can be clearly expressed in one sentence, and about finding trades with a clear statistical edge. And, finally, it's about capturing that edge and sizing each trade in a way that is consistent with your goal. Everything you do as a trader must be done within this framework. Taking an accessible, straightforward approach, Sinclair provides you with the knowledge and tools you need to create just such a framework. He walks you through the basics of option pricing, volatility measurement, hedging, money management, and performance evaluation. And he develops a Black-Scholes-Merton-based quantitative model for measuring volatility that can easily can be adapted to trading virtually any type of financial instrument. Responding to major changes in the markets since the first edition, Sinclair has expanded his scope in this Second Edition to include coverage of the many new opportunities available in VIX futures, ETNs, and leveraged ETFs. He also: Analyzes the benefits and shortcomings of an array of historical volatility measurements Clearly shows how volatility behaves in the real world and how it relates to returns on underlying assets Outlines methods for forecasting volatility over the lifetime of a trade Supplies proven techniques for knowing when to hedge and by how much Delivers strategies for aggregating positions so as to reduce the need to hedge Shares priceless tips on how to boost returns through trade sizingmdash;including techniques borrowed from the worlds of futures trading and professional gambling Arms you with powerful tools for evaluating the ongoing performance of your trading activity Fills you in on the latest research on cognitive and emotional biases that influence trading decisions and how to leverage them to your advantage Delineates time-tested strategies for trading VIX futures, ETNs, and leveraged ETFs Provides access to a companion website containing valuable spreadsheets, models for calculating volatility cones for different time periods, and simulation engines Bringing volatility trading down to earth for even the most numbers-shy traders, as well as hard-nosed quants interested in acquiring a deeper understanding of options trading, Volatility Trading, Second Edition is an indispensable "tool of the trade."From the Back CoverPraise from experts for the Second Edition of Volatility Trading "Benefitting from his experience as an option trader and his background as a physicist, Euan Sinclair gives a comprehensive and detailed treatment of theoretical and practical aspects involved in volatility trading. The style is to-the-point, focused, and honest. The book includes something rarer than a CD-ROM: humor. Heartily recommended for the practitioner, as well as the academic who wants to know." mdash;JESPER ANDREASEN, Danske Markets, Copenhagen "Over the last five years, this has become the classic work on practical options trading. It has been updated to cover innovations in markets as well as additional material on behavioral finance and capturing risk premium Everyone who trades options should read this book." mdash;AARON BROWN, Risk Manager, AQR Capital Management, and author of Red-Blooded Risk "Practical, engaging, and concise, Euan Sinclair's Volatility Trading remains the best book I have seen about options trading from the practitioner's standpoint. A far cry from the standard textbook treatment, Sinclair's discussion of practical topics such as trade sizing, exit criteria, and PL managementmdash;peppered with relevant trading anecdotesmdash;educates while countering many of the trader myths and fallacies one hears over the years. New material on trading the VIX and volatility ETFs is particularly timely and useful." mdash;STEVE CRUTCHFIELD, Head of U.S. Options, NYSE EuronextAbout the AuthorEUAN SINCLAIR is an option trader with fifteen years' experience. He specializes in the design and implementation of quantitative trading strategies. Sinclair is currently a proprietary option trader for Bluefin Trading, where he trades based on quantitative models of his own design. He holds a PhD in theoretical physics from the University of Bristol.