

9. References

Literature

Alexandridis, K. A., & Zapranis, A. D. (2013). *Weather Derivatives: Modeling and Pricing Weather-Related Risk*. Springer New York. (Electronic Edition) eBook Collection, Springer Link. doi: 10.1007/978-1-4614-6071-8.

Brooks, C. (2008). *Introductory Econometrics for Finance*. 2nd Edition, Cambridge University Press. (Electronic Edition) ebrary Collection. doi: 10.1017/CBO9780511841644

Enders, W. (1995). *Applied Econometric Time Series*. 2nd Edition, New York: John Wiley & Sons Inc.

Hull, J. C. (2006). *Options, Futures, and Other Derivatives*. New Jersey: Pearson Prentice Hall.

Jewson, S., & Brix, A. (2007). *Weather Derivative Valuation: The Meteorological, Statistical, Financial, and Mathematical Foundations*. 2nd Edition, Cambridge: Cambridge University Press.

Mishkin, F. S., Eakins, S. G. (2003). *Financial Markets + Institutions*. 4th Edition, New York: Addison-Wesley.

Stock, J. H., & Watson, M. W. (2011). *Introduction to Econometrics*. 3rd Edition, Essex: Pearson Education Limited.

Articles

Cao, M., & Wei (2000). Pricing the Weather. *Risk - Special Report, Energy and Power Risk Management*, 67–70. Accessed 2013-02-10 from http://www.risk.net/data/Pay_per_view/risk/technical/2000/risk_0500_weather.pdf

Considine G. (1999) Introduction to Weather Derivatives. *Weather Derivatives Group, Aquila Energy*. Accessed 2011-08-15 from http://www.dmeoncmeglobex.net/trading/weather/files/WEA_intro_to_weather_der.pdf

Moreno, M. (2000). Riding the Temp. *Weather Derivatives, FOW Special Supplement*. Accessed 2013-01-12 from <http://michael.moreno.free.fr/Documents/Ride.PDF>

Journals

Alaton, P., Djehiche, B., & Stillberger, D. (2002). On Modeling and Pricing of Weather Derivatives. *Applied Mathematical Finance*, 9(1), 1-20. doi: 10.1080/13504860210132897

Aretz, K., Bartram, S. M., & Gunter D. (2007) Why hedge? Rationales for corporate hedging and value implications. *The Journal of Risk Finance*, 8(5), 434-449. doi: 10.1108/15265940710834735

Benth, F. E. (2003). On Arbitrage-Free Pricing of Weather Derivatives Based on Fractional Brownian Motion. *Applied Mathematical Finance*, 10(4), 303-324. doi: 10.1080/1350486032000174628

Benth, F. E., & Šaltytė-Benth, J. (2005). Stochastic Modelling of Temperature Variations with a View Towards Weather Derivatives. *Applied Mathematical Finance*, 12(1), 53–85. doi: 10.1080/1350486042000271638

- Benth, F. E., & Šaltytė-Benth, J. (2007). The Volatility of Temperature and Pricing of Weather Derivatives. *Quantitative Finance*, 7(5), 553-561. doi: 10.1080/14697680601155334
- Benth, F. E., Šaltytė-Benth, J., & Koekebakker, S. (2007). Putting a Price on Temperature. *Scandinavian Journal of Statistics*, 34(4), 746–767. doi: 10.1111/j.1467-9469.2007.00564.x
- Brockett, P. L., Wang M., & Yang C. (2005) Weather Derivatives and Weather Risk Management. *Risk Management and Insurance Review*, 8(1), 127-140. doi: 10.1111/j.1540-6296.2005.00052.x
- Brody, D. C., Syroka, J., & Zervos, M. (2002). Dynamical Pricing of Weather Derivatives. *Quantitative Finance*, 2(3), 189-198. doi: 10.1088/1469-7688/2/3/302
- Caballero, R., Jewson, S., & Brix, A. (2002). Long Memory in Surface Air Temperature: Detection, Modeling, and Application to Weather Derivatives Valuation. *Climate Research*, 21(2), 127–140. doi: 10.3354/cr021127
- Campbell, S. D., & Diebold, F. X. (2005). Weather Forecasting for Weather Derivatives. *Journal of the American Statistical Association*, 100(469), 6-16.
<http://www.jstor.org.ezproxy.ub.gu.se/stable/27590514>
- Cao, M., & Wei, J. (2004). Weather Derivatives Valuation and Market Price of Weather Risk. *The Journal of Futures Markets*, 24(11), 1065–1089. doi: 10.1002/fut.20122
- Carr, P., Geman, H., & Madan, D. (2001). Pricing and Hedging in Incomplete Markets. *Journal of Financial Economics*, 62(1), 131-167. doi: 10.1016/S0304-405X(01)00075-7
- Connors, R. B. (2003). Weather Derivatives Allow Construction to Hedge Weather Risk. *Cost Engineering*, 45(3), 21-25. Accessed 2012-12-04 from <http://web.ebscohost.com.ezproxy.ub.gu.se/>
- Csiszar, E. N. (2007) An Update on the Use of Modern Financial Instruments in the Insurance Sector. *The Geneva Papers on Risk & Insurance*, 32(3), 319-331. doi: 10.1057/palgrave.gpp.2510134
- Davis, M. (2001). Pricing Weather Derivatives by Marginal Value. *Quantitative Finance*, 1(3), 305–308. doi: 10.1080/713665730
- Dischel, B. (1998a). (cited in Oetomo, 2005) Black-Scholes Won't Do. *Risk, Energy and Power Risk Management*, 11(10), 8–9.
- Dischel, B. (1998b). (cited in Oetomo, 2005) At Last: a Model for Weather Risk. *Weather Risk Special Report, Energy and Power Risk Management*, 11(3), 20–21.
- Dischel, B. (1999). (cited in Oetomo, 2005) Shaping history for weather risk management. *Energy Power Risk*, 12(8), 13-15.
- Dornier, F., & Queruel, M. (2000). (cited in Oetomo, 2005) Caution to the Wind. *Weather Risk Special Report, Energy and Power Risk Management*, 13(8), 30–32.
- Dosi, C., & Moretto, M. (2003). Global Warming and Financial Umbrellas. *The Journal of Risk Finance*, 4(4), 18-25. Accessed 2012-12-03 from <http://web.ebscohost.com.ezproxy.ub.gu.se/>
- Edrich, C. (2003). Weather Risk Management. *Journal of Financial Regulation and Compliance*, 11(2), 164-168. Accessed 2012-12-03 from <http://www.emeraldinsight.com.ezproxy.ub.gu.se/>

- Geman, H., & Leonardi M.-P. (2005). Alternative Approaches to Weather Derivatives Pricing. *Managerial Finance*, 31(6), 46-72. doi: 10.1108/03074350510769695
- Hull, J. & White, A. (1990). Pricing Interest-Rate-Derivative Securities. *The Review of Financial Studies*, 3(4), 573-592. Accessed 2013-02-18 from <http://www.jstor.org.ezproxy.ub.gu.se/stable/2962116>
- Jewson, S., & Caballero, R. (2003). Seasonality in the Statistics of Surface Air Temperature and the Pricing of Weather Derivatives. *Meteorological Applications*, 10(4), 367-376. doi: 10.1017/S1350482703001105
- Lazo, J. K., Lawson M., Larsen P. H., & Waldman D. M. (2011). U.S. Economic Sensitivity to Weather Variability. *Bulletin of the American Meteorological Society*, 92(6), 709–720. doi: 10.1175/2011BAMS2928.1
- Leggio, K. B. (2007). Using weather derivatives to hedge precipitation exposure. *Managerial Finance*, 33(4), 246-252. doi: 10.1108/030740350710721497
- Moberg, A., Bergström, H., Krigsman, J. R., & Svanered O.. (2002) Daily Air Temperature and Pressure Series for Stockholm (1756-1998). *Climate Change*, 53, 171-212. doi: 10.1007/978-94-010-0371-1_7
- Müller, A., & Grandhi, M. (2000). Weather Derivatives: A Risk Management Tool for Weather-Sensitive Industries. *The Geneva Papers on Risk and Insurance*, 25(2), 273-287. Accessed 2012-10-04 from <http://web.ebscohost.com.ezproxy.ub.gu.se/>
- Oetomo, T. & Stevenson, M. (2005). Hot or Cold? A Comparison of Different Approaches to the Pricing of Weather Derivatives. *Journal of Emerging Market Finance*, 4(2), 101-133. doi: 10.1177/097265270500400201
- Platen, E., & West, J. (2005). A Fair Pricing Approach to Weather Derivatives. *Asia-Pacific Financial Markets*, 11(1), 23-53. doi: 10.1007/s10690-005-4252-9
- Ray, R. (2004). Weather derivatives: Global hedging against the weather. *Derivatives Use, Trading & Regulation*, 9(4), 293-301. Accessed 2012-12-05 from <http://web.ebscohost.com.ezproxy.ub.gu.se/>
- Richards, T. J., Manfredo, M. R., & Sanders, D. R. (2004). Pricing Weather Derivatives. *American Journal of Agricultural Economics*, 86(4), 1005-1017. doi: 10.1111/j.0002-9092.2004.00649.x
- Šaltytė-Benth, J., & Benth, F. E. (2012). A Critical View on Temperature Modelling for Application in Weather Derivatives Markets. *Energy Economics*, 34(2), 592-602. doi: 10.1016/j.eneco.2011.09.012
- Šaltytė-Benth, J., Benth, F. E., & Jalinskas, P. (2007). A Spatial-Temporal Model for Temperature with Seasonal Variance. *Journal of Applied Statistics*, 34(7), 823-841. doi: 10.1080/02664760701511398
- Sharma, A. K., & Vashishtha, A. (2007) Weather derivatives: risk-hedging prospects for agriculture and power sectors in India. *The Journal of Risk Finance*, 8(2), 112-132. doi: 10.1108/15265940710732323
- Sundaram, R. K. (1997). Equivalent Martingale Measures and Risk-Neutral Pricing: An Expository Note. *The Journal of Derivatives*, 5(1), 85-98. doi: 10.3905/jod.1997.407984
- Svec, J., & Stevenson, M. (2007). Modelling and forecasting temperature based weather derivatives. *Global Finance Journal*, 18(2), 185-204. doi: 10.1016/j.gfj.2006.04.006

Torró, H., Meneu, V., & Valor E. (2003). Single Factor Stochastic Models with Seasonality Applied to Underlying Weather Derivatives Variables. *The Journal of Risk Finance*, 4(4), 6-17. Accessed 2012-10-13 from <http://web.ebscohost.com.ezproxy.ub.gu.se>

Turvey, C. G. (2001) Weather Derivatives for Specific Events in Agriculture. *Review of Agricultural Economics*, 23(2), 333-351. Stable URL: <http://www.jstor.org/stable/1349952>

Turvey, C. G. (2005). The Pricing of Degree-Day Weather Options. *Agricultural Finance Review*, 65(1), 59-85. doi: 10.1108/00214660580001166

Xu, W., Odening, M., & Musshoff, O. (2008). Indifference Pricing of Weather Derivatives. *American Journal of Agricultural Economics*, 90(4), 979-993. doi: 10.1111/j.1467-8276.2008.01154.x

Zapranis, A, & Alexandridis, A. (2008) Modelling Temperature Time-Dependent Speed of Mean Reversion in the Context of Weather Derivatives Pricing. *Applied Mathematical Finance*, 15(4), 355–386. doi: 10.1080/13504860802006065

Zapranis, A., & Alexandridis, A. (2009b). Weather Derivatives Pricing: Modelling the Seasonal Residual Variance of an Ornstein-Uhlenbeck Temperature Process with Neural Networks. *Neurocomputing*, 73(1-3), 37–48. doi: 10.1016/j.neucom.2009.01.018

Dissertations and Working Papers

Bellini, F. (2005). The Weather Derivatives Market: Modelling and Pricing Temperature (Doctoral thesis, University of Lugano). Lugano: Università della Svizzera italiana. urn: urn:nbn:ch:rero-006-108532

Campbell, S. D., & Diebold, F. X. (2002). Weather Forecasting for Weather Derivatives (PIER Working Paper 01-031, University of Pennsylvania). Accessed 2013-01-24 from <http://fic.wharton.upenn.edu/fic/papers/02/0242.pdf>

Papazian, G., & Skiadopoulos, G. S. (2010) Modeling the Dynamics of Temperature with a View to Weather Derivatives (Version January 19, 2010). doi: 10.2139/ssrn.1517293

Yoo, S. (2003). Weather Derivatives and Seasonal Forecast (Working paper, Department of Applied Economics and Management, Cornell University, Ithaca, NY), January. Accessed 2012-11-03 from citeseerx.ist.psu.edu/viewdoc/download.

Zapranis, A., & Alexandridis, A. (2006). Wavelet Analysis and Weather Derivatives Pricing (Paper Presented at the 5th Hellenic Finance and Accounting Association (HFAA)). Thessaloniki, 15–16 Dec. Accessed 2013-02-10 from <http://users.uom.gr/~aalex/files/Download/HFAA%202006.pdf>

Electronic Resources

Chow Test. (2012, 5 January). In *Wikipedia*. Accessed 2013-01-31 from http://en.wikipedia.org/wiki/Chow_test

CME Group. (2005). *An Introduction to CME Weather Products*. Accessed 2011-09-10 from <http://www.cmegroup.com/tools-information/lookups/publications/publications/brochures/temp-IntroWeatherFINAL.pdf>

CME Group. (2013). *CME Rulebook*. Accessed 2013-01.27 from <http://www.cmegroup.com/tools-information/CMERulebook.html>

CME Group. (2013). *Weather Futures and Options Codes*. Accessed 2013-04-05 from <http://www.cmegroup.com/trading/weather/files/weather-codes.pdf>
CME Group. (2013). *Weather Products*. Accessed 2013-01-10 from <http://www.cmegroup.com/trading/weather/>

Intergovernmental Panel on Climate Change. (2013). *The 2001 Climate Change Report*. Accessed 2013-01-06 from <http://www.ipcc.ch/pdf/climate-changes-2001/synthesis-spm/synthesis-spm-en.pdf>.

National Climatic Data Center. (2013). *Metadata on New York LaGuardia*. Accessed 2012-11-15 from <http://www.ncdc.noaa.gov/homr/>

National Climatic Data Center. (2013). *WBAN*. Accessed 2013-03-25 from <http://www.ncdc.noaa.gov/homr/reports/platforms;jsessionid=409B8BD2A3F6201191DBE1BA792DCC82.lwf1>

Ornstein-Uhlenbeck Process. (2013, 28 February). In *Wikipedia*. Accessed 2013-03-11 from http://en.wikipedia.org/wiki/Ornstein-Uhlenbeck_process

SMHI. (2013). *Stockholm's homogenized temperature series*. Accessed 2012-01-03 from <http://www.smhi.se/klimatdata/meteorologi/temperatur/stockholms-temperaturserie-1.2847>

Weather Risk Management Organization. (2013). *WRMA Industry Survey 2010-2011*. Accessed 2013-04-28 from <http://www.wrma.org/pdf/WRMA2011IndustrySurveyreleaseFINAL.pdf>

Databases and Computer Programs

Bloomberg

Stata