
Multivariate execution model

Philippe Dumont*¹

¹Société Générale – Société Générale – France

Abstract

Liquidating efficiently a large basket of financial instruments is an open and complex problem, as one must determine a schedule of orders over several timesteps considering:

- The type of orders to send (aggressive or passive)
- The price impact of aggressive orders, which is typically concave for large orders but linear for small ones
- The risk of keeping an inventory
- The trading costs
- The respect of trading limits
- The trading views

We present a model that handles those items in one unified framework.

*Speaker