

**Risk**  
books

# Foreign Exchange Options and Risk Management

Market Dynamics, Models  
and Human Behaviour

BY DEMETRI PAPACOSTAS  
AND FRANCESCO TONIN



## BOOK REVIEW:

Industry experts Demetri Papacostas and Francesco Tonin use their extensive experience and knowledge to examine the behavior of the FX markets' major players during this critical period. Fintech and the global coordination of regulation is allowing, for the first time, a look under the hood. The FX market will look increasingly like the equity market, and the rocky path to the promised land of frictionless, fully transparent FX markets will be closer than ever.

Foreign Exchange Options and Risk Management examines the basic use of FX, and particularly FX options, by the major market participants, and assesses in a practical and intuitive way:

- How they mitigate risk
- Why they mitigate risk
- How they profit and how they speculate using FX-related instruments.

## Testimonials:

- "I have known Demetri Papacostas professionally for three decades. He has a solid grasp of the field and enough clinical knowledge to get the intricacies. If you ever want to talk about FX and FX options, looking for someone reliable, give him a call, or, better, read his book. This is way clearer and more solid than any material by finance academics." **Dist. Prof. Nassim Nicholas Taleb**, New York University, Tandon School of Engineering, Renowned author of *The Black Swan* and most recent work *Skin In The Game*
- "Demetri has worked with us on many initiatives over the years, from option pricing models to finessing our algorithmic trading strategies. Demetri's value is that he always brings a deep understanding of the currency market dynamics with a determination to understand any given challenge from the customer point of view, working with us on many successful outcomes. Demetri and Francesco have now delivered a balanced and comprehensive volume that excels on many levels; the book is a very engaging narrative on the history of currency markets, with great anecdotal color, but it also does not shy away from getting into some deeper technical areas of global currency flow dynamics and option math. As such it is a rarity.... an absorbing read that will also serve as a handy reference book on the many facets of modern currency trading. The book should be on the summer reading list of anyone with an interest in currency markets. Certainly a must read for anyone in corporate treasury function managing international exposures." **Mark Hobbert**, CFA Vice President & Assistant Treasurer, IBM
- "This book provides a unique and intuitive perspective on the foundation of both the technical and human elements that govern FX markets. The authors have an engaging talent for feeding the reader just enough math to create "aha!" moments, without distracting from the insightfulness of their conclusions. They couple it with an extraordinary collection of anecdotes that illustrate how people scramble in the financial markets to find an edge in every possible way." **Philip Gellos**, Gellos Capital LLC
- "Demetri Papacostas and Francesco Tonin, two leading experts in the world of currency options, have combined their talents to produce a rigorous yet highly readable guide to the new world of FX trading, currency options and risk management. Technological advances and regulatory changes are rapidly changing the landscape of foreign exchange from the way bank trading desks operate to the way buy side risk managers have had to adapt in the new post-financial crisis environment. This book guides the reader through these changes in a breezy fashion, almost in a way that a good novelist would take. What truly stands out in this book is the way that it describes in an easy-to-read, step-by-step manner, the world of currency options and risk management in an intuitive, yet rigorous manner. FX sales people, traders, risk managers, analysts and students of the foreign exchange market will want to own this book." **Michael R. Rosenberg**, Bloomberg Intelligence Currency Strategist

**Available at Amazon:**

<https://www.amazon.com/Foreign-Exchange-Options-Risk-Management-ebook/dp/B07G799J5G>