

# Handbook of Market Risk

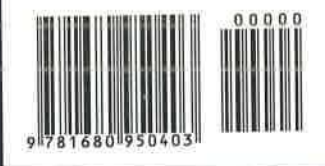
Market risk is the risk of losses in positions arising from movements in market prices. The possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against. The risk that a major natural disaster will cause a decline in the market as a whole is an example of market risk. Other sources of market risk include recessions, political turmoil, changes in interest rates and terrorist attacks. Market risk is the fluctuation of returns caused by the macroeconomic factors that affect all risky assets. The text "Handbook of Market Risk" is divided into eighth chapters. The concept of risk management in business has been described in first chapter. Second chapter presents a statistical study on petrochemical accidents over a long period of evidence underpinning the need of developing and sufficiently strengthening control barriers to prevent catastrophic consequences to people or environment resulting from accidental releases of hydrocarbons. Third chapter focuses on several important aspects of cyber risk and how these affect the economics and security of organizations. The process of selecting a response plan under market risk has been described in fourth chapter. A framework to select techniques which supports market risk management has been described in fifth chapter. Sixth chapter focuses on reducing these limitations and improve the quality of risk management. The aim of seventh chapter is to optimize the organization's exposure to risk in order to prevent losses, avoid threats and exploit opportunities. We present some of the main aspects regarding collaboration that are relevant in order to build an efficient project and risk management strategy in last chapter.

**Prof. Jose Jagger** is pursuing Ph.D. in Quantitative Finance and Risk Management. He is interested in teaching and research on design, development, and implementation of new financial and risk management products, processes, strategies, and systems to meet demands of various institutions, corporations, governments, and households.



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Jagger

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Editor | **Prof. Jose Jagger**



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Editor

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Edited by **Prof. Jose Jagger**

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