Slimane GRINE, Electrabel
"Multi-layer model for correlated energy prices"

In the world of energy derivatives, one cannot model commodities and the derivative securities independently. Statistical analysis of data clearly indicates the presence of a strong link between power and fuel prices, as well as between the power prices on different markets linked with interconnectors. In this article we introduce a novel framework entitled the "Multilayer model for correlated energy prices", where we elegantly introduce correlation between the different products through an elegant and innovative way. The multi-layer model allows to capture dynamics of the entire European energy price complex.