

Help

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#include <stdlib.h>
#include "rstemperedstable1d_std.h"
#include "math/wienerhopf.h"
#include "math/wienerhopf_rs.h"

#if defined(PremiaCurrentVersion) && PremiaCurrentVersion <
    (2010+2) //The "#else" part of the code will be freely av
    ailable after the (year of creation of this file + 2)
static int CHK_OPT(AP_fastwhamer_rstemperedstable)(void *
    Opt, void *Mod)
{
    return NONACTIVE;
}
int CALC(AP_fastwhamer_rstemperedstable)(void*Opt,void *
    Mod,PricingMethod *Met)
{
    return AVAILABLE_IN_FULL_PREMIA;
}
#else

static char *infilename;

/*////////////////////////////////////////*/
static int wh_rstemperedstable_amerput(int ifCall,
    double Spot,
    double T, double h, double Strike1,
    double er, long int step, int n_state,
    double *ptprice, double *ptdelta)
{
    PnlVect *divi, *rr, *num, *nup, *lambdap, *lambdam, *cm,
        *cp, *strike, *mu, *qu;
    PnlVect *prices, *deltas;
    double eps;
    PnlMat *lam;
    int res, i, nstates;
    double tomega, omegas, lpnu, lmnu;

    eps= 1.0e-7; // accuracy of iterations

    res=readparamstsl_rs(&nstates, &rr, &divi, &num, &nup, &

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    lambdam, &lambdap, &cm, &cp, &lam, infilename);

if(!res)
{
    printf("An error occurred while reading file!\n");
    *ptprice=0.;
    *ptdelta=0.;
    return OK;
}

mu= pnl_vect_create(nstates+1);
qu= pnl_vect_create(nstates+1);
strike= pnl_vect_create(nstates+1);
prices= pnl_vect_create(nstates+1);
deltas= pnl_vect_create(nstates+1);

for(i=0;i<nstates; i++) LET(strike,i)=Strike1;

if(ifCall==0) {omegas=2.0; }
else {omegas=-1.0; }

for(i=0;i<nstates;i++)
{
    LET(rr,i)=log(1.+GET(rr,i)/100.);
    LET(divi,i)=log(1.+GET(divi,i)/100.);

    if(ifCall==0)
    {
        tomega = GET(lambdam,i)<-2. ? 2. : (-GET(lambdam,
i)+1.)/2.;
        omegas = omegas>tomega ? tomega :omegas;
    }
    else
    {
        tomega=GET(lambdap,i)>1. ? -1. : -GET(lambdap,i)/2
.;
        omegas = omegas<tomega ? tomega :omegas;
    }

    LET(cp,i) = GET(cp,i) * tgamma(-GET(nup,i));
    LET(cm,i) = GET(cm,i) * tgamma(-GET(num,i));

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lpnu=exp(GET(nup,i)*log(GET(lambdap,i)));
lmnu=exp(GET(num,i)*log(-GET(lambdam,i)));

LET(mu,i)= GET(rr,i) - GET(divi,i) + GET(cp,i)*(lpnu-
exp(GET(nup,i)*log(GET(lambdap,i)+1.0))) + GET(cm,i)*(lmnu-
exp(GET(num,i)*log(-GET(lambdam,i)-1.0)));

LET(qu,i) = GET(rr,i) + (pow(GET(lambdap,i),GET(nup,
i)) - pow(GET(lambdap,i)+omegas,GET(nup,i)))*GET(cp,i) + (
pow(-GET(lambdam,i),GET(num,i))-pow(-GET(lambdam,i)-omegas,
GET(num,i)))*GET(cm,i);
}

res = fastwienerhopfamerican_rs(1, nstates, mu, qu, omeg
as,
ifCall, Spot, lambdam, lambdap, num, nup, cm, cp, rr,
divi, lam,
T, h, strike, er, step, eps, prices, deltas);

//Price
*ptprice =GET(prices,n_state-1);
//Delta
*ptdelta =GET(deltas,n_state-1);

// Memory desallocation
pnl_vect_free(&mu);
pnl_vect_free(&qu);
pnl_vect_free(&prices);
pnl_vect_free(&deltas);
pnl_vect_free(&rr);
pnl_vect_free(&divi);
pnl_vect_free(&lambdap);
pnl_vect_free(&lambdam);
pnl_vect_free(&cp);
pnl_vect_free(&cm);
pnl_vect_free(&num);
pnl_vect_free(&nup);
pnl_vect_free(&strike);

pnl_mat_free(&lam);

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return OK;
}

//=====
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int CALC(AP_fastwhamer_rstemperedstable)(void *Opt,void *
Mod,PricingMethod *Met)
{
    TYPEOPT* ptOpt=( TYPEOPT*)Opt;
    TYPEMOD* ptMod=( TYPEMOD*)Mod;
    double strike, spot;

    NumFunc_1 *p;
    int res;

    int ifCall;

    p=ptOpt->PayOff.Val.V_NUMFUNC_1;
    strike=p->Par[0].Val.V_DOUBLE;
    spot=ptMod->S0.Val.V_DOUBLE;
    ifCall=((p->Compute)==&Call);

    infilename= ptMod->Transition_probabilities.Val.V_FILENA
ME;

    res = wh_rstemperedstable_amerput(ifCall, spot,
    ptOpt->Maturity.Val.V_DATE-ptMod->T.Val.V_DATE, Met->
    Par[1].Val.V_DOUBLE, strike,
    Met->Par[0].Val.V_DOUBLE, Met->Par[2].Val.V_INT2, Met->
    Par[3].Val.V_INT,
                                &(Met->Res[0].Val.V_DOUBLE), &(
    Met->Res[1].Val.V_DOUBLE));

    return res;
}

static int CHK_OPT(AP_fastwhamer_rstemperedstable)(void *

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    Opt, void *Mod)
{
    // Option* ptOpt=(Option*)Opt;
    // TYPEOPT* opt=(TYPEOPT*)(ptOpt->TypeOpt);
    //return NONACTIVE;
    if ((strcmp( ((Option*)Opt)->Name,"PutAmer")==0) || (strcmp(
        mp( ((Option*)Opt)->Name, "CallAmer")==0) )
    return OK;

    return WRONG;
}

#endif //PremiaCurrentVersion
static int MET(Init)(PricingMethod *Met,Option *Opt)
{
    static int first=1;

    if (first)
    {
        Met->Par[0].Val.V_PDDOUBLE=2.0;
        Met->Par[1].Val.V_PDDOUBLE=0.01;
        Met->Par[2].Val.V_INT2=10;
        Met->Par[3].Val.V_INT=1;
        first=0;
    }

    return OK;
}

PricingMethod MET(AP_fastwhamer_rstemperedstable)=
{
    "AP_FastWH_RSTS",
    { {"Scale of logprice range", DOUBLE, {100}, ALLOW},
      {"Space Discretization Step",DOUBLE,{500},ALLOW},
      {"TimeStepNumber",INT2,{100},ALLOW},
      {"Output state number",INT,{100},ALLOW},
      {" ",PREMIA_NULLTYPE,{0},FORBID}},
    CALC(AP_fastwhamer_rstemperedstable),
    {"Price of chosen state",DOUBLE,{100},FORBID},
    {"Delta of chosen state",DOUBLE,{100},FORBID},

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    {" ",PREMIA_NULLTYPE,{0},FORBID}},  
    CHK_OPT(AP_fastwhamer_rstemperedstable),  
    CHK_split,  
    MET(Init)  
};
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References