Source | Model | Option
| Model_Option | Help on mc methods | Archived Tests

mc_longstaffschwatrz_nd

Input parameters:

- Number of iterations N

- Generator Type

- Increment *inc*

- Regressor Basis *basis*

- Dimension Approximation *dimapprox*

- Number of Exercise Date *exercise date number*

Output parameters:

- Price P

Description:
Computation of Bermudan Option Price with the Longstaff-Schwartz algorithm that gives an estimation of an optimal stopping time using regression method. [1]. Longstaff-Schwartz Method

References

[1] F.A.LONGSTAFF E.S.SCHWARTZ. Valuing american options by simulations:a simple least-squares approach. *Working Paper Anderson Graduate School of Management University of California*, 25, 1998. 1