**Pseudo code**

FUNCTION pairTradingAlgorithm(stockPrice, optionPrice):

priceDifference = stockPrice – optionPrice

profitThreshold = 0.5 # Example threshold, adjust based on analysis

IF priceDifference > profitThreshold:

executeTrade()

ELSE:

holdPosition()

FUNCTION executeTrade():

# Implement trade execution logic

PRINT “Executing pair trading strategy – Buy stock, Buy option”

FUNCTION holdPosition():

# Implement holding position logic

PRINT “Holding position”

# Example usage

stockPrice = getStockPrice() # Replace with actual function to get real-time stock price

optionPrice = getOptionPrice() # Replace with actual function to get real-time option price

pairTradingAlgorithm(stockPrice, optionPrice)