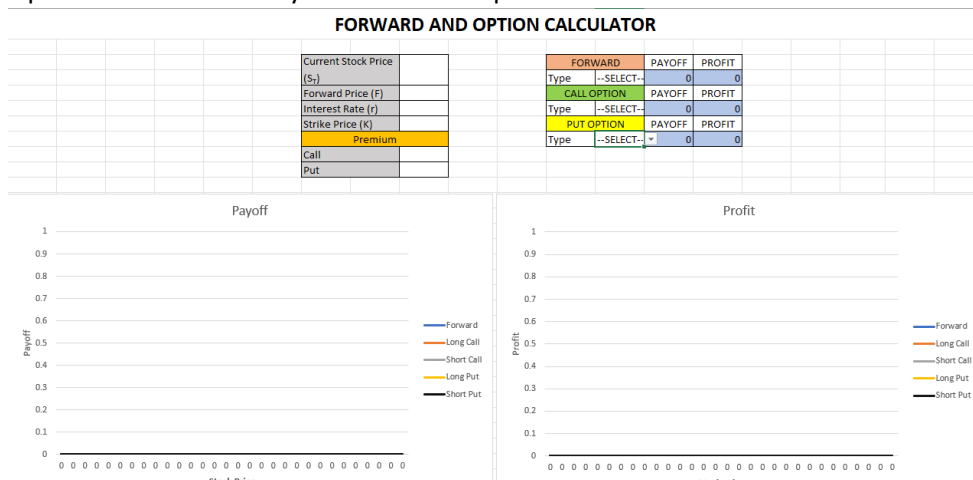


Manual for Forward and Option Calculator

1. Open the Excel file and you will see the spread sheet as below.



2. To begin with the calculation, you have to input the current stock price, forward price, interest rate, strike price, and premiums for both call and put option in the available spaces in the left table. An example is provided below.

Current Stock Price (S_T)	50
Forward Price (F)	45
Interest Rate (r)	8%
Strike Price (K)	45
Premium	
Call	8.21
Put	5.22

3. On the right table, you need to click select button and chose which type of strategy that you want, whether it is long or short. The result of calculation for payoff and profit will be automatically appeared. An example is provided below.

FORWARD		PAYOFF	PROFIT
Type	LONG	5	5
CALL OPTION		PAYOFF	PROFIT
Type	SHORT	-5	3.8668
PUT OPTION		PAYOFF	PROFIT
Type	SHORT	0	5.6376

4. As you can see from the beginning, there are two diagrams provided in this spreadsheet. The left is payoff diagram and the right is profit diagram. The diagrams will be also automatically appeared after you input the data and in each of diagram, you can see some comparisons to help you in analysing every strategy. An example of result is shown below.

