University of Roma Tor Vergata − Corso di Metodi Probabilistici e Statistici per i Mercati Finanziari

Example of Lattice Plot for American CALL Option − Exercise, Prosecution and Market Values in CRR Model

market periods N = 14, risk free rate r = 0.003774561, u = 1.001503, d = 0.9984969, risk neutral probability (p,q) = (0.01755624,0.9824438), strike K = 145.