

Example of Lattice Plot for American Put 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 $K = 175$.