

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

market periods $N = 14$, risk free rate $r = 0.003774561$, $u = 1.003406$, $d = 0.9965937$, risk neutral probability $(p, q) = (0.01054057, 0.9894594)$, strike $K = 130$.