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

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 = 1.017143, d = 0.9828566, risk neutral probability (p,q) = (0.00610088, 0.9938991), strike K = 205.

