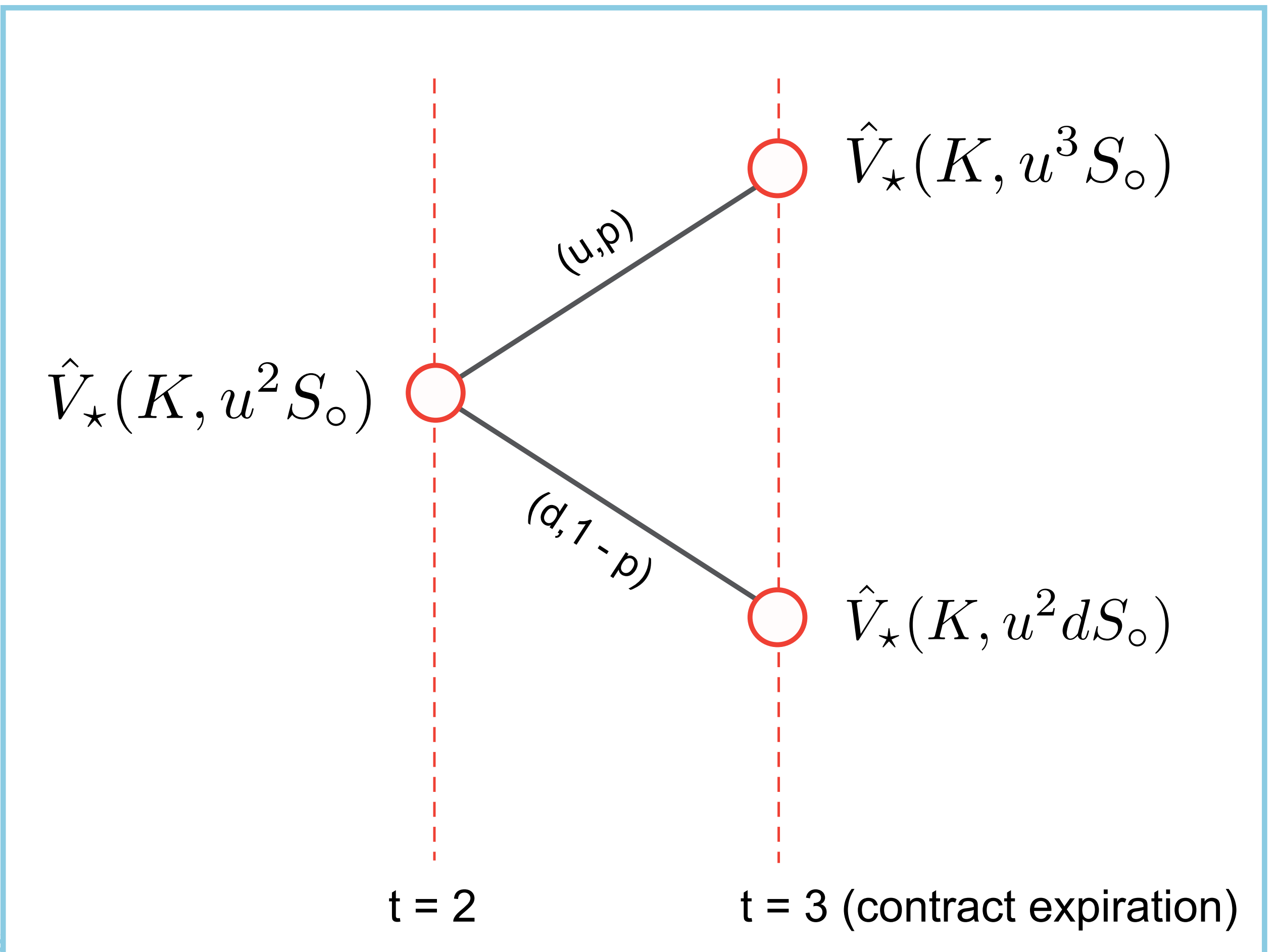
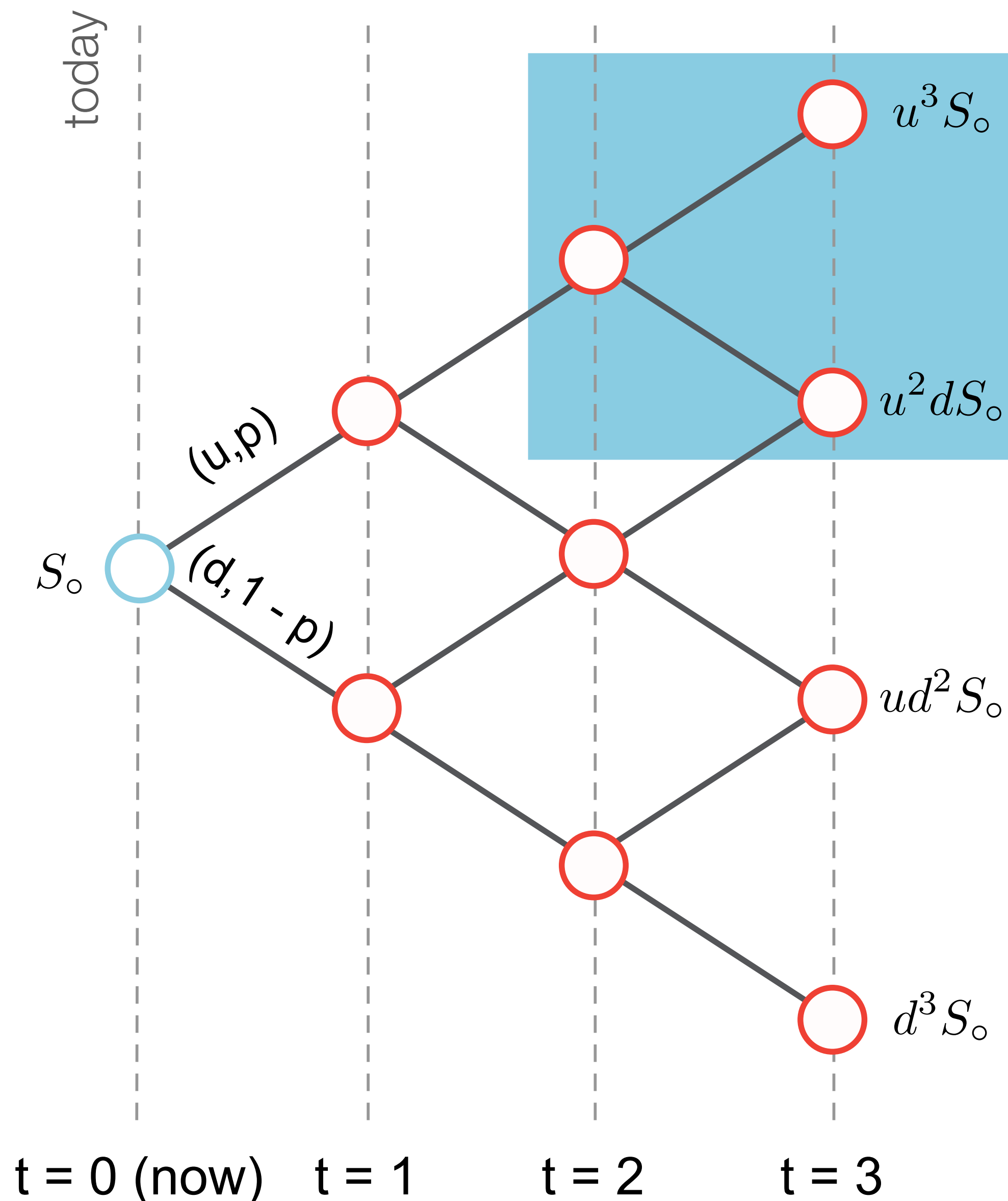


uncertain future

Single decision cell



Decision rule American contract:

$$\hat{V}_{\star,t} = \max \left\{ \hat{V}_{\star}(K, u^2 S_0), \mathcal{D}_{t+1,t}^{-1} \cdot \mathbb{E} \left(\hat{V}_{\star,t+1} \right) \right\}$$

Exercise now

hold for the future