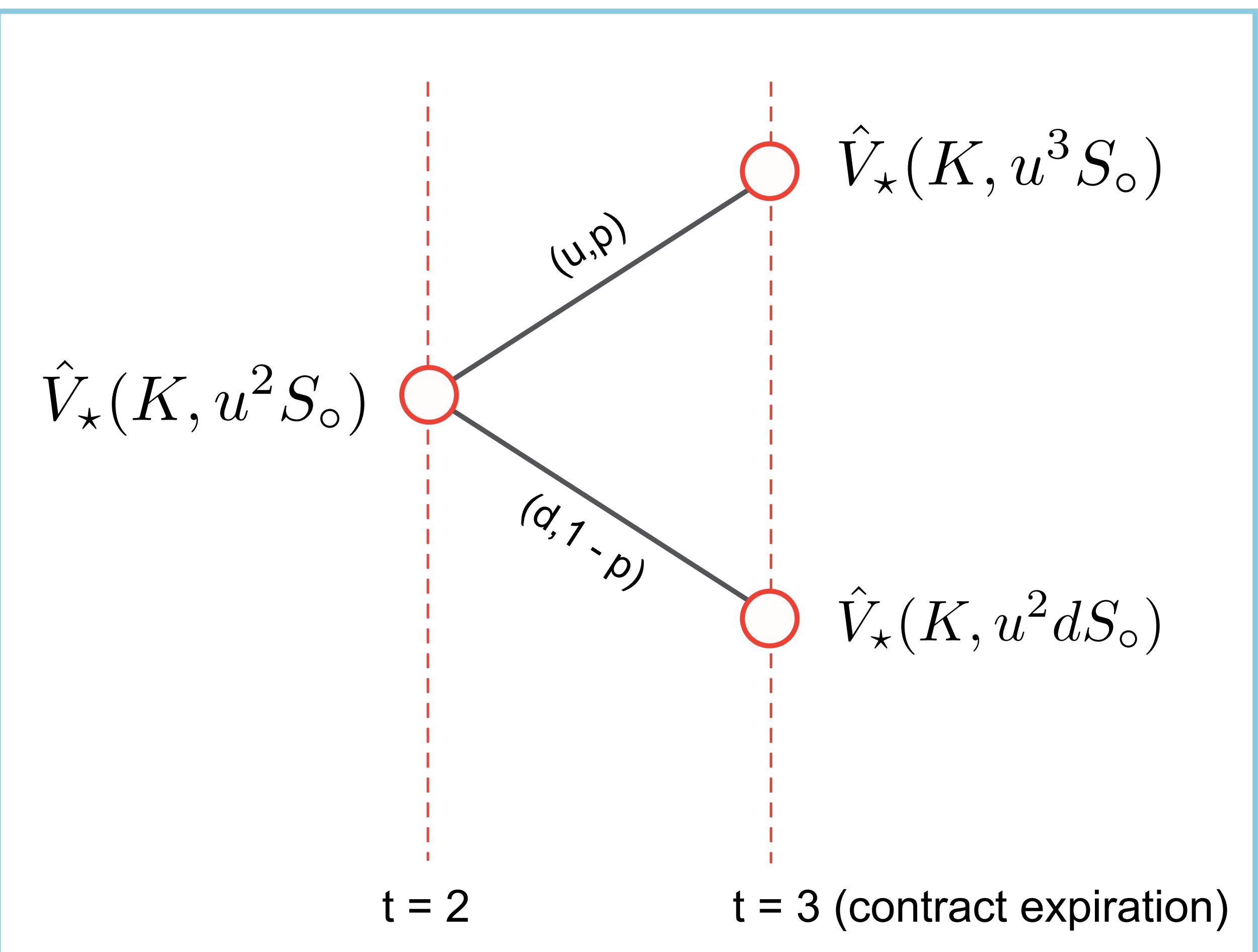


### Single decision cell



Decision rule American contract:

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

Exercise now

hold for the future