

Accepted Manuscript

Analytic properties of American option prices under a modified Black–Scholes equation with spatial fractional derivatives

Wenting Chen, Kai Du, Xinzi Qiu

PII: S0378-4371(17)30846-4

DOI: <http://dx.doi.org/10.1016/j.physa.2017.08.068>

Reference: PHYSA 18514

To appear in: *Physica A*

Received date: 5 January 2017

Revised date: 13 June 2017

Please cite this article as: W. Chen, K. Du, X. Qiu, Analytic properties of American option prices under a modified Black–Scholes equation with spatial fractional derivatives, *Physica A* (2017), <http://dx.doi.org/10.1016/j.physa.2017.08.068>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Highlights:

1. This paper investigates the convexity of American put price under the FMLS model.
2. The monotone property of the prices with respect to the tail index α is also considered.
3. Numerical examples support the analytic results.

Download English Version:

<https://daneshyari.com/en/article/5102356>

Download Persian Version:

<https://daneshyari.com/article/5102356>

[Daneshyari.com](https://daneshyari.com)