

[Help](#)

```
extern "C" {
#include  "hes1d_std.h"
}

#include "math/intg.h"

extern "C" {

    static double T, sigma, rho, k, v, r, divid, teta, lambda, S, K;

    static double charact_funct1(double uu)
    {
        double a, b, rs, rsp, sig, tau, tpf1, tpf2, f10, c0, d0;
        dcomplex g, z, w, tp1, tp2, DD, CN, ans, d, expo;

        tau = T;
        a = k * teta;
        rs = rho * sigma;
        rsp = rs * uu;
        sig = sigma * sigma;

        b = k + lambda - rs;
        if (uu == 0)
        {
            if (b == 0)
            {
                c0 = a * T * T / 4.0;
                d0 = T / 2.0;
            }
            else
            {
                c0 = 0.5 * a * (exp(-b * T) + b * T - 1.0) / b / b;
                d0 = 0.5 * (1.0 - exp(-b * T)) / b;
            }
            f10 = log(S / K) + (r - divid) * T + c0 + d0 * v;
        }

        return f10;
    }
}
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    z = Complex(-b, rsp);
    z = Cmul(z, z);
    w = RCmul(sig, Complex(-uu * uu, uu));
    d = Csqrt(Csub(z, w));
    tp1 = Complex(d.r + b, d.i - rsp);
    tp2 = Complex(-d.r + b, -d.i - rsp);
    g = Cdiv(tp2, tp1);

    expo = Cexp(RCmul(-tau, d));
    DD = Csub(Complex(1, 0), expo);
    DD = Cdiv(DD, Csub(Complex(1, 0), Cmul(g, expo)));
    DD = Cmul(DD, RCmul(1.0 / sig, tp2));

    CN = Csub(Cmul(g, expo), Complex(1, 0));
    CN = Cdiv(CN, Csub(g, Complex(1, 0)));
    tpf1 = a * (tau * tp2.r - 2.0 * Clog(CN).r) / sig;
    tpf2 = a * (tau * tp2.i - 2.0 * Clog(CN).i) / sig;

    tpf2 += (r - divid) * uu * tau;
    ans = Complex(tpf1 + v * DD.r, tpf2 + v * DD.i + uu * log(S));
    ans = Cmul(Cexp(ans), Cexp(Complex(0, -uu * log(K))));
    ans = Cdiv(ans, Complex(0, uu));

    return ans.r;
}

static double charact_funct2(double uu)
{
    double a, b, rsp, sig, tau, tpf1, tpf2, f20, c0, d0;
    dcomplex g, z, w, tp1, tp2, DD, CN, ans, d, expo;

    tau = T;
    a = k * teta;
    rsp = rho * sigma * uu;
    sig = sigma * sigma;

    b = k + lambda;
    if (uu == 0)
    {
        c0 = 0.5 * a * (exp(-b * T) + b * T - 1.0) / b / b;
        d0 = 0.5 * (1.0 - exp(-b * T)) / b;
    }

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        f20 = log(S / K) + (r - divid) * T - c0 - d0 * v;

        return f20;
    }
    z = Complex(-b, rsp);
    z = Cmul(z, z);
    w = RCmul(sig, Complex(-uu * uu, -uu));
    d = Csqrt(Csub(z, w));
    tp1 = Complex(d.r + b, d.i - rsp);
    tp2 = Complex(-d.r + b, -d.i - rsp);
    g = Cdiv(tp2, tp1);
    expo = Cexp(RCmul(-tau, d));
    DD = Csub(Complex(1, 0), expo);
    DD = Cdiv(DD, Csub(Complex(1, 0), Cmul(g, expo)));
    DD = Cmul(DD, RCmul(1.0 / sig, tp2));

    CN = Csub(Cmul(g, expo), Complex(1, 0));
    CN = Cdiv(CN, Csub(g, Complex(1, 0)));
    tpf1 = a * (tau * tp2.r - 2.0 * Clog(CN).r) / sig;
    tpf2 = a * (tau * tp2.i - 2.0 * Clog(CN).i) / sig;

    tpf2 += (r - divid) * uu * tau;
    ans = Complex(tpf1 + v * DD.r, tpf2 + v * DD.i + uu * log(S));
    ans = Cmul(Cexp(ans), Cexp(Complex(0, -uu * log(K))));
    ans = Cdiv(ans, Complex(0, uu));

    return ans.r;
}

static double probabilities(int n)
{
    double tp, cinf, f0, Lamb, abserr;

    cinf = sqrt(1.0 - rho * rho) / sigma * (v + k * teta * T);

    if (n == 1)
    {
        f0 = charact_funct1(0.0);

        Lamb = (log(fabs(f0)) + 12.0 * log(10.0)) / cinf;
    }
}

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        intg(0.0, Lamb, charact_funct1, 1e-14, 1e-10, &tp, &abserr);

        tp = 0.5 + tp / M_PI;
        return tp;
    }
else
    {
        f0 = charact_funct2(0.0);

        Lamb = (log(fabs(f0)) + 12.0 * log(10.0)) / cinf;

        intg(0.0, Lamb, charact_funct2, 1e-14, 1e-10, &tp, &abserr);

        tp = 0.5 + tp / M_PI;
        return tp;
    }
}

int CFPutHeston(double s, double strike, double t, double ri, double dividi, d
{
    double proba1, proba2, temp;

    K = strike;
    S = s;
    T = t;
    sigma = sigma2;
    v = sigma0;
    teta = theta;
    lambda = 0.;
    r = ri;
    divid = dividi;
    rho = rhow;
    k = ka;

    proba1 = probabilities(1);
    proba2 = probabilities(2);

    temp = K * exp(-r * t) * (1. - proba2);
    temp -= s * (1. - proba1) * exp(-divid * t);

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    /* Price*/
    *ptprice = temp;

    /* Delta */
    *ptdelta = -(1. - proba1) * exp(-divid * t);

    return OK;
}

int CALC(CF_PutHeston)(void *Opt, void *Mod, PricingMethod *Met)
{
    TYPEOPT *ptOpt = (TYPEOPT *)Opt;
    TYPEMOD *ptMod = (TYPEMOD *)Mod;
    double r, divid, strike;
    NumFunc_1 *p;

    if (ptMod->Sigma.Val.V_PDOUBLE == 0.0)
    {
        Fprintf(TOSCREEN, "BLACK-SHOLES MODEL\ n\ n\ n");
        return WRONG;
    }
    else
    {
        r = log(1. + ptMod->R.Val.V_DOUBLE / 100.);
        divid = log(1. + ptMod->Divid.Val.V_DOUBLE / 100.);
        p = ptOpt->PayOff.Val.V_NUMFUNC_1;
        strike = p->Par[0].Val.V_DOUBLE;

        return CFPutHeston(ptMod->S0.Val.V_PDOUBLE,
                           strike/*ptOpt->PayOff.Val.V_NUMFUNC_1*/,
                           ptOpt->Maturity.Val.V_DATE - ptMod->T.Val.V_DATE,
                           r,
                           divid, ptMod->Sigma0.Val.V_PDOUBLE
                           , ptMod->MeanReversion.Val.V_PDOUBLE,
                           ptMod->LongRunVariance.Val.V_PDOUBLE,
                           ptMod->Sigma.Val.V_PDOUBLE,
                           ptMod->Rho.Val.V_PDOUBLE,
                           &(Met->Res[0].Val.V_DOUBLE),
                           &(Met->Res[1].Val.V_DOUBLE)
                           );
    }
}

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}

static int CHK_OPT(CF_PutHeston)(void *Opt, void *Mod)
{
    return strcmp(((Option *)Opt)->Name, "PutEuro");
}

static int MET(Init)(PricingMethod *Met, Option *Opt)
{
    if (Met->init == 0)
    {
        Met->init = 1;
    }

    return OK;
}

PricingMethod MET(CF_PutHeston) =
{
    "CF_Put_Heston",
    {" ", PREMIA_NULLTYPE, {0}, FORBID}},
    CALC(CF_PutHeston),
    { {"Price", DOUBLE, {100}, FORBID},
      {"Delta", DOUBLE, {100}, FORBID} ,
      {" ", PREMIA_NULLTYPE, {0}, FORBID}
    },
    CHK_OPT(CF_PutHeston),
    CHK_ok,
    MET(Init)
};
}

```