

Help

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#include "cgmy1d_pad.h"
#include "pnl/pnl_fft.h"
#include "pnl/pnl_complex.h"
#include "pnl/pnl_vector.h"

#if defined(PremiaCurrentVersion) && PremiaCurrentVersion < (2011+2) //The "#els
static int CHK_OPT(FFT_CGMY_FloatingLookback)(void *Opt, void *Mod)
{
    return NONACTIVE;
}
int CALC(FFT_CGMY_FloatingLookback)(void *Opt, void *Mod, PricingMethod *Met)
{
    return AVAILABLE_IN_FULL_PREMIA;
}
#else

// "resultat takes the product of a circulant matrix M(c) and a vector x
static void circulante(PnlVectComplex *resultat, PnlVectComplex *c, PnlVectComplex
{
    PnlVectComplex *temp;
    int i, n;
    n = x->size;
    temp = pnl_vect_complex_create(n);

    pnl_fft(c, temp);
    pnl_fft(x, resultat);
    for (i = 0; i < n; i++)
    {
        pnl_vect_complex_set(temp, i, Cmul(pnl_vect_complex_get(temp, i), pnl_vect

    }
    pnl_ifft(temp, resultat);
    pnl_vect_complex_free(&temp);
}

// "r" takes the product of the toeplitz matrix N(v,w) with holes and a vector
static void toep(PnlVectComplex *v, PnlVectComplex *w, PnlVectComplex *x, PnlVect
{
    int M, i;
    PnlVectComplex *temp;
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PnlVectComplex *temp2;
PnlVectComplex *x2;
M = v->size;
temp = pnl_vect_complex_create(4 * M);
temp2 = pnl_vect_complex_create(4 * M);
x2 = pnl_vect_complex_create(4 * M);
pnl_vect_complex_set(temp, 0, CRmul(CONE, 0.5));
for (i = 1; i < 2 * M + 1; i = i + 2)
{
    pnl_vect_complex_set(temp, i, pnl_vect_complex_get(v, (i - 1) / 2));
    pnl_vect_complex_set(temp, i + 1, CZERO);
}
for (i = 2 * M + 1; i < 4 * M - 1; i = i + 2)
{
    pnl_vect_complex_set(temp, i, pnl_vect_complex_get(w, (M - 1) - ((i - 1) -
    pnl_vect_complex_set(temp, i + 1, CZERO);
}
pnl_vect_complex_set(temp, i, pnl_vect_complex_get(w, (M - 1) - ((4 * M - 1 -
for (i = 0; i < 2 * M + 1; i++)
    pnl_vect_complex_set(x2, i, pnl_vect_complex_get(x, i));
for (i = 2 * M + 1; i < 4 * M; i++)
    pnl_vect_complex_set(x2, i, CZERO);
circulante(temp2, temp, x2);
for (i = 0; i < 2 * M + 1; i++)
    pnl_vect_complex_set(r, i, pnl_vect_complex_get(temp2, i));

pnl_vect_complex_free(& temp);
pnl_vect_complex_free(& temp2);
pnl_vect_complex_free(& x2);
}

// the characteristic function of the CGMY model
static dcomplex fi_CGMY(double t, double drift, double C, double G, double M, do
{
    dcomplex temp1, Gc, Mc, u;
    Gc = Complex(G, 0);
    Mc = Complex(M, 0);
    u = CRmul(w, (double)signe);
    temp1 = RCmul(
        C * pnl_tgamma(-Y),
        Cadd(

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        Csub(Cpow_real(Mc, Y), Cpow_real(Csub(Mc, Cmul(CI, u)), Y)),
        Csub(Cpow_real(Gc, Y), Cpow_real(Cadd(Gc, Cmul(CI, u)), Y))
    )
);
temp1 = Csub(temp1, CRmul(Cmul(CI, u), drift));
temp1 = CRmul(temp1, (-t)); //temp1=temp1*(-t);
temp1 = Cexp(temp1); //temp1=temp1.expon();

return temp1;
}

// the characteristic function of the CGMY model after the Esscher transformation
static dcomplex fi_CGMY_star(double t, double drift, double C, double G, double M, double Y, double u, double x, double signe)
{
    dcomplex b;
    dcomplex a;
    dcomplex c;
    a = CRmul(CI, -1);
    c = fi_CGMY(t, drift, C, G, M, Y, Cadd(u, CRmul(a, x)), signe);
    b = fi_CGMY(t, drift, C, G, M, Y, CRmul(a, x), signe);
    a = Cdiv(c, b);

    return a;
}

//The diagonal matrix which attributes the corresponding coefficients to the calculation of the characteristic function
static void F_diag-fi_CGMY(PnlVectComplex *v, double t, double drift, double C, double G, double M, double Y, double u, double x, double signe)
{
    int com;

    for (com = 0; com < 2 * M + 1; com++)
        pnl_vect_complex_set(v, com, Cmul(pnl_vect_complex_get(v, com), fi_CGMY_star(t, drift, C, G, M, Y, Cadd(u, CRmul(CI, -1), x), signe)));
}

//The diagonal matrix which attributes the corresponding coefficients to the calculation of the characteristic function
static void G_diag-fi_CGMY(PnlVectComplex *v, double t, double drift, double C, double G, double M, double Y, double u, double x, double signe)
{
    int i;

    for (i = 0; i < 2 * M + 1; i++)
        pnl_vect_complex_set(v, i, Cmul(pnl_vect_complex_get(v, i), fi_CGMY_star(t, drift, C, G, M, Y, Cadd(u, CRmul(CI, -1), x), signe)));
}

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}
// the estimation's algorithm in the CGMY model with "n_point" maximum observa
static dcomplex estiation_CGMY(double Xmaxmin, PnlVectComplex *G, double t, doub
{
    int i, j;
    double Xmax;
    dcomplex C, cte, a, k;
    PnlVectComplex *v, *w, *F, *tempg, *tempf;
    F = pnl_vect_complex_create(2 * M + 1);
    v = pnl_vect_complex_create(M); //the first colomn vector of the Hilbert's
    w = pnl_vect_complex_create(M); //the first line vector of the Hilbert's ma
    tempg = pnl_vect_complex_create(2 * M + 1);
    tempf = pnl_vect_complex_create(2 * M + 1);
    //initialisation of v and w
    cte = CONE;
    C = CRmul(CI, M_1_PI); // 1/pi
    for (i = 0; i < M; i = i + 1)
        pnl_vect_complex_set(v, i, CRdiv(C, (double)(2 * i + 1)));
    for (i = 0; i < M; i = i + 1)
        pnl_vect_complex_set(w, i, CRdiv(C, (double)(-(2 * i + 1))));
    //intialisation of G_1, F_1 and Cte_1
    Xmax = MAX(Xmaxmin, 0);
    for (i = 0; i < 2 * M + 1; i++)
    {
        pnl_vect_complex_set(F, i, Cexp(Cmul(CRmul(CRmul(h, (double)(i - M)) , Xma
        pnl_vect_complex_set(G, i, Cexp(CRmul(CRadd(Cmul(CRmul(h, (double)(i - M))
    }
    F_diag_fi_CGMY(F, t, drift, C_MODEL, G_MODEL, M_MODEL, Y_MODEL, h, x, M, sign
    toep(v, w, F, tempf);
    pnl_vect_complex_clone(F, tempf);

    cte = CRmul(CRsub(pnl_vect_complex_get(F, M), 1.0), -1); //1-f(0)

    G_diag_fi_CGMY(G, t, drift, C_MODEL, G_MODEL, M_MODEL, Y_MODEL, h, x, M, sign
    toep(v, w, G, tempg); //temp=C(H)*G
    pnl_vect_complex_clone(G, tempg);

    for (j = 1; j < n_points; j++)
    {

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    for (i = 0; i < 2 * M + 1; i++)
    {
        pnl_vect_complex_set(F, i, Cadd(cte, pnl_vect_complex_get(F, i))); //F
        pnl_vect_complex_set(G, i, Cadd(cte, pnl_vect_complex_get(G, i))); //G
    }
    F_diag_fi_CGMY(F, t, drift, C_MODEL, G_MODEL, M_MODEL, Y_MODEL, h, x, M,
    toep(v, w, F, tempf); //
    pnl_vect_complex_clone(F, tempf); //F=temp=H.Df*F

    G_diag_fi_CGMY(G, t, drift, C_MODEL, G_MODEL, M_MODEL, Y_MODEL, h, x, M,
    toep(v, w, G, tempg); //temp=C(H)*G
    pnl_vect_complex_clone(G, tempg); //G=temp=H.Dg*G

    cte = CRmul(CRadd(pnl_vect_complex_get(F, M), -1), -1);

}

k = RCmul(-1, CI);
a = fi_CGMY(n_points * t, drift, C_MODEL, G_MODEL, M_MODEL, Y_MODEL, CRmul(k,

pnl_vect_complex_set(G, M, Cmul(Cadd(pnl_vect_complex_get(G, M), cte), a));

pnl_vect_complex_free(&v);
pnl_vect_complex_free(&w);
pnl_vect_complex_free(&tempf);
pnl_vect_complex_free(&tempg);
pnl_vect_complex_free(&F);

return pnl_vect_complex_get(G, M);
}
int fft_cgmy_lookbackfloating(double s_maxmin, NumFunc_2 *P, double S0, double T
{
    double pas, d, c, drift, nu, h_temp, x_maxmin, signe;
    dcomplex h, res;
    PnlVectComplex *G;
    pas = T / n_points;
    //la largeur du la bande d'estimation//
    d = MIN(M_MODEL, G_MODEL);
    // le h ideal en fonction de M : h(M)//
    nu = Y_MODEL;
    c = 2 * C_MODEL * fabs(pnl_tgamma(-Y_MODEL) * cos(M_PI * Y_MODEL / 2));

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h_temp = pow(((M_PI * d) / (pas * c)), 1.0 / (1 + nu)) * pow((double)M, -nu /
h = CRMul(CONE, h_temp);
//condition martingale//
drift = r - divid + (
    C_MODEL * pnl_tgamma(-Y_MODEL) *
    (
        pow(M_MODEL, Y_MODEL) - pow((M_MODEL - 1), Y_MODEL) + pow(G_MODEL,
    )
);
G = pnl_vect_complex_create(2 * M + 1);
//CALL
if ((P->Compute) == &Call_StrikeSpot2)
{
    signe = -1;
    x_maxmin = signe * log((s_maxmin / S0));
    res = estiation_CGMY(x_maxmin, G, pas, drift, C_MODEL, G_MODEL, M_MODEL, Y
    res = CRMul(CRsub(CRmul(res, exp(-r * T)), exp(-divid * T)), -S0);
}
//PUT
if ((P->Compute) == &Put_StrikeSpot2)
{
    signe = 1;
    x_maxmin = log((s_maxmin / S0));
    res = estiation_CGMY(x_maxmin, G, pas, drift, C_MODEL, G_MODEL, M_MODEL, Y
    res = CRMul(CRsub(CRmul(res, exp(-r * T)), exp(-divid * T)), S0);
}
*ptprice = Creal(res);

pnl_vect_complex_free(&G);

return OK;
}
int CALC(FFT_CGMY_FloatingLookback)(void *Opt, void *Mod, PricingMethod *Met)
{
    TYPEOPT *ptOpt = (TYPEOPT *)Opt;
    TYPEMOD *ptMod = (TYPEMOD *)Mod;
    double r, divid;

    r = log(1. + ptMod->R.Val.V_DOUBLE / 100.);
    divid = log(1. + ptMod->Divid.Val.V_DOUBLE / 100.);

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    return  fft_cgmy_lookbackfloating((ptOpt->PathDep.Val.V_NUMFUNC_2)->Par[4].Val
}

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static int CHK_OPT(FFT_CGMY_FloatingLookback)(void *Opt, void *Mod)
{
    if ((strcmp(((Option *)Opt)->Name, "LookBackCallFloatingEuro") == 0) || (strcmp
        return OK;
    return WRONG;
}

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#endif //PremiaCurrentVersion

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static int MET(Init)(PricingMethod *Met, Option *Mod)
{
    if (Met->init == 0)
    {
        Met->init = 1;
        Met->HelpFilenameHint = "ap_cgmy_lookbackfloating_fft";
        Met->Par[0].Val.V_PINT = 252;
        Met->Par[1].Val.V_LONG = 4096;
    }
    return OK;
}

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PricingMethod MET(FFT_CGMY_FloatingLookback) =
{
    "FFT_CGMY_LookbackFloating",
    {"Number of discretization steps", LONG, {100}, ALLOW}, {"N Truncation level
    CALC(FFT_CGMY_FloatingLookback),
    {"Price", DOUBLE, {100}, FORBID}, {" ", PREMIA_NULLTYPE, {0}, FORBID}},
    CHK_OPT(FFT_CGMY_FloatingLookback),
    CHK_ok,
    MET(Init)
} ;

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