

### homework #3 Quantity Option Valuation (using HL)

Basic steps:

- get a futures price (say June and assuming end of month delivery; so 6/30/2023) and compute the time to maturity ( $T_f - t$  in year)
- get all (at least 4) deliverable bonds
- get a yield curve (cook it so that you have a continuous curve)
- convert to price curve
- compound the price curve to the futures settlement date (i.e. forward price curve)
- use the forward curve to evaluate deliverable bonds
- implement a 4-period HL model till the settlement date

To set up the HL lattice, please review <https://faculty.fordham.edu/rchen/JFI-Chen-Leisikow.pdf>.

due on 4/15 (paper submission only)