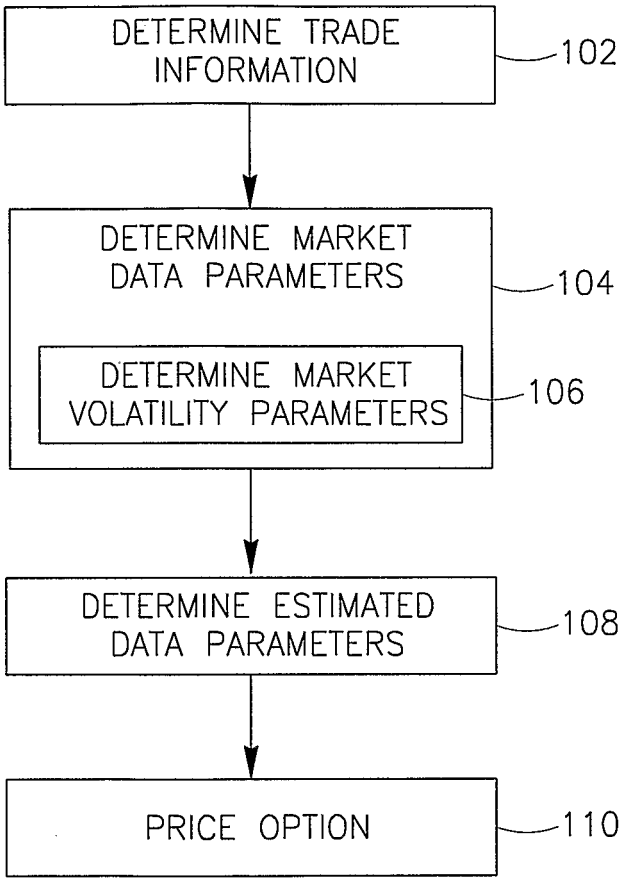

DETERMINE TRADE INFORMATION
102
DETERMINE MARKET DATA PARAMETERS
104
DETERMINE MARKET VOLATILITY PARAMETERS
106
DETERMINE ESTIMATED DATA PARAMETERS
108
PRICE OPTION
110

FIG.1

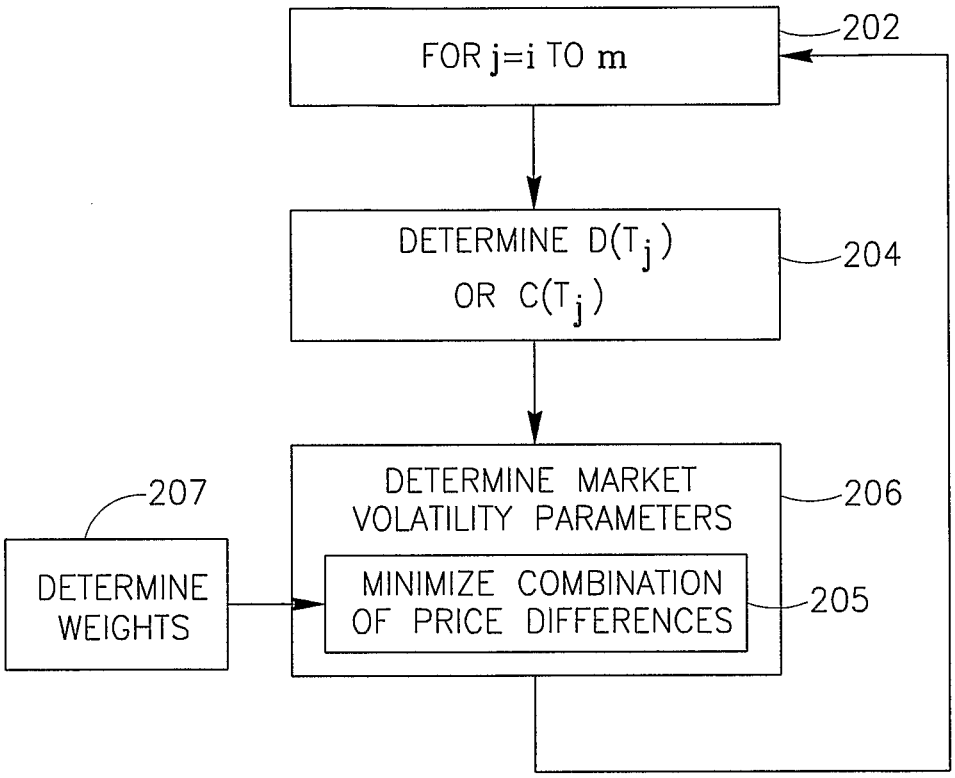

FOR j=i TO m
202
DETERMINE D(T_j) OR C(T_j)
204
DETERMINE MARKET VOLATILITY PARAMETERS
206
MINIMIZE COMBINATION OF PRICE DIFFERENCES
205
DETERMINE WEIGHTS
207

FIG.2

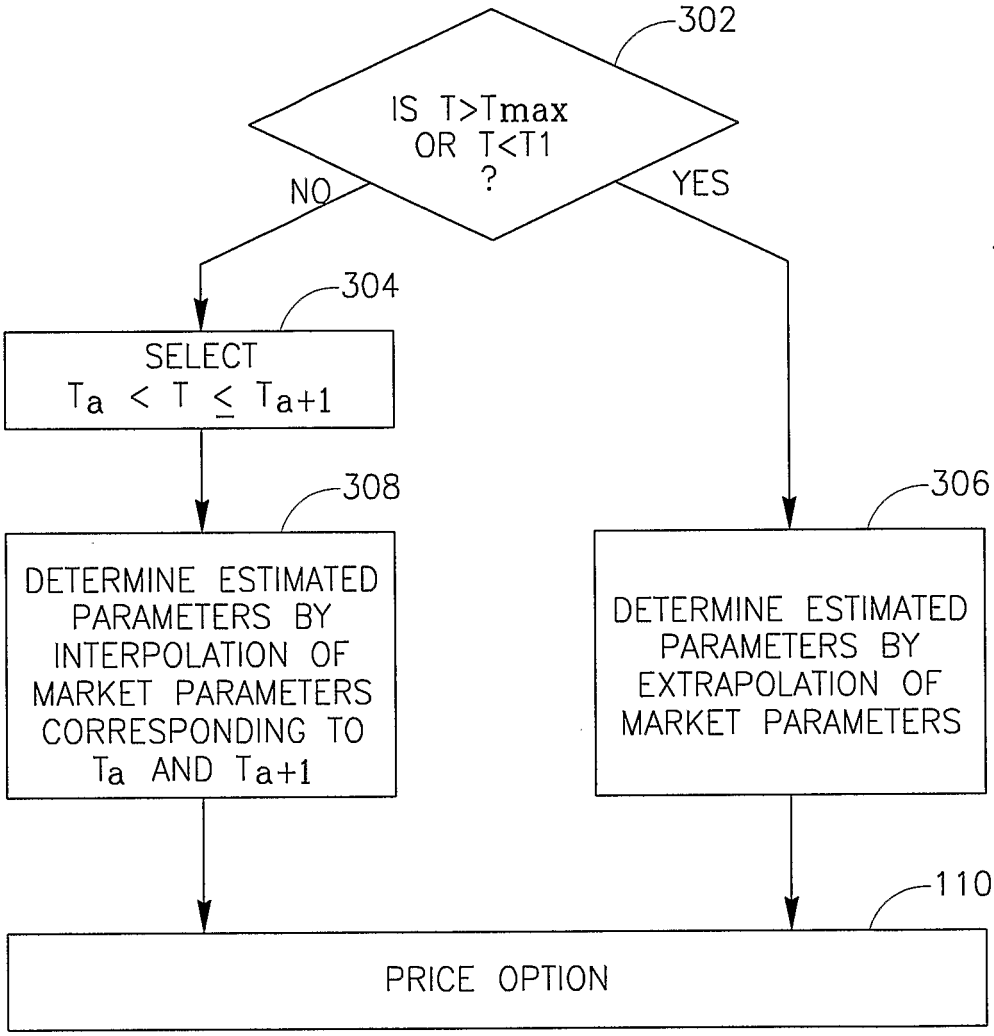

302
IS T>Tmax OR T<T1 ?
NO
YES
304
SELECT Ta < T ≤ Ta+1
308
DETERMINE ESTIMATED PARAMETERS BY INTERPOLATION OF MARKET PARAMETERS CORRESPONDING TO Ta AND Ta+1
306
DETERMINE ESTIMATED PARAMETERS BY EXTRAPOLATION OF MARKET PARAMETERS
110
PRICE OPTION

FIG.3

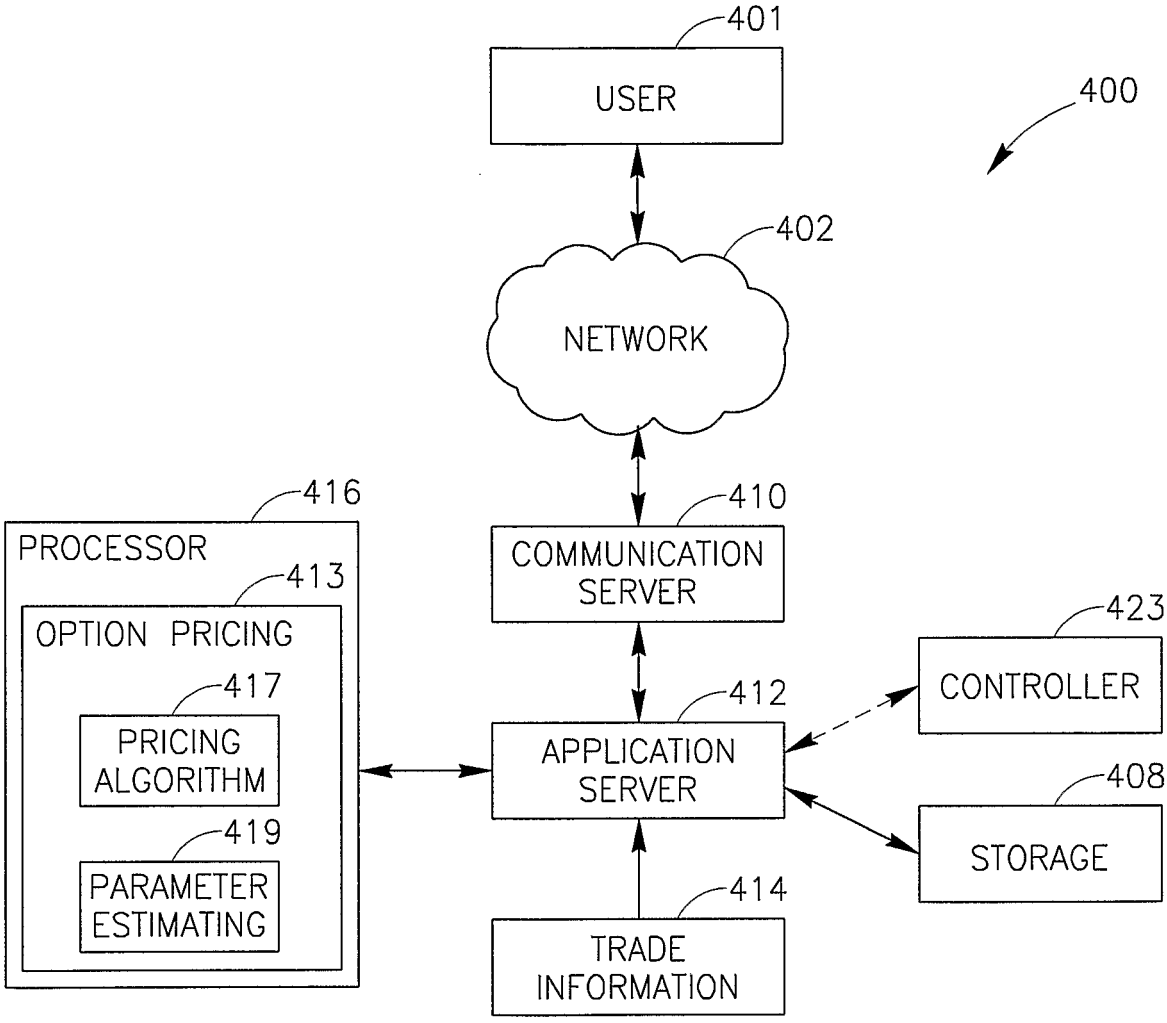

401
USER
400
402
NETWORK
416
PROCESSOR
413
OPTION PRICING
417
PRICING ALGORITHM
419
PARAMETER ESTIMATING
410
COMMUNICATION SERVER
412
APPLICATION SERVER
423
CONTROLLER
408
STORAGE
414
TRADE INFORMATION

FIG.4

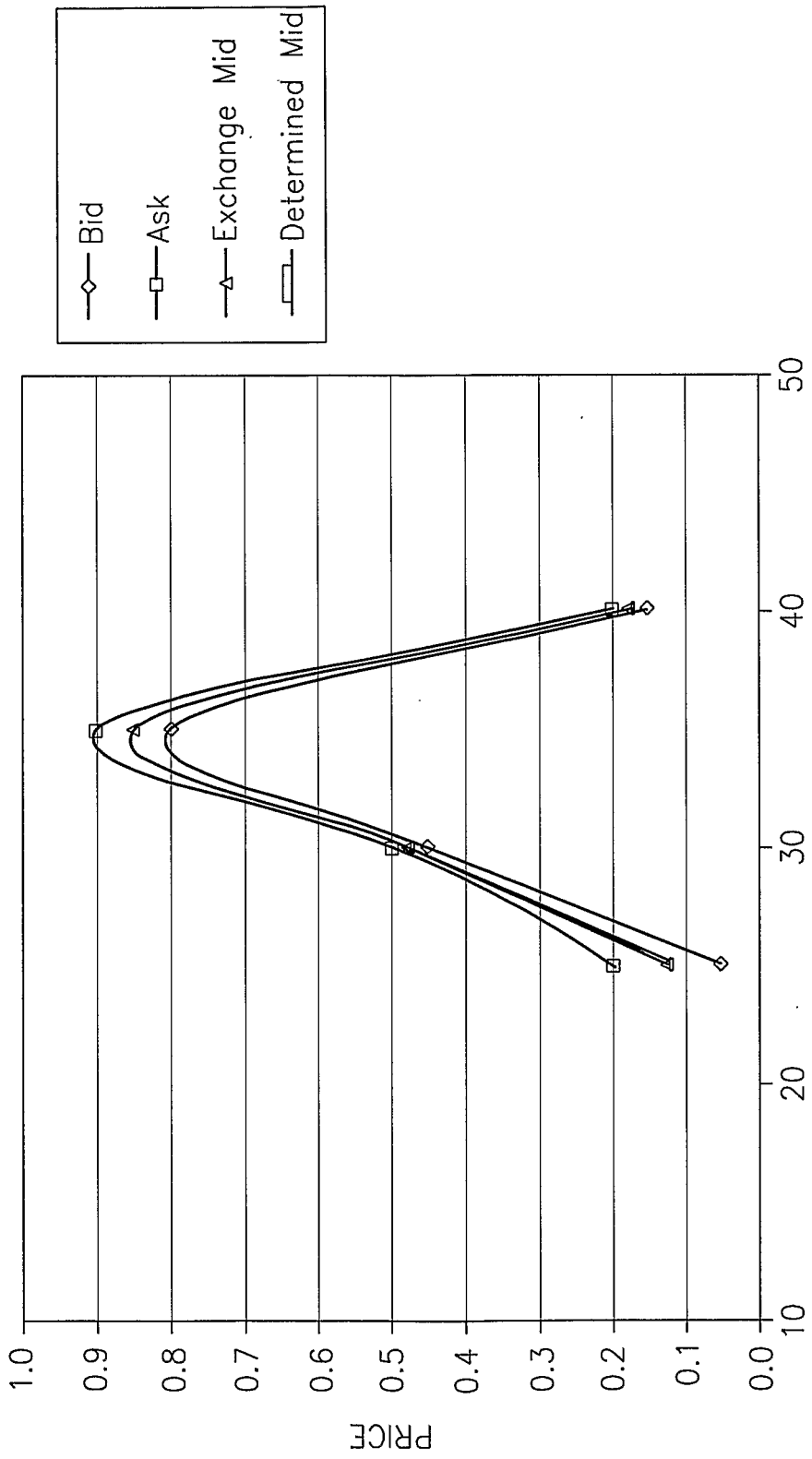

Bid
Ask
Exchange Mid
Determined Mid
PRICE
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
10
20
30
40
50
STRIKE

FIG.5

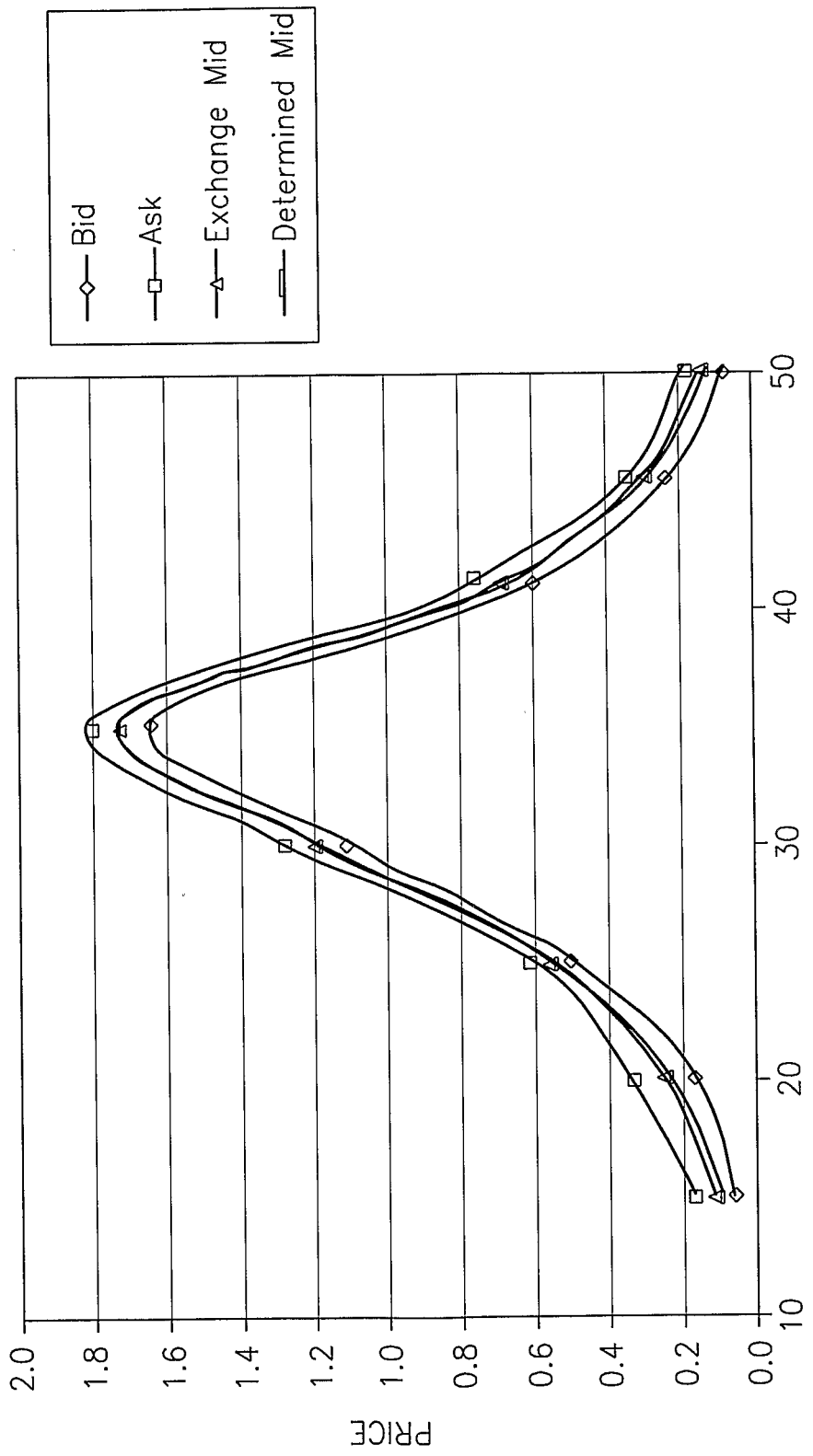

Bid
Ask
Exchange Mid
Determined Mid
PRICE
2.0
1.8
1.6
1.4
1.2
1.0
0.8
0.6
0.4
0.2
0.0
10
20
30
40
50
STRIKE

FIG. 6

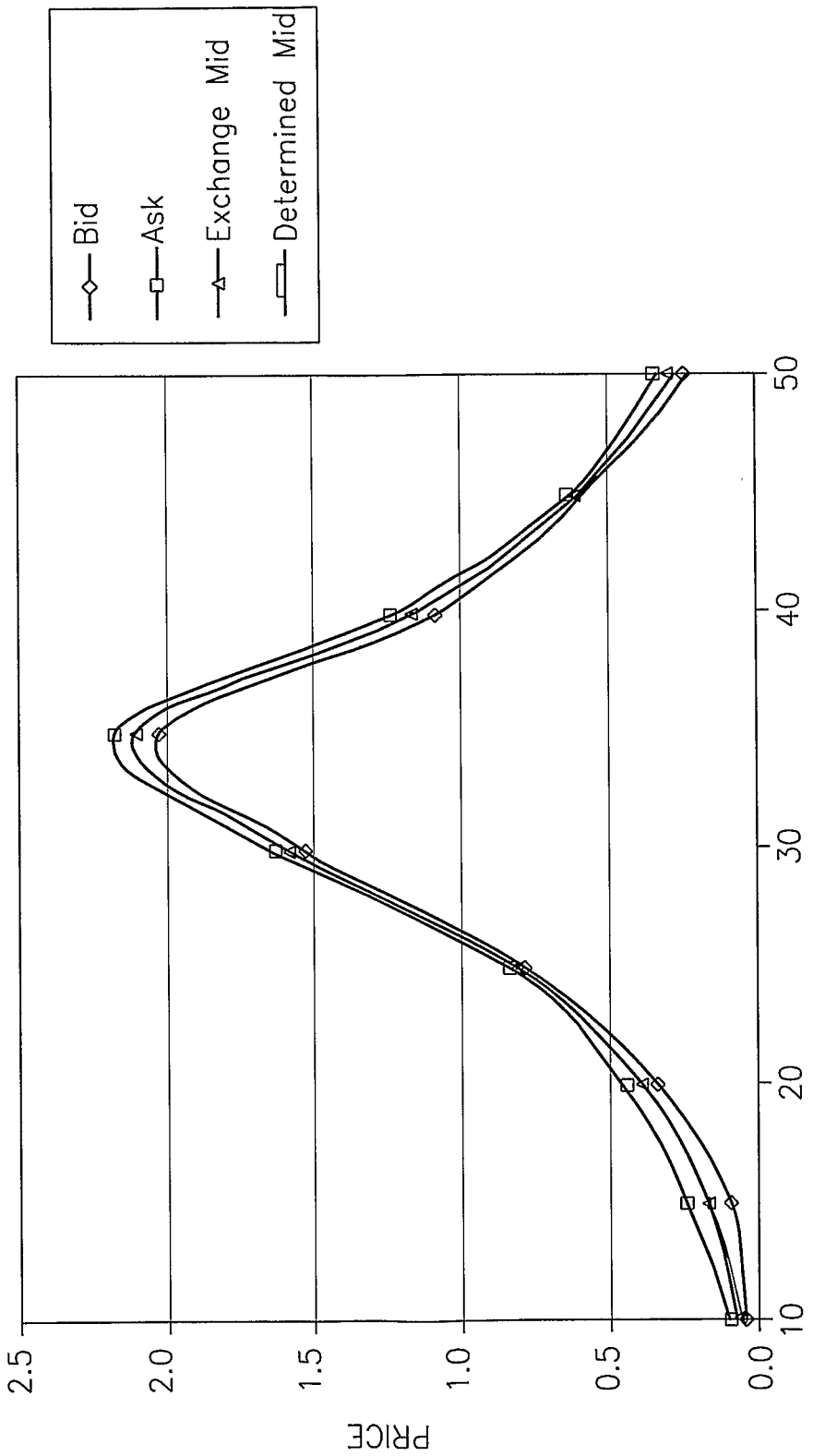

Bid
Ask
Exchange Mid
Determined Mid
PRICE
2.5
2.0
1.5
1.0
0.5
0.0
10
20
30
40
50
STRIKE

FIG. 7