

Option Pricing with Jump Processes: An application to National Stock Exchange (NSE) Index (NIFTY)

Sujoy Bhattacharya (Indian Institute of Technology Kharagpur, India)

Option Pricing for Indian Derivative Market has been attempted by many researchers .However using Jump process to model the derivative prices and out of Black-Scholes Model have been limited. This study models NSE Index (NIFTY) Derivative prices using Levy Model and Sato Process. The results are compared with Black-Scholes model implied results for different Volatility Periods.

Key Words: Levy Model, Sato Model, NIFTY