ABSTRACT

This study aimed to analyze the payoff of options contracts on S&P 500 stock index in the period of 2010-2014 by using the put-call parity and the Black-Scholes. Put-call parity symbolize the same relationship between the price of the put and call. So there is no arbitration occurs. The author using the Black-Scholes method to find the value of the put option contracts and using of put-call parity to find the value of a call option contract.

In addition to S&P 500 stock index data, the researchers also use other data such as free-risk interest rate data. The authors use the Bank Indonesia interest rate (BI Rate) to determine the free-risk interest rate. Also in this study there are several assumptions that are used as assumptions about volatility, risk-free interest rate and dividend payment. In this study the options contracts will be executed depending on how big payoff that will be obtained from the option contract. Results of the study found that this method only produces profit for call option contracts in the long term. As for the other option contract does not generate profit.