

ABSTRACT

In this research, we discuss how to determine European option value depend on of multi-asset (two assets). The option value is calculated using Multinomial (Trinomial) Lattice methods, because there are three possible stock price movements. This improves upon binomial model by allowing stock price to move up, down or stay the same.

The result is an European style option value which is obtained with maturity time and analysis how sensitive an option value with the change of strike price and interest rate. The option value with maturity time 6 days is 11,04514 and the larger value of strike price and interest rate, option value became smaller.

Keyword : *Vanilla Option, European Type, Call option, Multi assets, Lattice Method, Lattice Multinomial.*