

March 4, 2021

Theoretical Options Pricing Logic Update

To: dxPrice subscribers

dxFeed plans to update its Theoretical Options Pricing logic in dxPrice module. Currently, theoretical prices are calculated based on the last available price of the underlying during non-trading hours of this underlying.

Effective March 22, 2021, dxFeed will use synthetic underlying to calculate theoretical prices for European options for hours when options are traded and underlying is not traded.

Technical details

Synthetic underlying price will be calculated as

$$C - P + Ke^{-rt}$$

where **C**—call option price, **P**—put option price, **K**—strike, **r**—interest rate, **t**—time to expiration in years.

Effective date

New logic will be rolled out on March 22, 2021. No actions required by clients.

Please refer to [dxFeed Help Desk](#) if you have any questions or concerns.