

## Rainbow option

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$$C = \max[\max(S_1, S_2) - K, 0]$$

$$P = \max[K - \min(S_1, S_2), 0]$$

A rainbow option gives the owner the right to buy/sell the maximum/minimum of two underlying assets for a fixed value -the strike-.

### Symbol list:

$C_T$	Value of the rainbow call option at expiration
$P_T$	Value of the rainbow put option at expiration
$S_1$	Value of the first underlying asset at expiration
$S_2$	Value of the second underlying asset at expiration
K	Strike (exercise) price