

Arbitraging  $\Rightarrow$  The third players are known as arbitrageurs. From the french for arbitrage or judge, these market participants look for mis-pricing and market mistakes, and by taking advantage of them.

⇒ options Arbitrage Strategies :-

- ① Box Arbitrage.
- ② Conversion and Reverse Arbitrage.
- ③ Calendar Arbitrage.
- ④ Dividend Arbitrage.
- ⑤ Intra - Market Arbitrage.
- ⑥ Strike Arbitrage.

⇒ Pricing by Arbitrage :-

$$F(t) = S(t) \times (1 + r)^{(T-t)}$$