SENSIBULL / Learn Options Strategies Trade Analyse Watchlist New Positions Orders AP

ut

all

Call Spread

Put Spread

atio Back
d

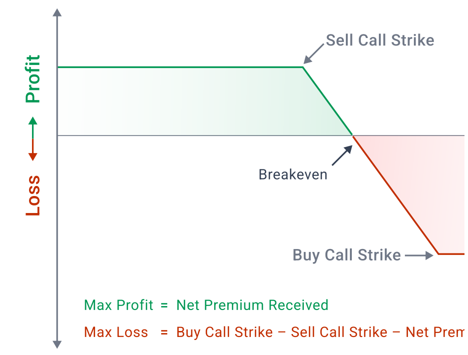
alendar with

Bearish

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 CE	75	109.9
BUY NIFTY 07th Oct 25050 CE	75	30.55

See Example Open in Builder Watch Video



Strategy Summary

Market View
Mildly Bearish

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Higher Strike - Lower Strike – Net Premium Received

Margin
Required

Effect of Time
Loses value with time, lower compared to sell call

Effect of Volatility
Low

Market View

Mildly Bearish.Trade this when you expect the underlying stock/index to not go up - that is stay stable, go down, or even g

The Trade

Sell a call option with strike near or above the stock price, and buy a call option with a higher strike. The option you buy pr from big upmoves. Both options are of the same expiry. You get a premium for the sell option, and you pay a slightly lowe the buy option - so you receive net premium.

Breakeven

Strike price of the sold option + Net Premium received

Max Profit

Net Premium Received

Premium

Receive

Margin

Required

Effect of Time

It loses less time value every day compared to a simple sell call. This is because time reduces the value of both buy and s
there is profit in sell and loss in buy.

Effect of Volatility

Volatility does not affect it much. This is because volatility increases the price of both options. So there is loss in the sell
profit in the buy option.

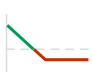
Pros

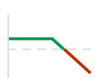
- Provides upfront income through premium received.
- Limited risk compared to naked call selling. The bought call acts as a stop loss, protecting against significant upmoves
- Profitable even when you are slightly wrong - in small upward price movement.
- Fluctuates less than a simple sell call - peaceful to hold.

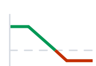
Cons

- Limited profit potential, capped at the premium received.

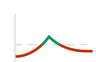
More Bearish Strategies:


Buy Put

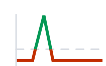

Sell Call

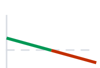

Bear Put Spread

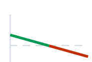

Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future