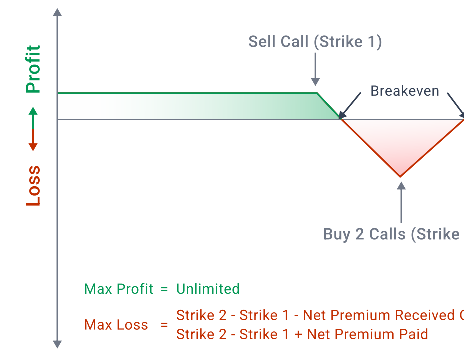
Bullish

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 CE	75	109.9
BUY NIFTY 07th Oct 25050 CE	150	30.55

See Example | Open in Builder



Strategy Summary

Market View

Very Bullish

Premium

Pay, receive, or zero cost

Max Profit

Unlimited

Max Loss

Limited, depends on Net Premium Paid or Received

Margin

Required

Effect of Time

Loses value with time if stock does not move

Effect of Volatility

Benefits from increased volatility

Market View

Very Bullish.Trade this when expecting a strong upward move in the underlying stock/index.

The Trade

Sell 1 call option at a Strike Price lower than stock price.
Buy 2 call options at a Strike Price higher than stock price.
Both options have the same expiry.

Breakeven

If Premium Received

- Lower Breakeven = Lower Strike + Net Premium Received
- Upper Breakeven = Higher Strike + (Higher Strike - Lower Strike) − Net Premium Received

If Premium Paid

Unlimited

Max Loss

If premium paid

- Higher Strike - Lower Strike + Net Premium Paid

If premium received

- Higher Strike - Lower Strike - Net Premium Received

Premium

Pay, receive, or zero cost, depending on expiry. Ideally, aim for a small net receive or zero-cost.

Margin

Required

Effect of Time

Time decay works against the bought option but benefits the sold option.

Effect of Volatility

High volatility benefits the strategy by increasing the value of bought calls.

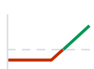
Pros

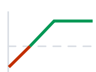
- Unlimited profit potential on strong upside moves.
- Limited risk.
- Unlimited profit through bought calls during significant rallies.
- Possible small profit even if the stock goes down.

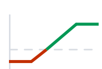
Cons

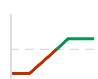
- Moderate loss potential during slow and modest upward movements.
- Requires significant upward movement for profitability.

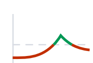
More Bullish Strategies:

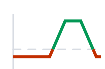

Buy Call

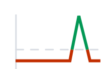

Sell Put


Bull Call Spread


Bull Put Spread


Long Calendar with Calls


Bull Condor


Bull Butterfly


Buy Future


Long Synthetic Future