Neutral

Straddle

utterfly

Strangle

Iron Condor

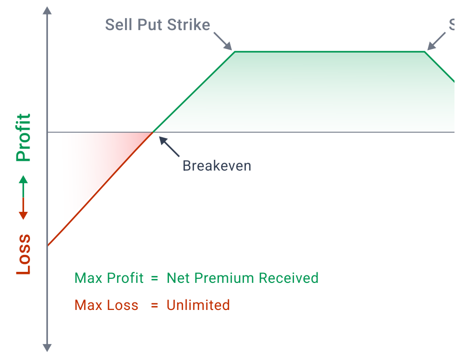
an

e Plateau

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24600 PE	75	21.5
SELL NIFTY 07th Oct 25300 CE	75	4.5
BUY NIFTY 07th Oct 25500 CE	75	1.7

See Example Open in Builder



Strategy Summary

Market View
Neutral to Moderately Bullish

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Unlimited

Margin
Required

Effect of Time
Profit increases with time if the stock stays in range

Effect of Volatility
Loses if volatility increases

Market View

Neutral to Moderately Bullish. Trade this strategy when you expect the stock/index to move slightly upward but not rise si beyond the sold call strike.

The Trade

Strike 1: Sell a Put with strike below the current stock price.
Strike 2: Sell a Call with strike above the current stock price.
Strike 3: Buy a Call with strike higher than the sold call to cap potential upside loss.

Breakeven

Two Breakeven points

- Lower Breakeven: Sold Put Strike Price - Net Premium Received

Max Profit

Net Premium Received

Max Loss

Unlimited

Premium

Receive

Margin

Required

Effect of Time

Time Decay works in favor of the strategy, as sold options lose value over time.

Effect of Volatility

If IV goes up, you make losses as it increases the price of your sold options.

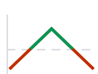
Pros

- No loss on the upside if structured correctly.
- Can generate consistent premium income.
- Profits from a neutral to slightly bullish market movement.

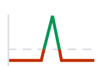
Cons

- Large downside risk if the stock drops significantly.

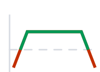
More Neutral Strategies:



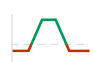
Short Straddle



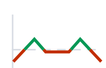
Iron Butterfly



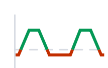
Short Strangle



Short Iron Condor



Batman



Double Plateau