

ut

all

Call Spread

Put Spread

Ratio Back d

Calendar with

Learn

Options Strategies

Trade

Analyse

Watchlist

New

Positions

Orders

AP

Bearish

Example:

Instrument	Qty	Price
BUY NIFTY 07 th Oct 24850 PE	75	79.5

See Example

Open in Builder

Watch Video

Max Profit = Unlimited
Max Loss = Premium Paid

Strategy Summary

Market View

Bearish

Premium

Pay

Max Profit

Unlimited

Max Loss

Premium Paid

Margin

Not required

Effect of Time

Loses value with time

Effect of Volatility

Benefits from increased volatility

Market View

Bearish. Trade this when you expect a big downward move in the stock/index before the expiry.

The Trade

Simple. Buy a put option. The strike price is usually near or below the current stock price.

Breakeven

Strike Price - Premium Paid

Max Profit

Unlimited

https://web.sensibull.com/learn-options-strategies/long-put-option

1/2

Premium

Pay

Margin

Not required

Effect of Time

With every passing day this option loses money. So the best thing for this is a quick big down move.

Effect of Volatility

Increase in implied volatility increases the options price and benefits this strategy.

Pros

- Unlimited profit potential if the underlying moves downward.
- Limited risk (maximum loss is capped at the premium paid).

Cons

- Will lose the entire premium if the underlying does not expire below the strike price.
- Time decay - option loses value as expiration approaches.

More Bearish Strategies: