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Calendar with
Condor
Butterfly
Reversal
uture

Bearish

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24900 CE	75	82.8
BUY NIFTY 07th Oct 24900 PE	75	102

See Example | Open in Builder

Strategy Summary

Market View
Bearish

Premium
Pay, receive, or almost zero cost

Max Profit
Unlimited

Max Loss
Unlimited

Margin
Required

Effect of Time
No impact

Effect of Volatility
No impact

Market View

Bearish. Trade this when you expect the stock/index to move significantly lower.

The Trade

Sell a call option with strike price near the stock price and buy a put option at the same strike price.

Breakeven

Strike price - net premium paid OR Strike price + net premium received

Max Profit

Unlimited

Premium

Pay, receive, or almost zero cost.

Margin

Required

Effect of Time

Almost Zero, as time decay (theta) cancels out between the call and put.

Effect of Volatility

Almost Zero, as changes in implied volatility affect both options similarly.

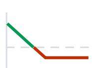
Pros

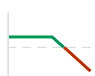
- Mimics the payoff of a short futures position without actually buying a future.
- Can be structured at little or no cost.
- Cheaper than futures in trading cost due to lower STT charges.

Cons

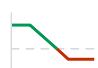
- Requires margin due to the sold call.
- Requires liquidity in both options to execute efficiently.

More Bearish Strategies:

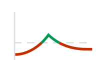

Buy Put

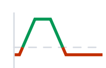

Sell Call

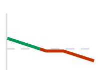

Bear Call Spread

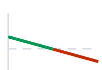

Bear Put Spread


Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Risk Reversal


Sell Future