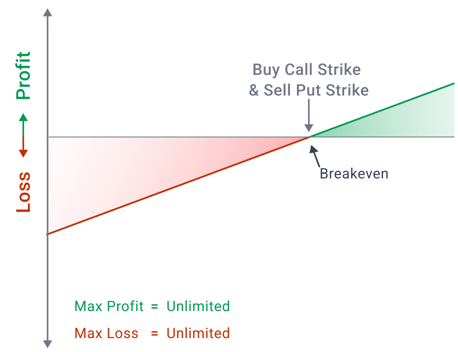
Bullish

Example:

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

See Example   Open in Builder



Strategy Summary

Market View
Bullish

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

Bullish. Trade this when you expect the underlying stock/index price to move up.

The Trade

This creates a futures contract using options. In this, you buy a call option near the current stock price and sell a put optic strike.

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

Negligible as time decay (theta) cancels out between the bought call and sold put.

Effect of Volatility

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

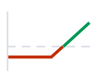
Pros

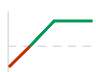
- Mimics the payoff of a long futures position without actually buying a future.
- Can be structured at little or no cost.
- Cheaper than futures in trading cost due to lower STT charges.

Cons

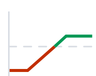
- High risk due to leverage, leading to potentially large losses.
- Requires margin due to the short put position.
- Requires liquidity in both options to execute efficiently.

More Bullish Strategies:

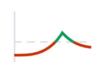

Buy Call

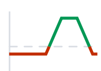

Sell Put


Bull Call Spread


Bull Put Spread


Call Ratio Back Spread


Long Calendar with Calls


Bull Condor


Range Forward


Buy Future