Straddle

utterfly

Strangle

Iron Condor

an

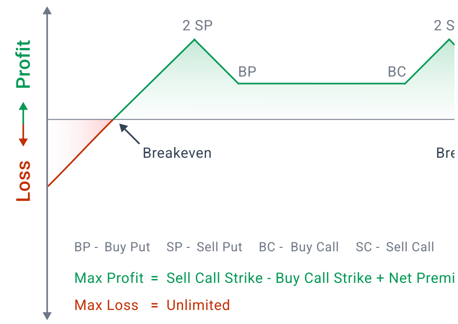
e Plateau

Neutral

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 25100 CE	75	20.85
SELL NIFTY 07th Oct 25150 CE	150	14.1
BUY NIFTY 07th Oct 24600 PE	75	21.5
SELL NIFTY 07th Oct 24550 PE	150	16.7

See Example Open in Builder



Strategy Summary

Market View

Neutral

Premium

Depends. Can be pay or receive

Max Profit

Limited, depends on Net Premium Paid or Received

Max Loss

Unlimited

Margin

Required

Effect of Time

Profit increases with time if the stock does not move

Effect of Volatility

Loses if volatility increases

Market View

Neutral. Trade this strategy when you expect the market to remain rangebound within a specific price range.

The Trade

Strike 1 - Buy 1 Call Option slightly above stock price
Strike 2 - Sell 2 Call Options N strikes above strike 1
Strike 3 - Buy 1 Put Option slightly below stock price
Strike 4 - Sell 2 Put Options N strikes below strike 3

Breakeven

If you receive Premium

- Higher Call - Lower Call + Net Premium Received

If you pay Premium

- Higher Call - Lower Call - Net Premium Paid

Max Loss

Unlimited

Premium

Depends. It can be pay or 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 implied volatility reduces, the strategy makes profit.

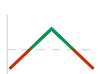
Pros

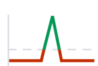
- Profits from a stable market, collecting premium if the stock/index stays within the expected range.
- Can be structured to be a net credit strategy, reducing initial cost.

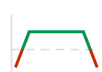
Cons

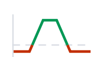
- Can be complex to execute and manage due to multiple legs.

More Neutral Strategies:


Short Straddle


Iron Butterfly


Short Strangle


Short Iron Condor


Double Plateau


Jade Lizard

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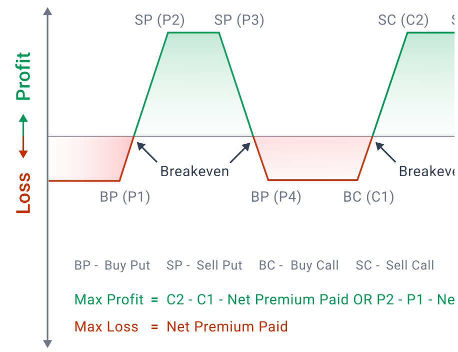
Straddle
utterfly
Strangle
Iron Condor
an
e Plateau

Neutral

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 25100 CE	75	20.85
SELL NIFTY 07th Oct 25350 CE	75	3.25
SELL NIFTY 07th Oct 25600 CE	75	1.4
BUY NIFTY 07th Oct 25850 CE	75	0.95
BUY NIFTY 07th Oct 24600 PE	75	21.5
SELL NIFTY 07th Oct 24350 PE	75	6.95
SELL NIFTY 07th Oct 24100 PE	75	3.75
BUY NIFTY 07th Oct 23850 PE	75	2.65

See Example | Open in Builder



Strategy Summary

Market View

Moderately Bullish or Moderately Bearish

Premium

Pay

Max Profit

Limited

Max Loss

Net Premium Paid

Margin

Required

Effect of Time

Complex

Effect of Volatility

Complex

Market View

Moderately Bullish or Moderately Bearish. The Double Plateau Strategy is a combination of the Bull and Bear Condor. Trad expect moderately bullish or bearish movements in the markets.

Breakeven

Four Breakeven points

- Lower Put Long Strike + Net Premium Received
- Higher Put Long Strike - Net Premium Received
- Lower Call Long Strike + Net Premium Received
- Higher Call Long Strike - Net Premium Received

Max Profit

Call Strike C2 - Call Strike C1 - Net Premium Paid OR Put Strike P2 - Put Strike P1 - Net Premium Paid

Max Loss

Net Premium Paid

Premium

Pay

Margin

Required

Effect of Time

Complex, and depends on where the stock price is in relation to strikes.

Effect of Volatility

Complex, and depends on where the stock price is in relation to strikes.

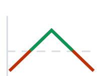
Pros

- Risks are capped at the cost of the hedging options.
- Gains are accelerated as expiry nears, provided the underlying stays within the range.

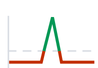
Cons

- Losses occur if the market moves significantly beyond the breakeven points.
- More complex to manage due to multiple options involved.

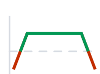
More Neutral Strategies:



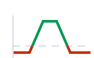
Short Straddle



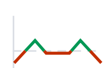
Iron Butterfly



Short Strangle



Short Iron Condor



Batman

Jade Lizard

Straddle

utterfly

Strangle

Iron Condor

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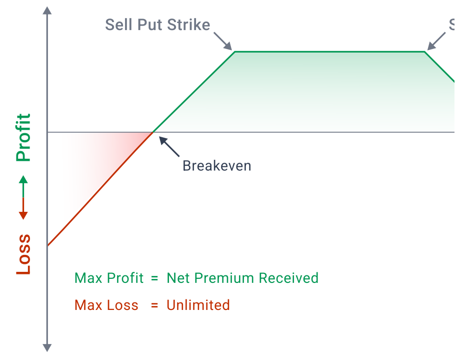
e Plateau

Neutral

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.

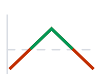
Pros

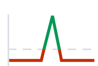
- No loss on the upside if structured correctly.
- Can generate consistent premium income.
- Profits from a neutral to slightly bullish market movement.

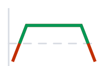
Cons

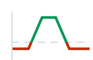
- Large downside risk if the stock drops significantly.

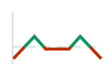
More Neutral Strategies:

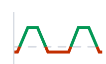

Short Straddle


Iron Butterfly


Short Strangle


Short Iron Condor


Batman

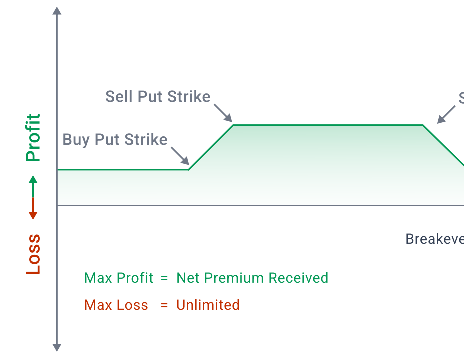

Double Plateau

Neutral

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 25100 CE	75	20.85
SELL NIFTY 07th Oct 24300 PE	75	5.85
BUY NIFTY 07th Oct 24100 PE	75	3.75

See Example | Open in Builder



Strategy Summary

Market View
Neutral to Moderately Bearish

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

Nuetral to Moderately Bearish. Trade this strategy when you expect the stock/index to move slightly downward but not fal below the sold put strike.

The Trade

Sell a call with strike above the current stock price.
Sell a Put with strike below the current stock price.
Buy a Put with strike lower than the sold put to cap potential downside loss.

Breakeven

Two Breakeven points

- Upper Breakeven: Sold Call 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.

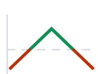
Pros

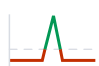
- No loss on the downside if structured correctly.
- Can generate consistent premium income.
- Profits from a neutral to slightly bearish market movement.

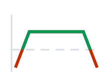
Cons

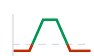
- Large upside risk if the stock rallies significantly.

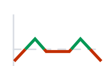
More Neutral Strategies:


Short Straddle


Iron Butterfly


Short Strangle


Short Iron Condor


Batman


Double Plateau

Neutral

Straddle

utterfly

Strangle

Iron Condor

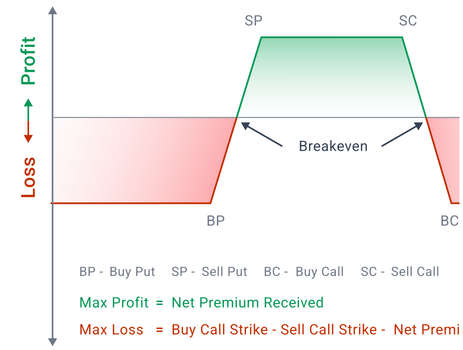
an

e Plateau

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24450 PE	75	10.35
SELL NIFTY 07th Oct 24650 PE	75	27.9
SELL NIFTY 07th Oct 25050 CE	75	30.55
BUY NIFTY 07th Oct 25250 CE	75	6.5

See Example Open in Builder Watch Video



Strategy Summary

Market View
Neutral

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Buy Call Strike - Sell Call Strike - Net Premium Received

Margin
Required

Effect of Time
Profit increases with time if the stock price stays between the sold strikes

Effect of Volatility
Loses if volatility increases

Market View

Neutral. Trade this when you expect the stock/index to stay within a specific range and experience low volatility.

The Trade

Sell a Put below stock price and sell a Call above the stock price. Your view is that the stock won't cross these strikes. Bu and a higher Call for protection on both sides just in case you're wrong.

Breakeven

Two Breakeven points

- Lower Breakeven: Sell Put Strike Price - Net Premium received

Net Premium Received

Max Loss

Buy Call Strike - Sell Call Strike - Net Premium Received

Premium

Receive

Margin

Required

Effect of Time

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

Effect of Volatility

Increase in implied volatility is unfavorable as it increases the value of sold options, leading to potential losses.

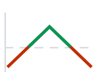
Pros

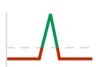
- Limited risk due to the long call and long put options.
- Generates income upfront from the premium received.
- Profits from time decay if the stock/index remains within the expected range.
- Delta Neutral - Immune to small moves in stock price.

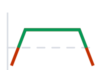
Cons

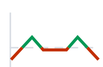
- If the stock/index moves significantly outside the expected range, losses can occur.

More Neutral Strategies:

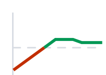

Short Straddle


Iron Butterfly


Short Strangle


Batman


Double Plateau

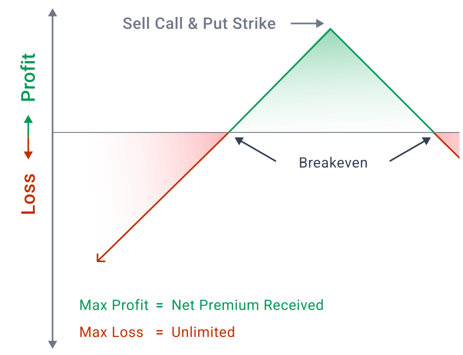

Jade Lizard

Neutral

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 PE	75	79.5
SELL NIFTY 07th Oct 24850 CE	75	109.9

See Example Open in Builder Watch Video



Strategy Summary

Market View
Neutral

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Unlimited

Margin
Required

Effect of Time
Profit increases with time if the stock price stays near the sold strikes

Effect of Volatility
Loses if volatility increases

Market View

Neutral. Trade this when you expect the stock/index to stay within a narrow range and experience low volatility.

The Trade

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

Breakeven

Two Breakeven points

- Upper Breakeven: Strike price + Net Premium Received
- Lower Breakeven: Strike price - Net Premium Received

Max Profit

Net Premium Received

Premium

Receive

Margin

Required

Effect of Time

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

Effect of Volatility

Increase in implied volatility is unfavorable as it increases the value of both options, leading to potential losses for the sel

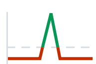
Pros

- Profits from time decay if the stock/index remains stable.
- Generates income upfront through the premium received.
- Delta Neutral - Immune to small moves in stock price.

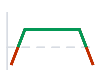
Cons

- Unlimited loss potential if the stock/index moves significantly in either direction.
- High margin requirement.

More Neutral Strategies:

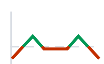


Iron Butterfly



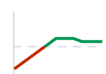
Short Strangle

Short Iron Condor



Batman

Double Plateau



Jade Lizard

Straddle
utterfly
Strangle
Iron Condor
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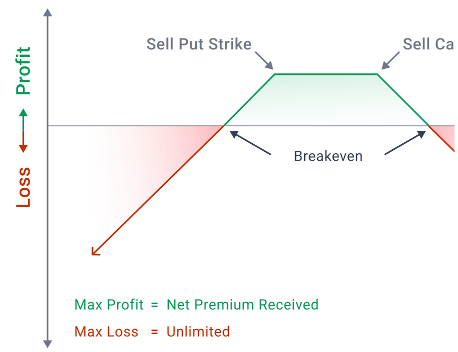
e Plateau

Neutral

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24650 PE	75	27.9
SELL NIFTY 07th Oct 25050 CE	75	30.55

See Example | Open in Builder | Watch Video



Strategy Summary

Market View
Neutral

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Unlimited

Margin
Required

Effect of Time
Profit increases with time if the stock price stays between the sold strikes

Effect of Volatility
Loses if volatility increases

Market View

Neutral. Trade this when you expect the stock/index to stay within the strikes sold and experience low volatility.

The Trade

Sell a Put below the stock price and sell a Call above the stock price.

Breakeven

Two Breakeven points
- Lower Breakeven: Put Strike Price - Net Premium Received
- Upper Breakeven: Call Strike Price + Net Premium Received

Max Profit

Net Premium Received

Premium

Receive

Margin

Required

Effect of Time

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

Effect of Volatility

Increase in implied volatility is unfavorable as it increases the value of both options, leading to potential losses for the sel

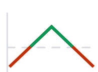
Pros

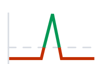
- Profits from time decay if the stock/index remains stable.
- Generates income upfront through the premium received.
- Wider profit range compared to a short straddle.
- Delta Neutral - Immune to small moves in stock price.

Cons

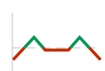
- Unlimited loss potential if the stock/index moves significantly in either direction.
- High margin requirement due to potential large losses.

More Neutral Strategies:

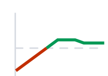

Short Straddle


Iron Butterfly


Short Iron Condor


Batman


Double Plateau


Jade Lizard

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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: