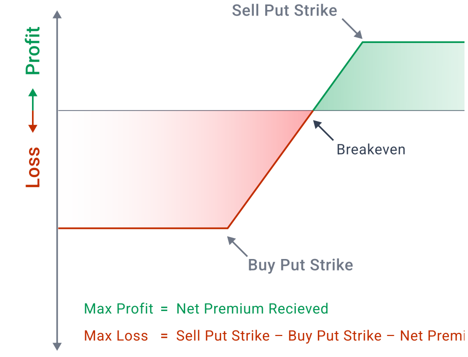
Bullish

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 PE	75	79.5
BUY NIFTY 07th Oct 24650 PE	75	27.9

See Example Open in Builder Watch Video



Strategy Summary

Market View
Mildly Bullish

Premium
Receive

Max Profit
Net Premium Received

Max Loss
Higher Strike - Lower Strike - Net Premium Received

Margin
Required

Effect of Time
Loses value with time, lower compared to a sell put

Effect of Volatility
Low

Market View

Mildly Bullish. Trade this when you expect the underlying stock/index to not go down - that is stay stable, go up, or even g

The Trade

Sell a put option with strike near or below the stock price, and buy a put option with a lower strike. The option you buy pro big downmoves. Both options are of the same expiry. You get a premium for the sold option, and you pay a slightly lower p the bought option - so you receive net premium.

Breakeven

Strike price of the sold option - Net Premium received

Max Profit

Net Premium Received

Premium

Receive

Margin

Required

Effect of Time

Time reduces the value of both buy and sell options. So there is profit in sold option and loss in bought option. Thus, it los every day compared to a simple sell put.

Effect of Volatility

Volatility increases the price of both options. So there is profit in the bought option and loss in the sold option. Thus, the r low.

Pros

- Provides upfront income through premium you receive.
- Limited risk compared to put selling. The long put acts as a stop loss, protecting against significant downside moves.
- Profitable even if you are slightly wrong and there is a small downward price movement.
- Fluctuates less than a simple sell put - peaceful to hold.

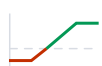
Cons

- Limited profit potential compared to aggressive strategies, but you make money as long as you are not wrong.
- Requires margin.

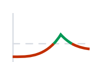
More Bullish Strategies:

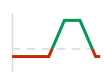

Buy Call

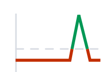

Sell Put

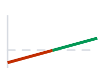

Bull Call Spread

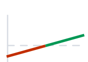

Call Ratio Back Spread


Long Calendar with Calls


Bull Condor


Bull Butterfly


Buy Future


Long Synthetic Future