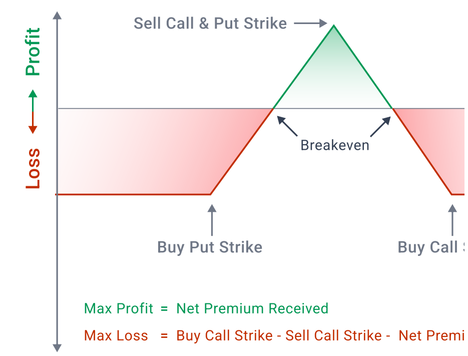
Straddle
utterfly
Strangle
Iron Condor
an
e Plateau

Neutral

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24650 PE	75	27.9
SELL NIFTY 07th Oct 24850 PE	75	79.5
SELL NIFTY 07th Oct 24850 CE	75	109.9
BUY 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

Buy Call Strike - Sell Call Strike - Net Premium Received

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 around a specific price and experience low volatility.

The Trade

Sell a put and call at the same strike near the stock price. Your view is that the stock wont go down or up. Buy a lower Put call for protection on both sides just in case you're wrong. The sold strike is exactly in the midpoint of the two bought stril

Breakeven

Two Breakeven points

- Upper Breakeven: Middle 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.

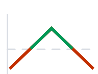
Pros

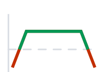
- Limited risk strategy with predefined maximum loss.
- Generates income upfront through the premium received.
- Profits from time decay if the stock/index remains near the sold strike.
- Delta Neutral - Immune to small moves in stock price.

Cons

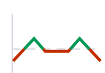
- If the stock/index moves significantly, the strategy can result in losses.
- The range in which it makes money is narrow.

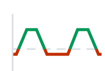
More Neutral Strategies:


Short Straddle


Short Strangle


Short Iron Condor


Batman


Double Plateau


Jade Lizard

SENSIBULL / Learn Options Strategies Trade Analyse Watchlist New Positions Orders AP

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Calendar with
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Butterfly
Reversal
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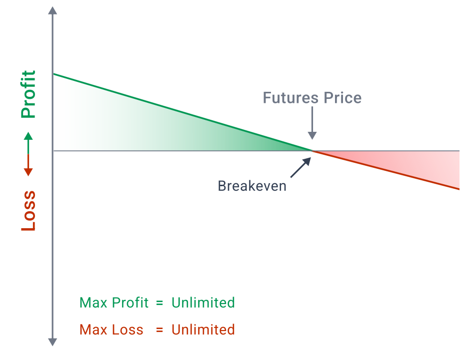
Bearish

Example:

Instrument	Qty	Price
SELL NIFTY 28th Oct FUT	75	24982.8

See Example Open in Builder



Strategy Summary

Market View
Bearish

Premium
No premium

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 futures contract.

Breakeven

The price at which the future was sold.

Max Profit

Unlimited

Premium

No premium

Margin

Required

Effect of Time

Time decay does not affect futures.

Effect of Volatility

Futures prices are not affected by changes in IV.

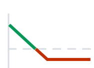
Pros

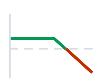
- Simple to understand and trade.
- If the stock goes down by 1 point, the future also goes down by 1 point.
- High liquidity and leverage.
- No time decay-like options.

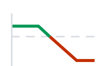
Cons

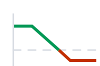
- Unlimited loss potential if the stock/index rises.
- Requires margin.

More Bearish Strategies:

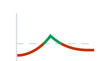

Buy Put


Sell Call

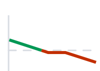

Bear Call Spread

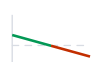

Bear Put Spread


Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Risk Reversal


Short Synthetic Future

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Calendar with
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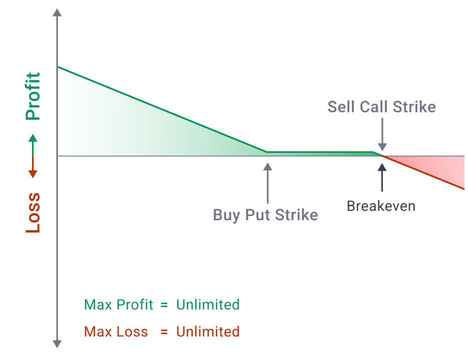
Bearish

Example:

Instrument	Qty	Price
SELL NIFTY 07^{th} Oct 25100 CE	75	20.85
BUY NIFTY 07^{th} Oct 24600 PE	75	21.5

See Example Open in Builder



Strategy Summary

Market View
Bearish

Premium
Almost zero, you pay or receive a small premium

Max Profit
Unlimited

Max Loss
Unlimited

Margin
Required

Effect of Time
Negligible

Effect of Volatility
Negligible

Market View

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

The Trade

Sell a call with strike above the stock price. Buy a put with strike below the stock price.

Breakeven

Depends on the premium paid or received.

Max Profit

Unlimited

Premium

Almost Zero cost - the premium paid for the put is mostly offset by the premium received from the call.

Margin

Required

Effect of Time

Time decay benefits the short call but negatively impacts the long put. So almost zero effect of time.

Effect of Volatility

Negligible, as increase in IV increases the price of both bought and sold options and they cancel each other out.

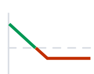
Pros

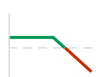
- Can be structured as a zero-cost strategy.

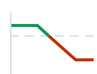
Cons

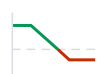
- Unlimited loss if the stock/index rises significantly due to the short call.
- Requires margin to maintain the short call position.

More Bearish Strategies:

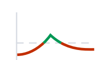

Buy Put

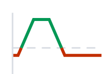

Sell Call

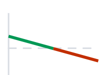

Bear Call Spread


Bear Put Spread


Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Sell Future


Short Synthetic Future

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Calendar with
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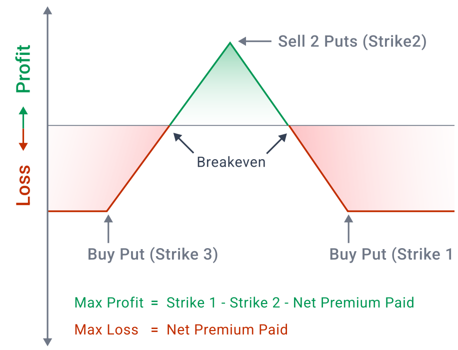
Bearish

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24600 PE	75	21.5
SELL NIFTY 07th Oct 24350 PE	150	6.95
BUY NIFTY 07th Oct 24100 PE	75	3.75

See Example Open in Builder



Strategy Summary

Market View
Bearish

Premium
Pay

Max Profit
Strike 1 - Strike 2 - Net Premium Paid

Max Loss
Net Premium Paid

Margin
Required

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

Effect of Volatility
Low

Market View

Bearish. Trade this when you expect the stock/index to move down and expire at the strike price of the sold puts, maximiz

The Trade

Strike 1 - Buy Put slightly below the stock price
Strike 2 - Sell 2 Puts "N" number of strikes below Strike 1
Strike 3 - Buy Put "N" number of strikes below Strike 2

Breakeven

Two Breakeven points

- Lower Breakeven: Strike 1 - Net Premium Paid
- Upper Breakeven: Strike 3 + Net Premium Paid

Max Loss

Net Premium Paid

Premium

Usually Paid, very rarely received

Margin

Required

Effect of Time

If the stock does not move and stays above Strike 1, you make a loss each day. But if stock moves and stays near Strike 2 profit every day.

Effect of Volatility

Effect of implied volatility changes is relatively low.

Pros

- Lower cost compared to buying a put option.
- Limited risk with a well-defined maximum loss.
- High reward-to-risk ratio if the stock expires at the sold put strike price.

Cons

- Requires precise movement in the stock price for maximum profit.
- More complex to manage than simpler strategies due to the multiple options involved.

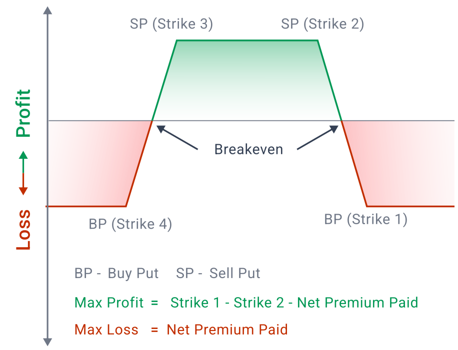
More Bearish Strategies:

Bearish

Example:

Instrument	Qty	Price
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 | Watch Video



Strategy Summary

Market View
Bearish

Premium
Usually Paid, very rarely received

Max Profit
Strike 1 - Strike 2 - Net Premium Paid

Max Loss
Net Premium Paid

Margin
Required

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

Effect of Volatility
Low

Market View

Bearish. Trade this when you expect the stock/index to decline significantly and expire between the strike prices of the tw maximizing profit.

The Trade

Strike 1 - Buy Put slightly below the stock price
Strike 2 - Sell Put "N" number of strikes below Strike 1
Strike 3 - Sell Put "M" number of strikes below Strike 2
Strike 4 - Buy Put "N" number of strikes below Strike 3

Breakeven

Max Profit

Strike 1 - Strike 2 - Net Premium Paid

Max Loss

Net Premium Paid

Premium

Usually Paid, rarely received

Margin

Required

Effect of Time

If the stock does not move and stays above Strike 1, you make a loss each day. But if stock moves and stays between Stri
Strike 3 you make a profit every day.

Effect of Volatility

Effect of implied volatility changes is relatively low.

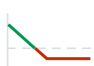
Pros

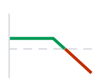
- Limited risk.
- High reward/risk.

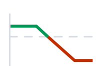
Cons

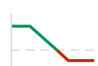
- If the stock moves outside the defined range, the strategy can result in losses.
- More complex to manage than simpler bearish strategies due to the multiple options involved.

More Bearish Strategies:

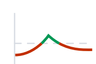

Buy Put

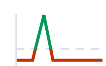

Sell Call

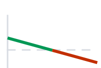

Bear Call Spread

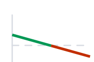

Bear Put Spread


Put Ratio Back Spread


Long Calendar with Puts


Bear Butterfly


Sell Future


Short Synthetic Future

Bearish

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Call Spread
Put Spread
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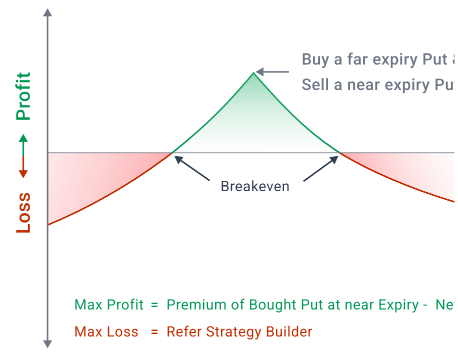
Calendar with

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24600 PE	75	21.5
BUY NIFTY 28th Oct 24600 PE	75	122.3

See Example   Open in Builder



Strategy Summary

Market View

Neutral to Moderately Bearish

Premium

Usually Paid, rarely received

Max Profit

Value of Bought Put at near Expiry - Net Premium Paid

Max Loss

Limited, depends on price at Expiry

Margin

Required

Effect of Time

Profit increases with time if the stock price stays near the strike.

Effect of Volatility

Benefits from increased volatility

Market View

Neutral to Moderately Bearish. Trade this when you expect the stock/index to remain stable or move slightly lower, particu the strike price, around the near expiry.

The Trade

Buy a far expiry put option.
Sell a near expiry put option of the same strike price.
For example, sell NIFTY weekly option and buy NIFTY monthly option.

Breakeven

Breakeven is variable and depends on multiple factors, including time decay and volatility. Check the Breakeven using Stra while deploying such trades.

- Max profit = Value of Bought Put at Expiry – Value of Bought Put at Entry + Premium Received from Short Put

Max Loss

This will be more than the net premium paid, and depends on the difference between the prices at which the options expir approximation, use Strategy builder.

Premium

Pay

Margin

Required

Effect of Time

The put sold loses value faster than the put bought. So you make money with each passing day if stock remains near the

Effect of Volatility

Higher implied volatility benefits the strategy by increasing the value of the bought put.

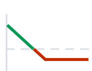
Pros

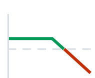
- Profits from both time decay and potential IV increases.
- Limited risk, as the short put helps offset the cost of the long put.
- Effective in a stable or slightly bearish market.
- Flexibility to adjust by rolling the short put or exiting early.

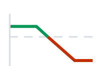
Cons

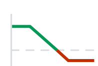
- Limited profit potential.
- Risk of loss if the stock moves significantly away from the strike price.

More Bearish Strategies:

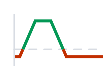

Buy Put

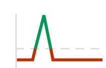

Sell Call

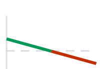

Bear Call Spread

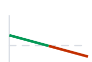

Bear Put Spread


Put Ratio Back Spread


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future

Bearish

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Call Spread

Put Spread

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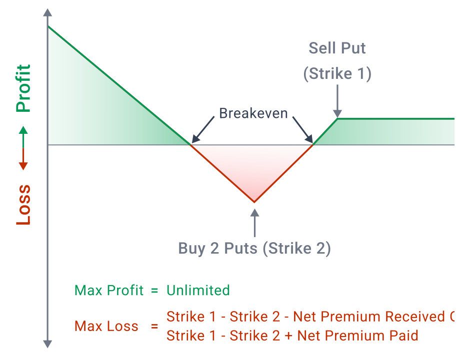
Calendar with

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 PE	75	79.5
BUY NIFTY 07th Oct 24650 PE	150	27.9

See Example

Open in Builder



Strategy Summary

Market View

Very Bearish

Premium

Net Credit or Net Debit or Zero Cost

Max Profit

Unlimited

Max Loss

Limited, depends on Net Premium Paid or Received

Margin

Required

Effect of Time

Loses value with time if stock does not move

Effect of Volatility

Benefits from increased volatility

Market View

Very Bearish. Trade this when you expect a significant downward move in the stock/index, while limiting risk if the price m higher or remains flat.

The Trade

Sell 1 put option at a higher strike price and Buy 2 put options at a lower strike price.

Breakeven

If Premium Paid

- Breakeven = Lower Strike – (Higher Strike - Lower Strike) – Net Premium Paid

If Premium Received

- Lower Breakeven = Lower Strike – (Lower Strike - Higher Strike) + Net Premium Received
- Upper Breakeven = Higher Strike – Net Premium Received

Max Loss

If Premium Paid

- Higher Strike - Lower Strike + Net Premium Paid

If Premium Received

- Higher Strike - Lower Strike - Net Premium Received

Premium

Pay, receive, or zero cost, depending on expiry. Ideally, aim for a small net credit or zero-cost.

Margin

Required

Effect of Time

Time decay works against the bought option but benefits the sold option.

Effect of Volatility

High volatility benefits the strategy by increasing the value of bought puts.

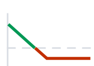
Pros

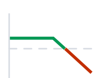
- Unlimited profit potential if the stock falls significantly.
- Limited risk if the stock moves slightly up or remains around the short put strike price.
- Can be structured at low or zero cost, depending on the premiums received and paid.
- Possible small profit even if the stock goes up.

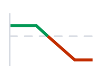
Cons

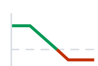
- Moderate losses if the stock/index declines but not significantly enough to profit from the bought puts.
- Requires a sharp downward move to be profitable.

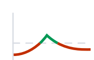
More Bearish Strategies:

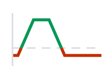

Buy Put

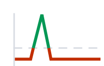

Sell Call

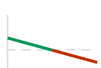

Bear Call Spread

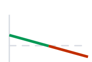

Bear Put Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future

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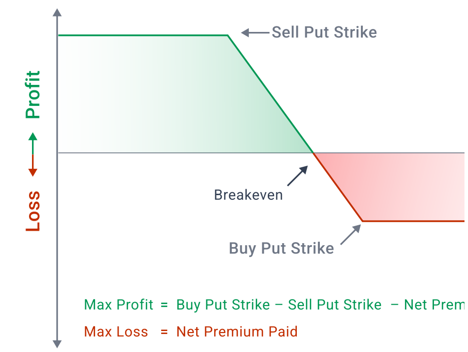
Calendar with

Bearish

Example:

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

See Example Open in Builder Watch Video



Strategy Summary

Market View

Moderately Bearish

Premium

Pay

Max Profit

Higher Strike - Lower Strike - Net Premium paid

Max Loss

Net Premium Paid

Margin

Required

Effect of Time

Loses value with time, lower compared to buy put

Effect of Volatility

Low

Market View

Moderately Bearish. Trade this when you expect the underlying stock/index to have a small to medium sized downmove.

The Trade

Buy a put option with strike near or below the stock price, and sell a put option with a lower strike price. Both options are expiry. You pay premium for the bought option, you receive a slightly lower premium for the sold option - so you pay net pr

Breakeven

Strike price of the bought option - Net Premium received

Max Profit

Higher Strike - Lower Strike - Net Premium paid

Premium

Pay

Margin

Required

Effect of Time

It loses less value every day compared to a simple buy put. This is because time reduces the value of both buy and sell op there is loss in buy and profit in sell.

Effect of Volatility

Volatility does not affect it much. This is because volatility increases the price of both options. So there is profit in the buy loss in the sell option.

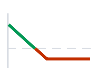
Pros

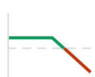
- If you think downside is limited, this is a great strategy.
- Lower cost compared to buying a simple buy put.
- Risk is limited to the Net Premium Paid.
- Less effect of time decay and implied volatility (IV) compared to a put.
- Fluctuates less than a simple put - peaceful to hold.

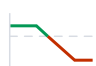
Cons

- Limited profit potential due to the sold put's cap on gains.
- Margin is required, so your need more capital than simple buy put.

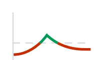
More Bearish Strategies:

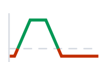

Buy Put

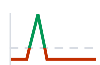

Sell Call


Bear Call Spread

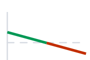

Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future

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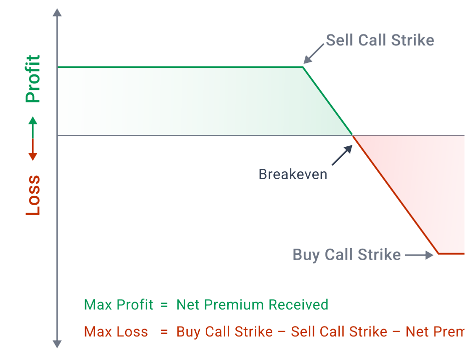
Calendar with

Bearish

Example:

Instrument	Qty	Price
SELL NIFTY 07th Oct 24850 CE	75	109.9
BUY NIFTY 07th Oct 25050 CE	75	30.55

See Example Open in Builder Watch Video



Strategy Summary

Market View
Mildly Bearish

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 sell call

Effect of Volatility
Low

Market View

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

The Trade

Sell a call option with strike near or above the stock price, and buy a call option with a higher strike. The option you buy pr from big upmoves. Both options are of the same expiry. You get a premium for the sell option, and you pay a slightly lowe the buy 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

It loses less time value every day compared to a simple sell call. This is because time reduces the value of both buy and s there is profit in sell and loss in buy.

Effect of Volatility

Volatility does not affect it much. This is because volatility increases the price of both options. So there is loss in the sell profit in the buy option.

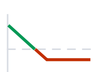
Pros

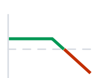
- Provides upfront income through premium received.
- Limited risk compared to naked call selling. The bought call acts as a stop loss, protecting against significant upmoves
- Profitable even when you are slightly wrong - in small upward price movement.
- Fluctuates less than a simple sell call - peaceful to hold.

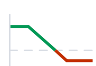
Cons

- Limited profit potential, capped at the premium received.

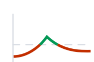
More Bearish Strategies:


Buy Put

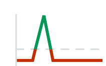

Sell Call

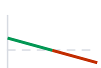

Bear Put Spread

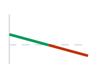

Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future

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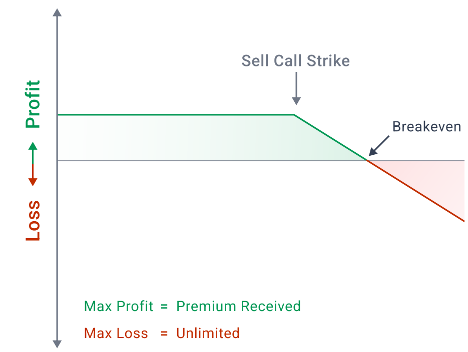
Example:

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

See Example | Open in Builder | Watch Video



Strategy Summary

Market View
Moderately Bearish

Premium
Receive

Max Profit
Premium Received

Max Loss
Unlimited

Margin
Required

Effect of Time
Loses value with time

Effect of Volatility
Increase in volatility is bad for the seller

Market View

Moderately Bearish. Trade this when think the stock won't go up - that is stay at the current level or go down. Ideally the in volatility (IV) should be high to collect a higher premium.

The Trade

Sell a call option

Breakeven

Strike Price + Premium Received

Max Profit

Premium Received

Premium

Receive

Margin

Required

Effect of Time

The option loses value with every passing day. So it benefits the seller.

Effect of Volatility

If implied volatility increases, the option price also increases.

Pros

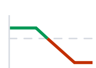
- Earn the premium if the option expires worthless.
- Make money even if you are slightly wrong, that is the stock/index moves up a bit.

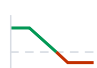
Cons

- Large risk if the stock/index moves up a lot.
- In case of single stock options, if the option expires in the money, the seller is obligated to deliver the stock at the strik means you need the stock or you need money to buy the stock and deliver it.

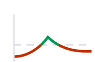
More Bearish Strategies:


Buy Put

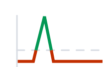

Bear Call Spread

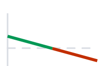

Bear Put Spread

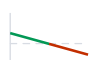

Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future

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Call Spread

Put Spread

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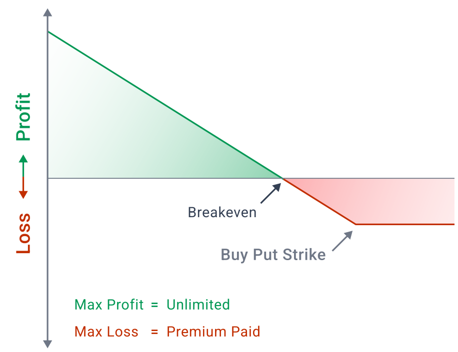
Calendar with

Bearish

Example:

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

See Example Open in Builder Watch Video



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

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.

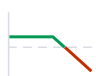
Pros

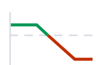
- Unlimited profit potential if the underlying moves downward.
- Limited risk (maximum loss is capped at the premium paid).

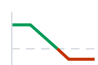
Cons

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

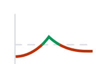
More Bearish Strategies:


Sell Call

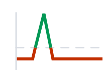

Bear Call Spread


Bear Put Spread

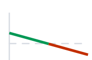

Put Ratio Back Spread


Long Calendar with Puts


Bear Condor


Bear Butterfly


Sell Future


Short Synthetic Future