Others

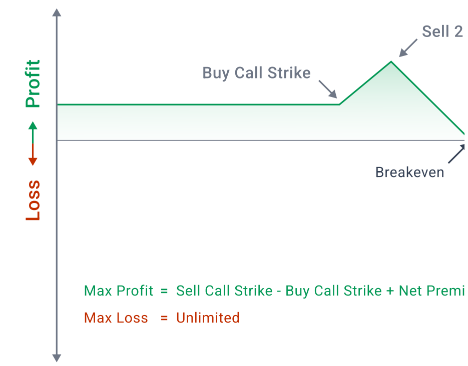
atio Spread
atio Spread
Straddle
Iron Butterfly
Strangle
Iron Condor

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24850 CE	75	109.9
SELL NIFTY 07th Oct 25050 CE	150	30.55

See Example

Open in Builder



Strategy Summary

Market View
Neutral to Moderately Bullish

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
Depends on premium paid or received

Effect of Volatility
Varies based on stock position relative to option strikes

Market View

Neutral to moderately bullish. Trade this when you expect a slow move to the sold call strike.

The Trade

Buy one call option below the stock price and sell two call options above the stock price.

Breakeven

If you have paid premium

- Lower Breakeven = Strike price of bought call + Net Premium Paid
- Upper Breakeven = Strike price of sold call + Difference between strikes - Net Premium Paid

If you have received premium

- No Lower Breakeven
- Upper Breakeven = Strike price of sold call + Difference between strikes - Net Premium Received

Higher Strike - Lower Strike - Net Premium Paid

Max Loss

Unlimited

Premium

Depends. It can be pay or receive.

Margin

Required

Effect of Time

This is not straight forward as it depends on whether you paid premium or received premium.

Effect of Volatility

Complex, and depends on where the stock is in relation to the bought and sold calls.

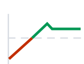
Pros

- Can generate profit with minimal or zero upfront cost.
- Benefits from gradual upward movement in the stock or index.

Cons

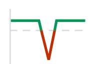
- Unlimited Risk if the stock rallies significantly beyond the short call strikes.
- Higher margin requirement due to sold call.

More Strategies:

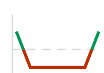


Put Ratio Spread

Long Straddle

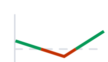


Long Iron Butterfly



Long Strangle

Long Iron Condor



Strap

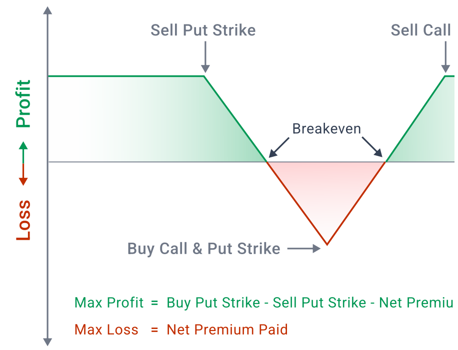
Others

atio Spread
atio Spread
Straddle
Iron Butterfly
Strangle
Iron Condor

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24850 PE	75	79.5
SELL NIFTY 07th Oct 24650 PE	75	27.9
SELL NIFTY 07th Oct 25050 CE	75	30.55
BUY NIFTY 07th Oct 24850 CE	75	109.9

See Example Open in Builder



Strategy Summary

Market View
Volatile

Premium
Pay

Max Profit
Buy Strike - Sell Strike - Net Premium Paid

Max Loss
Net Premium Paid

Margin
Required

Effect of Time
Loses value with time

Effect of Volatility
Slight benefit from increased volatility

Market View

Volatile - A big move up or down. Trade this when you expect a significant price movement up or down.

The Trade

Buy a put and call at the same strike near the stock price. Sell a lower put and a higher call on both sides for reducing pre

Breakeven

Two Breakeven points

- Lower Breakeven: Buy Put Strike Price - Net Premium Paid
- Upper Breakeven: Buy Call Strike Price + Net Premium Paid

Max Loss

Net Premium Paid

Premium

Pay

Margin

Required

Effect of Time

Time Decay hurts the strategy, as both long options lose value over time.

Effect of Volatility

A rise in implied volatility slightly benefits the strategy.

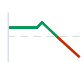
Pros

- Limited risk due to the long options hedging the short positions.
- Lower cost than a Long Straddle or Strangle due to receiving premium from short options.

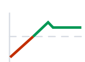
Cons

- Limited profit potential since gains are capped.

More Strategies:

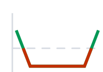


Call Ratio Spread

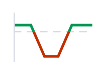


Put Ratio Spread

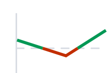
Long Straddle



Long Strangle



Long Iron Condor



Strap

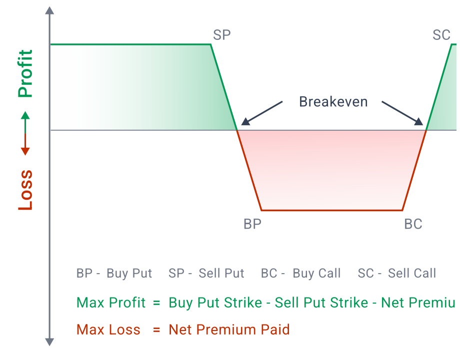
Others

atio Spread
Straddle
Iron Butterfly
Strangle
Iron Condor

Example:

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

See Example Open in Builder



Strategy Summary

Market View
Volatile

Premium
Pay

Max Profit
Buy Strike - Sell Strike - Net Premium Paid

Max Loss
Net Premium Paid

Margin
Required

Effect of Time
Loses value with time

Effect of Volatility
Slight benefit from increased volatility

Market View

Volatile - A big move up or down. Trade this when you expect a significant price movement up or down.

The Trade

Buy a Put below stock price; Sell a put with a lower strike for reducing premium.
Buy a call above stock price; Sell a call with a higher strike for reducing premium.
Distance between bought call and sold call should be equal to the distance between bought put and sold put.

Breakeven

Two Breakeven points

Max Profit

Buy Strike - Sell Strike - Net Premium Paid

Max Loss

Net Premium Paid

Premium

Pay

Margin

Required

Effect of Time

Time Decay hurts the strategy, as both long options lose value over time.

Effect of Volatility

A rise in implied volatility slightly benefits the strategy.

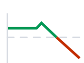
Pros

- Limited risk due to the long options hedging the short positions.
- Lower cost than a Long Straddle or Strangle due to receiving premium from short options.

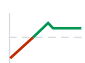
Cons

- Limited profit potential since gains are capped.

More Strategies:



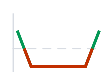
Call Ratio Spread



Put Ratio Spread

Long Straddle

Long Iron Butterfly



Long Strangle

Strap

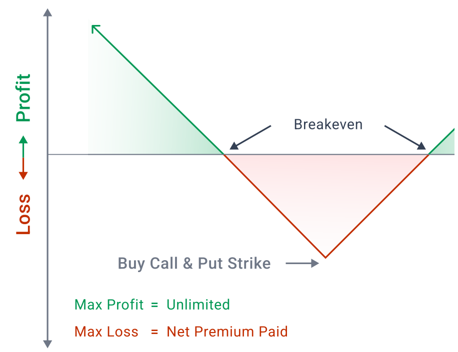
Others

atio Spread
atio Spread
Straddle
Iron Butterfly
Strangle
Iron Condor

Example:

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

See Example   Open in Builder



Strategy Summary

Market View
Highly Volatile

Premium
Pay

Max Profit
Unlimited

Max Loss
Net Premium Paid

Margin
Not required

Effect of Time
Loses value with time

Effect of Volatility
Benefits from increased volatility

Market View

Highly Volatile - A very big move up or down. Trade this when you expect a huge price movement in either direction.

The Trade

Buy a put and call at the same strike near the stock price.

Breakeven

Two Breakeven points
- Lower Breakeven: Strike Price - Net Premium Paid
- Upper Breakeven: Strike Price + Net Premium Paid

Max Profit

Unlimited

Premium

Pay

Margin

Not required

Effect of Time

Time Decay hurts the strategy, as both options lose value over time.

Effect of Volatility

A rise in implied volatility increases option premiums, benefiting the strategy.

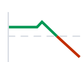
Pros

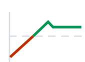
- Unlimited Profit Potential if the stock moves significantly in either direction.

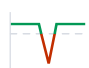
Cons

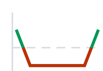
- Expensive due to high premium.
- If the stock does not move, the strategy suffers a total loss of premium paid due to time decay.

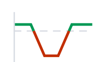
More Strategies:

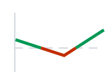

Call Ratio Spread


Put Ratio Spread


Long Iron Butterfly


Long Strangle


Long Iron Condor


Strap

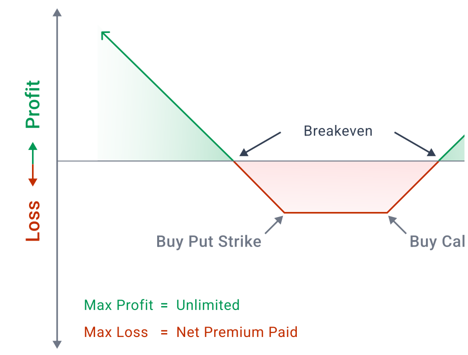
Others

atio Spread
atio Spread
Straddle
Iron Butterfly
Strangle
Iron Condor

Example:

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

See Example | Open in Builder



Strategy Summary

Market View
Volatile

Premium
Pay

Max Profit
Unlimited

Max Loss
Net Premium Paid

Margin
Not required

Effect of Time
Loses value with time

Effect of Volatility
Benefits from increased volatility

Market View

Volatile - A very big move up or down. Trade this when you expect a huge price movement in either direction.

The Trade

Buy a Put below stock price and buy a Call above the stock price.

Breakeven

Two Breakeven points

- Lower Breakeven: Lower Strike Price - Net Premium Paid
- Upper Breakeven: Higher Strike Price + Net Premium Paid

Max Profit

Unlimited

Premium

Pay

Margin

Not required

Effect of Time

Time Decay hurts the strategy, as both options lose value over time.

Effect of Volatility

A rise in implied volatility increases option premiums, benefiting the strategy.

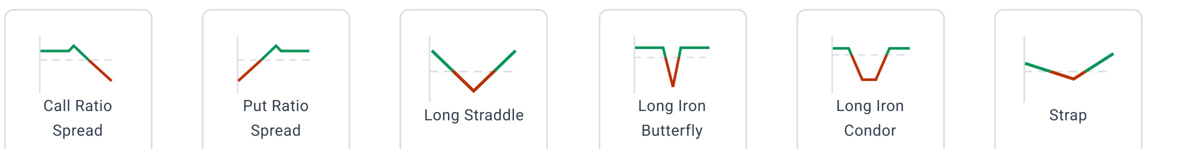
Pros

- Lower cost than a Long Straddle since OTM options are cheaper.
- Unlimited profit potential if the stock moves significantly in either direction.

Cons

- Requires a large price movement to become profitable.
- If the stock does not move, the strategy suffers a total loss of premium paid due to time decay.

More Strategies:



Others

atio Spread

atio Spread

Straddle

Iron Butterfly

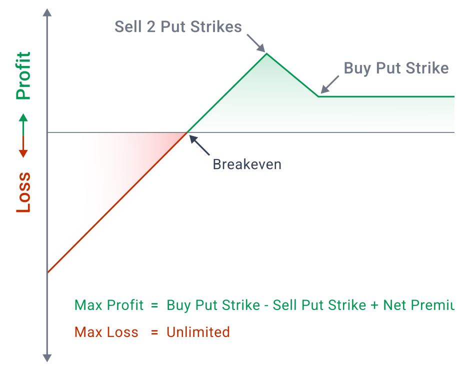
Strangle

Iron Condor

Example:

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

See Example Open in Builder



Strategy Summary

Market View
Neutral to Moderately Bearish

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
Depends on premium paid or received

Effect of Volatility
Varies based on stock position relative to option strikes

Market View

Neutral to moderately bearish. Trade this when you expect a slow move to the sold put strike.

The Trade

Buy one put option above the stock price and sell two put options below the stock price.

Breakeven

If you have paid premium
- Lower Breakeven = Strike price of sold put - (Difference between strikes - Net Premium Paid)
- Upper Breakeven = Strike price of bought put - Net Premium Paid

If you have received premium
- No Upper Breakeven
- Lower Breakeven = Strike price of sold put - (Difference between strikes - Net Premium Received)

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Watchlist New Positions Orders

Max Loss

Unlimited

Premium

Depends. It can be pay or receive

Margin

Required

Effect of Time

This is not straight forward as it depends on whether you paid premium or received premium.

Effect of Volatility

Complex, and depends on where the stock is in relation to the bought and sold calls.

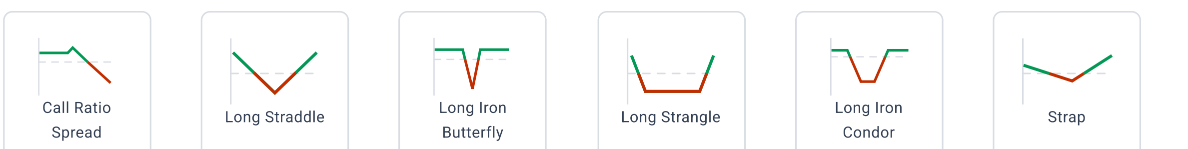
Pros

- Can generate profit with minimal or zero upfront cost.
- Benefits from gradual downward movement in the stock or index.

Cons

- Unlimited Risk if the stock falls significantly below the sold put strike.
- Higher margin requirement due to sold put.

More Strategies:



atio Spread

Straddle

Iron Butterfly

Strangle

Iron Condor

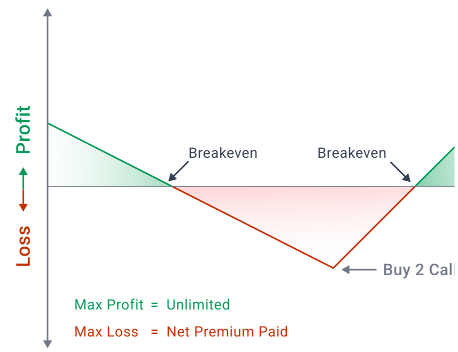
Others

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 24850 CE	150	109.9
BUY NIFTY 07th Oct 24850 PE	75	79.5

See Example

Open in Builder



Strategy Summary

Market View

Volatile

Premium

Pay

Max Profit

Unlimited

Max Loss

Net Premium Paid

Margin

Not required

Effect of Time

Loses value with time

Effect of Volatility

Benefits from increased volatility

Market View

Volatile. When you expect a big move in either direction, but a bigger upside move. Typically used before major events like regulatory announcements, or economic data releases.

The Trade

Buy 2 Call Options with strike price near the stock price; Buy 1 Put Option at the same strike price.

Breakeven

Two Breakeven points

- Lower Breakeven: Strike Price - Net Premium Paid
- Upper Breakeven: Strike Price + (Net Premium Paid/2)

Max Profit

Net Premium Paid

Premium

Pay

Margin

Not required

Effect of Time

You lose money each day the stock does not move.

Effect of Volatility

A rise in implied volatility increases option premiums, benefiting the strategy.

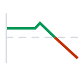
Pros

- High profit if the stock moves sharply up.
- Profit from large downside moves, though to a lesser extent.
- Limited risk, as the maximum loss is the premium paid.

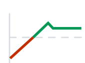
Cons

- Loss if the stock does not move.
- Requires big movement in price to be profitable.
- Time decay works against the position.

More Strategies:

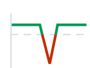


Call Ratio Spread

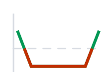


Put Ratio Spread

Long Straddle



Long Iron Butterfly



Long Strangle

Long Iron Condor