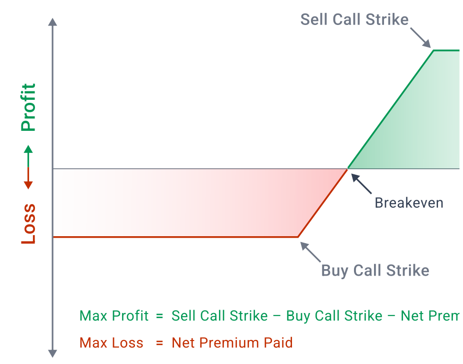
Bullish

Example:

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

See Example | Open in Builder | Watch Video



Strategy Summary

Market View

Moderately Bullish

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 a buy call

Effect of Volatility

Low

Market View

Moderately Bullish. Trade this when you expect the underlying stock/index to have a small to medium sized up move.

The Trade

Buy a call option with strike near or above the stock price, and sell a call option with a higher strike price. Both options are expiry. You pay premium for the buy option, you receive a slightly lower premium for the sell option - so you pay net premi

Breakeven

Strike price of the bought option + Net Premium Paid

Max Profit

Higher Strike - Lower Strike - Net Premium paid

Premium

Pay

Margin

Required

Effect of Time

It loses value every day, but lower compared to a simple buy call. This is because time reduces the value of both buy and s
leading to a loss in bought option and profit in sold option.

Effect of Volatility

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

Pros

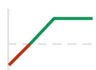
- If you think upside is limited, this is a great strategy.
- Lower cost compared to buying a call.
- Risk is limited to the Net Premium Paid.
- Less effect of Theta (time decay) and implied volatility (IV) risk compared to a call.
- Fluctuates less than a simple call or put - peaceful to hold.

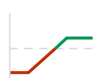
Cons

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

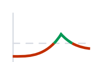
More Bullish Strategies:

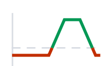

Buy Call

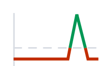

Sell Put

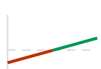

Bull Put Spread

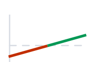

Call Ratio Back Spread


Long Calendar with Calls


Bull Condor


Bull Butterfly


Buy Future


Long Synthetic Future