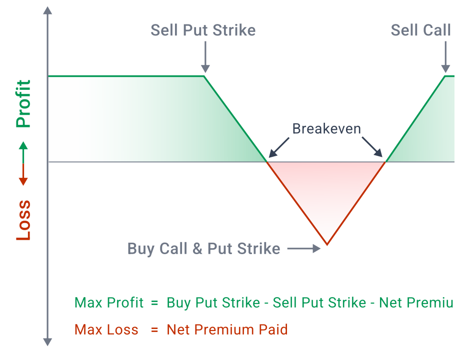
Others

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

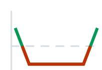
- Limited profit potential since gains are capped.

More Strategies:

Call Ratio Spread

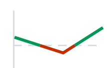
Put Ratio Spread

Long Straddle



Long Strangle

Long Iron Condor



Strap