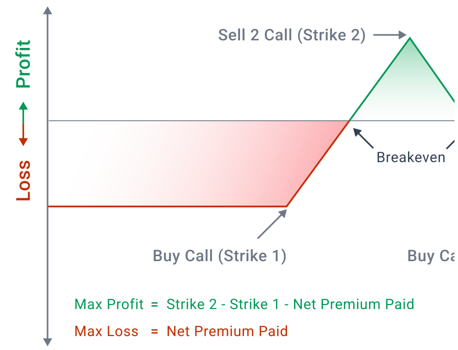
Bullish

Example:

Instrument	Qty	Price
BUY NIFTY 07th Oct 25100 CE	75	20.85
SELL NIFTY 07th Oct 25350 CE	150	3.25
BUY NIFTY 07th Oct 25600 CE	75	1.4

See Example Open in Builder



Strategy Summary

Market View
Bullish

Premium
Usually Paid, very rarely received

Max Profit
Strike 2 - Strike 1 - 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

Bullish. Trade this when you expect the stock/index to rise significantly and expire around the strike price of the sold call

The Trade

Strike 1 - Buy Call slightly above the stock price
Strike 2 - Sell 2 Calls "N" number of strikes above Strike 1
Strike 3 - Buy Call "N" number of strikes above 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 below 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.

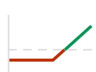
Pros

- Limited risk with a well-defined maximum loss.
- High reward-to-risk ratio if the stock expires at the sold call strike price.
- Lower cost compared to a simple long call strategy.

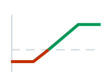
Cons

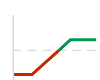
- Requires precise movement in the stock price for maximum profit.
- More complex to manage than simpler strategies due to the multiple options involved.

More Bullish Strategies:

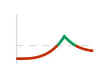

Buy Call

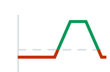

Sell Put


Bull Call Spread

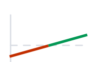

Bull Put Spread


Call Ratio Back Spread


Long Calendar with Calls


Bull Condor


Buy Future


Long Synthetic Future