Buy (Long) Straddle

Buy Call 100 strike for $4

Buy Put 100 Strike for $5

CF -$9

max gain unbounded

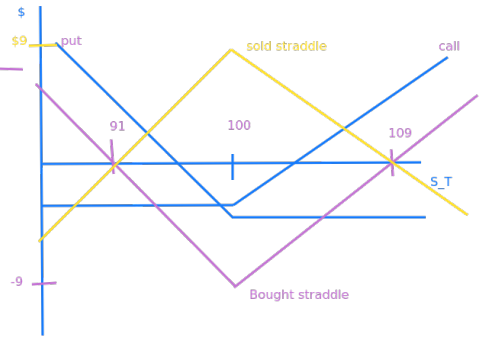
max loss 9

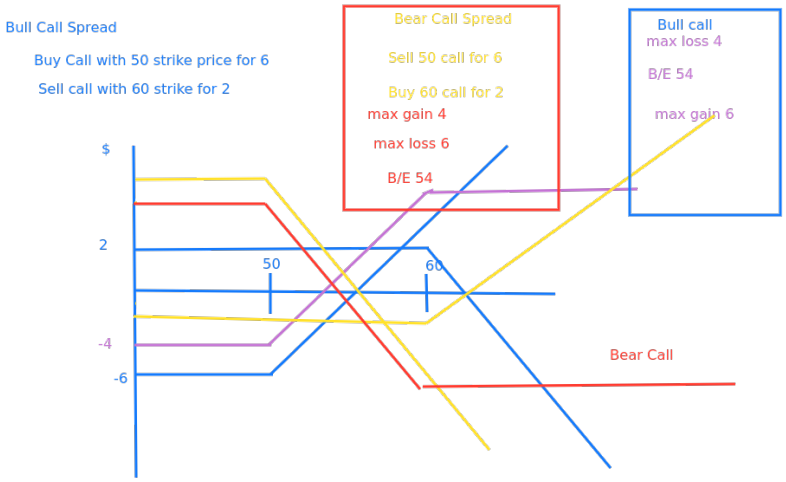
B/E 91 and 109

max gain 9

max loss unbounded

B/E 91 and 109




Bull Call Spread
Buy Call with 50 strike price for 6
Sell call with 60 strike for 2
Bear Call Spread
Sell 50 call for 6
Buy 60 call for 2
max gain 4
max loss 6
B/E 54
Bull call
max loss 4
B/E 54
max gain 6
$
2
-4
-6
50
60
Bear Call

Bull Put Spread

Put Spread

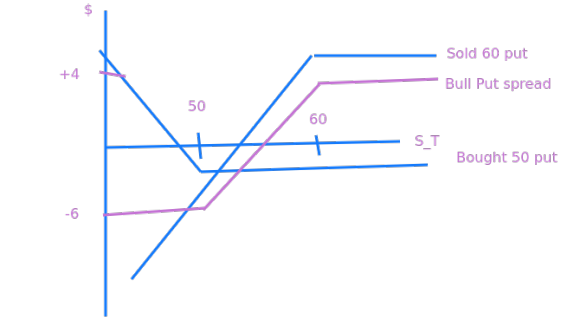
Buy 50 Put for 2

Sell 60 Put for 6

max gain 4

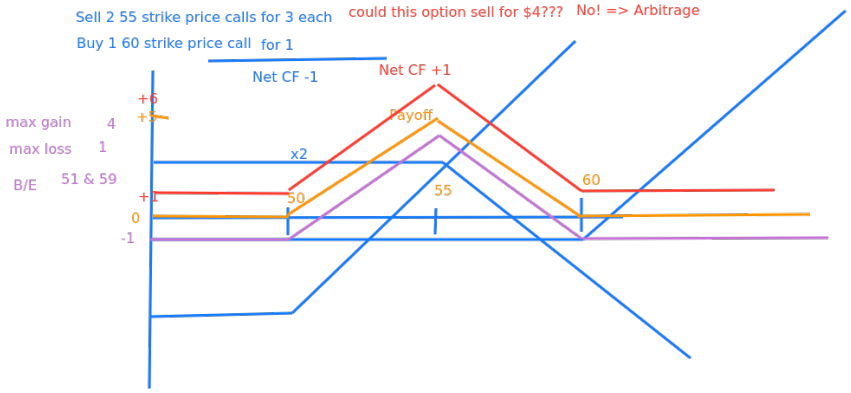
max loss 6

B/E 54



Buying Butterfly

Buy 1 50 strike price call for 6

Sell 2 55 strike price calls for 3 each could this option sell for $4??? No! => Arbitrage

Buy 1 60 strike price call for 1