

5.3 WHAT DOES AN OPTIONS CONTRACT QUOTATION LOOK LIKE ?

NIFTY 17500 Sep 2021 CE/PE = ₹150/unit

STRIKE
PRICE

CALL
OPTION

PUT
OPTION

YEAR AND MONTH
OF EXPIRY

UNDERLYING
ASSET

PRICE PER
UNIT= 150

NIFTY

Nifty refers to the underlying asset through which the derivative (option in this case) derives its value. It may be anything, Nifty, Reliance, Bank Nifty, TATA, etc.

17500

The Strike Price is the price at which the option buyer can buy or sell the asset at Expiry date. The profit payoff is calculated from the strike price. At any given point in time, you will find options on the same asset of different strike prices.

**Sep
2021**

The Month and year mentioned next, informs us about the expiry of the contract. In some cases, the date is also mentioned. In this case, it would be the last Thursday of the month of September for the year 2021.

CE

CE = Call European = Call option of European Style

PE

PE = Put European = Put option of European Style

**₹150/
unit**

If you are to buy a contract then the amount payable will be Price (₹150) x Lot size (say 100units) = ₹15,000.