

Income Strategies

Diagonal Spreads

Diagonal Spreads

- Buy a long dated option
- Sell a short dated option at a different strike
- **Theta Positive:** Generates passive income
- Flexible and versatile
- It can be a bullish, bearish or neutral trade
- Low cost debit spread & defined risk
- Provides downside protection
- Benefits from rising IV - best to enter when IV is low

Diagonal Mechanics

- This is my playbook for monthly income trades
- You can make shorter duration trades for faster results but at the cost of higher risk and volatility
- **Buy a longer-dated ATM or ITM option**
 - 3 to 4 months expiration
 - 50 to 70 Delta
- **Sell a short-term OTM option against it**
 - 1 Month before the the buy side
 - 30 to 50 Delta

Diagonal Examples

- **Bullish:** NVDA Call Diagonal
 - **BTO** NVDA **170C 4/17/26** at \$21.70
 - **STO** NVDA **180C 3/20/26** at \$14.50
- **Bearish:** NVDA Put Diagonal
 - **BTO** NVDA **180P 4/17/26** at \$19.13
 - **STO** NVDA **170P 3/20/26** at \$12.43

Inverse Diagonal Spread

- The strikes are inverted
- Buy a lower delta and sell a higher delta option
- **Bullish:** NVDA Put Diagonal
 - **BTO** NVDA **170P 4/17/26** at \$17.38
 - **STO** NVDA **180P 3/20/26** at \$14.13
- **Bearish:** NVDA Call Diagonal
 - **BTO** NVDA **180C 4/17/26**
 - **STO** NVDA **170C 3/20/26**

Underlying
QQQ

Dates:
from: May 16, 2022
to: December 12, 2025

Legs

S	B	C	P	1 QTY	50 Δ	7 DTE
S	B	C	P	1 QTY	-10 ±	10 DTE

Entry

- Open trades at 1:30 PM
- Every Friday
- Use exact DTE
- Use exact strike offsets
- Allocate 10% of portfolio
- VIX: Min 16

Exit -

- Profit Target: \$1.5

Misc

- Cap Profits
- Require Two Prices PT

P/L
\$9,327

CAGR
20.2%

Max Drawdown
-11.7%

MAR Ratio
1.7

Win Percentage
88%

Total Premium
\$27,784

Capture Rate
33.6%

Starting Capital
\$10,000

Ending Capital
\$19,327

Avg Per Trade
\$86 / lot

Avg Winner
\$163 / lot

Avg Loser
-\$480 / lot

Max Winner
\$280 / lot

Max Loser
-\$688 / lot

Avg Days In Trade
4.8

Trades
83

Winners
73

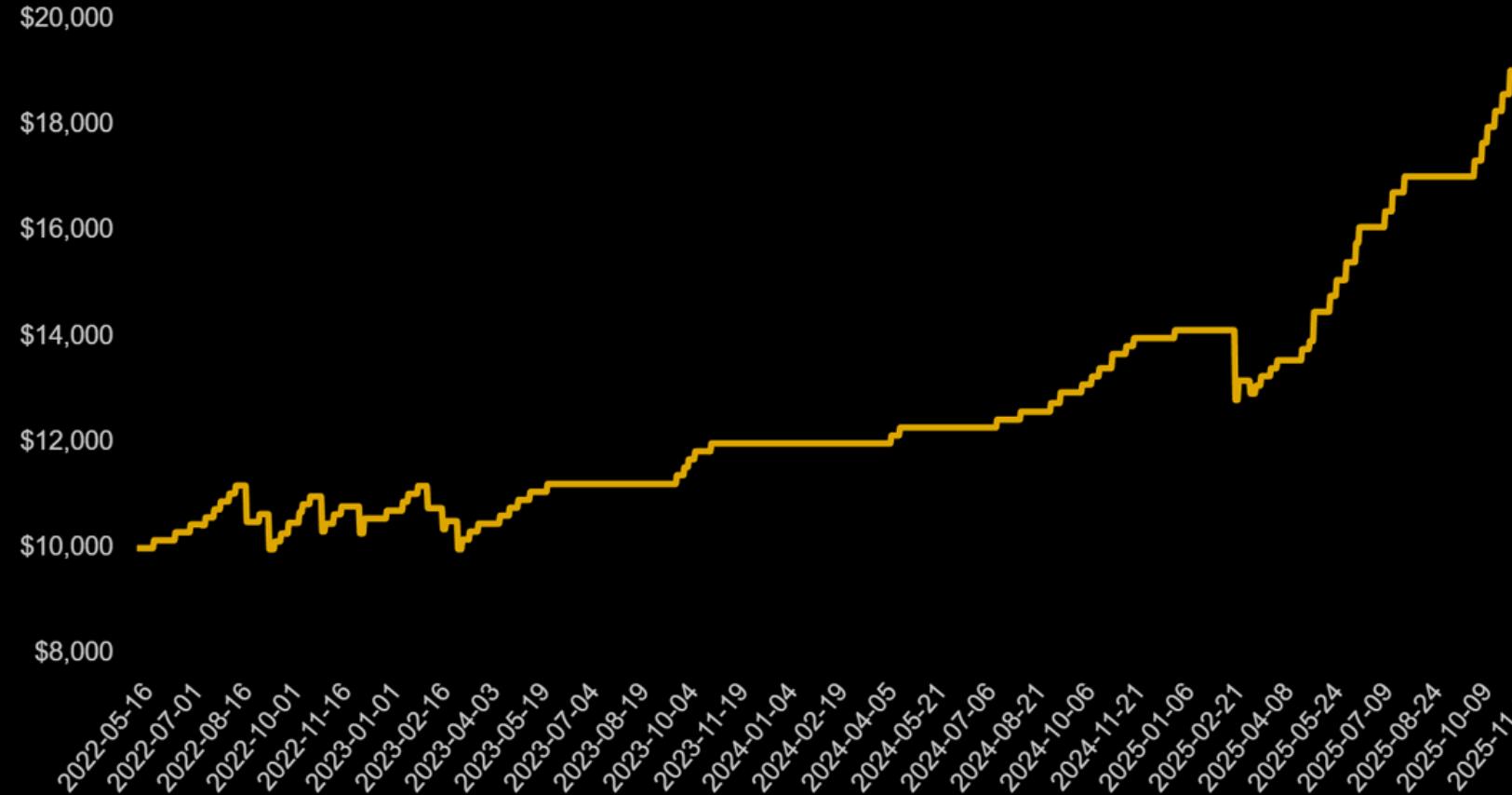
Summary

Trade Log

OptionsKit Rolling Put Diagonal

Linear Logarithmic

Funds By Date



Annual Metrics



Calendar Spreads

- Buy a long dated option
- Sell a short dated option at the same strike
- **Theta Positive:** Generates passive income
- Great for neutral or directional trades
- Cheap and less volatile
- Can provide downside protection
- Benefits from rising IV - best to enter when IV is low
- A smaller gap between the expiration dates will

Calendar Mechanics

- This is my playbook for monthly income trades
- You can make shorter duration trades for faster results but at the cost of higher risk and volatility
- **Sell a short-term OTM option**
 - 1 to 3 Months expiration
 - 20 to 35 Delta or at a technical price target
- **Buy a longer-dated OTM option to cover it**
 - 1 Month after the short expiration
 - Same strike

Calendar Examples

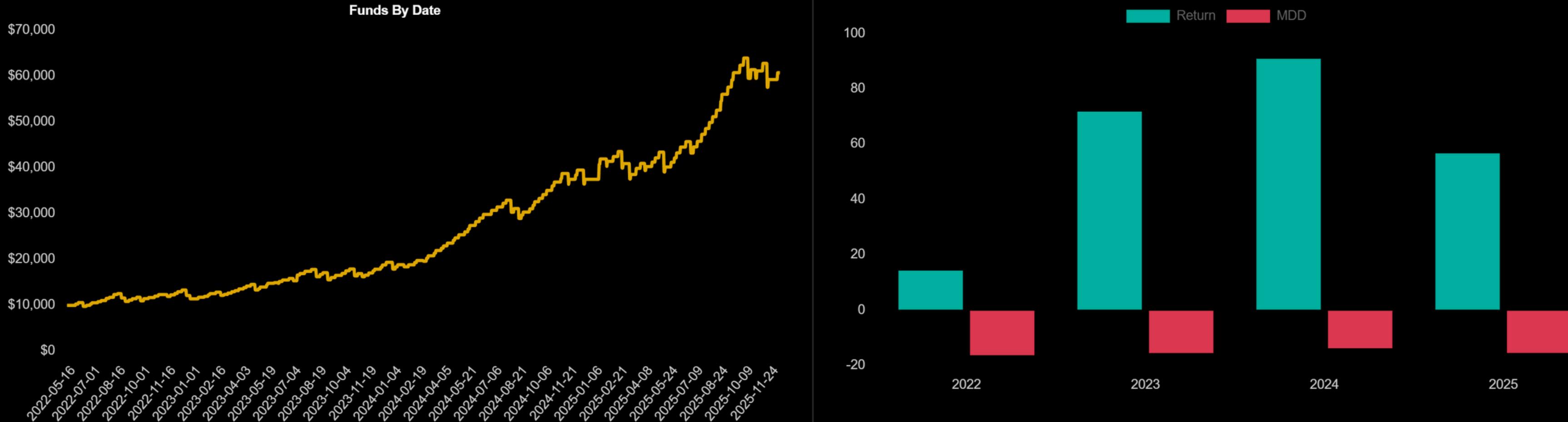
- **Bullish:** NVDA Call Calendar
 - **BTO** NVDA **200C 4/17/26**
 - **STO** NVDA **200C 3/20/26**
- **Bearish:** NVDA Put Calendar
 - **BTO** NVDA **200P 4/17/26**
 - **STO** NVDA **200P 3/20/26**
- **Neutral:** NVDA Call Calendar
 - **STO** NVDA **175P 12/19/26**
 - **BTO** NVDA **175P 12/26/26**

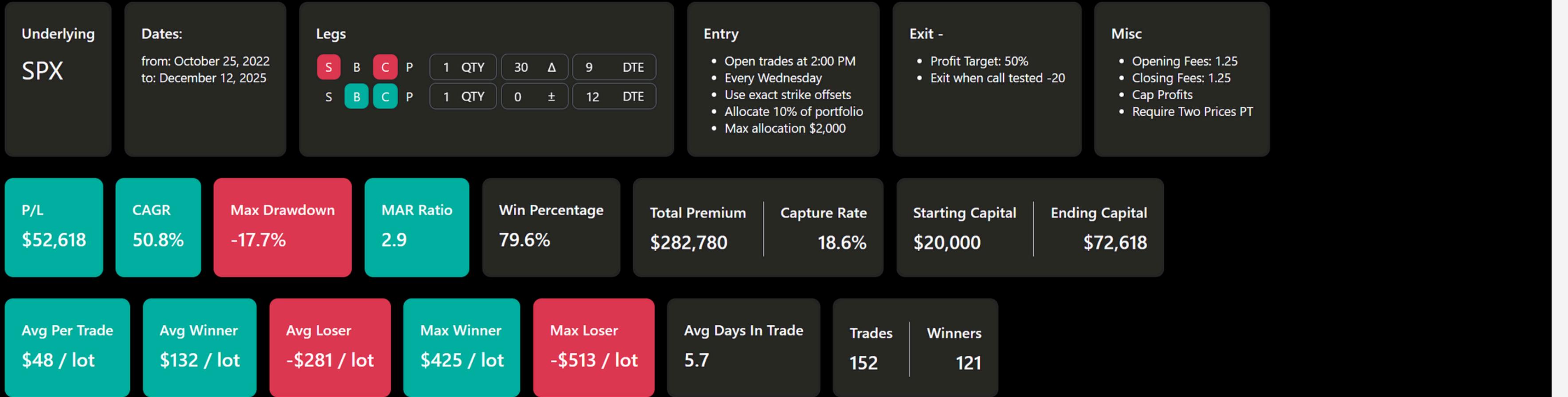
Underlying SPX	Dates: from: May 16, 2022 to: December 12, 2025	Legs <table border="1"><tr><td>S</td><td>B</td><td>C</td><td>P</td><td>1 QTY</td><td>40 Δ</td><td>7 DTE</td></tr><tr><td>S</td><td>B</td><td>C</td><td>P</td><td>1 QTY</td><td>0 ±</td><td>9 DTE</td></tr></table>	S	B	C	P	1 QTY	40 Δ	7 DTE	S	B	C	P	1 QTY	0 ±	9 DTE	Entry <ul style="list-style-type: none">Open trades at 3:00 PMEvery WednesdayUse exact strike offsetsAllocate 10% of portfolio	Exit - <ul style="list-style-type: none">Profit Target: 30%	Misc <ul style="list-style-type: none">Opening Fees: 1.25Closing Fees: 1.25Cap ProfitsRequire Two Prices PT
S	B	C	P	1 QTY	40 Δ	7 DTE													
S	B	C	P	1 QTY	0 ±	9 DTE													
P/L \$50,716	CAGR 64%	Max Drawdown -16.3%	MAR Ratio 3.9	Win Percentage 82.1%	Total Premium \$403,410														
					Capture Rate 12.6%														
					Starting Capital \$10,000														
					Ending Capital \$60,716														
Avg Per Trade \$94 / lot	Avg Winner \$259 / lot	Avg Loser -\$660 / lot	Max Winner \$820 / lot	Max Loser -\$1,308 / lot	Avg Days In Trade 4.9														
					Trades 173														
					Winners 142														

 Summary  Trade Log

OptionsKit SPX 7/9 Call Calendar

 Linear  Logarithmic





█ Summary █ Trade Log

OptionsKit SPX 7/9 Call Calendar

● Linear ● Logarithmic

