

Delta Neutral Options Strategies

Delta Neutral Strategies

- Market neutral - profit in choppy range bound market
- No need to predict market direction
- Profit from time decay and volatility
- High win rate and it can be profitable even in down years
- Smaller wins but bigger losses
- Adjustment strategies to manage losing trades

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Straddle

- **Long Straddle:** Buy ATM Call & Put (same strike)
 - Profit if the price moves more than the implied move
- **Short Straddle:** Sell ATM Call & Put (same strike)
 - Profit if the price stays within the implied move
 - Delta neutral to start, but it can change with the price move
 - Theta positive
 - Higher premiums when IV is high
 - It can have unlimited loss on a big move, protect with SL

Straddle Adjustments

- Take profit: 25% (of credit)
- Stop loss: 50% to 100% (of credit)
- **Adjustment 1:**
 - When the trade hits SL, recenter at the new ATM strikes
 - Same or longer expiration
- **Adjustment 2:**
 - Roll out the losing side and turn it into a Strangle

Strangle

- **Long Strangle:** Buy OTM Call & Put
 - Profit if the price moves more than the implied move
- **Short Strangle:** Sell OTM Call & Put
 - Profit if the price stays within the two strikes
 - Delta neutral to start, but it can change with the price move
 - Theta positive
 - Higher premiums when IV is high
 - It can have unlimited loss on a big move, protect with SL

Strangle Adjustments

- Take profit: 50% (of credit)
- Stop loss: 100% to 200% (of credit)
- **Adjustment 1:**
 - Recenter the full Strangle to new strikes
- **Adjustment 2:**
 - When one side is tested, roll in the winning side to collect more premium
 - Narrows the width of the Strangle or turn it into a Straddle

Underlying

QQQ

Dates:

from: January 1, 2022
to: December 18, 2025

Legs

S	B	C	P	1 QTY	10 Δ	7 DTE
S	B	C	P	1 QTY	10 Δ	7 DTE

Entry

- Open trades at 12:00 PM
- Every Friday
- Allocate 80% of portfolio

Exit

- Profit Target: 50%
- Stop Loss: 200%
- Close Trades on Completion
- Cap Profits
- Require Two Prices PT

P/L

\$20,149

CAGR

19.2%

Max Drawdown

-10%

MAR Ratio

1.9

Win Percentage

89.1%

Total Premium

\$83,872

Capture Rate

24%

Starting Capital

\$20,000

Ending Capital

\$40,149

Avg Per Trade

\$29 / lot

Avg Winner

\$66 / lot

Avg Loser

-\$272 / lot

Max Winner

\$200 / lot

Max Loser

-\$793 / lot

Avg Days In Trade

4.1

Trades

201

Winners

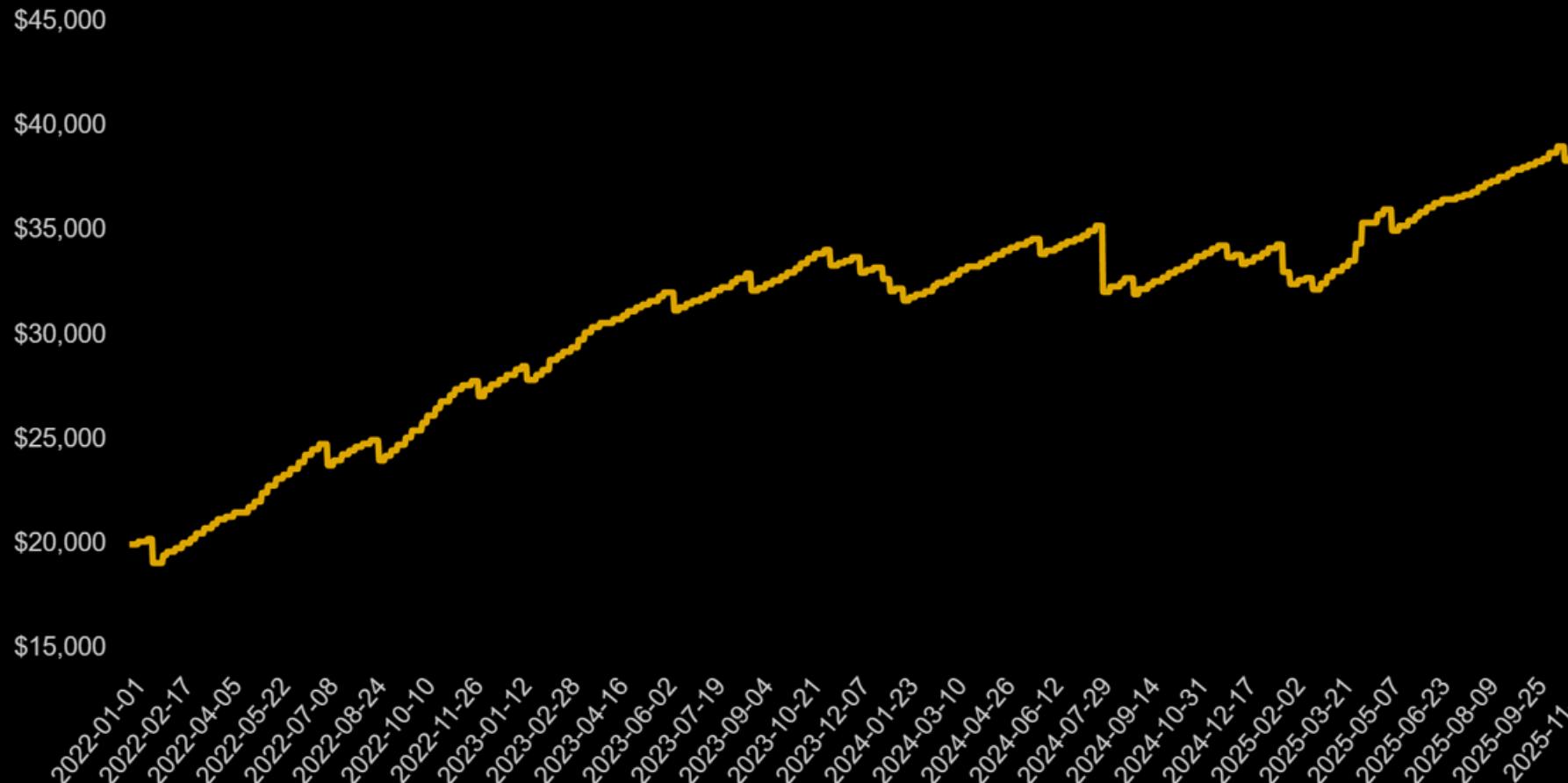
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█ Summary█ Trade Log

OptionsKit QQQ Weekly Strangle

● Linear● Logarithmic

Funds By Date



Underlying

QQQ

Dates:

from: January 1, 2020
to: December 18, 2025

Legs

S	B	C	P	1 QTY	10 Δ	7 DTE
S	B	C	P	1 QTY	10 Δ	7 DTE

Entry

- Open trades at 12:00 PM
- Every Friday
- Allocate 80% of portfolio

Exit

- Profit Target: 50%
- Stop Loss: 200%
- Close Trades on Completion
- Cap Profits
- Require Two Prices PT

P/L

\$26,789

CAGR

15.3%

Max Drawdown

-24.2%

MAR Ratio

0.6

Win Percentage

88.3%

Total Premium

\$132,936

Capture Rate

20.2%

Starting Capital

\$20,000

Ending Capital

\$46,789

Avg Per Trade

\$24 / lot

Avg Winner

\$63 / lot

Avg Loser

-\$272 / lot

Max Winner

\$200 / lot

Max Loser

-\$793 / lot

Avg Days In Trade

4

Trades

300

Winners

265

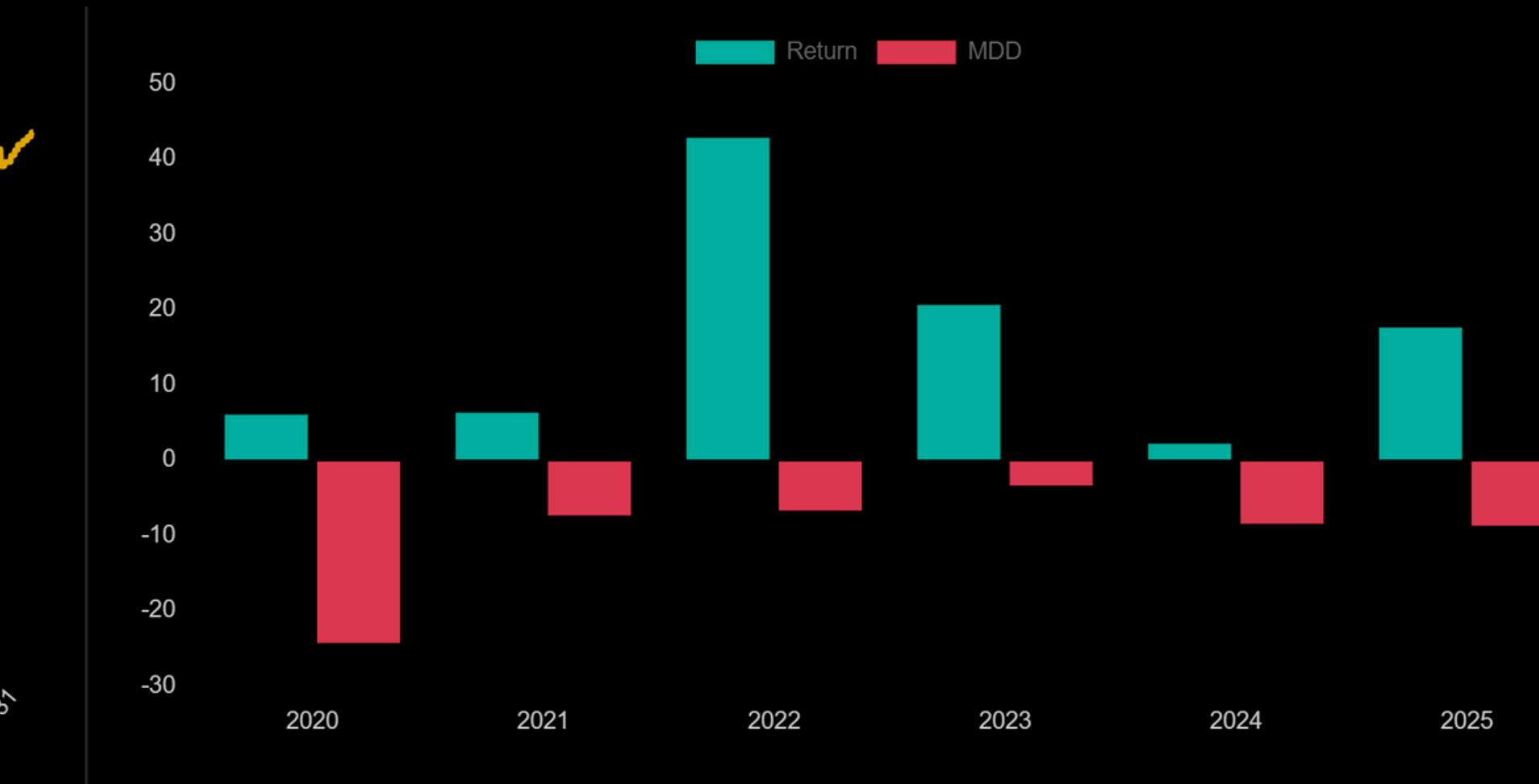
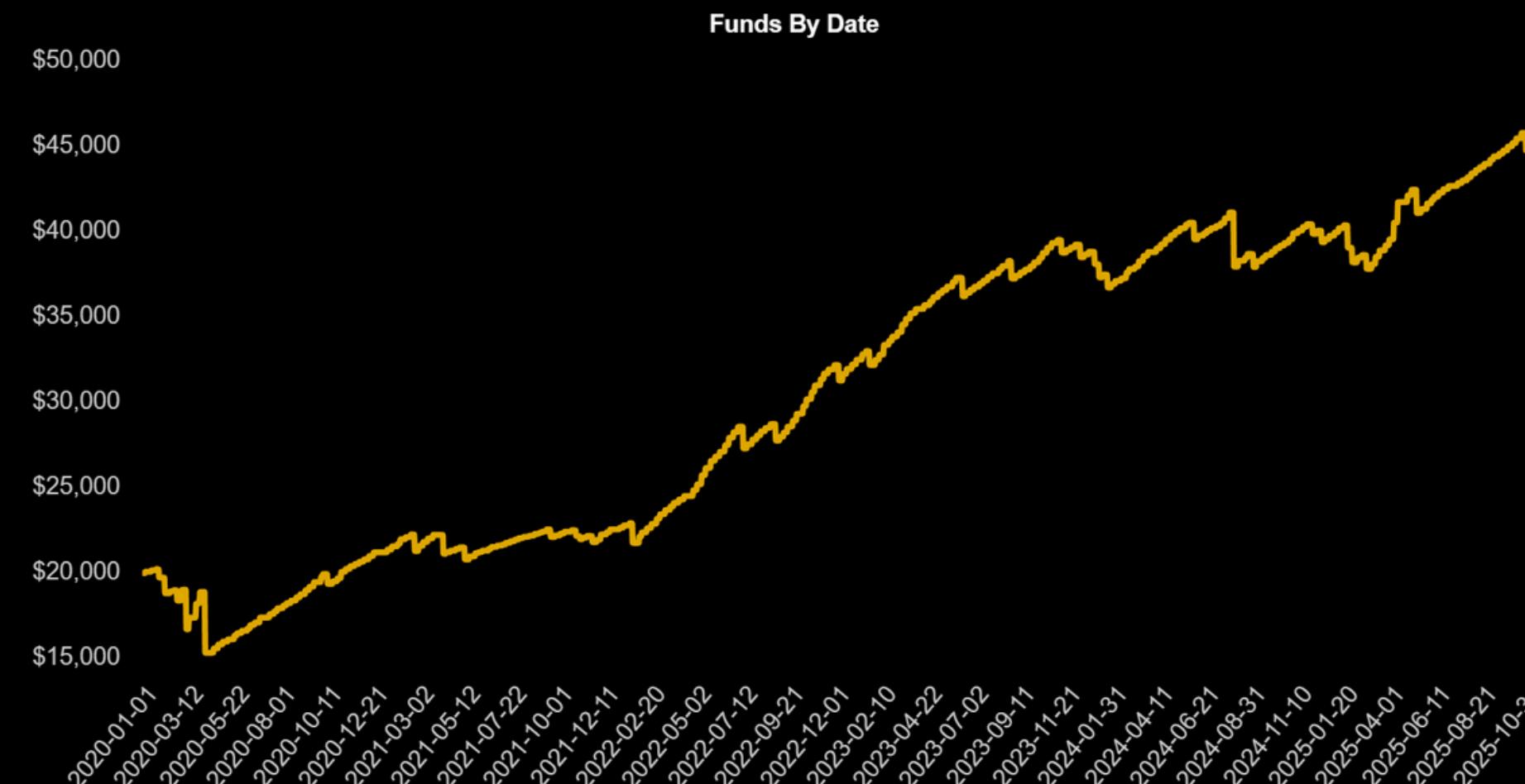
Summary

Trade Log

QQQ Weekly Strangle 2020 to 2025

Linear

Logarithmic



Iron Condor

- Sell OTM Put & Call credit spreads together
- Makes profit if the price stays between the short strikes
- Short strikes: 10 to 25 Delta
- Wings width: 5 to 10 points
- High win rate but poor risk/reward

Example: QQQ 600/630 Iron Condor

- STO QQQ 600P
- BTO QQQ 605P
- STO QQQ 630C
- BTO QQQ 635C

Iron Butterfly

- Sell a Straddle and buy wings for protection
- Makes profit if the price stays near the center strike
- Wings: Optimize for close to 50% PoP
- Longer wings for longer expiration and short wings for short expiry
- Lower win rate but better risk/reward

Example: QQQ 617 Iron Butterfly

- STO QQQ 617P
- BTO QQQ 610P
- STO QQQ 617C
- BTO QQQ 625C

Iron Man / Inverse Iron Condor

- Instead of selling an Iron Condor, we buy the Iron Condor
- Max profit if the price moves outside the short strikes
- Better risk/reward than selling IC

Example: QQQ 600/630 Iron Man

- STO QQQ 605P
- BTO QQQ 610P
- STO QQQ 625C
- BTO QQQ 630C

Underlying
SPX

Dates:
from: May 16, 2022
to: December 20, 2025

Legs

S	B	C	P	1 QTY	-60 ↘	28 DTE
S	B	C	P	1 QTY	-10 ±	28 DTE
S	B	C	P	1 QTY	60 ↗	28 DTE
S	B	C	P	1 QTY	10 ±	28 DTE

Entry

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

Exit -

- Profit Target: \$9.5 CO

Misc

- Opening Fees: 1.2
- Closing Fees: 1.2
- Cap Profits
- Require Two Prices PT

P/L
\$119,421

CAGR
101.1%

Max Drawdown
-18.7%

MAR Ratio
5.4

Win Percentage
90.4%

Total Premium
\$610,935

Capture Rate
19.5%

Starting Capital
\$10,000

Ending Capital
\$129,421

Avg Per Trade
\$131 / lot

Avg Winner
\$206 / lot

Avg Loser
-\$577 / lot

Max Winner
\$410 / lot

Max Loser
-\$840 / lot

Avg Days In Trade
21.2

Trades
166

Winners
150

Summary

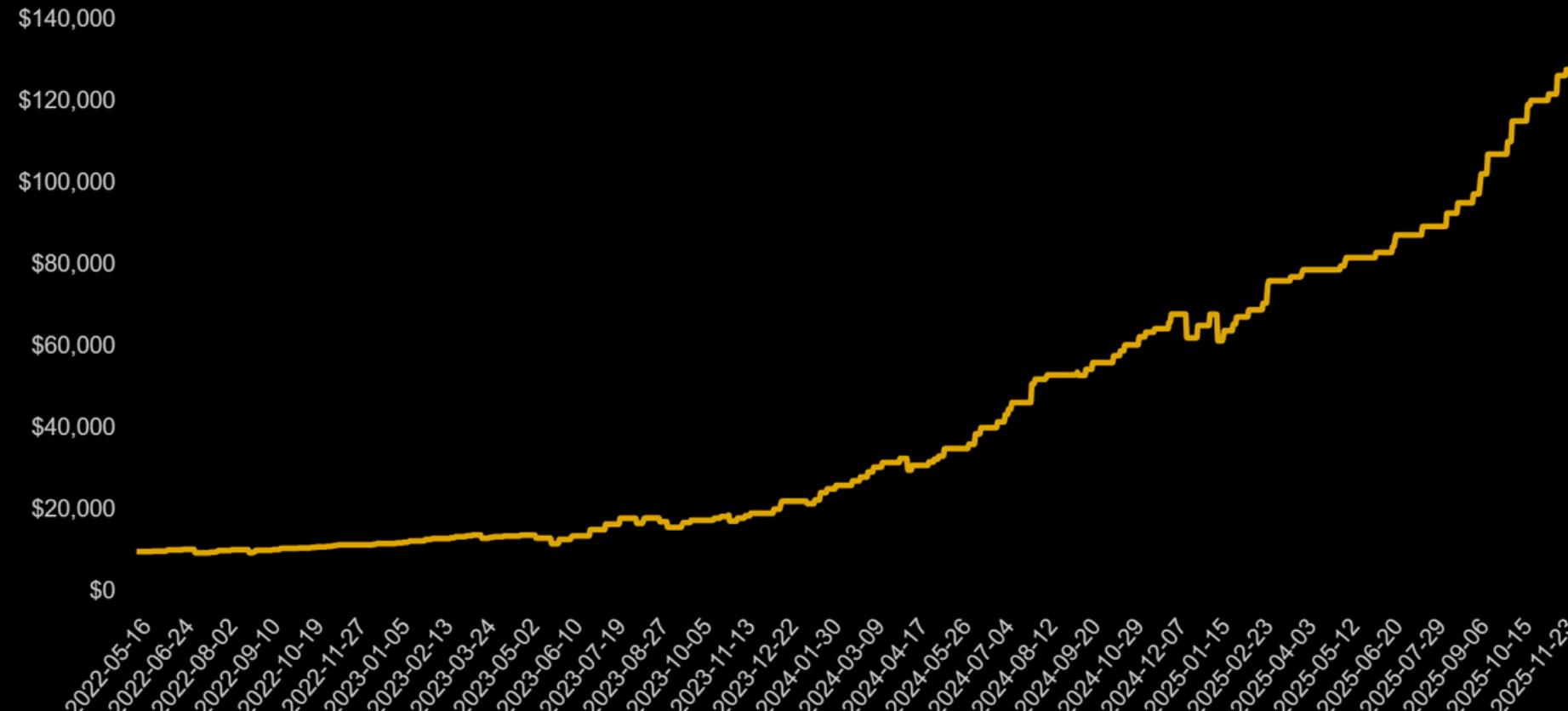
Trade Log

SPX Monthly Iron Man 2022 to 2025

Linear

Logarithmic

Funds By Date



Annual Metrics



Underlying
SPX

Dates:
from: January 1, 2020
to: December 20, 2025

Legs

S	B	C	P	1 QTY	-60 ↴	28 DTE
S	B	C	P	1 QTY	-10 ±	28 DTE
S	B	C	P	1 QTY	60 ↴	28 DTE
S	B	C	P	1 QTY	10 ±	28 DTE

Entry

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

Exit -

- Profit Target: \$9.5 CO

Misc

- Cap Profits
- Require Two Prices PT

P/L
\$147,315

CAGR
57.4%

Max Drawdown
-35.1%

MAR Ratio
1.6

Win Percentage
84.4%

Total Premium
\$779,690

Capture Rate
18.9%

Starting Capital
\$10,000

Ending Capital
\$157,315

Avg Per Trade
\$95 / lot

Avg Winner
\$225 / lot

Avg Loser
-\$608 / lot

Max Winner
\$475 / lot

Max Loser
-\$855 / lot

Avg Days In Trade
22.4

Trades
270

Winners
228

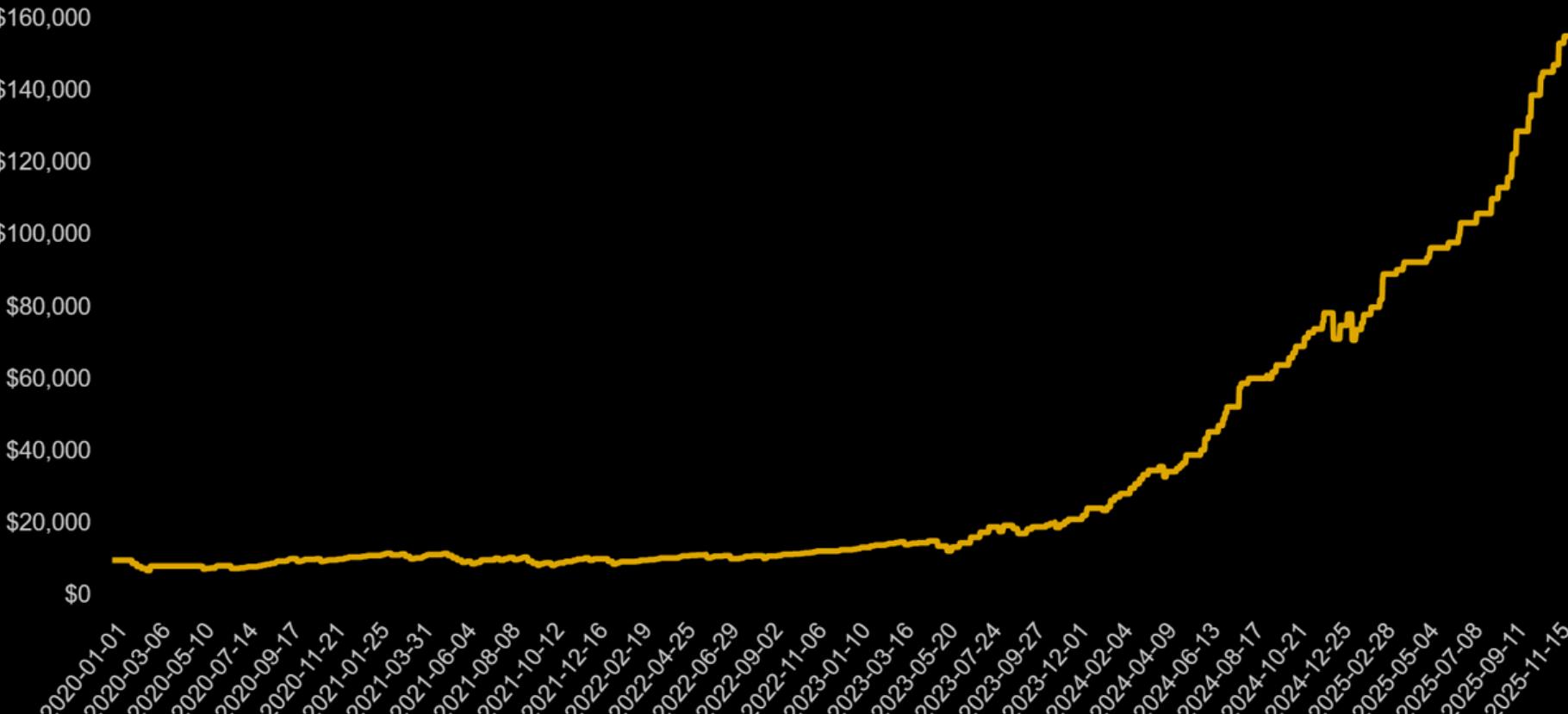
Summary

Trade Log

SPX Monthly Iron Man 2020 to 2025

Linear Logarithmic

Funds By Date



Annual Metrics

