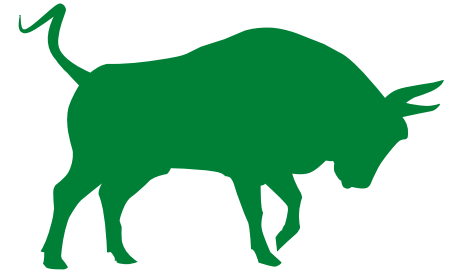# OPTIONS TRADING CHEAT SHEET
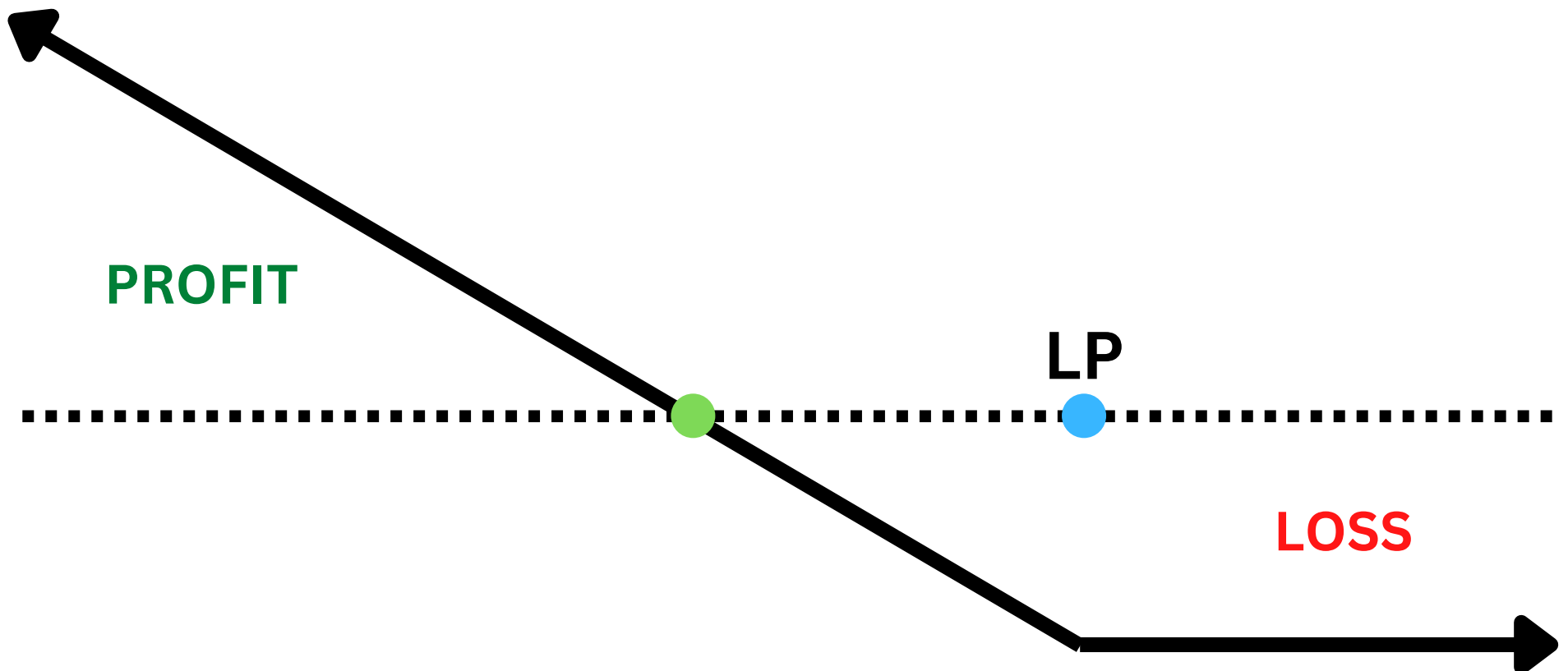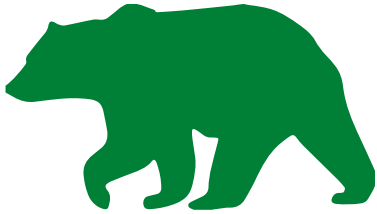
LONG CALL

LC

LOSS

PROFIT
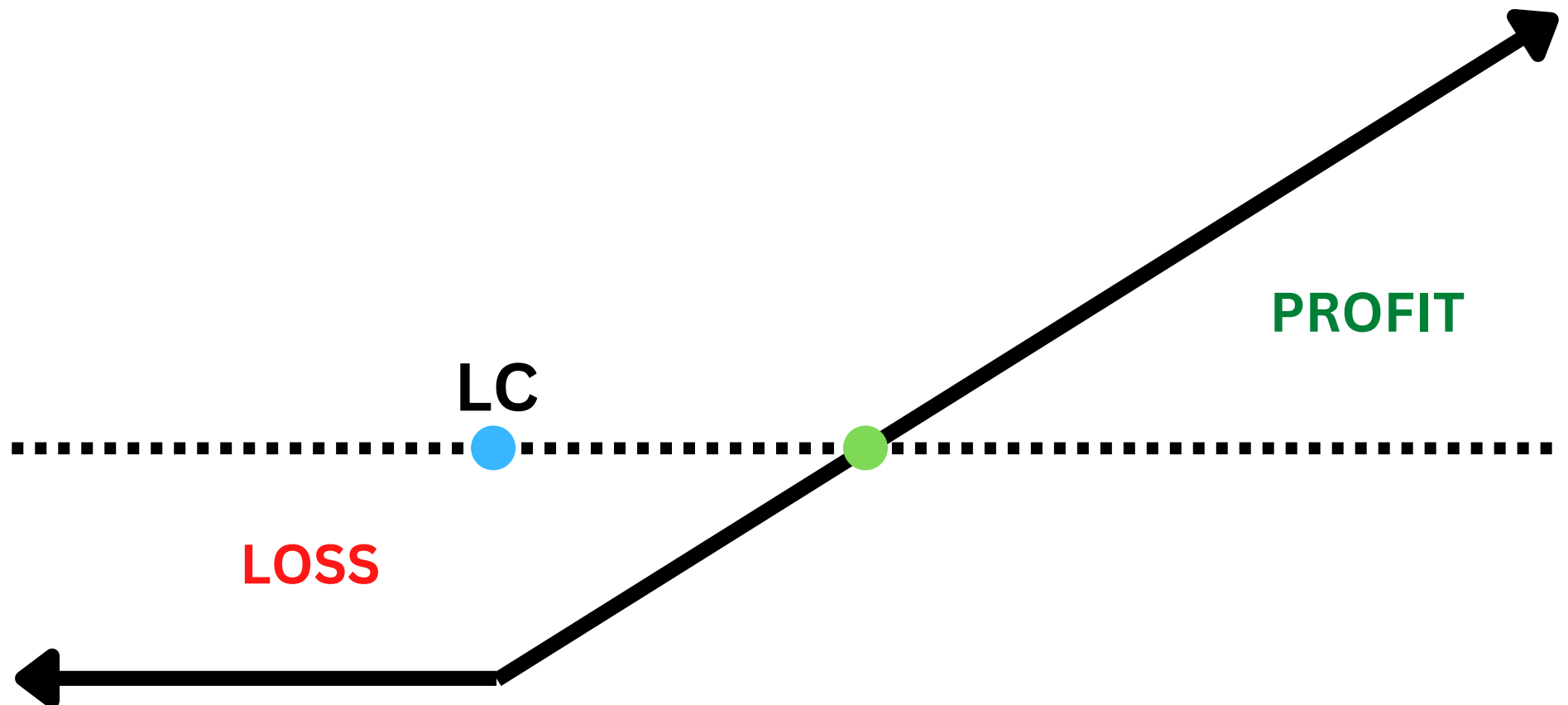
When you expect the stock price to go up before the expiration date, you buy a call option. Buying a call option makes it a 'long call'.
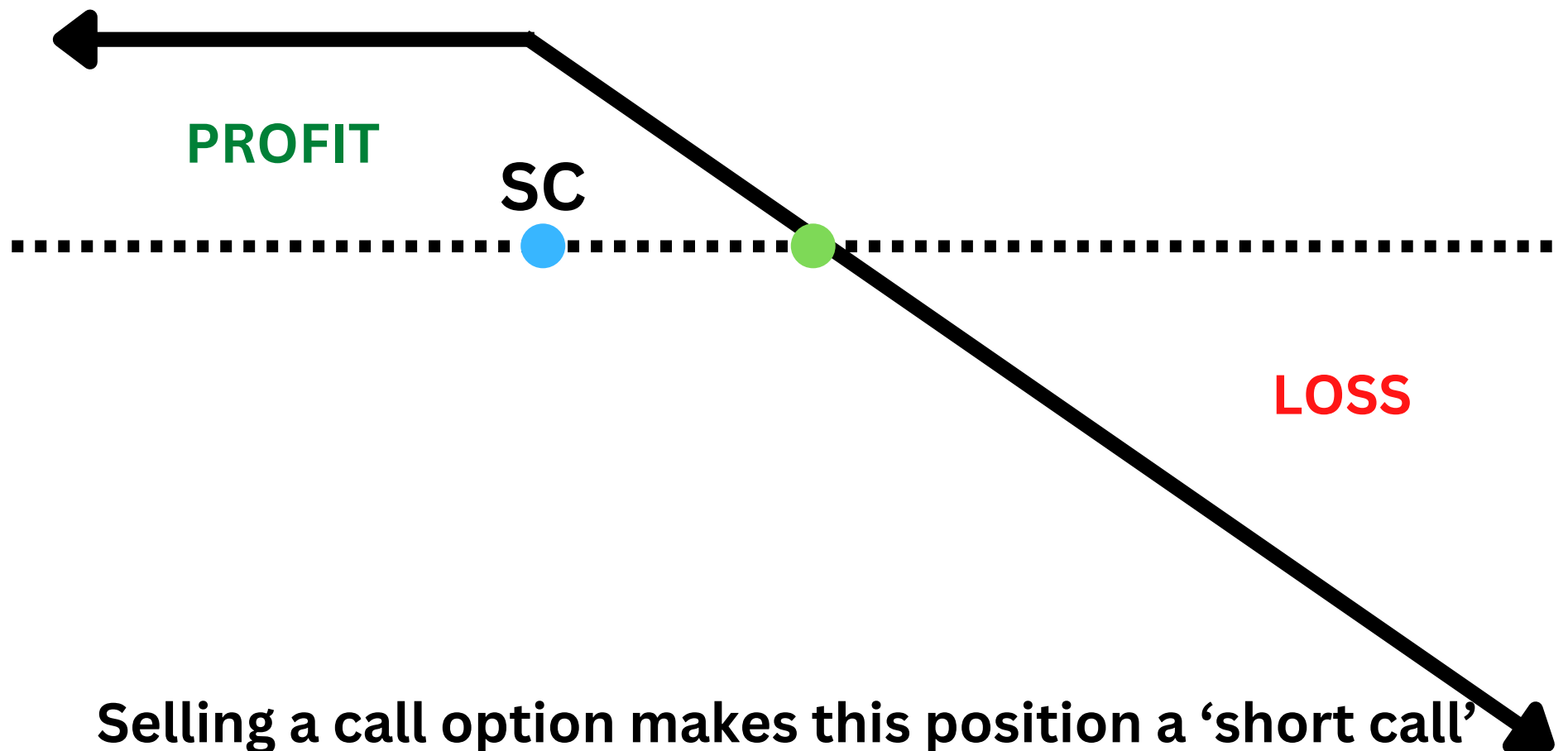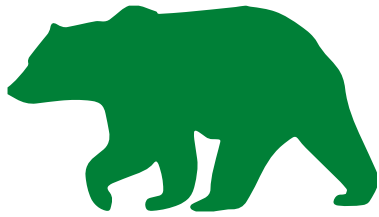
LONG PUT

PROFIT

LP

LOSS

When you expect the stock price to go down before the expiration date, you buy a put option. Buying a put option makes it a 'long put'

● STRIKE PRICE   ● BREAKEVEN PRICE

SHORT CALL

PROFIT

SC

LOSS

Selling a call option makes this position a 'short call'

SHORT PUT

PROFIT

SP

LOSS

Selling a put option makes this strategy a 'short put'

BULL CALL SPREAD

PROFIT

LC

SC

LOSS
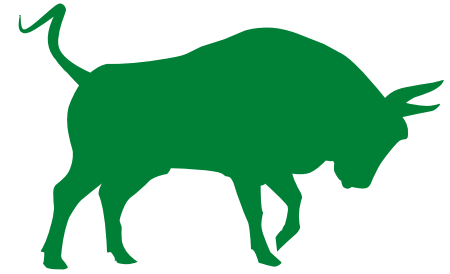
A bull call spread is a vertical spread created by buying a call option (long call) at a lower strike price and selling a call option (short call) at a higher strike price.

BEAR CALL SPREAD

PROFIT

SC

LC

LOSS

A bear call spread is a vertical spread created by buying a call option (long call) at a higher strike price and selling a call option (short call) at a lower strike price.
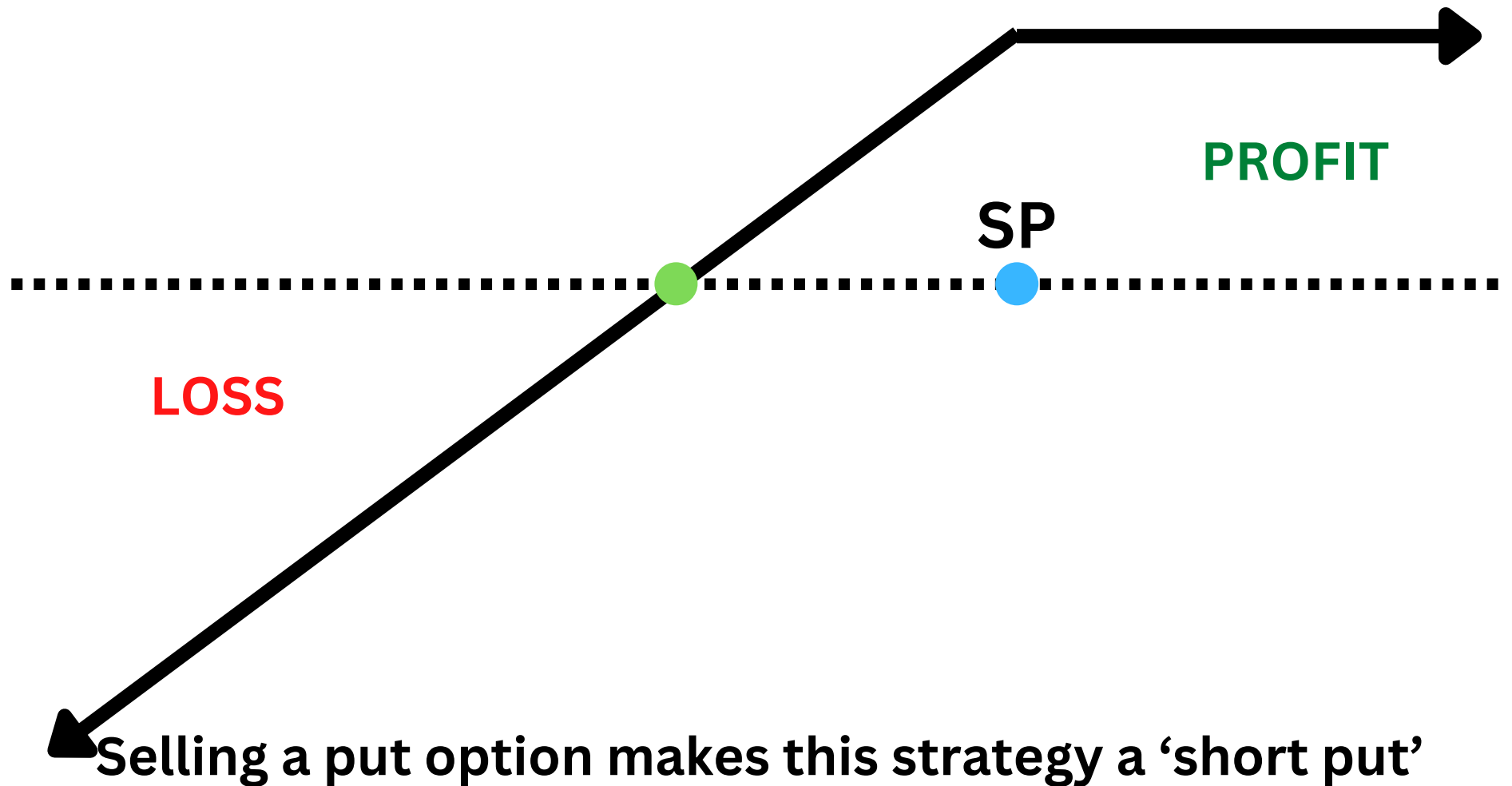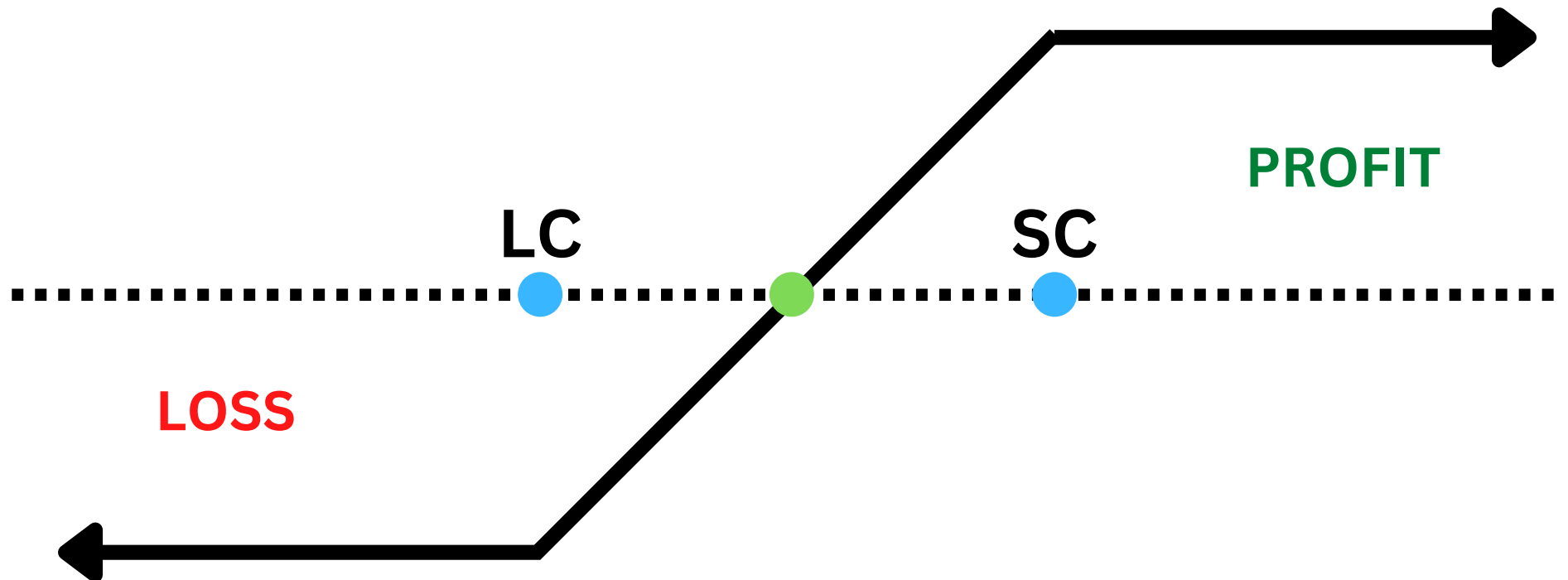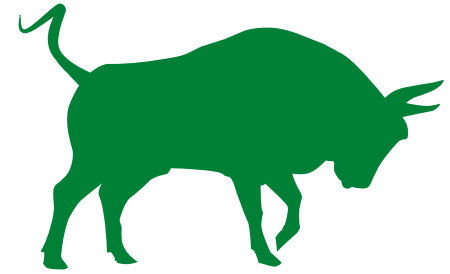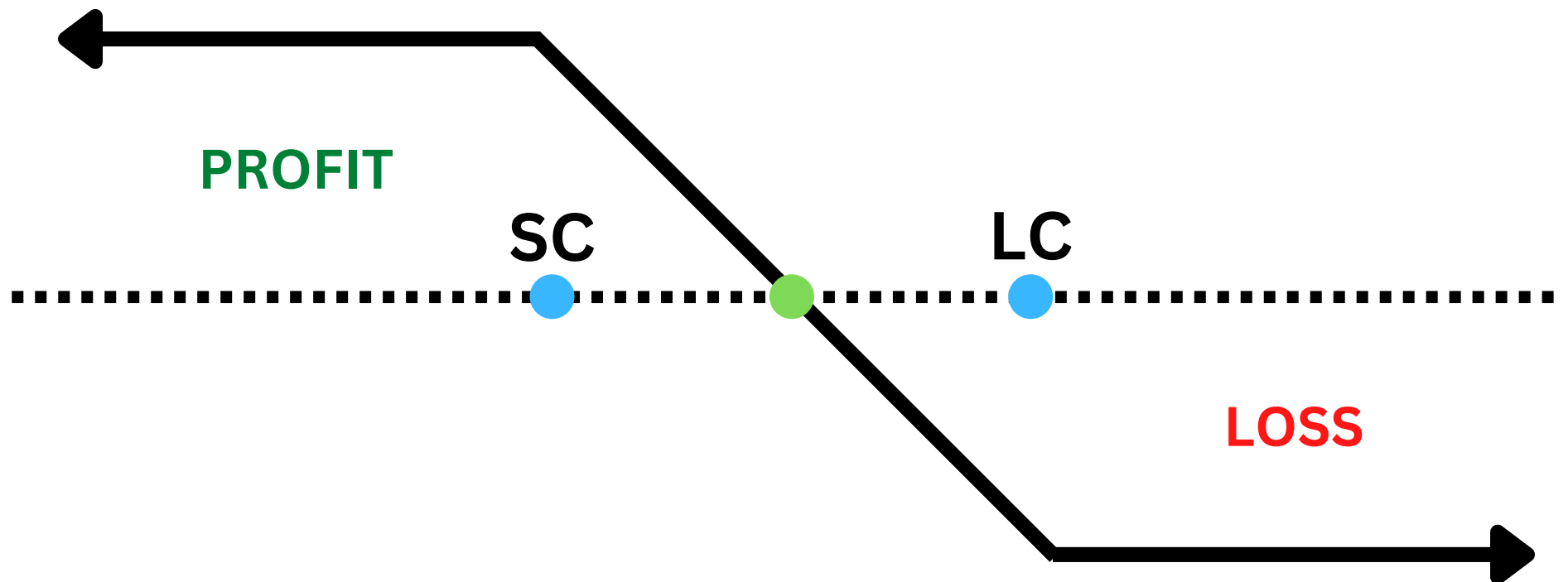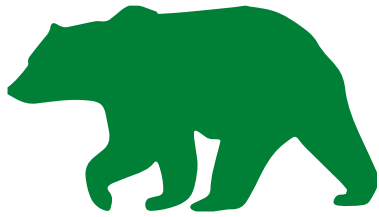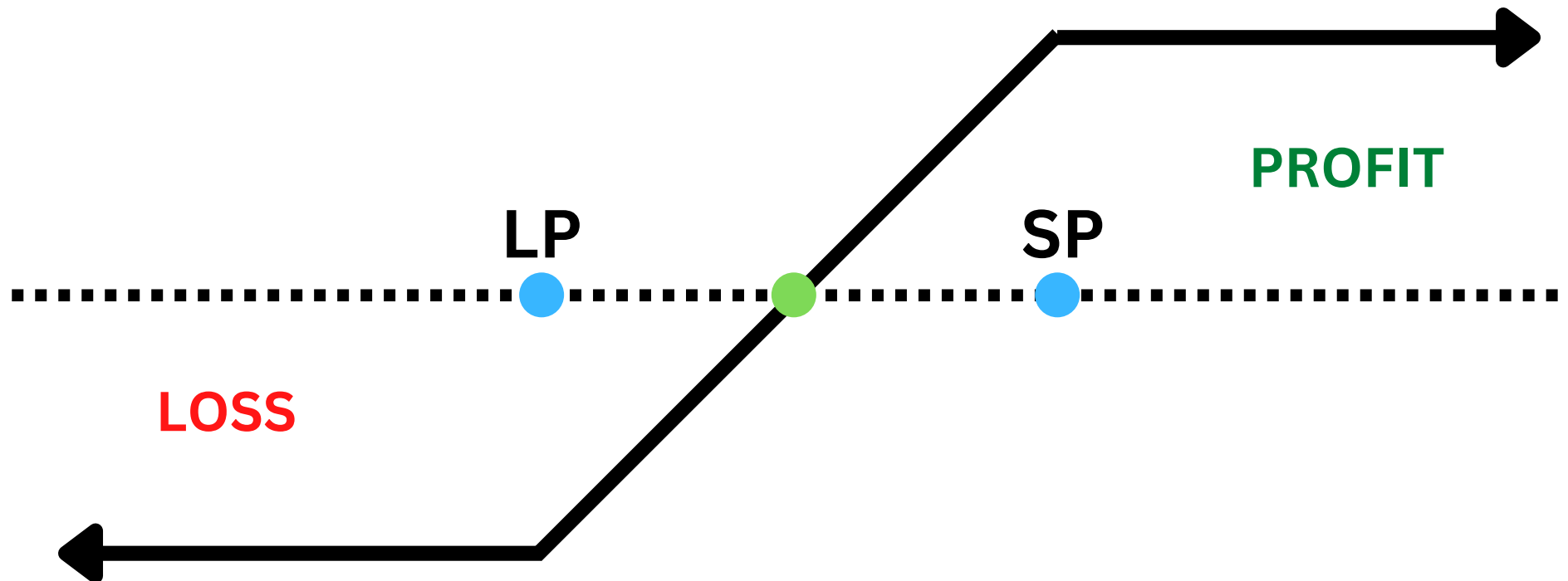
LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT

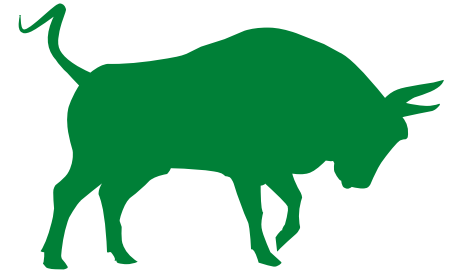● STRIKE PRICE   ● BREAKEVEN PRICE

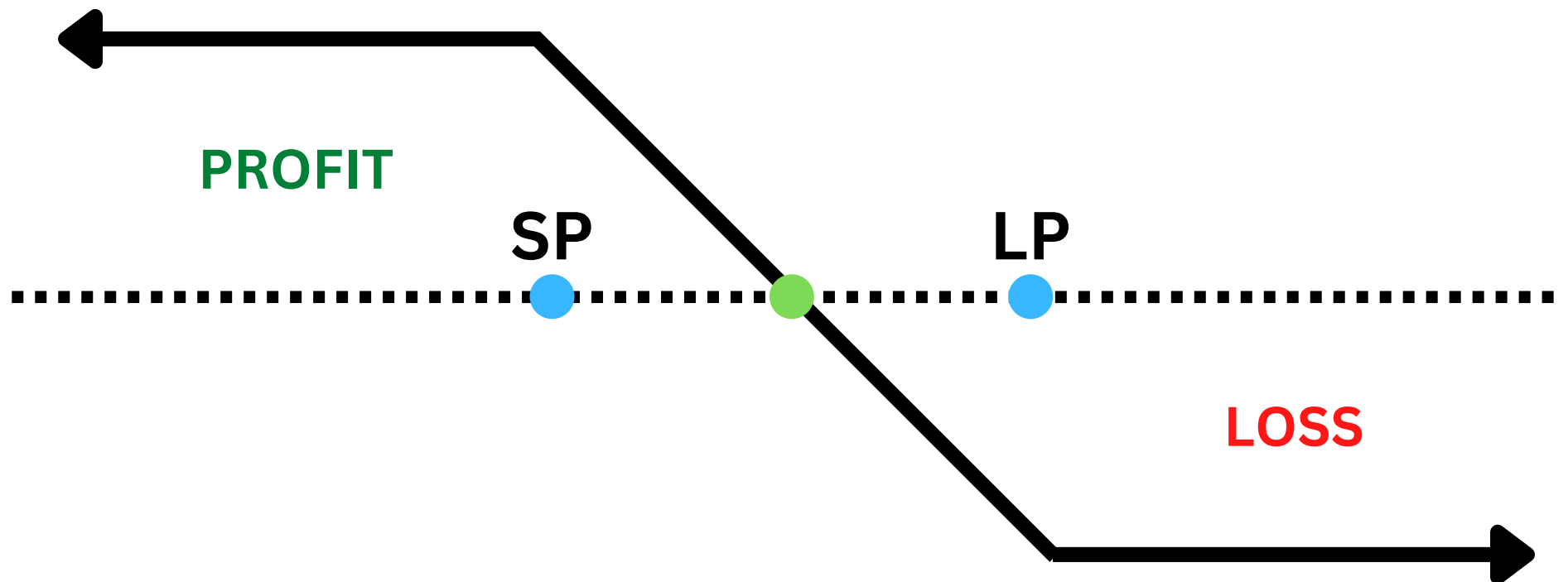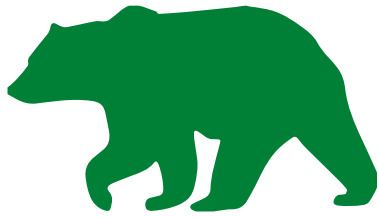# BULL PUT SPREAD

PROFIT

LP   SP

LOSS

A bull put spread is a vertical spread created by buying a put option (long put) at a lower strike price, and selling a put option (short put) at a higher strike price.

BEAR PUT SPREAD
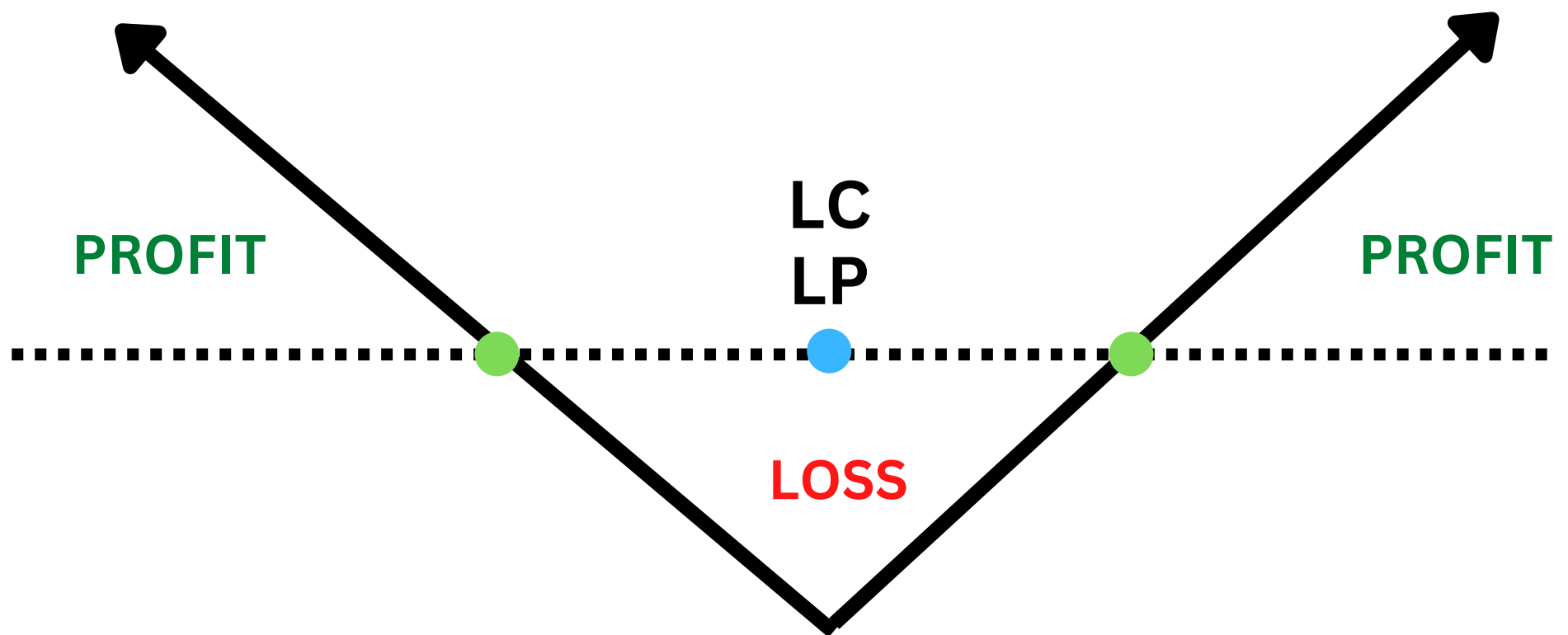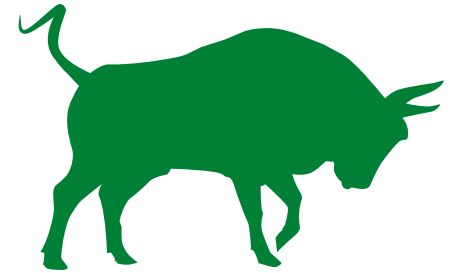
PROFIT

SP

LP

LOSS

A bear put spread is a vertical options spread created by buying a put option (long put) at a higher strike price, and selling a put option (short put) at a lower strike price.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT

● STRIKE PRICE ● BREAKEVEN PRICE

LONG STRADDLE

PROFIT

LC
LP

PROFIT

LOSS

A Long Option Straddle is created by buying a call and buying a put option with the same expiration date and same strike price.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT

● STRIKE PRICE   ● BREAKEVEN PRICE

SHORT STRADDLE

PROFIT

LOSS

SC
SP

LOSS

A Short Straddle Option is created by selling a call and selling a put option with the same expiration date and same strike price.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT
● STRIKE PRICE ● BREAKEVEN PRICE

LONG STRANGLE

PROFIT

LP

LC
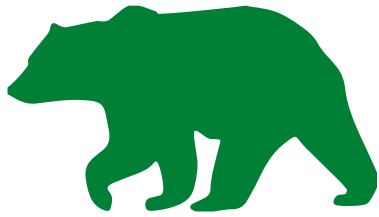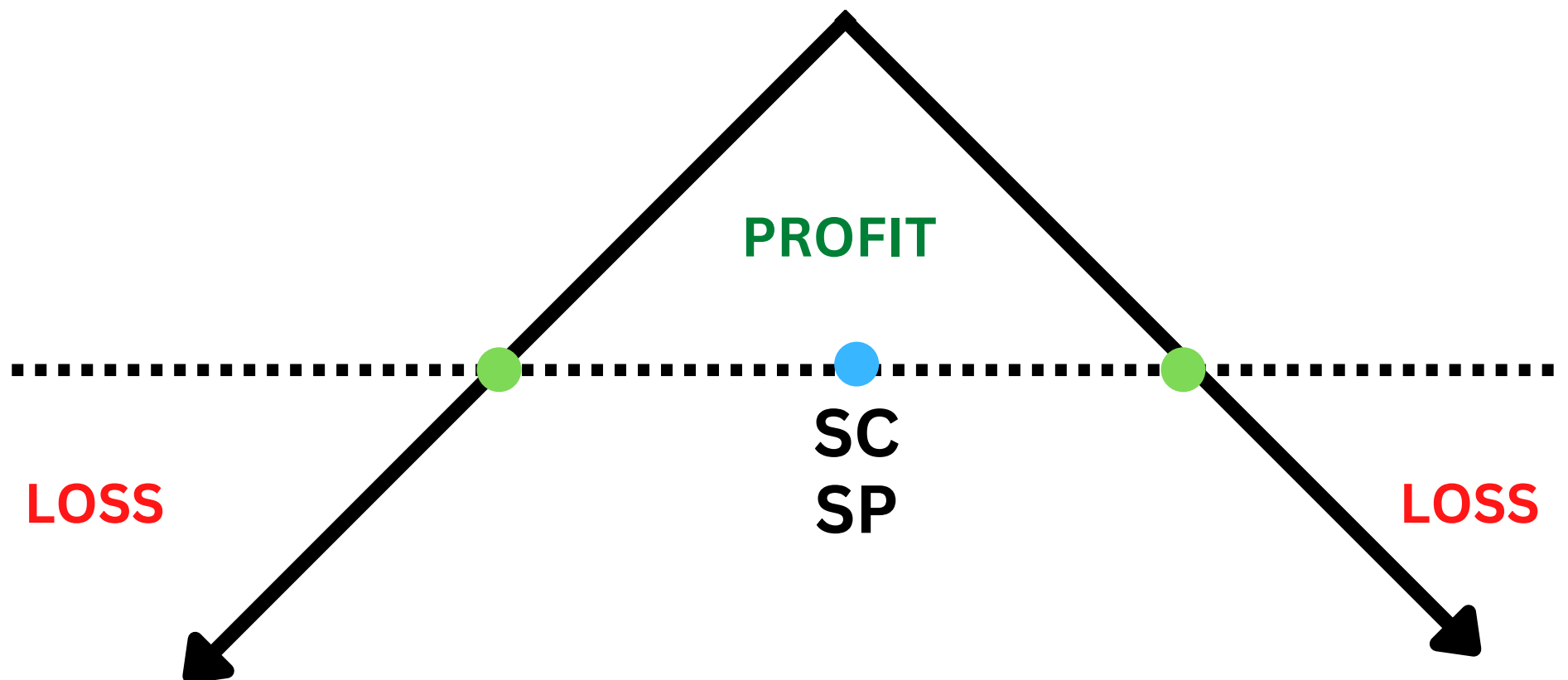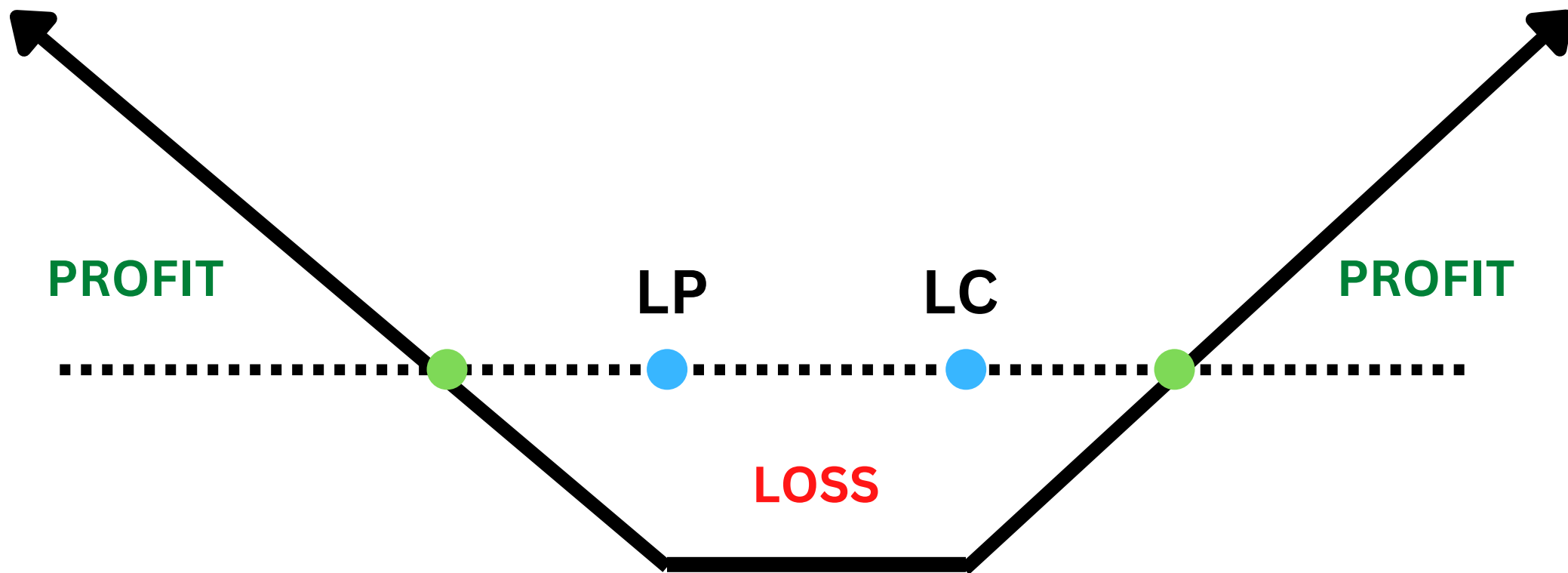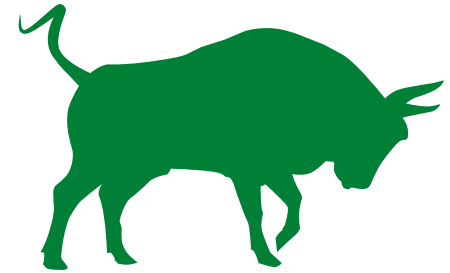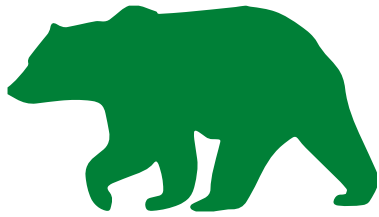
PROFIT

LOSS

A Long Strangle Option is created by buying a call option at a higher strike price and buying a put option at a lower strike price with the same expiration date.

SHORT STRANGLE

PROFIT

LOSS

LOSS

SP

SC

A Short Strangle Option is created by selling a call at a higher strike price and selling a put option at a lower strike price with the same expiration date.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT
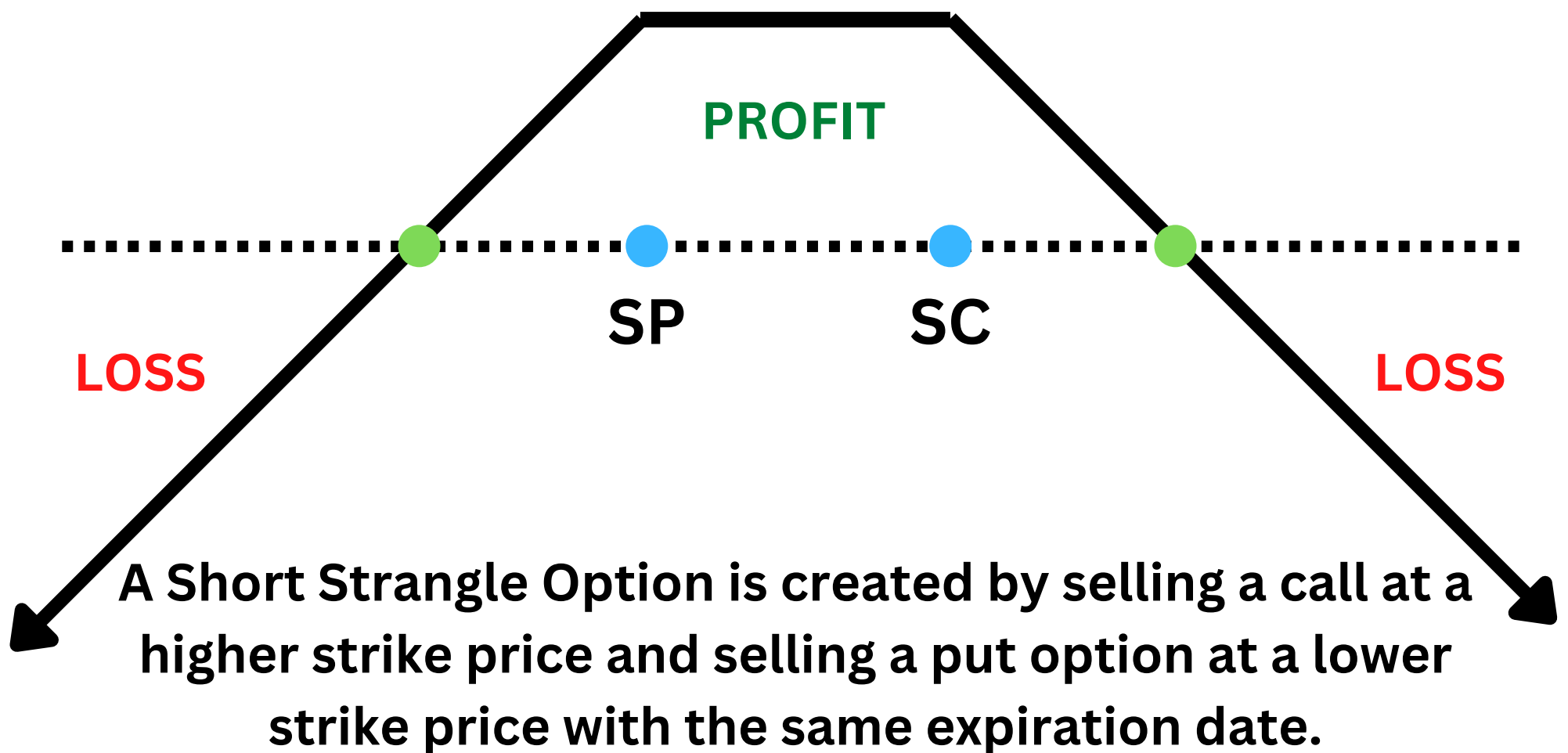
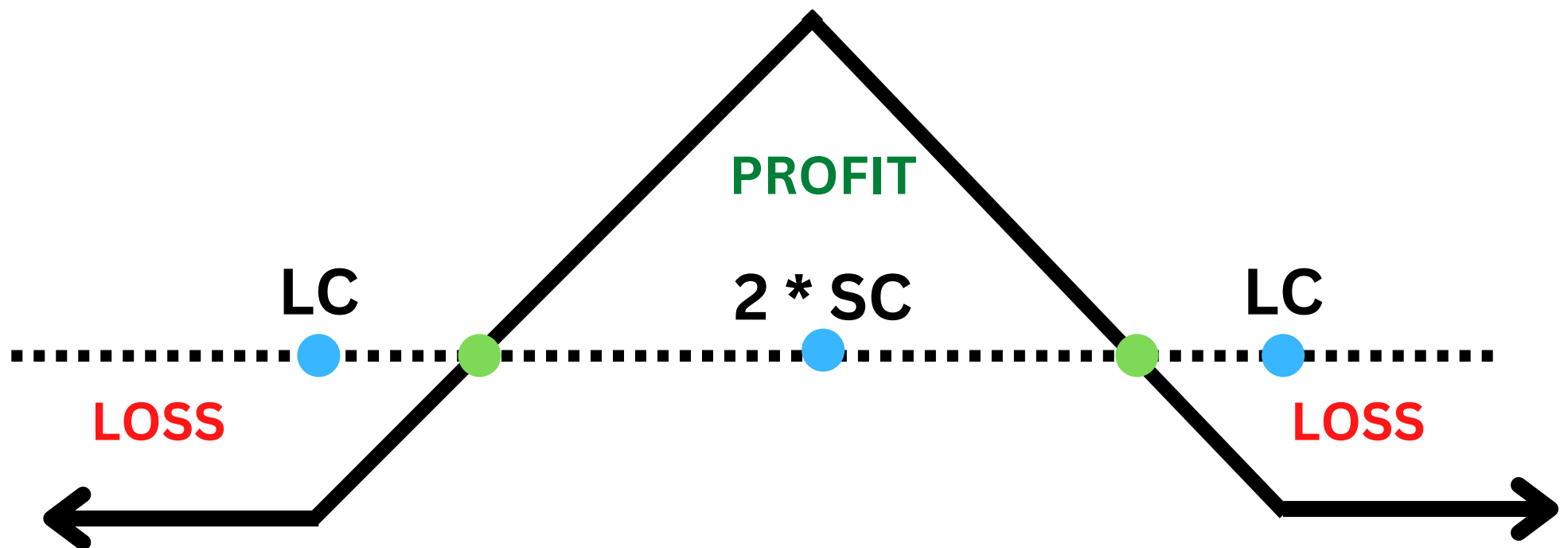● STRIKE PRICE   ● BREAKEVEN PRICE

LONG CALL BUTTERFLY

PROFIT

LC

2 * SC

LC

LOSS

LOSS
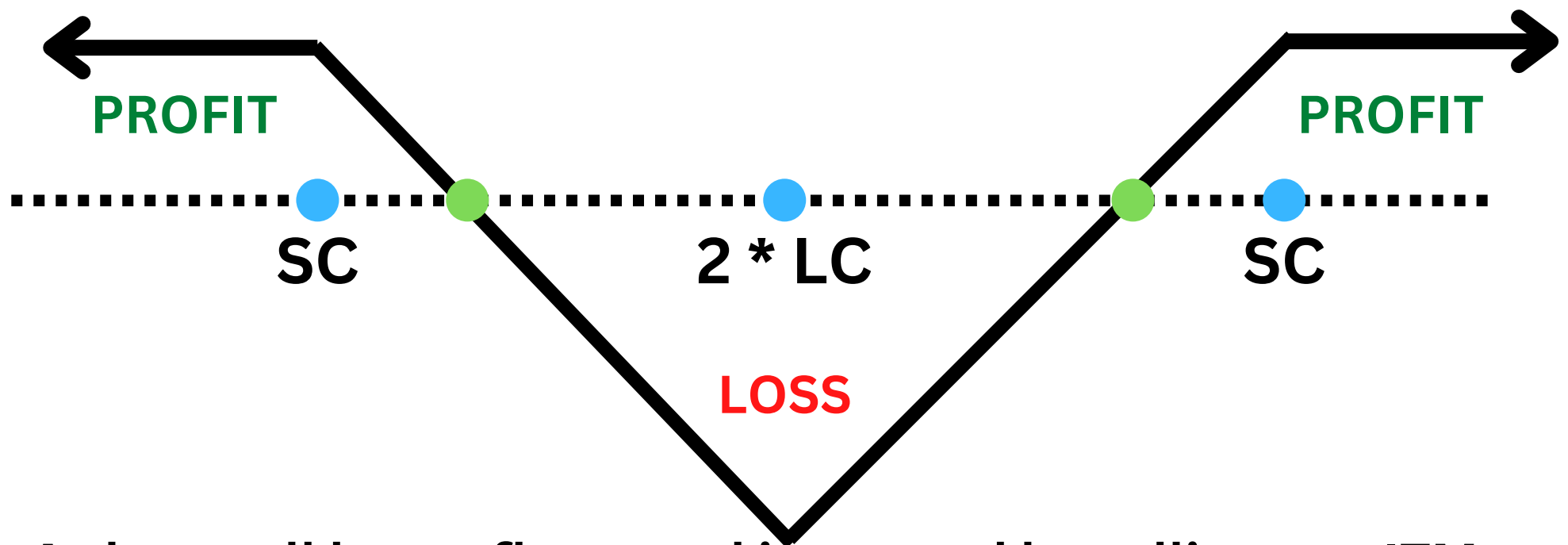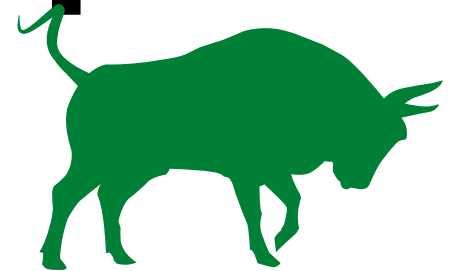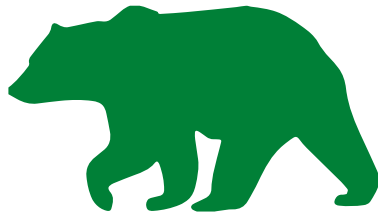
A long call butterfly spread is established by buying one in-the-money call option, one out-of-money call option, and selling two at-the-money call options.

SHORT CALL BUTTERFLY

PROFIT   **PROFIT**
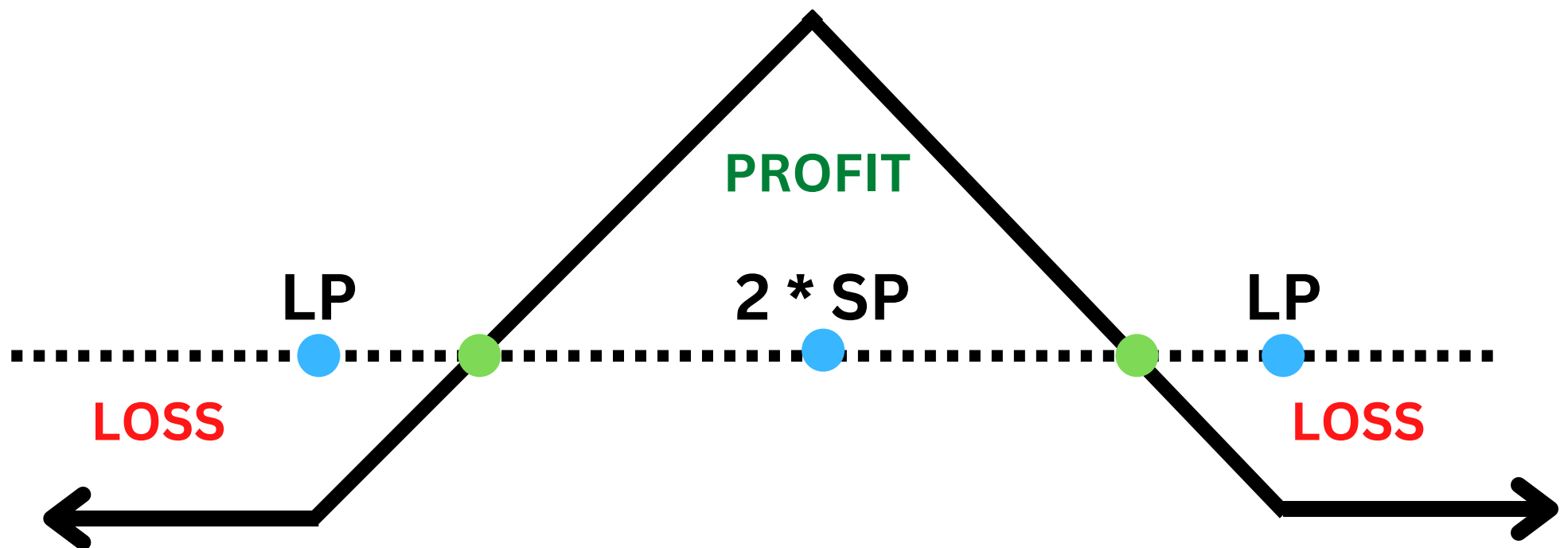
SC   2 * LC   SC

LOSS

A short call butterfly spread is created by selling one ITM call option, selling one OTM call option, and buying two at-the-money call options.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT

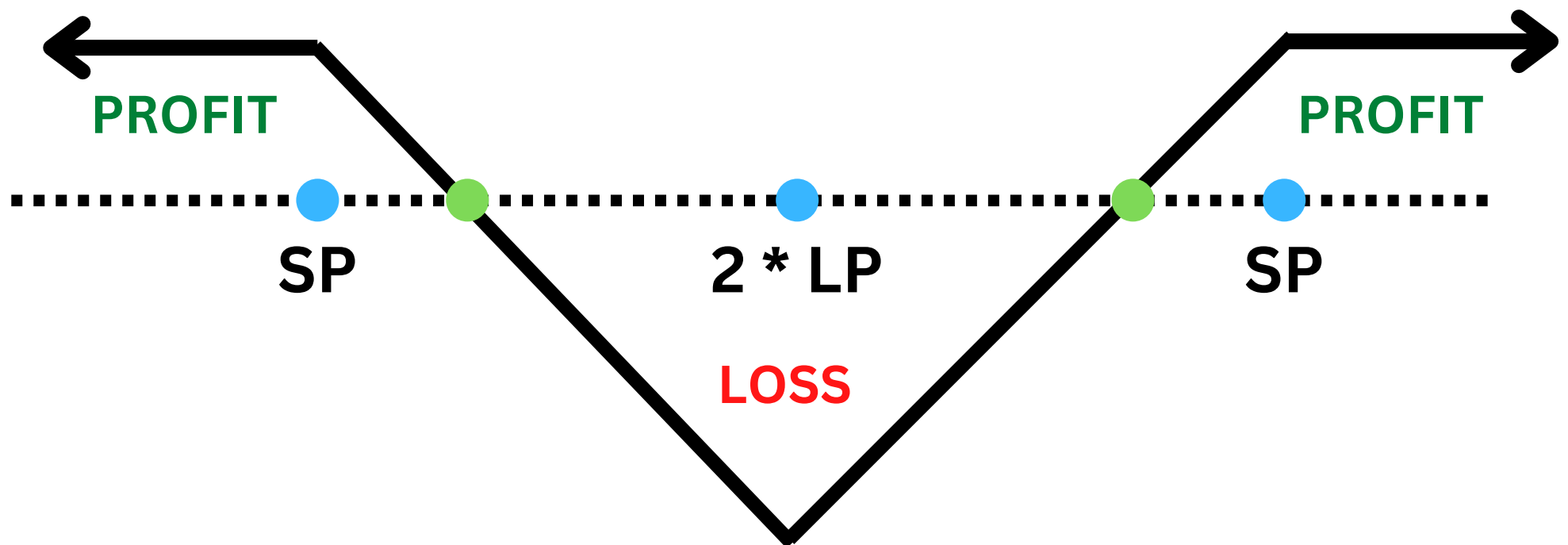● STRIKE PRICE   ● BREAKEVEN PRICE
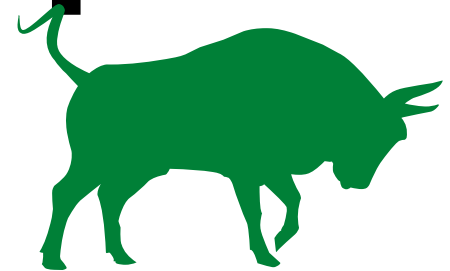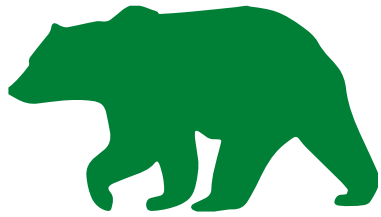
LONG PUT BUTTERFLY

PROFIT

LP

2 * SP

LP

LOSS

LOSS

A long put butterfly spread is created by selling 2 at-the-money put options and buying two put options – one in-the-money and one out-of-money.
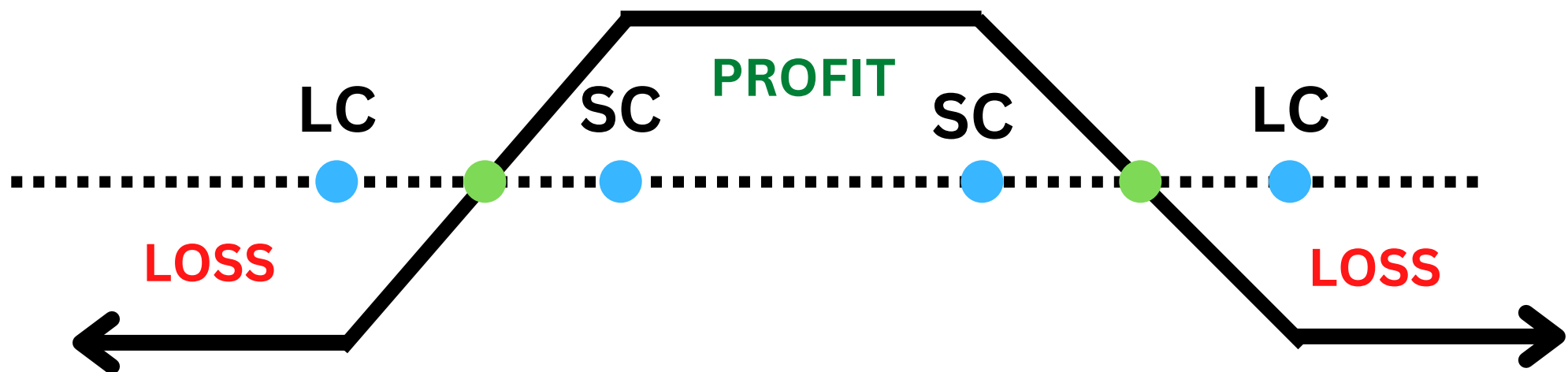
SHORT PUT BUTTERFLY

PROFIT

PROFIT

SP

2 * LP

SP

LOSS

A short butterfly spread is created by buying 2 at-the-money put options and selling two put options – one in-the-money and one out-of-money.

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT
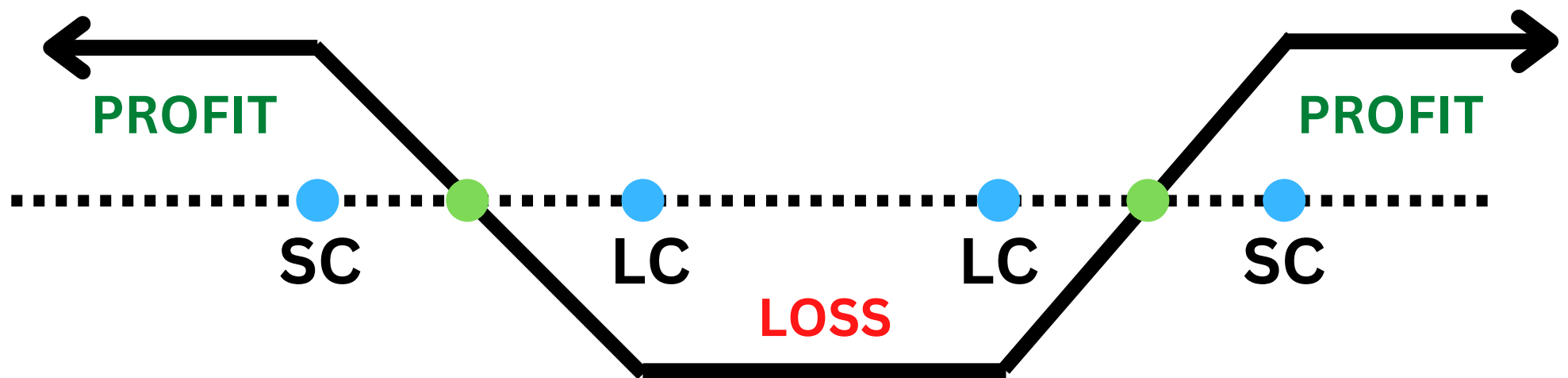
● STRIKE PRICE   ● BREAKEVEN PRICE
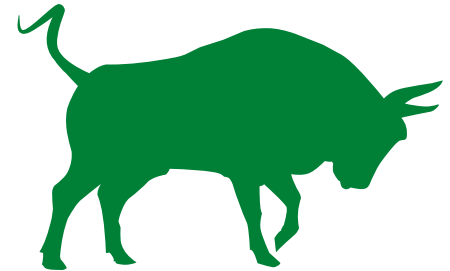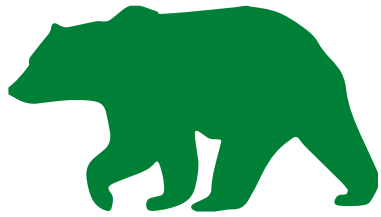
LONG CALL CONDOR

LC   SC   PROFIT   SC   LC

LOSS   LOSS

A long call condor is created by purchasing one in-the-money call option, one out-of-money call option, and selling two call options in between.

SHORT CALL CONDOR

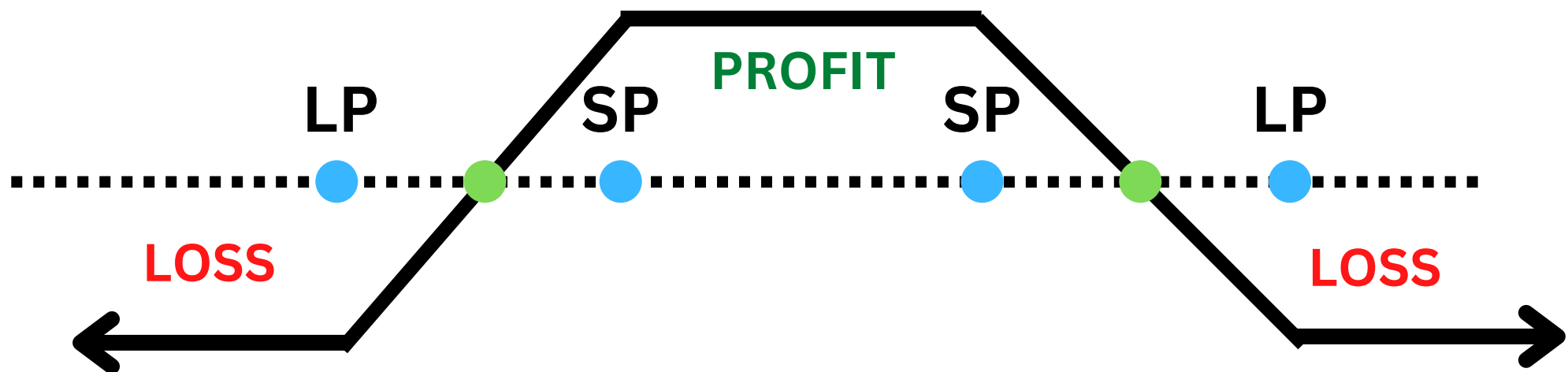

A short call condor is created by selling one ITM call option, selling one OTM call option, and buying two call options in between.

PROFIT

PROFIT

LOSS

SC LC LC SC

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT

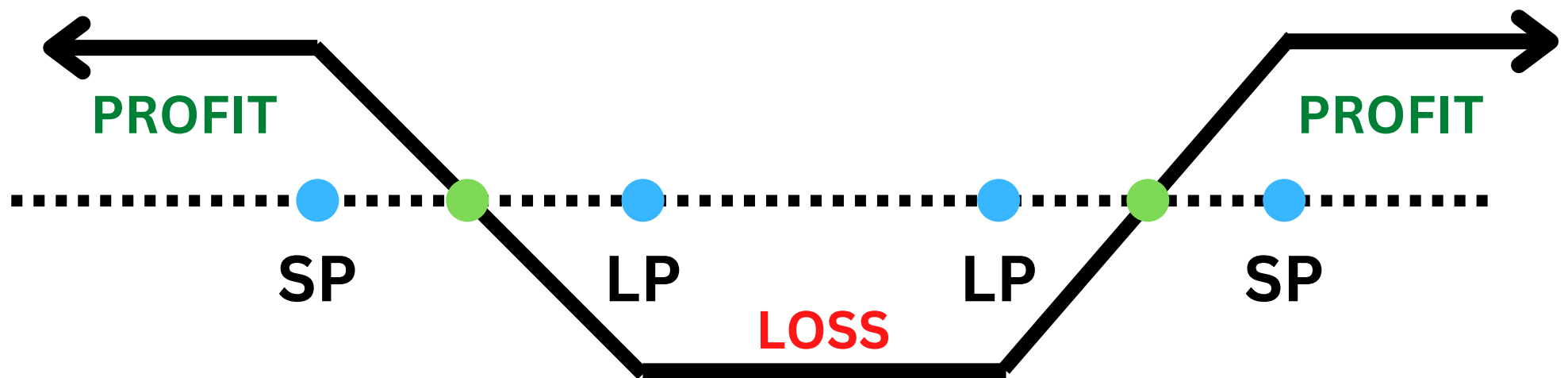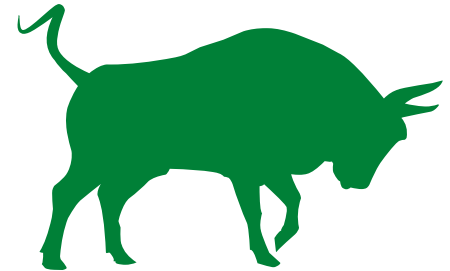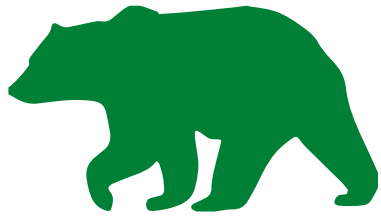● STRIKE PRICE ● BREAKEVEN PRICE

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LONG PUT CONDOR

A long put condor spread is created by buying two put options – one in-the-money and one out-of-money, and selling 2 put options in between.

SHORT PUT CONDOR

PROFIT

PROFIT

SP   LP   LP   SP

LOSS
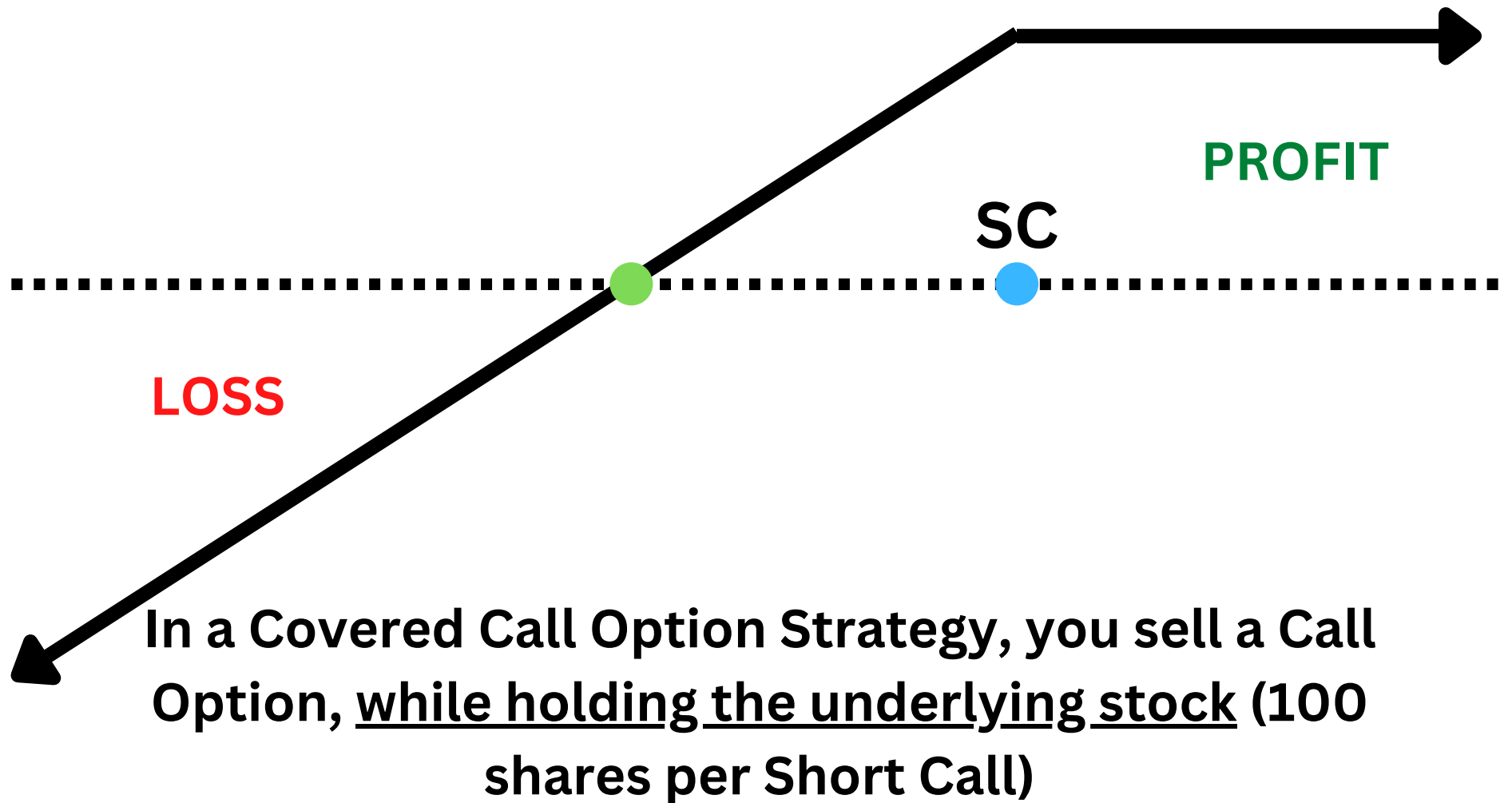
A short put condor is created by selling two put options – one in-the-money and one out-of-money and buying 2 put options in between.

COVERED CALL

SC

PROFIT

LOSS

In a Covered Call Option Strategy, you sell a Call Option, <u>while holding the underlying stock</u> (100 shares per Short Call)

COVERED PUT

PROFIT

SP

LOSS
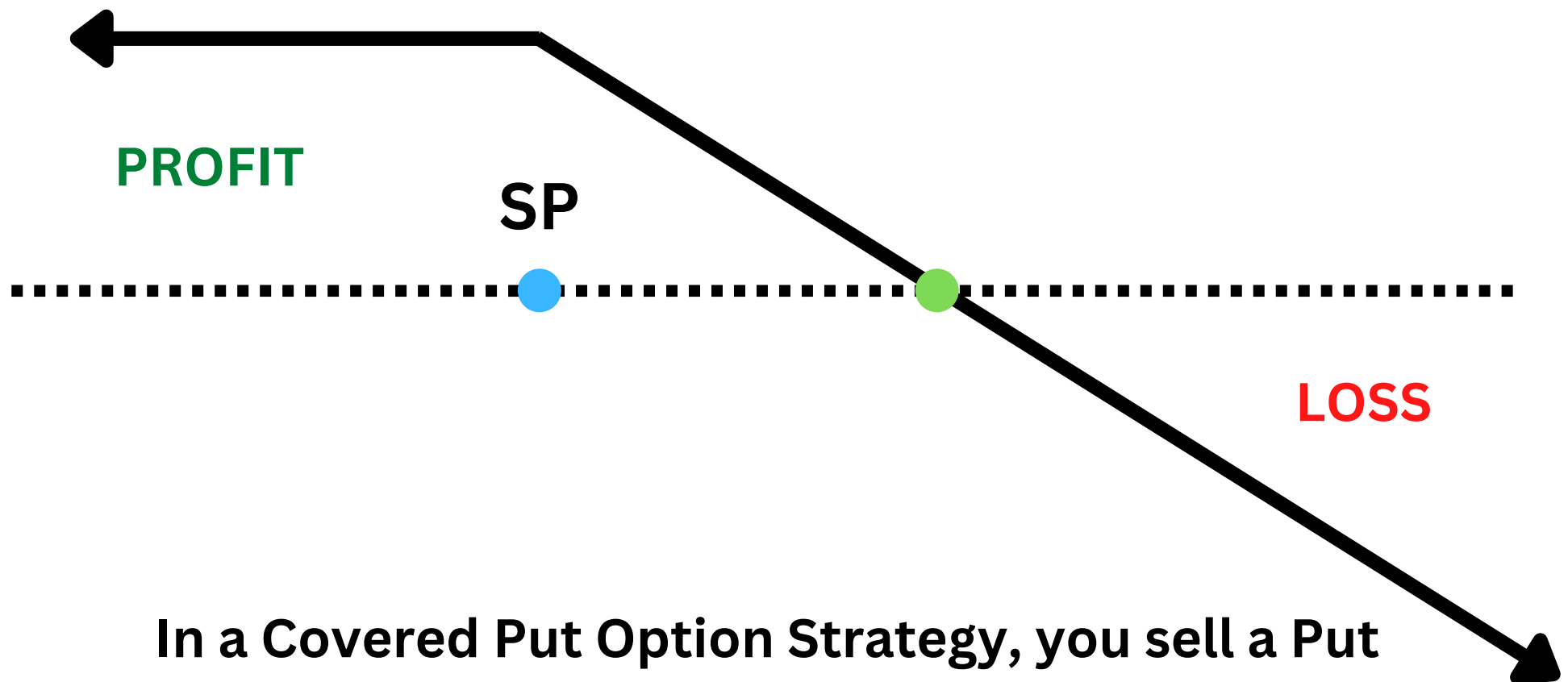
In a Covered Put Option Strategy, you sell a Put Option, <u>while shorting the underlying stock</u> (100 shares per Short Put)

LC - LONG CALL, SC- SHORT CALL, LP - LONG PUT, SP - SHORT PUT
● STRIKE PRICE   ● BREAKEVEN PRICE

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