

# Delta

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Delta is the **option's price sensitivity to price changes in the underlying asset**. If a call has a 0.50 (or '50' delta) and the asset moves up \$1.00, the option will increase \$0.50 in value.

Another way to think about delta is a **rough estimate of the probability of the asset finishing in the money at expiration**. Our 50 delta call implies the asset has a roughly 50% chance of trading higher than our strike price on expiration. Measuring delta is a way of calculating the equivalent position in the underlying asset. If you are long 1 delta, you are effectively long one share of the underlying asset.