Short Put

In Lyra's system, to sell a put you must collateralize it with cash equivalent of the strike. The payoff structure of a short position is as follows:

Why trade it?: If you think a stock is going up, staying where it is, or only going down a small amount.

Setup: Sell a put short, post the strike price as collateral (in cash)

Example: Selling the ETH 2000 put expiring in 15 days for $150.

Cost: The collateral posted minus the premium received from the put ($2000 - $150 = $1850).

Max Profit: The premium received for the put ($150).

Max Loss: The difference between the strike price and zero, minus the premium received for the put ($2000 - $0 - $150 = $1850).

Breakeven at expiration: The strike minus the premium received ($2000 - $150 = $1850).