Twitter Thread by ANKY



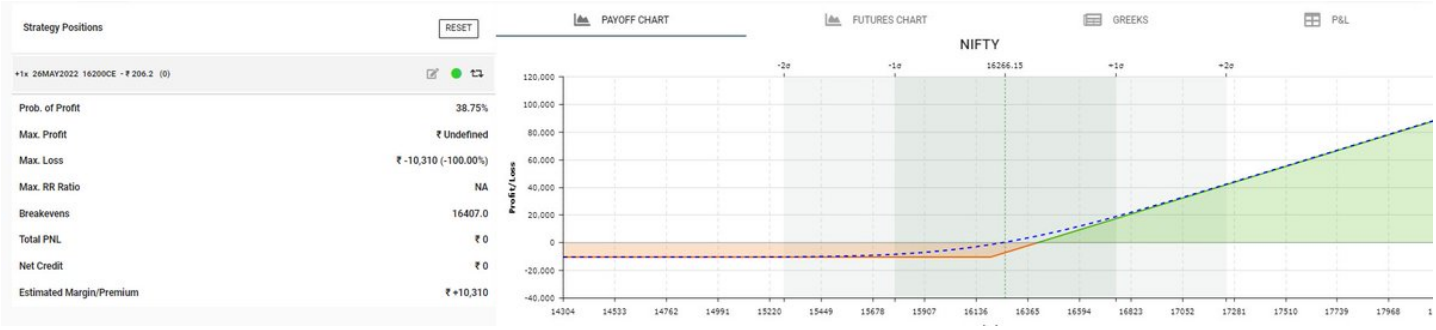
ANKY
@ANKYIIMR

Option Buying Strategies (Long Volatility Strategies)
These Strategies to be followed when you expect Big moves or increase in Volatility.

A Thread■:

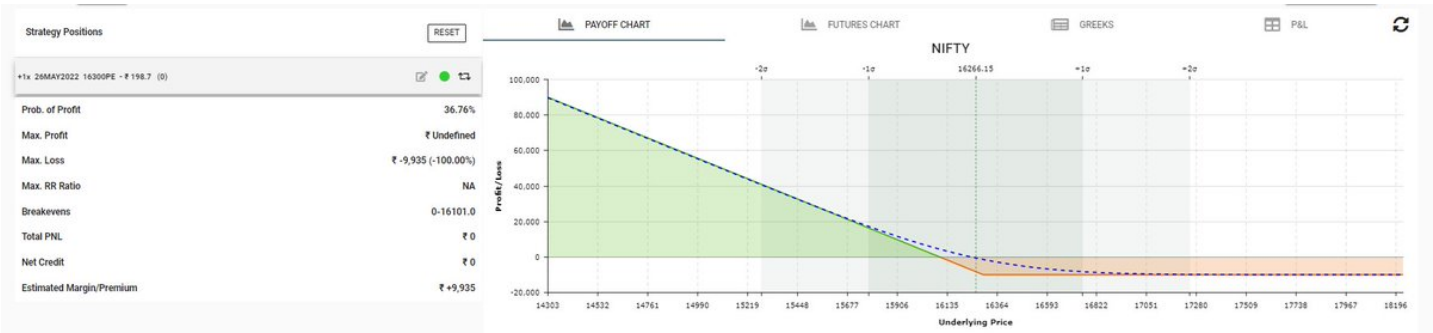
Simple Long Call:

View: Very Bullish
Strike: Can be ATM, ITM or max 1 Strike OTM.
I don't recommend buying deep OTM options, it is pure gambling or Lottery buying.
Reward: Unlimited upside
Risk: Premium paid
POP: Low



Simple Long Put:

View: Very Bearish
Strike: Can be ATM, ITM or max 1 Strike OTM.
I don't recommend buying deep OTM options, it is pure gambling or Lottery buying.
Reward: Unlimited downside
Risk: Premium paid
POP: Low



Simple Long Call:

View: Very Bullish
Strike: Can be ATM, ITM or max 1 Strike OTM.
I don't recommend buying deep OTM options, it is pure gambling or Lottery buying.
Reward: Unlimited
Risk: Premium paid
POP: Low

Call Debit Spread:

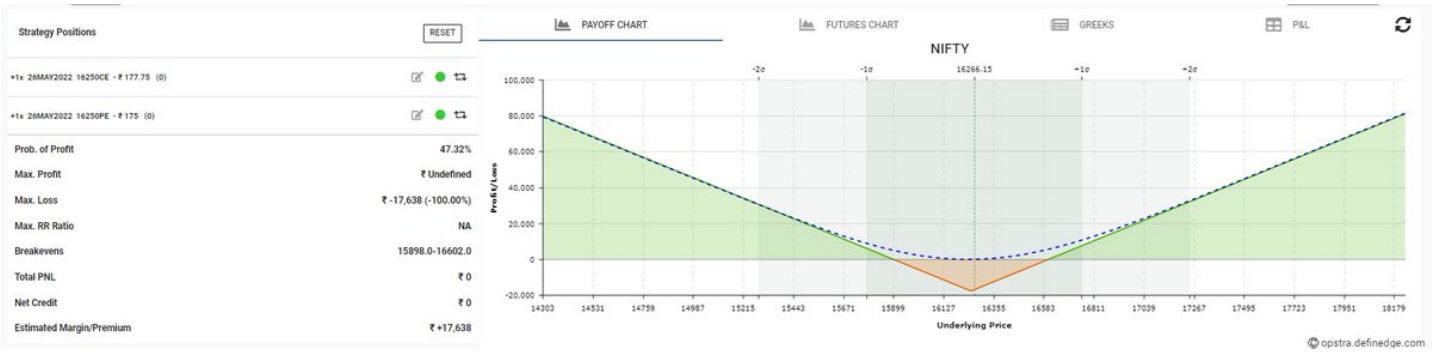
View: Bullish
Strike: Should be selected such that max profit is at least 2x of max risk
Reward: Limited
Risk: Limited to the net premium paid
POP: higher than pure call buy
Margin: approx 18k per lot required



Put Debit Spread
View: Bearish
Strike: Should be selected such that max profit is at least 2x of max risk
Reward: Limited
Risk: Limited to the net premium paid
POP: higher than pure Put buy
Margin: approx 18k per lot required



Long Straddle:
View: Big move in either direction
When to make: When market is rangebound for long time and big move is expected or an event is upcoming
Reward: Unlimited
Risk: Limited to the net premium paid (high)
POP: high



Long Strangle:
View: Big move in either direction
When to make: When market is rangebound for long time and big move is expected or an event is upcoming
Reward: Unlimited
Risk: Limited to the net premium paid (Lower than Straddle)
POP: Lower than Straddle



Long Guts:
Similar to Strangle but buying ITM options
View: Big move in either direction
When to make: When market is rangebound for long time and big move is expected or an event is upcoming
Rwrd: Unlmtd
Risk: Lmtd to the net premium paid (< Straddle)

POP:



Strip:

Buy 2 lots of ATM Put and Buy 1 lot of ATM Call

View: Big move in either direction (Bearish Bias)

When to make: When market is rangebound for long time and big move is expected or an event is upcoming

Reward: Unlimited

Risk: Lmtd to the net premium paid (high)

POP: high



Strap:

Buy 2 lots of ATM Calls & Buy 1 lot of ATM Put

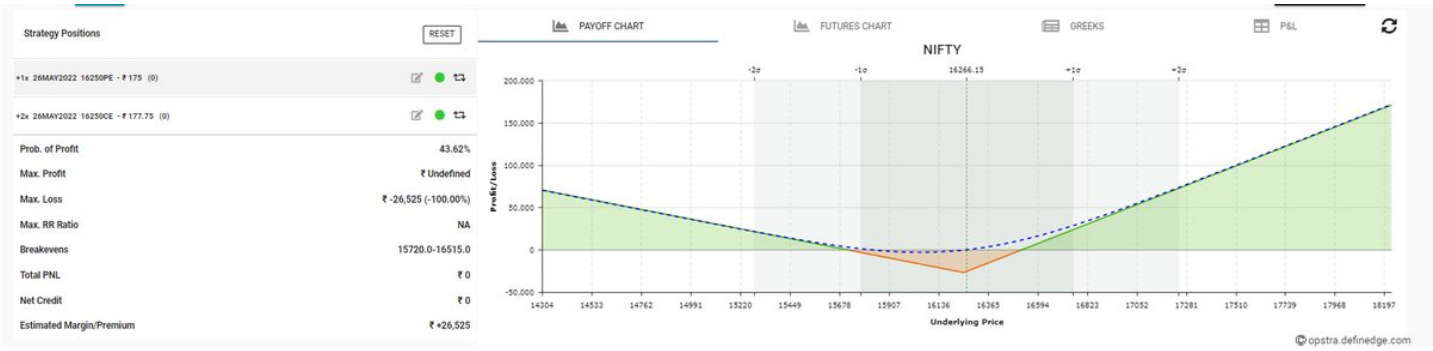
View: Big move in either direction (Bullish Bias)

When to make: When market is rangebound for long time and big move is expected or an event is upcoming

Reward: Unlimited

Risk: Lmtd to the net premium paid (high)

POP: high



Long Iron Fly

View: Move expected in either direction

When to make: When market is rangebound for long time & move is expected or an event is upcoming

Reward: Limited

Risk: Limited

POP: Very High



Long Call ButterFly (Same as Long ironfly but made only from Calls)

But sometimes better rewards

View: Move expected in either direction

When to make: When market is rangebound for long time & move is expected or an event is upcoming

Reward: Limited

Risk: Limited

POP: Very High



Long Put ButterFly (Same as Long ironfly but made only from Puts)

But sometimes better rewards

View: Move expected in either direction

When to make: When market is rangebound for long time & move is expected or an event is upcoming

Reward: Limited

Risk: Limited

POP: Very High



Long Iron Condor

View:, Big Move expected in either direction

When to make: When market is rangebound for long time & Big move is expected or an event is upcoming

Reward: Bigger

Risk: < IronFly

POP:

(also have Similar results for Long Call Condor & Long Put Condor)



Bullish Long Call Ratio Spread

Short ATM Call & Buy 2 OTM Calls less than half price of ATM Call

View: Bullish

When to make: When market is rangebound for long time & move is expected upside

Reward: Unlmtd upside & Limited downside

Risk: Lmtd if market is rangeboud

POP: Very High



Bearish Long Put Ratio Spread

Short ATM Put & Buy 2 OTM Put less than half price of ATM Put

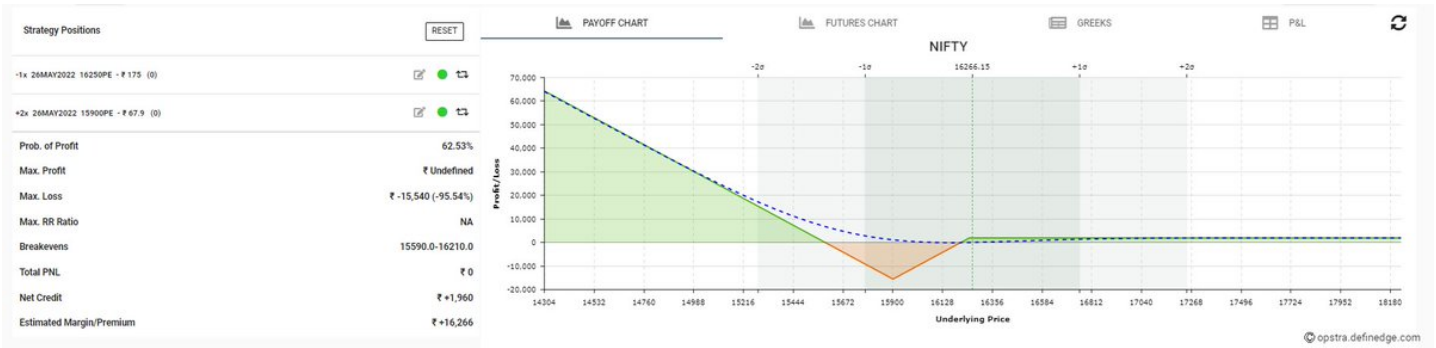
View: Bearish

When to make: When market is rangebound for long time & move is expected upside

Reward: Unlmtd downside & Limited upside

Risk: Lmtd if market is rangeboud

POP: Very High



Strangled Strip

Buy 2lots of OTM Put & Buy 1lot of OTM Call

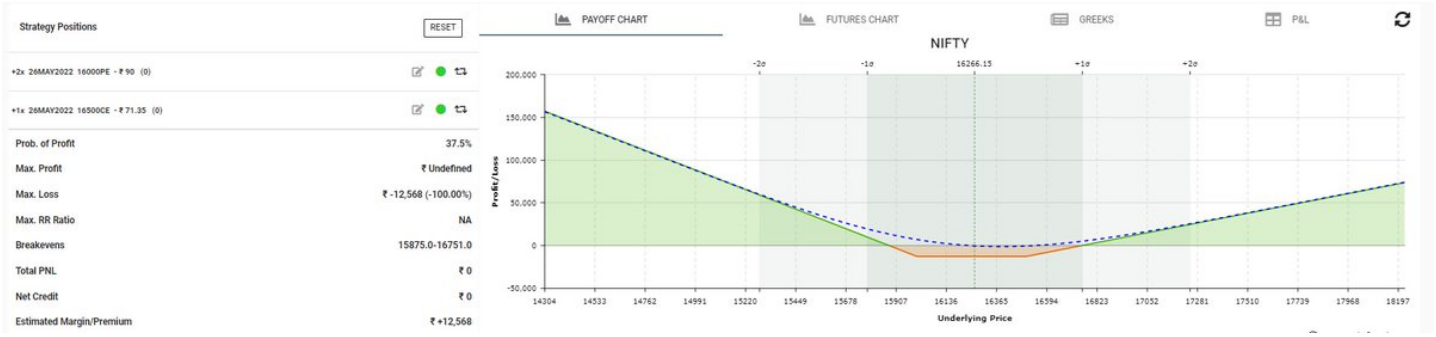
View: Big move in either direction (Bearish Bias)

When to make: When market is rangebound for long time and big move is expected or an event is upcoming

Reward: Unlimited

Risk: Lmtd to the net premium paid (low)

POP: low



Strangled Strap

Buy 2lots of OTM Call & Buy 1lot of OTM Put

View: Big move in either direction (Bullish Bias)

When to make: When market is rangebound for long time and big move is expected or an event is upcoming

Reward: Unlimited

Risk: Lmtd to the net premium paid (low)

POP: low

