Twitter Thread by Learn to Trade

Learn to Trade
@learntotrade365

Option Buying Simplified (PART -2)

Very important thread for all option buyers ■

Just 5 to 10 minutes to read but it can change your trading a lot.

Support us by RETWEET this tweet to help more option buyers to gain knowledge & to avoid getting trapped from big players https://t.co/yBZ6Y7BaGx



Option Buying Simplified

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— Learn to Trade (@learntotrade365) August 31, 2022

I do Intraday Live Market session via Youtube Live on all trading days - Follow us on twitter @learntotrade365

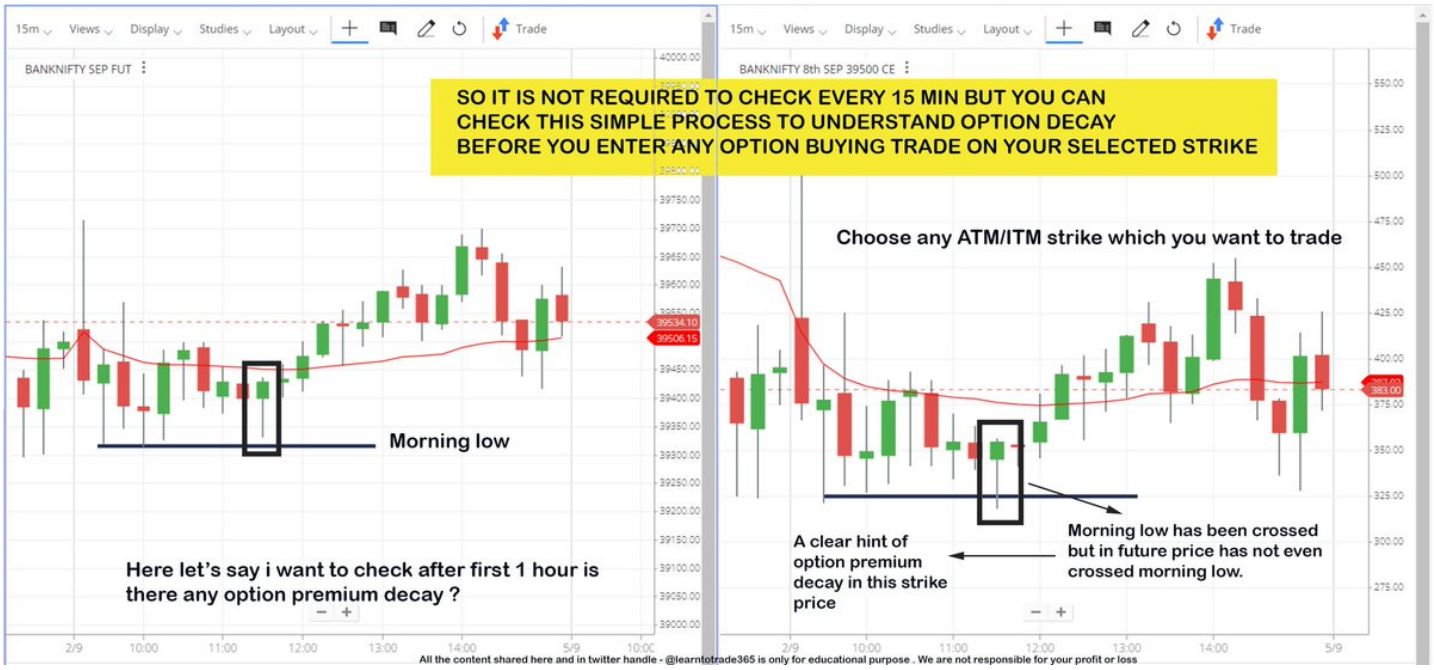
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https://t.co/VU0bCGjU7s

Main problem which most option buyers face is Option Premium erosion (Theta Decay). So I have shared a simple & effective process to understand the option decay during Live Market before entering option buying trades

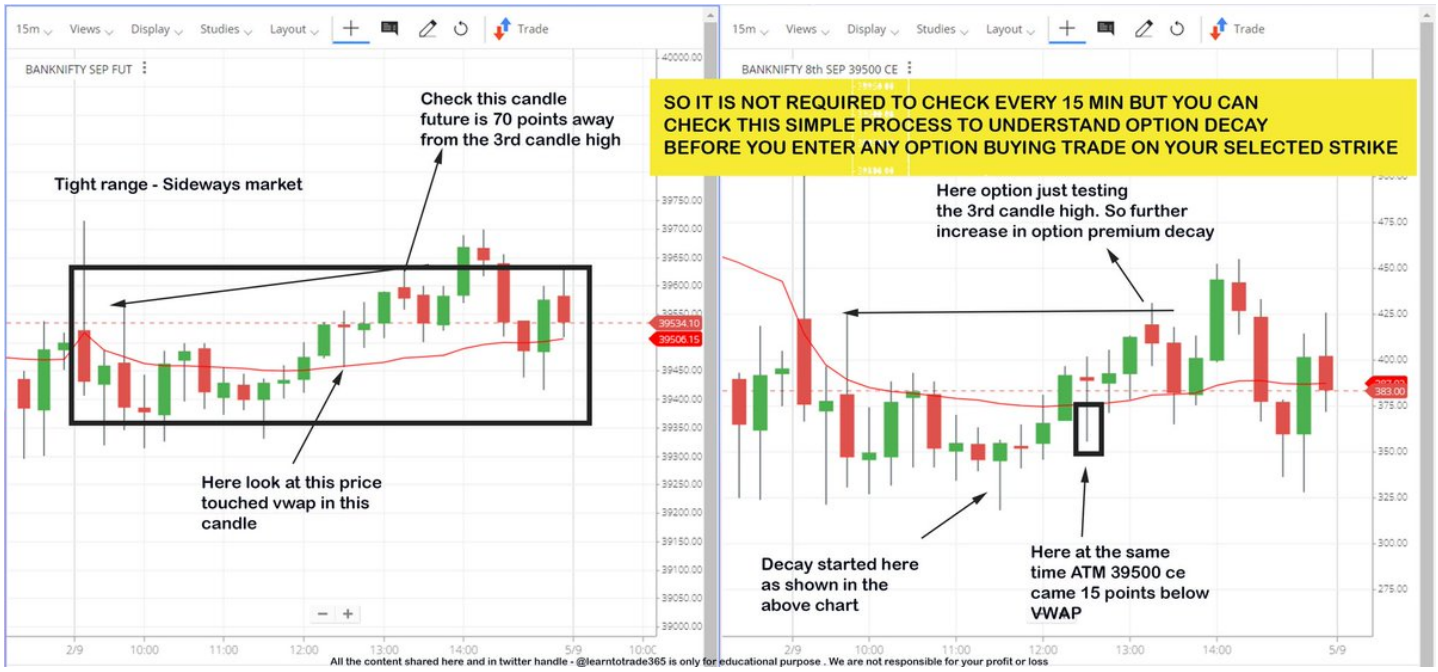
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Follow up example from the above chart about Option premium decay during sideways market. In general most option premium erosion (theta decay) happens during sideways market.

Theta is option buyers ENEMY

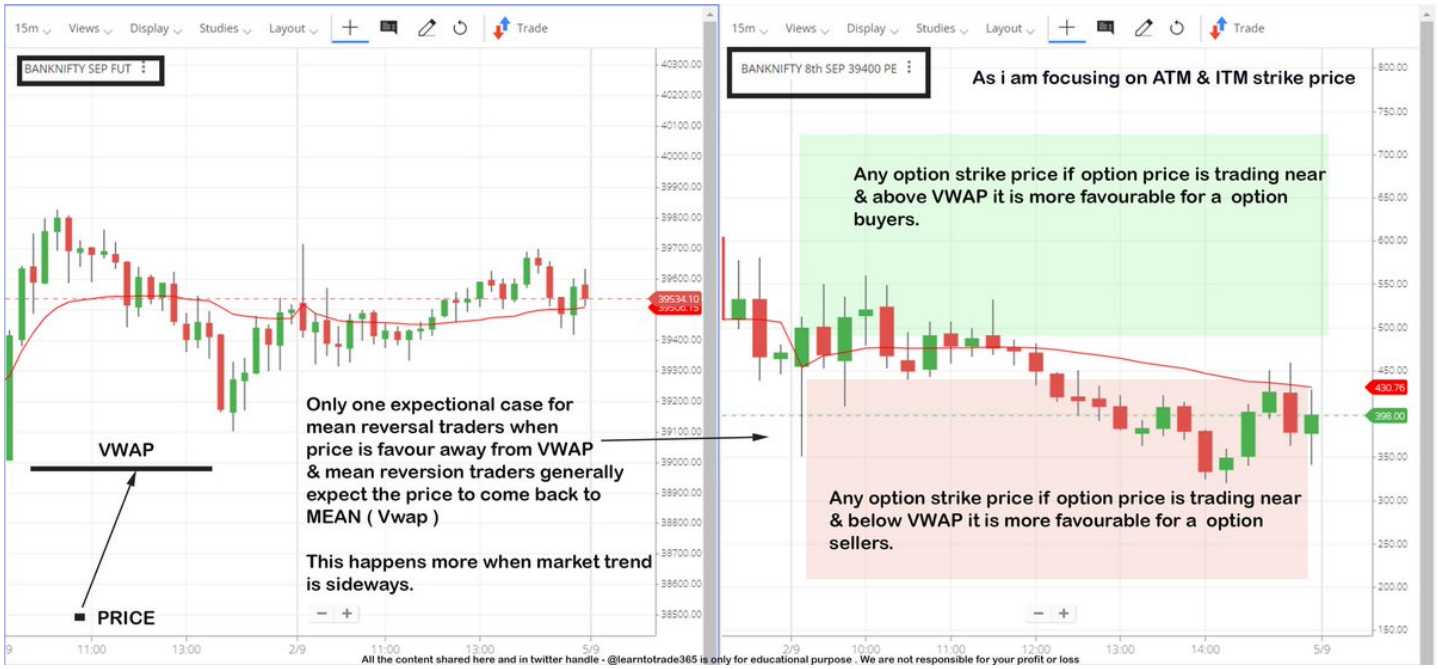
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Option Buyers high probability zones while trading ATM & ITM strike prices.

VWAP helps a lot in providing data during Live Market

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Option buyers want,

Direction
Momentum
Price should not spend more time on & around VWAP

If above confirmation is not there during Live Market wait for the opportunity. Make Trading as simple as possible.

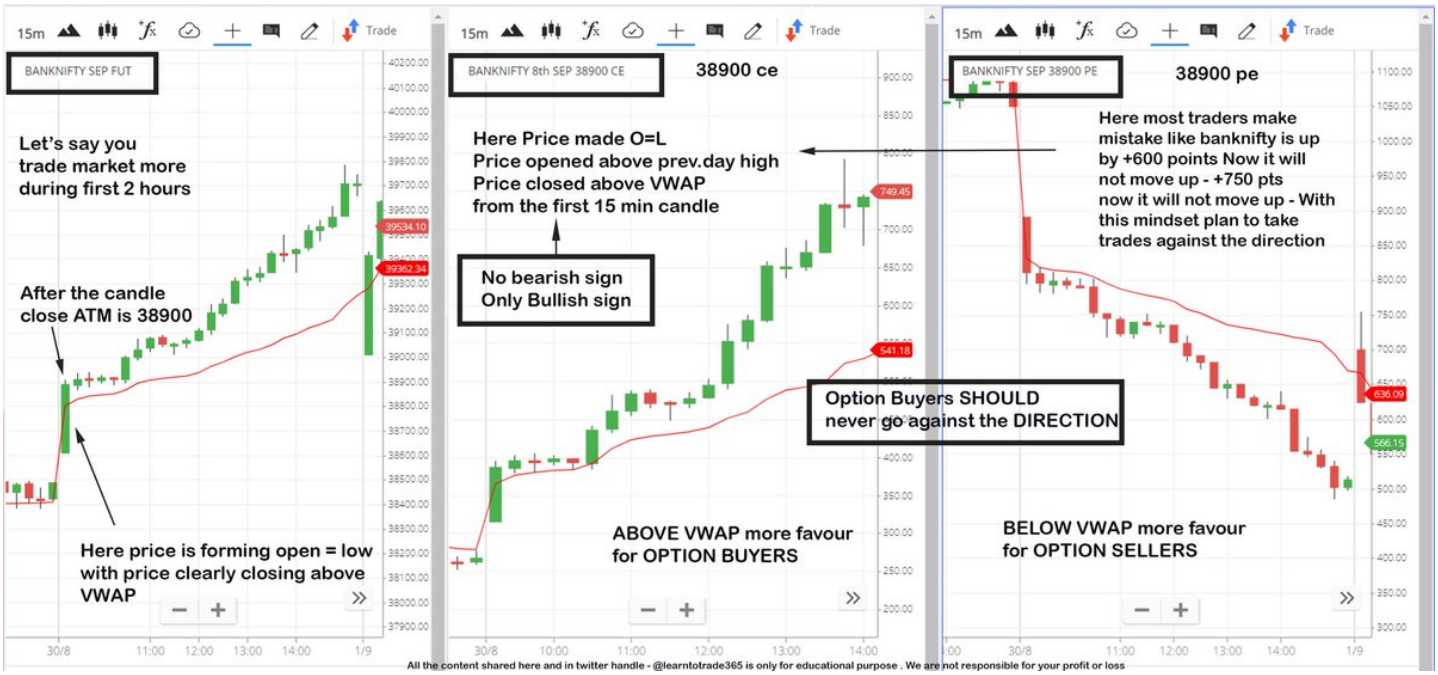
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Main work of a option buyer is to stay with the current market direction. When all clues from the chart is showing,

Bullish means focus more on CE
Bearish means focus more on PE

40% to 50% of your loss will be reduced by following the above steps

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End of the thread

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Also do check this MEGA Learning thread ■
https://t.co/1VnfNSBwKp

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> The thread contain all the FREE CONTENT which I have shared so far.
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> — Learn to Trade (@learntotrade365) August 27, 2022