

Twitter Thread by Mitesh Patel



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How to sell option?

Here let me explain through simple math.

Say BN at 30000

30000 straddle trading at combine premium 800 (based on current volatility)

Put at 400

Call at 400

You don't know direction. Sold both.

If move will not come than both will decrease gradually.

At day end it will come down to 720-740 if move will not come. Difference is your profit.

Now case 2:

Move started.

At one points combine premium will start increasing.

Say 810.

Exit immediately. No need to do adjustment.

Let market settle.

Sell again straddle once market settle.

Now repeat same thing.

Straddle selling webinar over.

Good luck.

One can keep SL 550 for both strike to escape from sudden movement.