



OPTIONS STRATEGIES: BALANCE RISK & REWARD

Smart strategies for every market outlook. **Manage risk. Maximize potential.**



Curated by
MyTradeOptions.com



RISK FIRST

Define risk before you trade.



HIGH PROBABILITY

Use high probability setups.



DEFINED RISK

Know your max loss before entry.



POSITIVE RISK/REWARD

Aim for 1:2 or better.



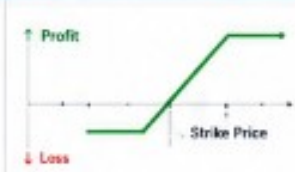
FLEXIBILITY

Adjust or exit based on market conditions.



TIME & VOLATILITY ADVANTAGE

Use time decay and volatility to your advantage.

#	STRATEGY	MARKET OUTLOOK	HOW IT WORKS	MAX RISK	MAX PROFIT	BEST WHEN	PAYOFF DIAGRAM
1	CASH SECURED PUT LOW RISK	 Bullish / Neutral	Sell a put option and collect premium. You agree to buy the stock at strike if assigned.	$(\text{Strike Price} - \text{Premium}) \times 100$ (Cost of Stock)	Premium Received	You don't mind owning the stock at a lower price.	
2	COVERED CALL LOW RISK	 Bullish / Neutral	Own the stock and sell a call option against it. Collect premium.	Lower of $(\text{Cost Basis} - 0)$ (Stock Price can go to 0)	$\text{Premium} + (\text{Strike Price} - \text{Cost Basis})$	You own the stock and expect small to moderate upside.	
3	BULL CALL SPREAD LOW RISK	 Moderately Bullish	Buy a call and sell a higher strike call. Limits cost and defines risk.	Net Debit Paid $\times 100$	$(\text{Strike Difference} - \text{Net Debit}) \times 100$	You expect the stock to rise moderately.	
4	PROTECTIVE PUT (INSURANCE) LOW RISK	 Bullish	Buy a put option to protect your stock position from downside.	Premium Paid $\times 100$	Unlimited	You own the stock and want to protect against a drop.	
5	IRON CONDOR (INCOME) LOW RISK	 Sideways / Low Volatility	Sell OTM put spread and OTM call spread. Collect premium, limited risk.	$(\text{Wing Width} - \text{Net Credit}) \times 100$	Net Credit Received	You expect the stock to stay within a range.	
6	CALENDAR SPREAD (TIME ADVANTAGE) LOW RISK	 Sideways / Low Volatility	Buy and sell same strike option with different expirations. Benefit from time decay.	Net Debit Paid $\times 100$	Max Profit at Expiration of Front Month	You expect low movement in the near term.	
7	DIAGONAL SPREAD MODERATE RISK	 Moderately Bullish	Buy LEAPS option and sell short-term option at same strike (or nearby).	Net Debit Paid $\times 100$	Unlimited	You expect gradual move with time decay advantage.	
8	POOR MAN'S COVERED CALL MODERATE RISK	 Bullish	Use LEAPS call instead of stock and sell short-term call.	Net Debit Paid $\times 100$	$(\text{Strike Price} - \text{Net Debit}) + \text{Premium}$	You want covered call benefits with less capital.	
9	IRON BUTTERFLY (HIGH PROBABILITY) HIGH RISK	 Sideways / Low Volatility	Sell ATM strangle and buy wings. High probability, limited risk.	$(\text{Wing Width} - \text{Net Credit}) \times 100$	Net Credit Received	You expect very low movement around current price.	



RISK MANAGEMENT RULES

- Risk only 1-2% of your capital per trade
- Always use stop-loss or adjustment plan
- Take profits at target, don't get greedy
- Review and learn from every trade



BEST PRACTICES

- ✓ Trade liquid stocks / ETFs
- ✓ Choose strategies that match your outlook
- ✓ Use proper position sizing
- ✓ Monitor Greeks & Volatility
- ✓ Be patient and disciplined



RISK / REWARD GUIDE

SETUP TYPE	RISK	TARGET REWARD
Low Probability	High	3R or more
Medium Probability	Medium	2R or more
High Probability	Low	1.5R - 2R



The goal isn't to be right all the time, it's to **make more** when you're right than you **lose** when you're wrong.

