

OPTION TRADING FOR DUMMIES

OPTION TRADING FOR DUMMIES IS THE ULTIMATE GUIDE FOR BEGINNERS LOOKING TO UNDERSTAND THE WORLD OF OPTIONS TRADING. WHETHER YOU'RE COMPLETELY NEW TO THE STOCK MARKET OR SEEKING TO EXPAND YOUR INVESTMENT PORTFOLIO, THIS ARTICLE WILL BREAK DOWN THE ESSENTIALS OF OPTIONS, HOW THEY WORK, AND WHY THEY'RE POPULAR AMONG TRADERS. YOU'LL LEARN ABOUT THE BASIC CONCEPTS BEHIND CALLS AND PUTS, THE RISKS AND REWARDS INVOLVED, AND THE STRATEGIES USED BY PROFESSIONALS AND BEGINNERS ALIKE. WE'LL EXPLORE THE TERMINOLOGY, THE MECHANICS OF TRADING OPTIONS, AND THE STEPS INVOLVED IN GETTING STARTED. BY THE END, YOU'LL HAVE A SOLID FOUNDATION TO START EXPLORING OPTION TRADING CONFIDENTLY. THIS COMPREHENSIVE GUIDE TO OPTION TRADING FOR DUMMIES COVERS EVERYTHING YOU NEED TO KNOW, FROM DEFINITIONS TO PRACTICAL STRATEGIES, ENSURING YOU HAVE THE KNOWLEDGE TO MAKE INFORMED DECISIONS IN YOUR TRADING JOURNEY.

- UNDERSTANDING THE BASICS OF OPTION TRADING
- KEY TERMS AND CONCEPTS IN OPTION TRADING
- HOW OPTIONS WORK: CALLS AND PUTS EXPLAINED
- RISKS AND REWARDS IN OPTION TRADING
- ESSENTIAL OPTION TRADING STRATEGIES FOR BEGINNERS
- STEPS TO START TRADING OPTIONS
- COMMON MISTAKES TO AVOID IN OPTION TRADING
- TIPS FOR SUCCESS IN OPTION TRADING

UNDERSTANDING THE BASICS OF OPTION TRADING

OPTION TRADING FOR DUMMIES BEGINS WITH GRASPING THE FUNDAMENTAL IDEA BEHIND OPTIONS. OPTIONS ARE FINANCIAL CONTRACTS THAT GIVE INVESTORS THE RIGHT, BUT NOT THE OBLIGATION, TO BUY OR SELL AN UNDERLYING ASSET—USUALLY STOCKS—AT A PRESET PRICE WITHIN A SPECIFIED TIMEFRAME. UNLIKE TRADITIONAL STOCK TRADING, WHERE INVESTORS DIRECTLY BUY OR SELL SHARES, OPTIONS ALLOW FOR MORE FLEXIBLE STRATEGIES. THIS FLEXIBILITY CAN HELP MANAGE RISK, SPECULATE ON PRICE MOVEMENTS, OR GENERATE INCOME. FOR BEGINNERS, UNDERSTANDING THESE BASICS IS CRUCIAL TO NAVIGATING THE COMPLEXITIES OF THE OPTIONS MARKET.

OPTIONS ARE CLASSIFIED AS DERIVATIVES BECAUSE THEIR VALUE IS DERIVED FROM AN UNDERLYING ASSET. THEY CAN BE USED FOR HEDGING EXISTING INVESTMENTS OR FOR PROFIT THROUGH SPECULATION. WITH PROPER KNOWLEDGE, EVEN THOSE NEW TO TRADING CAN LEVERAGE OPTIONS TO DIVERSIFY THEIR PORTFOLIOS AND POTENTIALLY ENHANCE RETURNS.

KEY TERMS AND CONCEPTS IN OPTION TRADING

TO MASTER OPTION TRADING FOR DUMMIES, IT'S IMPORTANT TO BECOME FAMILIAR WITH THE ESSENTIAL TERMINOLOGY USED IN THE OPTIONS MARKET. UNDERSTANDING THESE TERMS WILL HELP YOU INTERPRET OPTION QUOTES, PLACE TRADES, AND DEVELOP STRATEGIES CONFIDENTLY.

- **STRIKE PRICE:** THE FIXED PRICE AT WHICH THE OPTION HOLDER CAN BUY (CALL) OR SELL (PUT) THE UNDERLYING ASSET.

- **EXPIRATION DATE:** THE LAST DAY THE OPTION CAN BE EXERCISED.
- **PREMIUM:** THE PRICE PAID TO PURCHASE THE OPTION CONTRACT.
- **UNDERLYING ASSET:** THE FINANCIAL INSTRUMENT (TYPICALLY A STOCK) ON WHICH THE OPTION IS BASED.
- **IN THE MONEY (ITM):** AN OPTION WITH INTRINSIC VALUE.
- **OUT OF THE MONEY (OTM):** AN OPTION WITH NO INTRINSIC VALUE.
- **AT THE MONEY (ATM):** AN OPTION WHOSE STRIKE PRICE IS EQUAL TO THE CURRENT MARKET PRICE OF THE UNDERLYING ASSET.
- **EXERCISE:** THE ACT OF UTILIZING THE RIGHT TO BUY OR SELL THE UNDERLYING ASSET.
- **ASSIGNMENT:** WHEN THE SELLER OF AN OPTION IS REQUIRED TO FULFILL THE OBLIGATIONS OF THE CONTRACT.

HOW OPTIONS WORK: CALLS AND PUTS EXPLAINED

WHAT IS A CALL OPTION?

A CALL OPTION GRANTS THE BUYER THE RIGHT TO PURCHASE AN UNDERLYING ASSET AT A SPECIFIC STRIKE PRICE WITHIN A SET PERIOD. INVESTORS BUY CALL OPTIONS WHEN THEY BELIEVE THE PRICE OF THE UNDERLYING ASSET WILL RISE. IF THE MARKET PRICE EXCEEDS THE STRIKE PRICE BEFORE EXPIRATION, THE CALL OPTION BECOMES PROFITABLE. THE POTENTIAL PROFIT IS THEORETICALLY UNLIMITED, WHILE THE LOSS IS LIMITED TO THE PREMIUM PAID.

WHAT IS A PUT OPTION?

A PUT OPTION GIVES THE BUYER THE RIGHT TO SELL THE UNDERLYING ASSET AT THE STRIKE PRICE WITHIN THE SPECIFIED TIMEFRAME. INVESTORS PURCHASE PUT OPTIONS WHEN EXPECTING THE ASSET'S PRICE TO DECLINE. IF THE MARKET PRICE FALLS BELOW THE STRIKE PRICE, THE PUT OPTION GAINS VALUE. THE MAXIMUM LOSS IS LIMITED TO THE PREMIUM, WHILE THE POTENTIAL GAIN INCREASES AS THE ASSET'S PRICE DROPS.

RISKS AND REWARDS IN OPTION TRADING

OPTION TRADING OFFERS UNIQUE RISK-REWARD PROFILES COMPARED TO TRADITIONAL INVESTING. WHILE OPTIONS CAN AMPLIFY PROFITS, THEY ALSO EXPOSE TRADERS TO SPECIFIC RISKS. UNDERSTANDING THESE ASPECTS IS VITAL FOR ANYONE ENGAGING IN OPTION TRADING FOR DUMMIES.

- **LEVERAGE:** OPTIONS ALLOW CONTROL OVER MORE SHARES WITH A SMALLER CAPITAL OUTLAY, INCREASING BOTH POTENTIAL GAINS AND LOSSES.
- **LIMITED RISK FOR BUYERS:** WHEN BUYING OPTIONS, THE MAXIMUM RISK IS THE PREMIUM PAID.
- **HIGHER RISK FOR SELLERS:** OPTION SELLERS (WRITERS) MAY FACE UNLIMITED LOSSES IF THE MARKET MOVES AGAINST THEIR POSITION.
- **TIME DECAY:** OPTIONS LOSE VALUE AS THEY APPROACH EXPIRATION, WHICH CAN ERODE PROFITS FOR HOLDERS.

- **VOLATILITY:** HIGH MARKET VOLATILITY CAN IMPACT OPTION PRICES, INFLUENCING BOTH RISK AND REWARD.

IT'S ESSENTIAL FOR BEGINNERS TO FULLY UNDERSTAND THESE DYNAMICS BEFORE ENTERING TRADES. PROPER RISK MANAGEMENT AND A CLEAR UNDERSTANDING OF OPTION MECHANICS CAN HELP MITIGATE POTENTIAL LOSSES.

ESSENTIAL OPTION TRADING STRATEGIES FOR BEGINNERS

FOR THOSE STARTING WITH OPTION TRADING FOR DUMMIES, EMPLOYING SIMPLE YET EFFECTIVE STRATEGIES IS KEY TO BUILDING CONFIDENCE AND UNDERSTANDING MARKET BEHAVIOR. HERE ARE A FEW BEGINNER-FRIENDLY APPROACHES COMMONLY USED IN THE MARKET.

COVERED CALL

A COVERED CALL STRATEGY INVOLVES OWNING THE UNDERLYING STOCK AND SELLING A CALL OPTION ON THE SAME STOCK. THIS APPROACH GENERATES INCOME FROM THE OPTION PREMIUM WHILE PROVIDING SOME DOWNSIDE PROTECTION. IT'S A POPULAR STRATEGY FOR INVESTORS SEEKING TO BOOST RETURNS FROM STOCKS THEY ALREADY OWN.

PROTECTIVE PUT

A PROTECTIVE PUT CONSISTS OF BUYING A PUT OPTION WHILE HOLDING THE UNDERLYING STOCK. THIS ACTS AS INSURANCE AGAINST POTENTIAL DECLINES IN THE STOCK'S PRICE. IF THE STOCK FALLS, THE PUT OPTION OFFSETS THE LOSSES, LIMITING DOWNSIDE RISK.

LONG STRADDLE

THE LONG STRADDLE INVOLVES BUYING BOTH A CALL AND A PUT OPTION WITH THE SAME STRIKE PRICE AND EXPIRATION DATE. THIS STRATEGY PROFITS FROM SIGNIFICANT PRICE MOVEMENTS IN EITHER DIRECTION AND IS SUITABLE WHEN EXPECTING HIGH VOLATILITY.

STEPS TO START TRADING OPTIONS

GETTING STARTED WITH OPTION TRADING FOR DUMMIES INVOLVES A SERIES OF STRAIGHTFORWARD STEPS. FOLLOWING THESE WILL ENSURE YOU'RE PREPARED TO ENTER THE OPTIONS MARKET CONFIDENTLY AND RESPONSIBLY.

1. **EDUCATE YOURSELF:** BEGIN BY LEARNING THE BASICS OF OPTIONS, TERMINOLOGY, AND STRATEGIES.
2. **SELECT A BROKERAGE:** CHOOSE A REPUTABLE BROKER THAT OFFERS OPTIONS TRADING AND PROVIDES EDUCATIONAL RESOURCES.
3. **OPEN AN OPTIONS ACCOUNT:** COMPLETE THE NECESSARY APPLICATION, INCLUDING RISK DISCLOSURES AND SUITABILITY ASSESSMENTS.
4. **FUND YOUR ACCOUNT:** DEPOSIT FUNDS INTO YOUR TRADING ACCOUNT TO MEET MINIMUM REQUIREMENTS.
5. **RESEARCH OPPORTUNITIES:** ANALYZE POTENTIAL TRADES, UNDERLYING ASSETS, AND MARKET CONDITIONS.

6. **PLACE YOUR FIRST TRADE:** EXECUTE YOUR CHOSEN OPTIONS STRATEGY USING THE BROKER'S TRADING PLATFORM.

7. **MONITOR AND ADJUST:** REGULARLY REVIEW YOUR POSITIONS AND ADJUST STRATEGIES AS NEEDED.

COMMON MISTAKES TO AVOID IN OPTION TRADING

NOVICES OFTEN MAKE AVOIDABLE ERRORS WHEN STARTING WITH OPTION TRADING FOR DUMMIES. RECOGNIZING THESE PITFALLS CAN HELP SAFEGUARD YOUR INVESTMENTS AND IMPROVE YOUR CHANCES OF SUCCESS.

- IGNORING THE IMPACT OF TIME DECAY ON OPTIONS VALUE
- OVER-LEVERAGING AND TAKING ON EXCESSIVE RISK
- FAILING TO UNDERSTAND THE UNDERLYING ASSET'S VOLATILITY
- NEGLECTING TO USE STOP-LOSS ORDERS OR RISK MANAGEMENT TOOLS
- JUMPING INTO COMPLEX STRATEGIES WITHOUT A SOLID FOUNDATION

BY AVOIDING THESE MISTAKES, BEGINNERS CAN DEVELOP A MORE DISCIPLINED AND EFFECTIVE APPROACH TO OPTION TRADING.

TIPS FOR SUCCESS IN OPTION TRADING

ACHIEVING SUCCESS IN OPTION TRADING FOR DUMMIES REQUIRES A COMBINATION OF EDUCATION, PRACTICE, AND DISCIPLINE. BELOW ARE KEY TIPS TO HELP NEW TRADERS BUILD A SOLID FOUNDATION AND INCREASE THEIR CHANCES OF PROFITABILITY.

- START WITH SIMPLE STRATEGIES BEFORE ADVANCING TO COMPLEX TRADES
- USE VIRTUAL TRADING PLATFORMS TO PRACTICE WITHOUT RISKING REAL MONEY
- STAY UPDATED ON MARKET NEWS AND EVENTS AFFECTING UNDERLYING ASSETS
- SET CLEAR GOALS AND RISK LIMITS FOR EVERY TRADE
- KEEP RECORDS OF ALL TRADES TO REVIEW AND LEARN FROM PAST EXPERIENCES
- CONTINUOUSLY EDUCATE YOURSELF ON NEW STRATEGIES AND MARKET TRENDS

WITH CONSISTENT EFFORT AND A FOCUS ON RISK MANAGEMENT, BEGINNERS CAN GRADUALLY BUILD THE EXPERTISE NEEDED TO NAVIGATE THE OPTIONS MARKET SUCCESSFULLY.

Q: WHAT IS THE MAIN ADVANTAGE OF OPTION TRADING FOR BEGINNERS?

A: THE MAIN ADVANTAGE IS FLEXIBILITY; OPTIONS ALLOW BEGINNERS TO PROFIT IN RISING, FALLING, OR EVEN SIDEWAYS MARKETS WITH LIMITED RISK IF BUYING OPTIONS.

Q: HOW MUCH MONEY DO I NEED TO START TRADING OPTIONS?

A: THE AMOUNT NEEDED VARIES BY BROKER, BUT MANY ALLOW BEGINNERS TO START TRADING OPTIONS WITH AS LITTLE AS \$500 TO \$2,000, DEPENDING ON THE ACCOUNT TYPE AND MARGIN REQUIREMENTS.

Q: ARE OPTIONS RISKIER THAN STOCKS?

A: OPTIONS CAN BE RISKIER DUE TO LEVERAGE AND TIME DECAY, BUT RISK CAN BE MANAGED WITH PROPER STRATEGIES AND BY LIMITING TRADES TO BUYING OPTIONS RATHER THAN WRITING UNCOVERED OPTIONS.

Q: CAN I TRADE OPTIONS WITH A REGULAR BROKERAGE ACCOUNT?

A: MOST BROKERS REQUIRE A SPECIAL OPTIONS TRADING ACCOUNT AND MAY ASSESS YOUR EXPERIENCE, FINANCIAL SITUATION, AND RISK TOLERANCE BEFORE APPROVAL.

Q: WHAT IS TIME DECAY IN OPTION TRADING?

A: TIME DECAY REFERS TO THE REDUCTION IN AN OPTION'S VALUE AS IT APPROACHES EXPIRATION, IMPACTING ESPECIALLY OUT-OF-THE-MONEY OPTIONS.

Q: WHAT IS THE DIFFERENCE BETWEEN AMERICAN AND EUROPEAN OPTIONS?

A: AMERICAN OPTIONS CAN BE EXERCISED AT ANY TIME BEFORE EXPIRATION, WHILE EUROPEAN OPTIONS CAN BE EXERCISED ONLY ON THE EXPIRATION DATE.

Q: HOW CAN BEGINNERS PRACTICE OPTION TRADING WITHOUT RISKING REAL MONEY?

A: MANY BROKERS OFFER PAPER TRADING OR VIRTUAL TRADING PLATFORMS WHERE BEGINNERS CAN SIMULATE TRADES AND STRATEGIES WITHOUT USING REAL FUNDS.

Q: WHAT ARE THE MOST COMMON BEGINNER STRATEGIES IN OPTION TRADING?

A: COVERED CALLS, PROTECTIVE PUTS, AND LONG STRADDLES ARE AMONG THE MOST POPULAR STRATEGIES FOR BEGINNERS DUE TO THEIR RELATIVE SIMPLICITY AND RISK CONTROL.

Q: WHY IS UNDERSTANDING VOLATILITY IMPORTANT IN OPTION TRADING?

A: VOLATILITY AFFECTS OPTION PRICING; HIGHER VOLATILITY INCREASES PREMIUMS AND PROVIDES MORE OPPORTUNITIES FOR PROFIT, BUT ALSO COMES WITH HIGHER RISK.

Q: HOW DO I KNOW WHICH OPTION STRATEGY IS BEST FOR ME?

A: THE BEST STRATEGY DEPENDS ON YOUR MARKET OUTLOOK, RISK TOLERANCE, AND INVESTMENT GOALS. BEGINNERS SHOULD START WITH STRAIGHTFORWARD STRATEGIES AND GRADUALLY EXPAND AS THEY GAIN EXPERIENCE.

Option Trading For Dummies

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Option Trading for Dummies: A Beginner's Guide to Navigating the Options Market

Introduction:

So, you're curious about options trading but feel overwhelmed by the jargon and complexity? You're not alone! The world of options can seem like a minefield of Greek letters and intricate strategies. This comprehensive guide, "Option Trading for Dummies," demystifies the process, providing a clear and concise introduction to options trading for absolute beginners. We'll break down the fundamentals, explain key terms, and equip you with the foundational knowledge needed to confidently approach this powerful yet potentially risky market. By the end, you'll have a solid understanding of what options are, how they work, and the essential considerations before diving in.

What are Options?

Options are contracts that give the buyer (holder) the right, but not the obligation, to buy or sell an underlying asset (like a stock) at a specific price (strike price) on or before a certain date (expiration date). Think of it like an insurance policy for your investment strategy. There are two main types of options:

Calls: A call option gives the buyer the right to buy the underlying asset at the strike price. This is profitable if the price of the underlying asset rises above the strike price before expiration.

Puts: A put option gives the buyer the right to sell the underlying asset at the strike price. This is profitable if the price of the underlying asset falls below the strike price before expiration.

Understanding Key Option Terminology:

Before we delve deeper, let's clarify some essential terms:

Strike Price: The price at which the option holder can buy (call) or sell (put) the underlying asset.

Expiration Date: The date on which the option contract expires. After this date, the option is worthless unless it's been exercised.

Premium: The price paid by the buyer to purchase the option. This is your cost of entry.

Underlying Asset: The asset the option is based on (e.g., a stock, index, or commodity).

In-the-Money (ITM): An option that would be profitable if exercised immediately.

Out-of-the-Money (OTM): An option that would be unprofitable if exercised immediately.

At-the-Money (ATM): An option where the strike price is equal to the current market price of the

underlying asset.

Option Strategies for Beginners:

While there are countless sophisticated option strategies, beginners should focus on understanding the basics first. Here are a few simple strategies:

Buying Calls (Bullish Strategy): This strategy is used when you anticipate the price of the underlying asset will increase. You profit if the price rises above the strike price plus the premium paid.

Buying Puts (Bearish Strategy): This strategy is used when you anticipate the price of the underlying asset will decrease. You profit if the price falls below the strike price minus the premium paid.

Risk Management in Option Trading:

Options trading carries inherent risks. Understanding these risks is crucial:

Time Decay (Theta): Options lose value as they approach their expiration date. This is a significant risk for long option positions.

Volatility: Options prices are highly sensitive to changes in the volatility of the underlying asset. Increased volatility can increase option prices, but it also increases risk.

Unlimited Risk (for some strategies): While buying options limits your potential losses to the premium paid, some more advanced strategies carry unlimited risk.

Getting Started with Options Trading:

Before you start trading options, consider these steps:

Paper Trading: Practice with a simulator or demo account to gain experience without risking real money.

Education: Continuously learn about options trading through books, courses, and reputable online resources.

Risk Tolerance: Assess your risk tolerance and only trade with money you can afford to lose.

Brokerage Account: Choose a brokerage that offers options trading and provides the necessary educational resources.

Conclusion:

Option trading offers significant potential for profit but involves considerable risk. This "Option Trading for Dummies" guide provides a foundation for beginners to understand the basics of options. Remember to prioritize education, risk management, and practice before engaging in real-money trading. Start slow, learn gradually, and always remember that consistent learning is key to success in this complex market.

Frequently Asked Questions (FAQs):

1. Are options more risky than stocks? Options trading generally carries higher risk than stock

trading due to the time decay factor and the potential for total loss of the premium.

2. How much money do I need to start option trading? The minimum amount varies by brokerage, but you'll need enough capital to cover margin requirements and potential losses.
3. What is the best strategy for option trading beginners? Beginners should focus on simple buy-and-hold strategies like buying calls or puts, learning to understand the underlying asset's price movement before attempting more complex strategies.
4. Where can I learn more about options trading? Many reputable online resources, educational platforms, and books offer comprehensive options trading education. Your brokerage might also offer educational resources.
5. Can I lose more money than I invest in options trading? While buying options limits your maximum loss to the premium paid, selling options can expose you to unlimited risk. Thorough understanding and risk management are crucial.

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starts you from the beginning with clear, step-by-step advice on how to use top option strategies to reduce your risk while boosting your income and enlarging your retirement portfolio with index, equity, and ETF options. This plain-English guide explains the common types of options and helps you choose the right ones for your investing needs. You find out how to weigh option costs and benefits, combine options to reduce risk, and build a strategy that allows you to gain no matter what the market may bring. You'll learn the basics of market and sector analysis and what to look for when trying out a new option strategy. You'll also find what you need to know about options contract specifications and mechanics. Discover how to: Understand option contracts and orders Determine and manage your risk Guard your assets using options Trade options on securities exchanges Protect your rights and satisfy your contract obligations Target sectors using technical analysis Minimize potential losses and optimize rewards Map out your plan of attack Limit your downside when trading the trend Combine options to limit your position risk Benefit from exchange traded funds Key in on volatility for trading opportunities Capitalize on sideways movements Trading options is serious business. *Trading Options For Dummies* gives you the expert help you need to succeed.

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offering. Important topics covered include: What you need to know before accepting a compensation package that includes options Developing a stock option philosophy and clear-cut goals Knowing whether you're being treated fairly by your company Making sense of the language of stock options agreements Getting a handle on key restrictions on how you exercise your options Stock option valuation Tax rules and how they apply to different types of options How stock options can be affected by changes at your company Stock Options For Dummies is the only guide you'll need to get the most out of this important investment vehicle.

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trades regardless of market conditions. In the Second Edition of *Trading Options Greeks*, veteran options trader Dan Pasarelli puts these tools in perspective by offering fresh insights on option trading and valuation. An essential guide for both professional and aspiring traders, this book explains the greeks in a straightforward and accessible style. It skillfully shows how they can be used to facilitate trading strategies that seek to profit from volatility, time decay, or changes in interest rates. Along the way, it makes use of new charts and examples, and discusses how the proper application of the greeks can lead to more accurate pricing and trading as well as alert you to a range of other opportunities. Completely updated with new material Information on spreads, put-call parity and synthetic options, trading volatility, and advanced option trading is also included Explores how to exploit the dynamics of option pricing to improve your trading Having a comprehensive understanding of the greeks is essential to long-term options trading success. *Trading Options Greeks, Second Edition* shows you how to use the greeks to find better trades, effectively manage them, and ultimately, become more profitable.

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option. The book also discusses structured notes with exotic options embedded in them, such as reverse convertibles, callable and puttable reverse convertibles and autocallables and shows the rationale behind these structures and their associated risks. For each exotic option, the author makes clear why there is an investor demand; explains where the risks lie and how this affects the actual pricing; shows how best to hedge any vega or gamma exposure embedded in the exotic option and discusses the skew exposure. By explaining the practical implications for every exotic option and how it affects the price, in addition to the necessary mathematical derivations and tools for pricing exotic options, *Exotic Options Trading* removes the mystique surrounding exotic options in order to give the reader a full understanding of every aspect of each exotic option, creating a useable tool for dealing with exotic options in practice. "Although exotic options are not a new subject in finance, the coverage traditionally afforded by many texts is either too high level or overly mathematical. De Weert's exceptional text fills this gap superbly. It is a rigorous treatment of a number of exotic structures and includes numerous examples to clearly illustrate the principles. What makes this book unique is that it manages to strike a fantastic balance between the theory and actual trading practice. Although it may be something of an overused phrase to describe this book as compulsory reading, I can assure any reader they will not be disappointed." —Neil Schofield, Training Consultant and author of *Commodity Derivatives: Markets and Applications* "Exotic Options Trading does an excellent job in providing a succinct and exhaustive overview of exotic options. The real edge of this book is that it explains exotic options from a risk and economical perspective and provides a clear link to the actual profit and pricing formulae. In short, a must read for anyone who wants to get deep insights into exotic options and start trading them profitably." —Arturo Bignardi

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own. Covered calls aren't risky... when used correctly they actually decrease your risk... and even the most conservative investors can benefit from adding covered call writing to their investment strategy. Even if you know nothing about options, this book will get you right up to speed. Here is just a fraction of what you'll discover: - The 6 criteria we use to select the best stocks to write covered calls on - Page 96 - Why you shouldn't write covered calls in an IRA. Many investors make this mistake, but learn why using a regular account will actually save on your tax bill - Page 54 - How to use covered calls to lower the purchase price of stocks you already own - 3 rules for adjusting your covered call - Page 129 - How to find the best covered call stocks for free. Stock scanning services will charge you \$99/month for this information, but our approach costs nothing and lists the exact same companies - Page 100 - How to get started with covered calls if you only have a small account. This is perfect if you want the benefits but don't have \$5,000 or more to invest - Page 133 Plus, inside the book you get free access to a 7 part video course covering all aspects of profitable investing So even if you've never used options before, the book walks you through everything step by step. You'll find everything explained in plain English, free from technical jargon. Even if you get stuck, you can always send us an email (provided inside the book) or reach out in our private investing community on social media - we're always happy to help with any questions you might have. And remember... bank CD's will only pay you between 0% and 1%... the dividend yield on the S&P 500 is around 2%... and 5 to 10 year municipal bonds will only pay between 2% and 3%. But if you use what's inside this book, you could have the opportunity to get much more than that. For instance... if you put together a portfolio of three of the best covered call stocks... you could see an average yield of 15% per year... just from your covered call income. All this from your regular brokerage account, just as easily as you can buy stock. Because if you know how to buy stocks, you can use covered calls. And when you receive just a single premium from one of these covered calls (which is paid into your account instantly) it will cover the cost of this book 10x over. To get your copy right now, just scroll up and click add to cart

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