

## Options : Directional Hedged Strategies

# EXPLORE - UNDERSTAND - EXECUTE

19<sup>th</sup> Feb'26

### Disclaimer

This is for educational and informational purposes only and does not constitute financial advice. Refer - <https://stocko.in/stocko-disclaimer/>

# Presenter Hitesh Chotalia

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Market Experience : 26 Years

- Technical Market Strategist : Share khan
- Asia Pacific Equity Research : Citi Global Markets
- Technical Market Strategist : Centrum Broking
- Product Head : Ignite – Sharekhan Education
- Sr VP : Motilal Oswal : Head School Of Trading & Investing
- Head Education : Fin Learn Academy
- Media Appearance : CNBC & NDTV Profit

# Overview of Today's Webinar

- Options : Debit / Credit
- Long Call Butterfly
- Bull Call
- Bull Call Spread
- Bear Put
- Bear Put Spread

- When to use Butterfly vs Iron Condor
- Strategy construction and payoff understanding
- Ideal market conditions for each spread
- Risk, reward & breakeven analysis
- Common mistakes traders make



# Debit - Credit

Risk = Limited  
Reward : Unlimited

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Reward : Limited

Pay = Debit

Receive = Credit

Pay = Debit

Receive = Credit



Price Up

Call Up  
+ CE  
Buy

Put Dn  
- PE  
Sell

Price Dn

Put Up  
+ PE  
Buy

Call Dn  
- CE  
Sell

# Long Butterfly Call

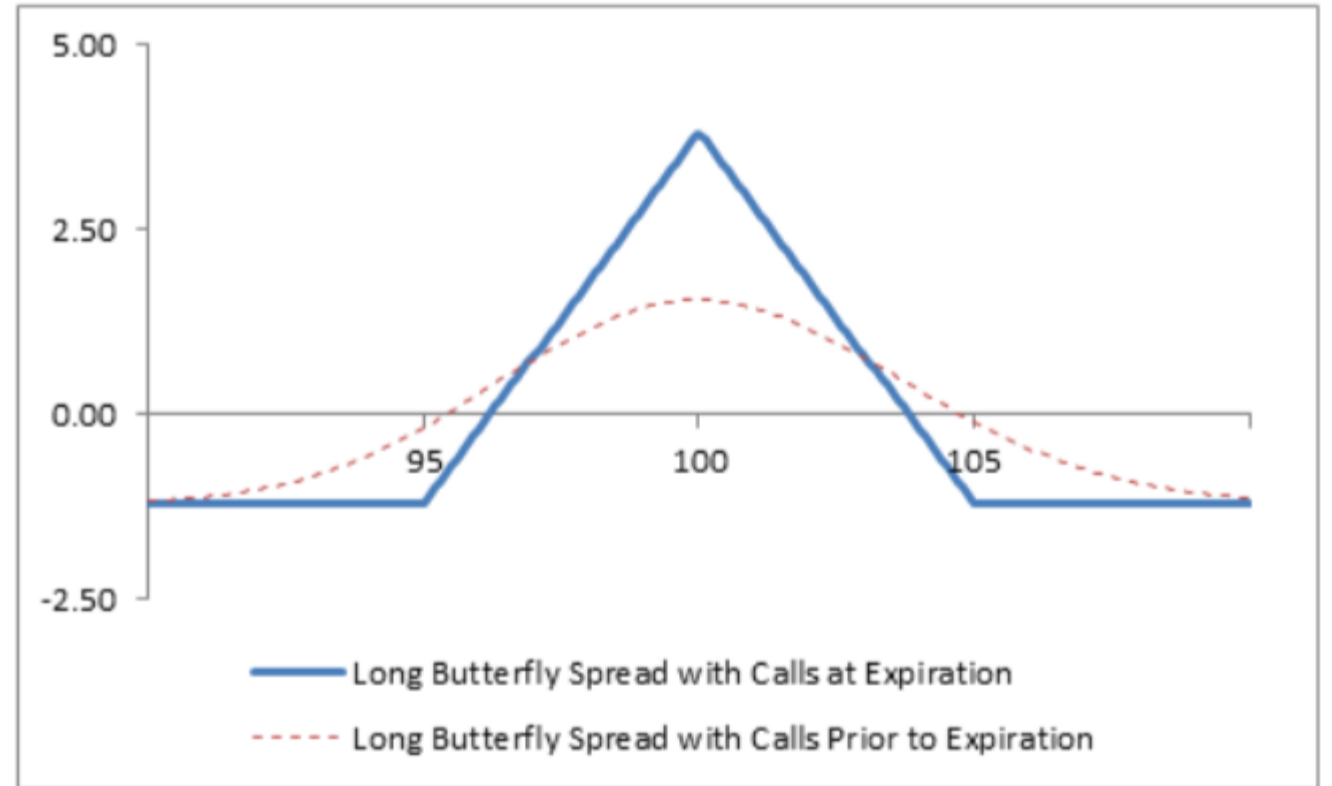
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- **View:** Neutral on direction and bearish on volatility
- **Strategy:** Sell 2 ATM Call, Buy 1 ITM Call and Buy 1 OTM Call
- **Risk:** Limited to net premium paid
- **Reward:** Limited to difference between adjacent strikes minus net premium debit
- **Breakeven:** Upper BEP = Higher Strike Price - Net Premium Lower BEP = Lower Strike Price + Net Premium
- **Profit, when:** ITM call exercised and other options not exercised
- **Max Loss, when:** all options exercised or all options not exercised

# Long Butterfly Call

Sell 2 ATM Call  
Buy 1 ITM Call  
Sell 1 OTM Call

Spot : 23232  
Sell 2 ATM CE 23250  
Buy 1 ITM CE 23150  
Buy 1 OTM CE 23400



# Short Butterfly Call

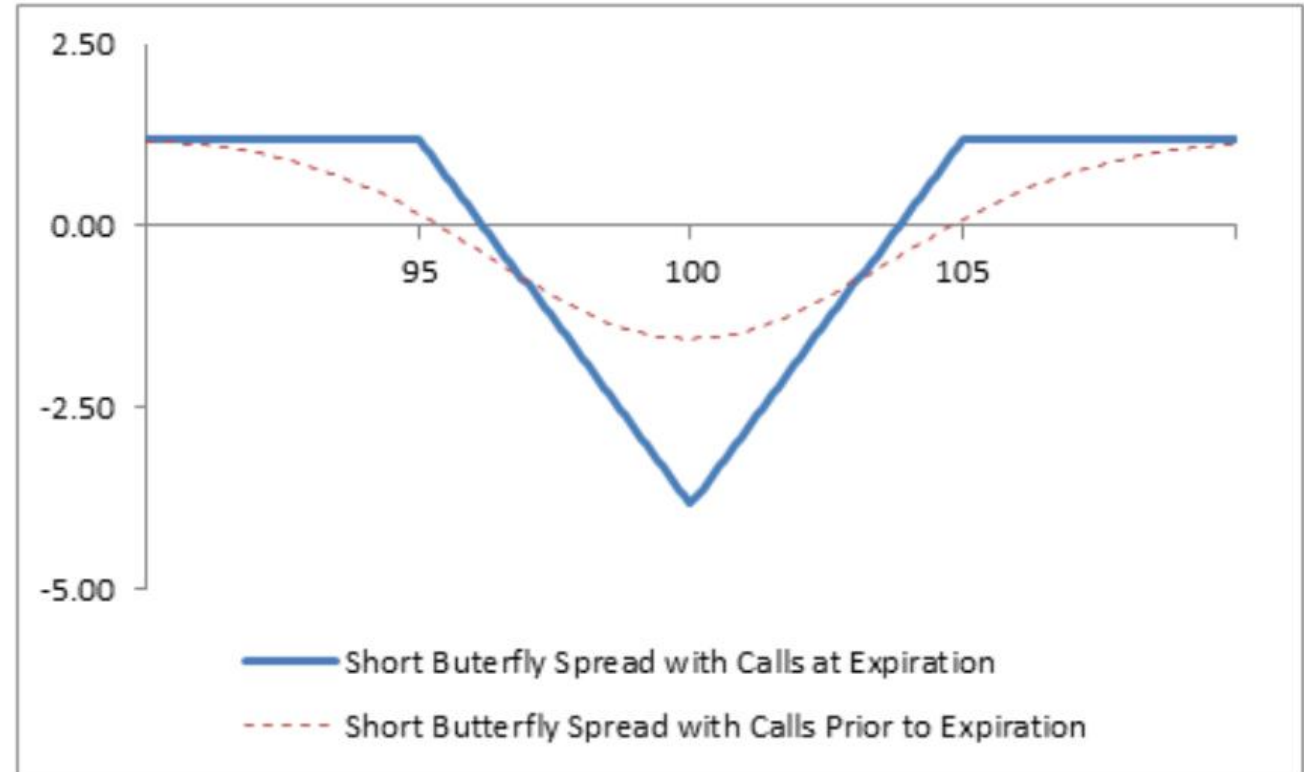
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- **View:** Neutral on direction and bullish on volatility
- **Strategy:** Buy 2 ATM Call, Sell 1 ITM Call and Sell 1 OTM Call
- **Risk:** Limited to difference between adjacent strikes minus net premium received
- **Reward:** Limited to net premium received
- **Breakeven:** Upper BEP = Higher Strike Price - Net Premium Lower BEP = Lower Strike Price + Net Premium
- **Max Profit, when:** all options exercised or all options not exercised
- **Loss, when:** ITM call exercised and other options not exercised

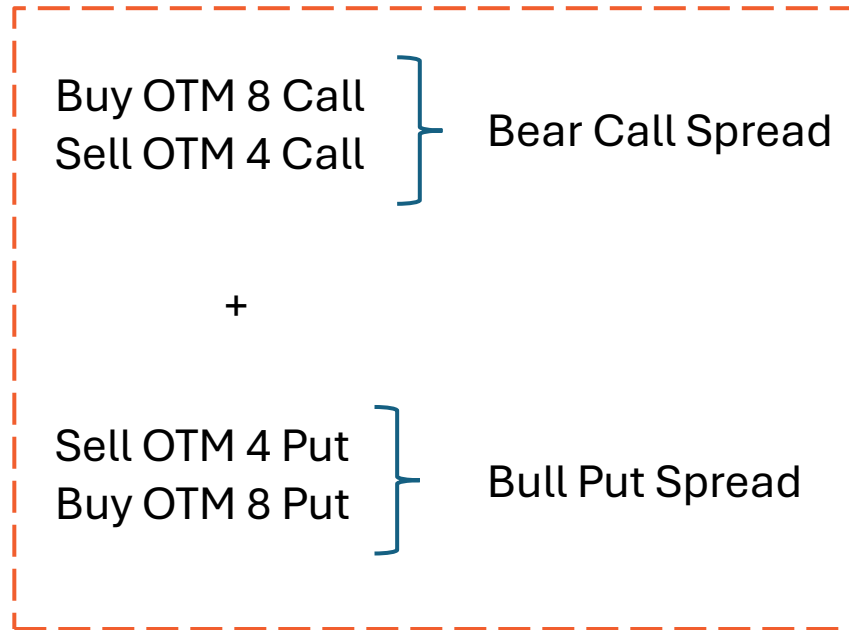
# Short Butterfly Call

Buy 2 ATM Call  
Sell 1 ITM Call  
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Spot : 23232  
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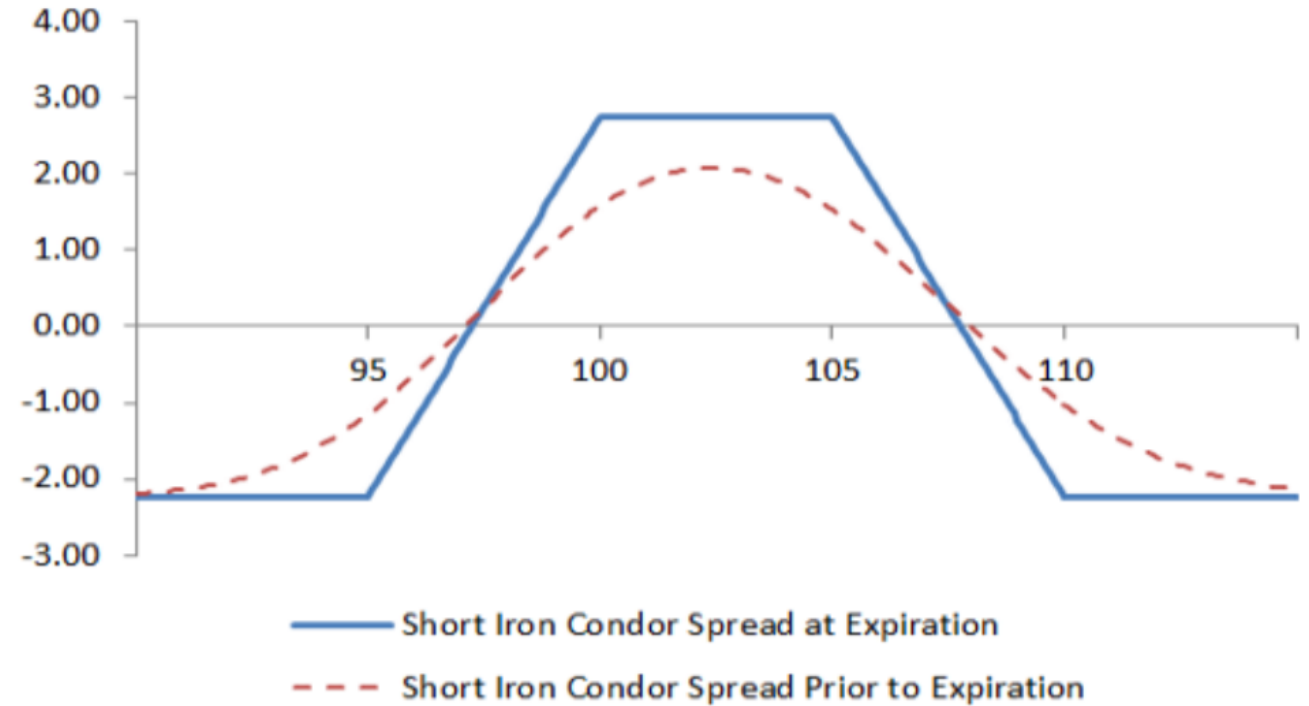


# Iron Condor



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**Iron Condor**



# Q&A

# Disclaimer

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