

# Put Options

**Disclaimer: Not financial advice**

# Put Options

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- A put option is a contract which gives the owner the right to sell a certain amount of stock at a certain price at a certain date
- You can have put options on many assets
- Put options prices are influenced by changes in price of asset, the option strike price, time decay, interest rates, and volatility
- They increase in value as the asset falls in price
- They lose value when asset price increases

Buy

Sell

Call

Put

**\$1,075 Put**

\$75.00

Breakeven To breakeven  
\$1,000.00 -6.04%

-30.36% Today

**\$1,070 Put**

\$72.28

Breakeven To breakeven  
\$997.72 -6.26%

-30.70% Today

**\$1,065 Put**

\$69.60

Breakeven To breakeven  
\$995.40 -6.47%

-31.09% Today

Share Price: \$1,064.30

Example

# Video

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**PUT OPTION**

RIGHT TO SELL 100 SHARES OF STOCK AT STRIKE PRICE

100 110  
STOCK PRICE

**BUYING PUTS**

- BEARISH
- NEGATIVE THETA
- UNLIMITED PROFIT (TO 50.00)
- LIMITED LOSS
- LOW POP%

**PROFIT**

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MIKE AND THE WHITE BOARD 01/05/14 03:15 P tastytrade

# Activity

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1. Compare and contrast call and put options
2. How are call and put options similar and different from buying/selling stocks and shorting stocks