

Options Intro

Disclaimer: Not financial advice

How Options Work

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- A option is essentially a contract giving the buyer the ability to buy or sell an asset at a price on/before a certain date
- Options are a good way to make a lot of money, but they are very risky
- A stock option contract usually represents 100 shares of a stock, but it can represent other assets too like bonds and other currencies and commodities

CALLS VS PUTS

	CALLS	PUTS
LONG	<ul style="list-style-type: none">● An option contract that gives the holder the right to purchase stock at the strike price● BULLISH	<ul style="list-style-type: none">● An option contract that gives the holder the right to sell stock at the strike price● BEARISH
SHORT	<ul style="list-style-type: none">● A short call obligates the call seller to sell a stock to the call buyer at the strike price if exercised● BEARISH/NEUTRAL	<ul style="list-style-type: none">● A short put obligates the put seller to purchase a stock from the put buyer at the strike price if exercised● BULLISH/NEUTRAL

Video

1.

