

Bearish Option Cheat Sheet

Strategy	Action	Expectation	Risk/Profit
Synthetic Long Put	Buy Call, Sell Futures	Lower Prices	Limited Risk/Unlimited Profit
Synthetic Short Futures	Sell Call, Buy Same Strike	Lower Prices	Unlimited Risk/Limited profit
Synthetic Short Call Covered Put	Sell Put, Sell Futures	Stable to Lower Prices	Unlimited Risk/Limited Profit
Put Ratio Spread	Buy Puts, Sell More puts of lower strike	Stable to Somewhat Lower Prices	Unlimited Risk/Limited Profit
Long Put	Buy Put	Lower Prices	Limited Risk/ Unlimited profit
Short Call	Sell Call	Stable to Slightly Lower prices	Unlimited Risk/Limited Profit
Bear Fence	Buy Put, Sell calls with Higher Strike	Lower Prices	Limited Risk/Limited Profit
Bear Call Spread	Sell Call, Buy call with Higher Strike	Somewhat Lower Prices	Limited Risk/Limited Profit
Put Ratio Backspread	Sell Puts, Buy More Puts with Lower Strike	Lower Prices	Limited risk/Unlimited Profit

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THE HARD FACTS ON SOFT COMMODITIES

Bullish Option Cheat Sheet

Strategy	Action	Expectation	Risk/Profit
Long Call	Buy Call	Higher Prices	Limited risk/Unlimited Profit
Short Put	Sell Put Option	Stable to Somewhat Higher Prices	Unlimited Risk/Limited Profit
Bull Fence	Buy Calls, Sell Puts with Lower Strike	Higher Prices	Unlimited risk/Unlimited Profit
Bull Call Spread	Buy Call, Sell Call with Higher Strike	Somewhat higher prices	Limited risk/limited Profit
Call Ratio Backspread	Sell Calls, Buy More Calls with Higher Strike	Higher Prices	Limited risk, Unlimited Profit
Call Ratio Spread	Buy Call, Sell More Calls with Higher Strike	Stable to Slightly Higher Prices	Unlimited Risk/Limited Profit
Synthetic Long Call	Buy Put, Buy Futures	Higher Prices	Limited Risk/Unlimited Profit
Synthetic Long Futures	Buy Call, Sell Put with Same Strike	Higher Prices	Unlimited Risk/Unlimited Profit
Synthetic Short Put (covered call)	Sell Call, Buy Futures	Stable to Somewhat Higher Prices	Unlimited Risk/Limited Profit

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THE HARD FACTS ON SOFT COMMODITIES

Course #49

Neutral Option Cheat Sheet

Strategy	Action	Expectation	Risk/Profit
"A" Condor	Sell 2 Calls (Puts) w/Different Strikes, Buy 1 Call (Put) with Higher Strikes and 1 w/Lower Strike	Stable Prices	Limited Risk/ Limited Profit
"V" Condor	Buy 2 Calls (Puts) w/ Different Strikes, Sell 1 Call (Put) w/ Higher Strike and 1 w/Lower Strike	Higher Price Volatility	Limited Risk/ Limited Profit
Long Strangle	Buy Call w/Higher Strike than Current Futures and Buy Put w/ Lower Strike from Current Futures	Higher Volatility/ Direction Uncertain	Limited Risk/ Unlimited Profit
Short Strangle	Sell Call w/Higher Strike than Current Futures and Sell Put w/ Lower Strike than Current Futures	Stable Prices	Unlimited Risk/ Limited Profit
Long Straddle	Buy Call, Put with Identical Strikes	High Volatility	Limited Risk/ Unlimited Profit
Short Straddle	Sell Call, Put with Identical Strikes	Stable Prices	Unlimited Risk/ Limited Profit
"V" Butterfly	Buy 2 Calls (Puts), Sell 1 Call (Put) w/ Lower Strike and 1 Higher Strike Equidistant from Long Call (Put) Strike	Higher Volatility Direction Uncertain	Limited Risk/ Limited Profit
"A" Butterfly	Sell 2 Calls (Puts), Buy 1 Call (Put) w/ Higher Strike and 1 w/Lower Strike Equidistant from Short Call (Put) Strike	Stable Prices	Limited Risk/ Limited Profit