

# Reference Book for **Gold Options Strategies.**



## Booklet Usage Guidance

I. The booklet depicts 22 Options Strategies for Gold Contracts

II. Each strategy reflects its characteristic as:



III. Each strategy page displays its inherent particulars viz. view, strategy legs, involved risk & reward, break even point calculation, profit and loss making situation scenarios etc.

IV. Illustrative example is shown on each strategy page with hypothetical statistics taken for premium and strike / price levels. Actual levels & premium figures may be referred by readers as per their needs.


























V. Each strategy has an accompanying pay-off matrix and pay-off chart on right-hand page, showing profit and loss at expiration. The vertical axis shows the profit/loss scale.

VI. When pay-off line is below the horizontal axis it represents the loss / outlay for the strategy. The portion of the pay-off line above the horizontal axis represents a credit or profit for the position.

VII. The intersection of the pay-off line and the horizontal axis is the break-even point (BEP) not including transaction costs, commissions, taxes, margin costs etc.

VIII. The booklet is prepared for illustrative education & awareness purpose only.

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# 1

## Long Call



1 Leg Strategy

<b>View:</b>	Very Bullish on Gold
<b>Strategy:</b>	Buy Call Option
<b>Risk:</b>	Limited to Premium
<b>Reward:</b>	Unlimited
<b>Break Even:</b>	Strike Price + Premium
<b>Profit, when:</b>	Gold price goes up
<b>Loss, when:</b>	Gold price goes down

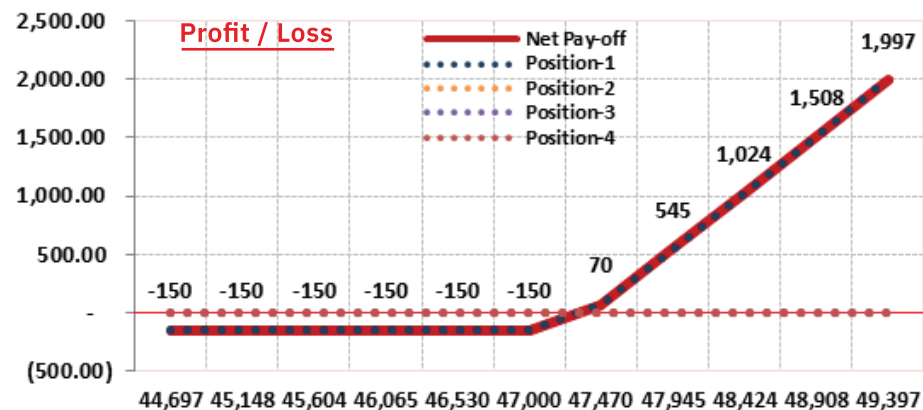
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Buy	Call	47,250	- 150.00

**Break Even = 47,400 (47,250 + 150)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
44,697	-150.00
45,148	-150.00
45,604	-150.00
46,065	-150.00
46,530	-150.00
47,000	-150.00
47,470	70.00
47,945	544.70
48,424	1,024.15
48,908	1,508.39
49,397	1,997.47



### NOTES

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## 2

## Short Put



1 Leg Strategy

View:	Bullish on Gold
Strategy:	Sell Put Option
Risk:	Unlimited
Reward:	Limited to Premium
Break Even:	Strike price – Premium
Profit, when:	Gold price goes up
Loss, when:	Gold price goes down

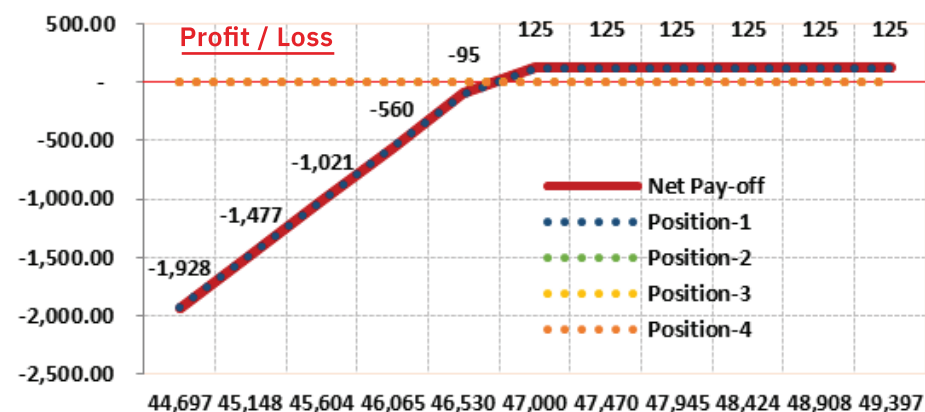
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Sell	Put	46,750	+ 125.00

**Break Even = 46,625 (46,750 – 125)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
44,697	-1,928.47
45,148	-1,476.99
45,604	-1,020.95
46,065	-560.30
46,530	-95.00
47,000	125.00
47,470	125.00
47,945	125.00
48,424	125.00
48,908	125.00
49,397	125.00



### NOTES

### 3

## Call Spread Bullish



2 Legs Strategy

<b>View:</b>	Moderately Bullish on Gold
<b>Strategy:</b>	Buy ITM Call and Selling OTM Call (to reduce cost)
<b>Risk:</b>	Limited to Net Premium Paid
<b>Reward:</b>	Limited to difference between the two strikes minus net premium paid
<b>Break Even:</b>	Strike price of purchased call + Net premium paid
<b>Max Profit:</b>	Both options exercised
<b>Max Loss:</b>	Both options un-exercised

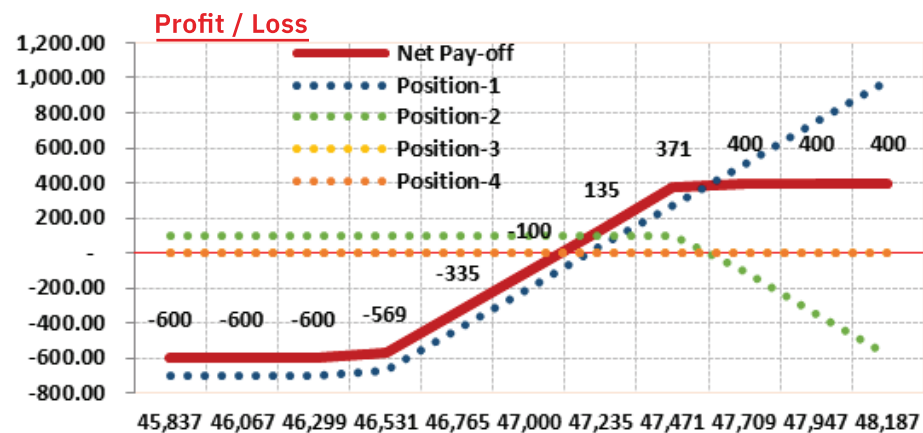
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Buy	ITM Call	46,500	- 700.00
Sell	OTM Call	47,500	+ 100.00

**Break Even = 47,100 (46,500 + (700 – 100))**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-600.00
46,067	-600.00
46,299	-600.00
46,531	-568.82
46,765	-335.00
47,000	- 100.00
47,235	135.00
47,471	371.18
47,709	400.00
47,947	400.00
48,187	400.00



### NOTES

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# 4

## Put Spread - Bullish



2 Legs Strategy

<b>View:</b>	Moderately Bullish on Gold
<b>Strategy:</b>	Sell OTM Put and Buy further OTM Put to protect downside
<b>Risk:</b>	Limited to the difference between the two strikes minus net premium received
<b>Reward:</b>	Limited to Net Premium received
<b>Break Even:</b>	Strike price of Short Put - Net premium Received
<b>Max Profit:</b>	Both options un-exercised
<b>Max Loss:</b>	Both options exercised

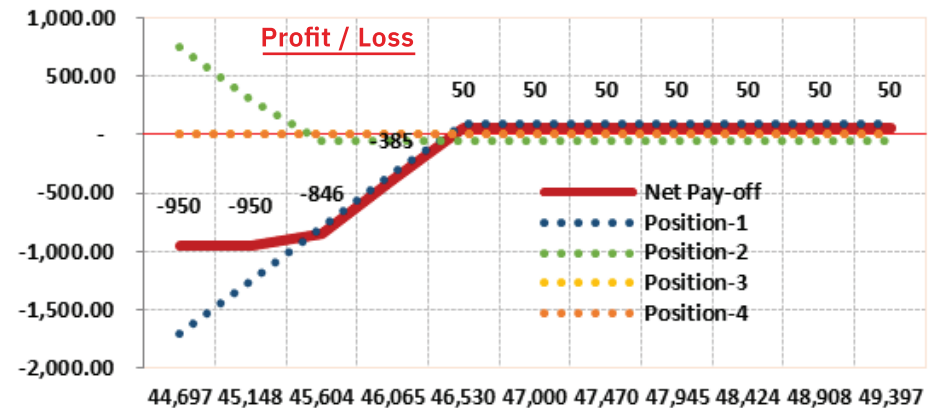
**Illustrative Example:** Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	OTM Put	46,500	+ 100.00
Buy	Further OTM Put	45,500	- 50.00

**Break Even = 46,450 (46,500 – (100 – 50))**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
44,697	-950.00
45,148	-950.00
45,604	-845.95
46,065	-385.30
46,530	50.00
47,000	50.00
47,470	50.00
47,945	50.00
48,424	50.00
48,908	50.00
49,397	50.00



### NOTES

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# 5

## Synthetic Call



2 Legs Strategy, including Futures Position

<b>View:</b>	Conservatively Bullish on Gold
<b>Strategy:</b>	Buy Futures and Buy Put option to protect against unexpected fall
<b>Risk:</b>	Limited to Future Price + Put Premium – Put Strike Price
<b>Reward:</b>	Unlimited
<b>Break Even:</b>	Future Price + Put Premium
<b>Profit, when:</b>	Gold price goes up
<b>Loss, when:</b>	Gold price goes down

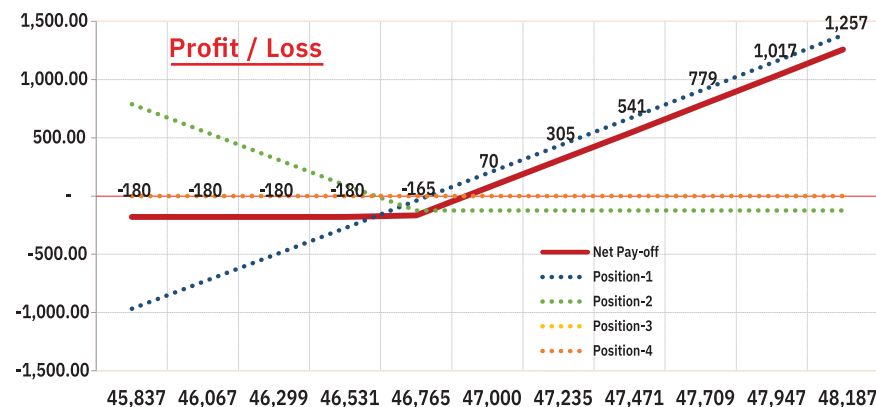
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Buy	Futures	46,805	---
Buy	Put	46,750	- 125.00

**Break Even = 46,930 (46,805 + 125)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-180.00
46,067	-180.00
46,299	-180.00
46,531	-180.00
46,765	-165.00
47,000	70.00
47,235	305.00
47,471	541.18
47,709	778.53
47,947	1,017.07
48,187	1,256.81



### NOTES

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# 6

## Covered Call



2 Legs Strategy, including Futures Position

<b>View:</b>	Moderately Bullish on existing Long Future
<b>Strategy:</b>	Sell OTM Call option to earn premium
<b>Risk:</b>	Unlimited if Gold falls. Benefits to the extent of premium
<b>Reward:</b>	Limited to Strike Price - Future Price Paid + Premium Received
<b>Break Even:</b>	Future Price Paid – Premium Received
<b>Profit, when:</b>	Gold price goes up
<b>Loss, when:</b>	Gold price goes down

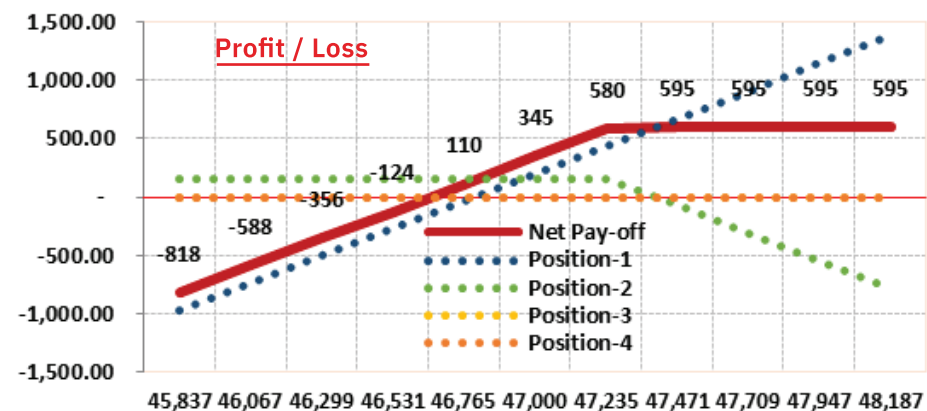
**Illustrative Example:** Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Buy	Futures	46,805	---
Buy	OTM Call	47,250	+150.00

**Break Even = 46,655 (46,805 – 150)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-818.31
46,067	-587.97
46,299	-356.48
46,531	-123.82
46,765	110.00
47,000	345.00
47,235	580.00
47,471	595.00
47,709	595.00
47,947	595.00
48,187	595.00



### NOTES

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# 7

## Collar



3 Legs Strategy, including Futures Position

<b>View:</b>	Conservatively Bullish
<b>Strategy:</b>	3 Legs: Buy Future, Buy Put (insure down side), Sell Call (partly finance put)
<b>Risk:</b>	Limited
<b>Reward:</b>	Limited
<b>Break Even:</b>	Purchase price of Future - Call Premium + Put Premium
<b>Profit, when:</b>	Gold price goes up
<b>Loss, when:</b>	Gold price goes down

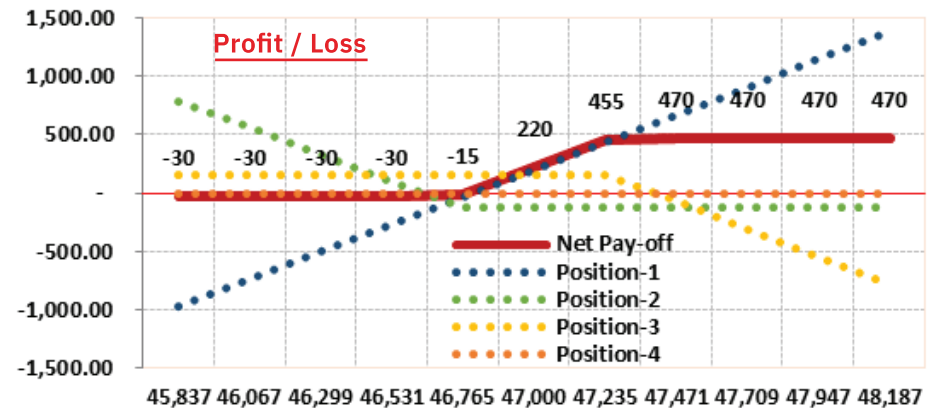
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Buy	Futures	46,805	---
Buy	Put	46,750	- 125.00
Sell	Call	47,250	+ 150.00

**Break Even = 46,780 (46,805 – 150 + 125)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-30.00
46,067	-30.00
46,299	-30.00
46,531	-30.00
46,765	-15.00
47,000	220.00
47,235	455.00
47,471	470.00
47,709	470.00
47,947	470.00
48,187	470.00



### NOTES

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# 8

## Long Combo



2 Legs Strategy

<b>View:</b>	Bullish on Gold
<b>Strategy:</b>	Sell OTM Put and Buy OTM Call
<b>Risk:</b>	Unlimited
<b>Reward:</b>	Unlimited
<b>Break Even:</b>	Call Strike + Net Premium
<b>Profit, when:</b>	Gold price goes up
<b>Loss, when:</b>	Gold price goes down

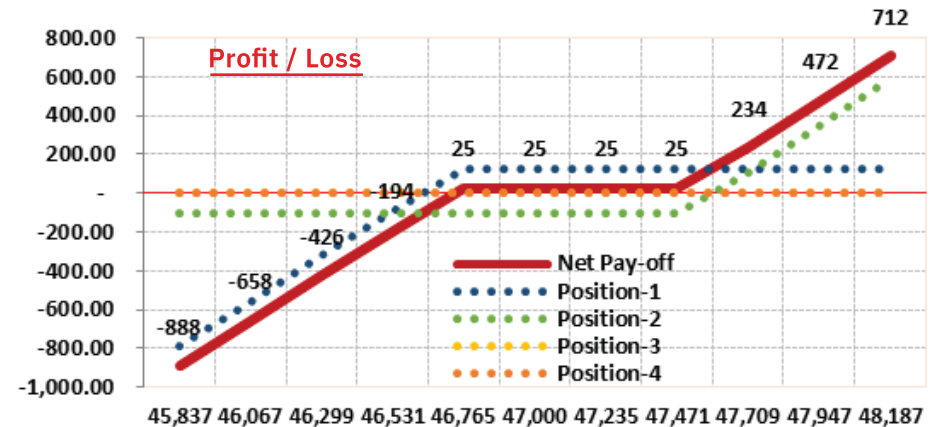
**Illustrative Example:** Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	OTM Put	46,750	+ 125.00
Buy	OTM Call	47,500	- 100.00

**Break Even = 47,525 (47,500+(125-100))**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-888.31
46,067	-657.97
46,299	-426.48
46,531	-193.82
46,765	25.00
47,000	25.00
47,235	25.00
47,471	25.00
47,709	233.53
47,947	472.07
48,187	711.81



### NOTES

# 9

## Long Put



1 Leg Strategy

View:	Bearish on Gold
Strategy:	Buy Put option
Risk:	Limited to Premium
Reward:	Unlimited
Break Even:	Strike Price – Premium
Profit, when:	Gold price goes down
Loss, when:	Gold price goes up

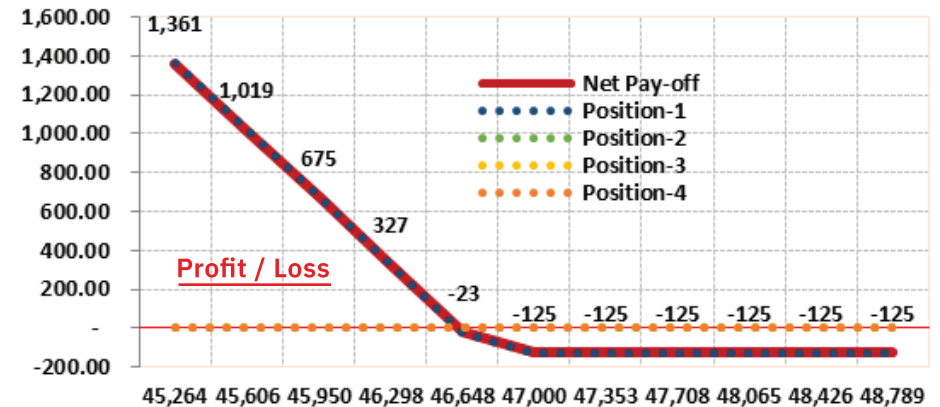
**Illustrative Example: Gold Spot Price – Rs. 47,000**

ACTION	TYPE	STRIKE	PREMIUM
Buy	Put	46,750	- 125.00

**Break Even = 46,625 (46,750–125)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,264	1,361.26
45,606	1,019.22
45,950	674.59
46,298	327.36
46,648	-22.50
47,000	-125.00
47,353	-125.00
47,708	-125.00
48,065	-125.00
48,426	-125.00
48,789	-125.00



### NOTES

# 10 Short Call



1 Leg Strategy

<b>View:</b>	Bearish on Gold
<b>Strategy:</b>	Sell Call option
<b>Risk:</b>	Unlimited
<b>Reward:</b>	Limited to Premium
<b>Break Even:</b>	Strike Price + Premium
<b>Profit, when:</b>	Gold price goes down
<b>Loss, when:</b>	Gold price goes up

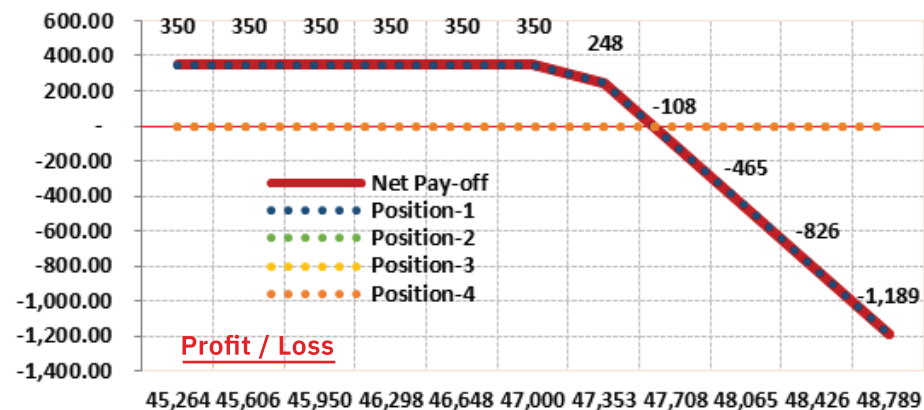
**Illustrative Example:** Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Buy	Put	47,250	+ 350.00

**Break Even = 47,600 (47,250+350)**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,264	350.00
45,606	350.00
45,950	350.00
46,298	350.00
46,648	350.00
47,000	350.00
47,353	247.50
47,708	-107.64
48,065	-465.45
48,426	-825.94
48,789	-1,189.14



## NOTES

# 11 Call Spread - Bearish



2 Legs Strategy

<b>View:</b>	Mildly Bearish on Gold
<b>Strategy:</b>	Sell ITM Call and Buy OTM Call, to protect against unexpected rise
<b>Risk:</b>	Limited to the difference between two strikes minus net premium
<b>Reward:</b>	Limited to Net Premium Received
<b>Break Even:</b>	Strike Price of Short Call + Net Premium Received
<b>Profit, when:</b>	Gold price goes down
<b>Loss, when:</b>	Gold price goes up

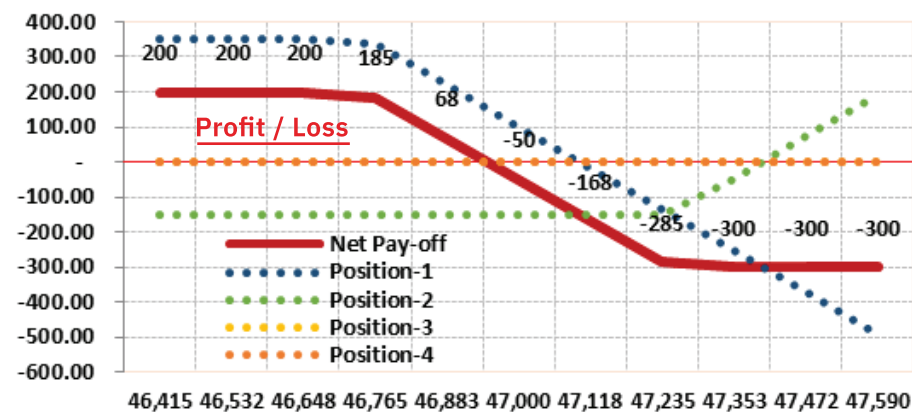
## Illustrative Example: Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	ITM Call	46,750	+ 350.00
Buy	OTM Call	47,250	- 150.00

**Break Even = 46,950 (46,750+(350-150))**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
46,415	200.00
46,532	200.00
46,648	200.00
46,765	184.71
46,883	67.50
47,000	-50.00
47,118	-167.50
47,235	-285.29
47,353	-300.00
47,472	-300.00
47,590	-300.00



## NOTES

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# 12 Put Spread - Bearish



2 Legs Strategy

<b>View:</b>	Moderately Bearish on Gold
<b>Strategy:</b>	Buy ITM Put and Sell OTM Put (to reduce cost)
<b>Risk:</b>	Limited to Net Premium Paid
<b>Reward:</b>	Limited to the difference between two strikes minus net premium paid
<b>Break Even:</b>	Strike Price of Long Put - Net Premium Paid
<b>Profit, when:</b>	Gold price goes down
<b>Loss, when:</b>	Gold price goes up

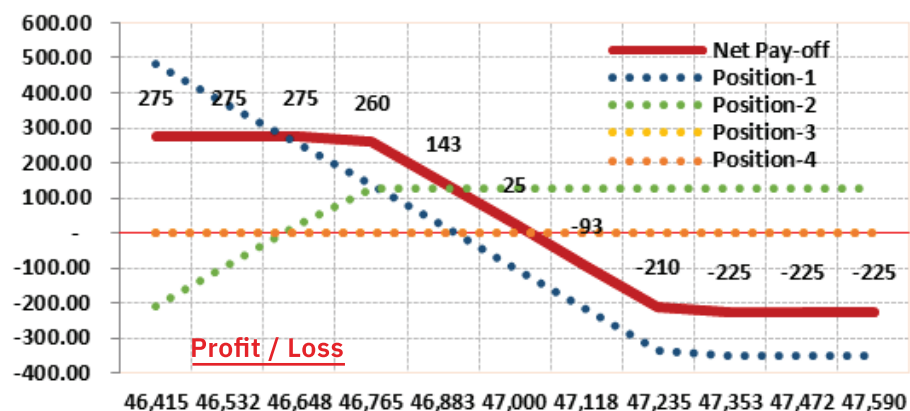
### Illustrative Example: Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Buy	ITM Put	47,250	- 350.00
Sell	OTM Put	46,750	+ 125.00

**Break Even = 47,025 (47,250-(350-125))**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
46,415	275.00
46,532	275.00
46,648	275.00
46,765	259.71
46,883	142.50
47,000	25.00
47,118	-92.50
47,235	-210.29
47,353	-225.00
47,472	-225.00
47,590	-225.00



### NOTES

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# 13 Synthetic Long Put



2 Legs Strategy, including Futures Position

<b>View:</b>	Bearish on Gold, but keep protected
<b>Strategy:</b>	Sell Future, Buy Call option (to protect against rise)
<b>Risk:</b>	Limited to Call Strike Price - Future Price + Premium
<b>Reward:</b>	Unlimited
<b>Break Even:</b>	Futures Price - Call Premium
<b>Profit, when:</b>	Gold price goes down
<b>Loss, when:</b>	Gold price goes up

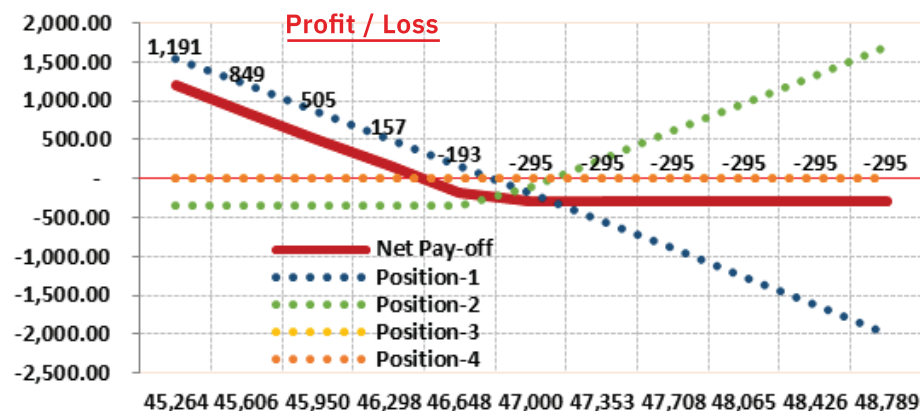
## Illustrative Example: Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	Futures	46,805	---
Buy	Call	46,750	- 350.00

**Break Even = 46,455 (46,805–350)**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,264	1,191.26
45,606	849.22
45,950	504.59
46,298	157.36
46,648	-192.50
47,000	-295.00
47,353	-295.00
47,708	-295.00
48,065	-295.00
48,426	-295.00
48,789	-295.00



## NOTES

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# 14 Covered Put



2 Legs Strategy, including Futures Position

<b>View:</b>	Neutral to Bearish on Gold
<b>Strategy:</b>	Sell Future, Sell OTM Put to earn Premium
<b>Risk:</b>	Unlimited
<b>Reward:</b>	Future Price - Strike Price + Put Premium
<b>Break Even:</b>	Futures Price + Premium Received
<b>Profit, when:</b>	Gold price goes down
<b>Loss, when:</b>	Gold price goes up

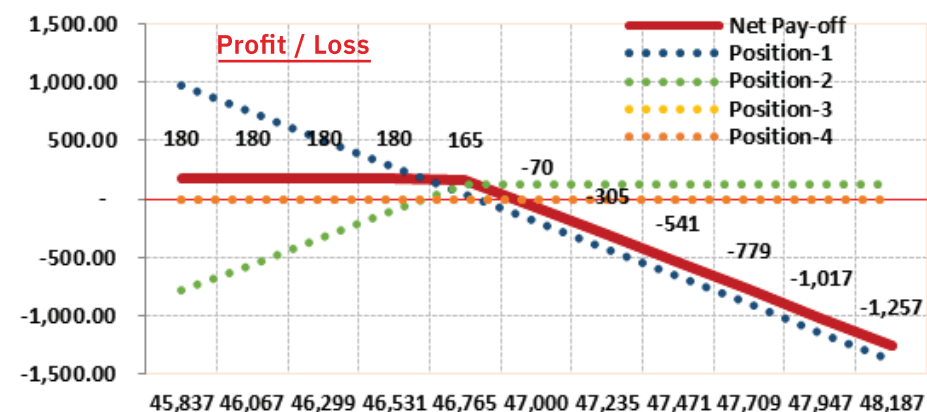
### Illustrative Example: Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	Futures	46,805	---
Sell	OTM Put	46,750	+ 125.00

**Break Even = 46,930 (46,805+125)**

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	180.00
46,067	180.00
46,299	180.00
46,531	180.00
46,765	165.00
47,000	-70.00
47,235	-305.00
47,471	-541.18
47,709	-778.53
47,947	-1,017.07
48,187	-1,256.81



### NOTES

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# 15 Long Straddle



2 Legs Strategy

<b>View:</b>	Gold price will be volatile
<b>Strategy:</b>	Buy Call, Buy Put of Same Strike Price
<b>Risk:</b>	Limited to Premium Paid
<b>Reward:</b>	Unlimited
<b>Upper BE:</b>	Strike Price of Long Call + Net Premium Paid
<b>Lower BE:</b>	Strike Price of Long Put – Net Premium Paid
<b>Profit, when:</b>	One of the options exercised
<b>Max Loss:</b>	Both the options not exercised

**Illustrative Example: Gold Spot Price – Rs. 47,000**

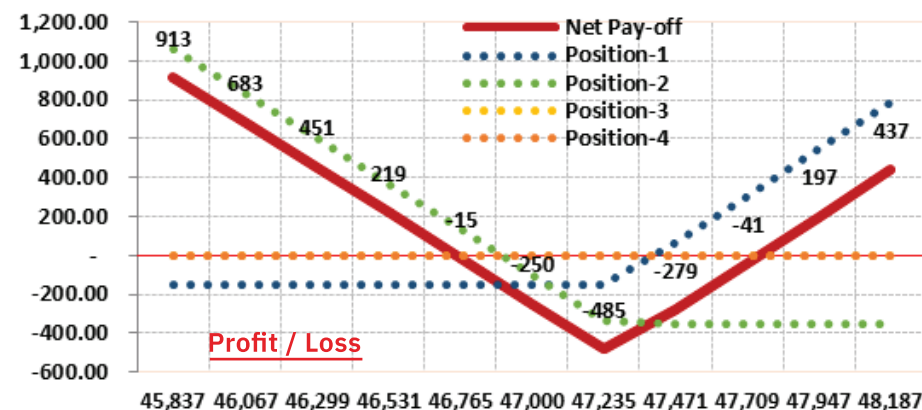
ACTION	TYPE	STRIKE	PREMIUM
Buy	Call	47,250	- 150.00
Buy	Put	47,250	- 350.00

**Upper Break Even = 47,750 (47,250+(150+350))**

**Lower Break Even = 46,750 (47,250–(150+350))**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	913.31
46,067	682.97
46,299	451.48
46,531	218.82
46,765	-15.00
47,000	-250.00
47,235	-485.00
47,471	-278.82
47,709	-41.47
47,947	197.07
48,187	436.81



## NOTES

# 16 Short Straddle



2 Legs Strategy

<b>View:</b>	Gold price will not be volatile
<b>Strategy:</b>	Sell Call, Sell Put of Same Strike Price
<b>Risk:</b>	Unlimited
<b>Reward:</b>	Limited to Premium Received
<b>Upper BE:</b>	Strike Price of Short Call + Net Premium Received
<b>Lower BE:</b>	Strike Price of Short Put – Net Premium Received
<b>Profit, when:</b>	Both the options not exercised
<b>Max Loss:</b>	One of the options exercised

**Illustrative Example: Gold Spot Price – Rs. 47,000**

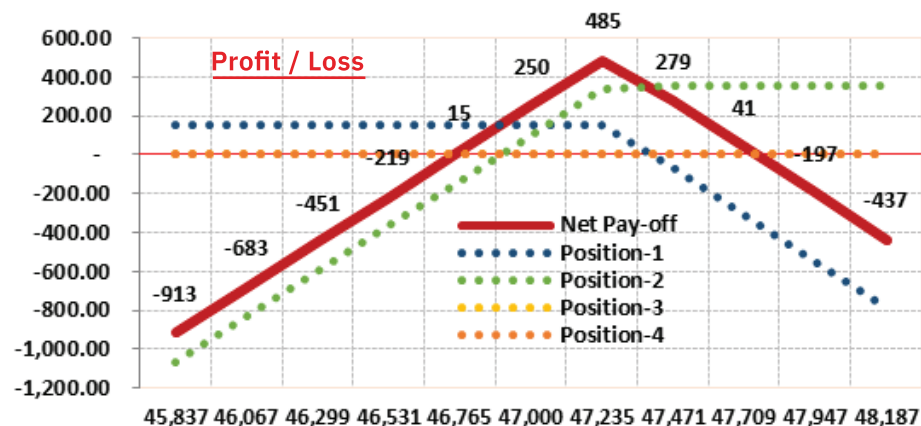
ACTION	TYPE	STRIKE	PREMIUM
Sell	Call	47,250	+ 150.00
Sell	Put	47,250	+ 350.00

**Upper Break Even = 47,750 (47,250+(150+350))**

**Lower Break Even = 46,750 (47,250–(150+350))**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-913.31
46,067	-682.97
46,299	-451.48
46,531	-218.82
46,765	15.00
47,000	250.00
47,235	485.00
47,471	278.82
47,709	41.47
47,947	-197.07
48,187	-436.81



## NOTES

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# 17 Long Strangle



2 Legs Strategy

<b>View:</b>	Gold price will be volatile
<b>Strategy:</b>	Buy OTM 1 Call and OTM 1 Put (OTM 1 - Strike close to ATM)
<b>Risk:</b>	Limited to Premium Paid
<b>Reward:</b>	Unlimited
<b>Upper BE:</b>	Strike Price of Call + Net Premium
<b>Lower BE:</b>	Strike Price of Put – Net Premium
<b>Profit, when:</b>	One of the options exercised
<b>Max Loss:</b>	Both the options not exercised

**Illustrative Example: Gold Spot Price – Rs. 47,000**

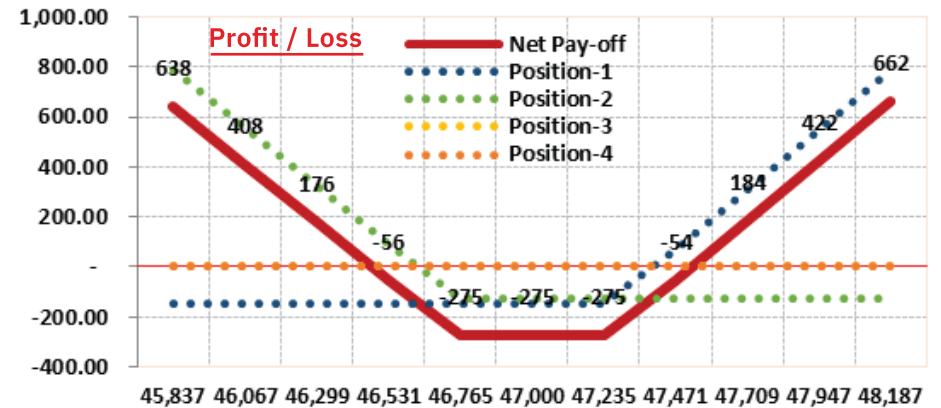
ACTION	TYPE	STRIKE	PREMIUM
Buy	OTM 1 Call	47,250	- 150.00
Buy	OTM 1 Put	46,750	- 125.00

**Upper Break Even = 47,525 (47,250+(150+125))**

**Lower Break Even = 46,475 (47,250–(150+125))**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	638.31
46,067	407.97
46,299	176.48
46,531	-56.18
46,765	-275.00
47,000	-275.00
47,235	-275.00
47,471	-53.82
47,709	183.53
47,947	422.07
48,187	661.81



## NOTES

# 18 Short Strangle



2 Legs Strategy

<b>View:</b>	Gold price will not be volatile
<b>Strategy:</b>	Sell OTM 1 Call and OTM 1 Put (OTM 1 - Strike close to ATM)
<b>Risk:</b>	Unlimited
<b>Reward:</b>	Limited to Premium Received
<b>Upper BE:</b>	Strike Price of Call + Net Premium
<b>Lower BE:</b>	Strike Price of Put – Net Premium
<b>Profit, when:</b>	Both the options not exercised
<b>Max Loss:</b>	One of the options exercised

**Illustrative Example: Gold Spot Price – Rs. 47,000**

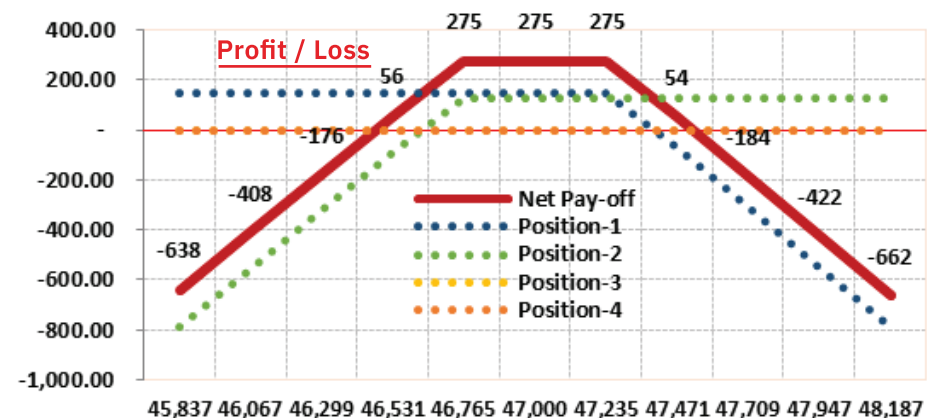
ACTION	TYPE	STRIKE	PREMIUM
Sell	OTM Call	47,250	+ 150.00
Sell	OTM Put	46,750	+ 125.00

**Upper Break Even = 47,525 (47,250+(150+125))**

**Lower Break Even = 46,475 (46,750–(150+125))**

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-638.31
46,067	-407.97
46,299	-176.48
46,531	56.18
46,765	275.00
47,000	275.00
47,235	275.00
47,471	53.82
47,709	-183.53
47,947	-422.07
48,187	-661.81



## NOTES

# 19 Long Call Butterfly



4 Legs Strategy

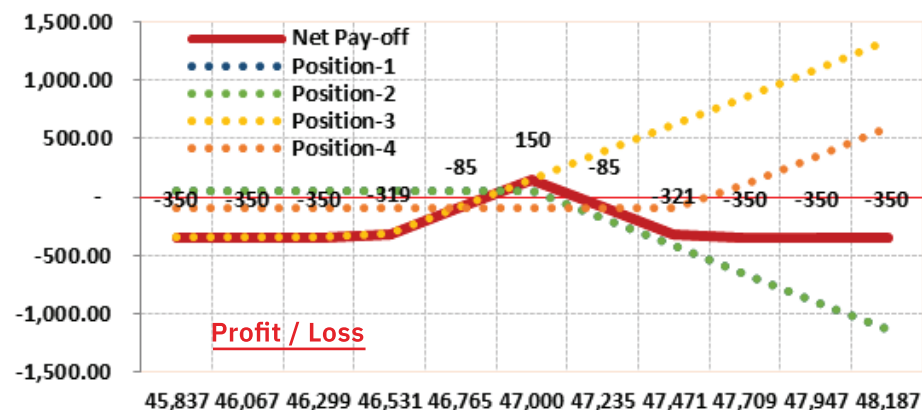
<b>View:</b>	Neutral on Gold, Bearish on Volatility
<b>Strategy:</b>	CALLS - Sell 2 ATM, Buy 1 ITM, Buy 1 OTM
<b>Risk:</b>	Limited to Net Premium Paid
<b>Reward:</b>	Limited to difference between adjacent strikes minus net premium debit
<b>Upper BE:</b>	Higher Strike Price – Net Premium
<b>Lower BE:</b>	Lower Strike Price + Net Premium
<b>Profit, when:</b>	ITM Call exercised, Others not exercised
<b>Max Loss:</b>	All options exercised OR All not exercised

**Illustrative Example:** Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Sell	ATM Call	47,000	+ 50.00
Sell	ATM Call	47,000	+ 50.00
Buy	ITM Call	46,500	- 350.00
Buy	OTM Call	47,500	- 100.00
Upper Break Even = 47,150 (47,500-(350+100-100))			
Lower Break Even = 46,850 (46,500+(350+100-100))			

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-350.00
46,067	-350.00
46,299	-350.00
46,531	-318.82
46,765	-85.00
47,000	150.00
47,235	-85.00
47,471	-321.18
47,709	-350.00
47,947	-350.00
48,187	-350.00



## NOTES

# 20 Short Call Butterfly



4 Legs Strategy

<b>View:</b>	Neutral on Gold, Bullish on Volatility
<b>Strategy:</b>	CALLS - Buy 2 ATM, Sell 1 ITM, Sell 1 OTM
<b>Risk:</b>	Limited to difference between adjacent strikes minus net premium received
<b>Reward:</b>	Limited to Net Premium Received
<b>Upper BE:</b>	Higher Strike Price – Net Premium
<b>Lower BE:</b>	Lower Strike Price + Net Premium
<b>Profit, when:</b>	All options exercised OR All not exercised
<b>Max Loss:</b>	ITM Call exercised, Others not exercised

## Illustrative Example: Gold Spot Price – Rs. 47,000

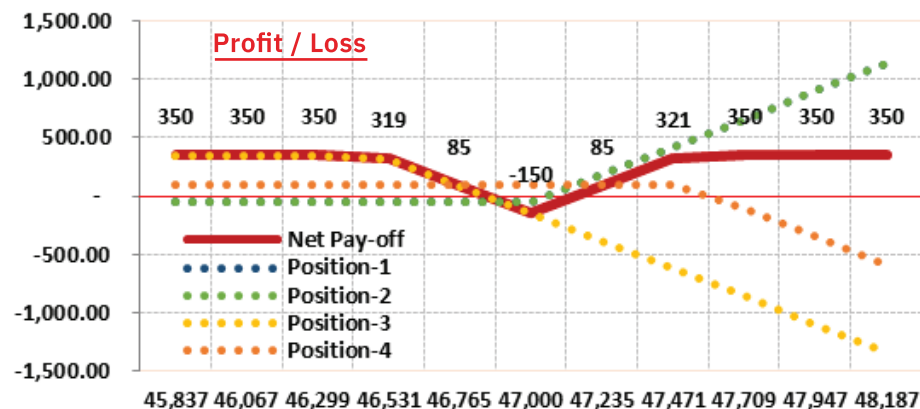
ACTION	TYPE	STRIKE	PREMIUM
Buy	ATM Call	47,000	- 50.00
Buy	ATM Call	47,000	- 50.00
Sell	ITM Call	46,500	+ 350.00
Sell	OTM Call	47,500	+ 100.00

Upper Break Even = 47,150 (47,500-(350+100-100))

Lower Break Even = 46,850 (46,500+(350+100-100))

## Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	350.00
46,067	350.00
46,299	350.00
46,531	318.82
46,765	85.00
47,000	-150.00
47,235	85.00
47,471	321.18
47,709	350.00
47,947	350.00
48,187	350.00



## NOTES

# 21

## Long Call Condor



4 Legs Strategy

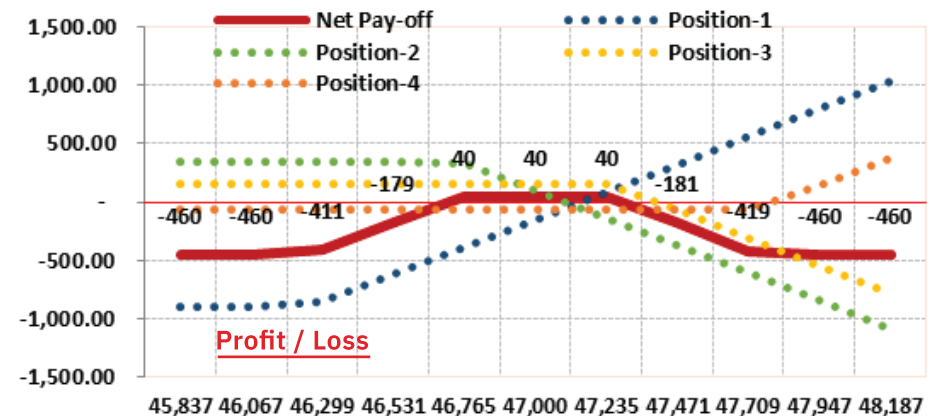
<b>View:</b>	Range bound Movement of Gold price
<b>Strategy:</b>	CALLS - Buy 1 ITM (Lower Strike A), Sell 1 ITM (Lower Middle B), Sell 1 OTM (Higher Middle C), Buy 1 OTM (Higher Strike D)
<b>Risk:</b>	Limited to difference between lower strike spread less higher strike spread less premium paid
<b>Reward:</b>	Limited (Max when gold price between B and C)
<b>Profit, when:</b>	Option A and B exercised
<b>Max Loss:</b>	All options exercised OR All not exercised

### Illustrative Example: Gold Spot Price – Rs. 47,000

ACTION	TYPE	STRIKE	PREMIUM
Buy	ITM Call (Lower)	46,250	- 900.00
Sell	ITM Call (Lower Middle)	46,750	+ 350.00
Sell	OTM Call (Higher Middle)	47,250	+ 150.00
Buy	ITM Call (Higher)	47,750	- 60.00
Upper Break Even = 47,290 (47,750-(900+60-350-150))			
Lower Break Even = 46,710 (46,250+(900+60-350-150))			

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	-460.00
46,067	-460.00
46,299	-411.48
46,531	-178.82
46,765	40.00
47,000	40.00
47,235	40.00
47,471	-181.18
47,709	-418.53
47,947	-460.00
48,187	-460.00



### NOTES

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## 22 Short Call Condor



4 Legs Strategy

<b>View:</b>	Gold price to break-out trading range, but Direction is uncertain
<b>Strategy:</b>	CALLS - Sell 1 ITM (Lower Strike A), Buy 1 ITM (Lower Middle B), Buy 1 OTM (Higher Middle C), Sell 1 OTM (Higher Strike D)
<b>Risk:</b>	Limited (Max when gold price between B and C)
<b>Reward:</b>	Limited (Price Move above OR below A)
<b>Max Profit:</b>	All options exercised OR All not exercised
<b>Max Loss:</b>	Option A and B exercised

### Illustrative Example: Gold Spot Price – Rs. 47,000

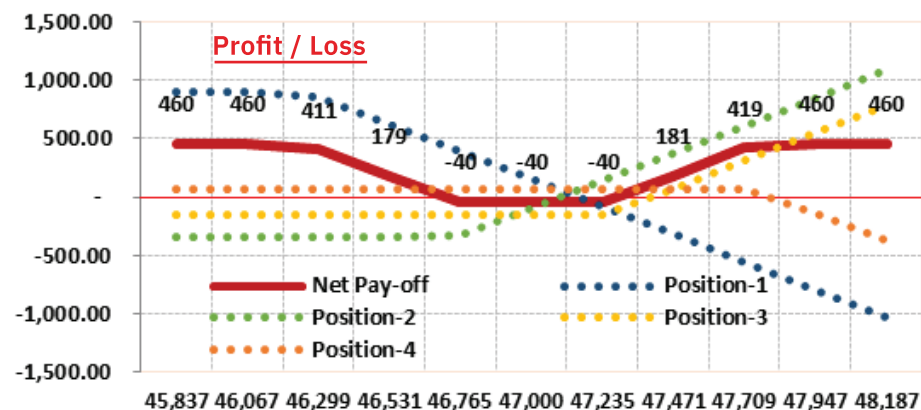
ACTION	TYPE	STRIKE	PREMIUM
Sell	ITM Call (Lower)	46,250	+ 900.00
Buy	ITM Call (Lower Middle)	46,750	- 350.00
Buy	OTM Call (Higher Middle)	47,250	- 150.00
Sell	ITM Call (Higher)	47,750	+ 60.00

Upper Break Even = 47,290 (47,750-(900+60-350-150))

Lower Break Even = 46,710 (46,250+(900+60-350-150))

### Pay-Off Matrix:

EXPIRY CLOSING	NET PAYOFF
45,837	460.00
46,067	460.00
46,299	411.48
46,531	178.82
46,765	-40.00
47,000	-40.00
47,235	-40.00
47,471	181.18
47,709	418.53
47,947	460.00
48,187	460.00



### NOTES



# NOTES

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