Bullish Strategy Revision.

In today's, session we will be discussing about bullish option strategies which we covered till now. Following are the bullish strategies which we have discussed till now.

1. Long call.
2. Uncovered Put.
3. Collar strategy.
4. Collar Backspread.
5. Bull Calls spread.

1. Long Call:

The long call option strategy is the most basic option trading strategy whereby the options trader buys call options with the belief that the price of the strike price before the option expiration date. It is a simplest way of trading a call. New traders can often start with trading options by buying calls, not only because of its simplicity but also due to the large ROI generated from successful trades. There can be no limit as to how high the stock price can be at expiration date, there is no limit to the maximum profit possible when implementing the long call option strategy.

2. Uncovered Put Write:

In this option trading strategy involves the selling of put options without shorting the obligated shares of the underlying stock. It is also known as naked put write or cash secured put, this is a bullish options strategy that is executed to earn a consistent profits by ongoing collection of premiums

3. Collar strategy:

It is constructed by holding shares of the underlying stock while simultaneously buying protective puts and selling call options against that holding. The puts and calls are both out-of-the-money options having the same expiration month and must be equal in number of contracts.

Collar strategy Construction:

Long 100 Shares; Sell 1 OTM Call; Buy 1 OTM Put

It is a good strategy to use if the options trader is writing covered calls to earn premiums but wish to protect him from an unexpected sharp drop in the price of the underlying security.

4. Collar backspread:

This strategy involves selling a number of call options and buying more call options of the same underlying stock and expiration date at a higher strike price. It is an unlimited profit, limited risk options trading strategy in which options trader thinks that the underlying stock will experience significant upside movement in the near term.

Call Backspread Construction:

Sell 1 ITM Call Buy 2 OTM Calls

A 2:1 call backspread is implemented by selling a number of calls at a lower strike and buying twice the number of calls at a higher strike.

5. **Bull Call Spread:**

Bull call spread option trading strategy is employed when the options trader thinks that the price of the underlying asset will go up moderately in the near term. It can be implemented by buying an at-the-money call option while simultaneously writing a higher striking out-of-the-money call option of the same underlying security and the same expiration month.
Bull Call Spread Construction:
Buy 1 ITM; Sell 1 OTM

By shorting the out-of-the-money call, the trader reduces the cost of establishing the bullish position but forgoes the chance of making a large profit in the event that the underlying asset price skyrockets. This strategy also known as the bull call debit spread as a debit is taken upon entering the trade.

From next session we will start with Bearish strategy. For any doubts related bullish option strategies kindly contact us on knowledge@grovalue.in