

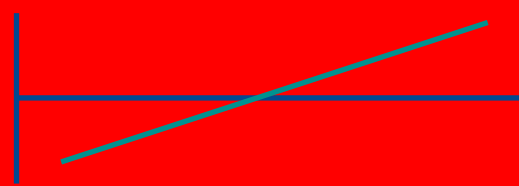
# ASX Options

## Clever products for clever investors

### BULL STRATEGIES

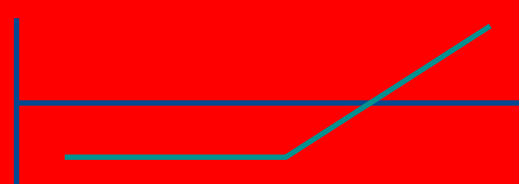
Overall, these positions will do better if the stock or index market rises.

#### Synthetic Long



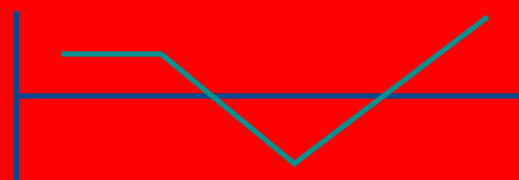
Example:  
Buy 1 Call and Sell 1 Put at the same strike  
Market Outlook: Bullish  
Risk: Substantial  
Reward: Unlimited  
Increase in Volatility: Neutral  
Time Decay: Neutral

#### Long Call



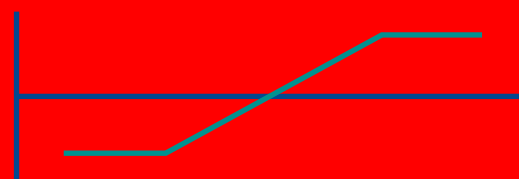
Example:  
Buy 1 Call  
Market Outlook: Bullish  
Risk: Limited  
Reward: Unlimited  
Increase in Volatility: Helps position  
Time Decay: Hurts position

#### Call Backspread



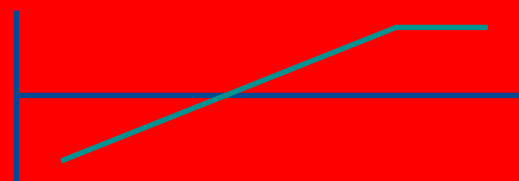
Example:  
Sell 1 Call and Buy 2 Calls at a higher strike  
Market Outlook: Bullish  
Risk: Limited  
Reward: Unlimited  
Increase in Volatility: Typically helps position  
Time Decay: Typically hurts position

#### Bull Spread



Example:  
Buy 1 Call (Put) and Sell 1 Call (Put) at higher strike  
Market Outlook: Moderately Bullish  
Risk: Limited  
Reward: Limited  
Increase in Volatility or Time Decay: Helps or hurts depending on strikes chosen

#### Buy Write

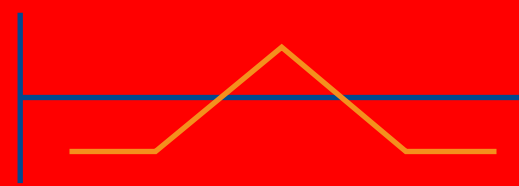


Example:  
Buy 1000 shares and Sell 1 Call  
Market Outlook: Neutral to Slightly Bullish  
Risk: Substantial  
Reward: Limited  
Increase in Volatility: Hurts position  
Time Decay: Helps position

### NEUTRAL STRATEGIES

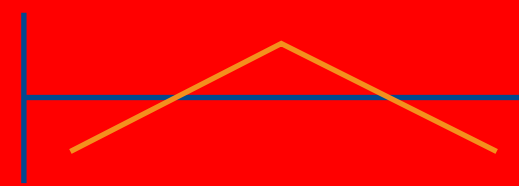
Overall, these positions will do better if the stock or index market does not move very much.

#### Long Butterfly



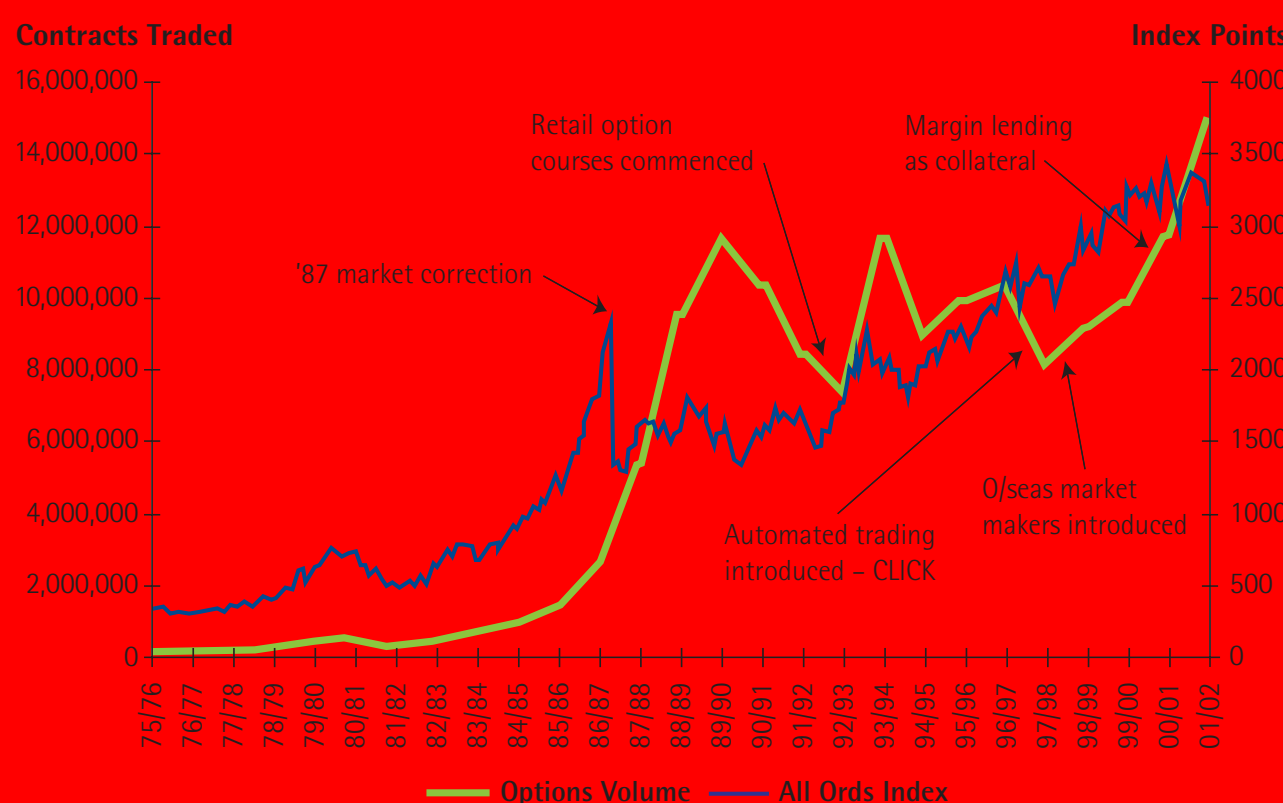
Example:  
Sell 2 Calls, Buy 1 Call at higher strike and Buy 1 Call at lower strike  
Market Outlook: Neutral  
Risk: Limited  
Reward: Limited  
Increase in Volatility: Typically hurts position  
Time Decay: Typically helps position

#### Short Straddle

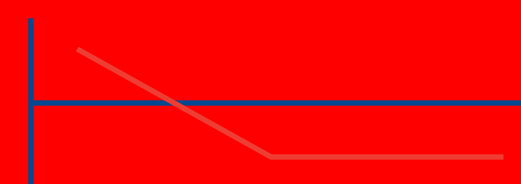


Example:  
Sell 1 Call and Sell 1 Put at the same strike  
Market Outlook: Neutral  
Risk: Unlimited  
Reward: Limited  
Increase in Volatility: Hurts position  
Time Decay: Helps position

### ASX OPTIONS SINCE 1976

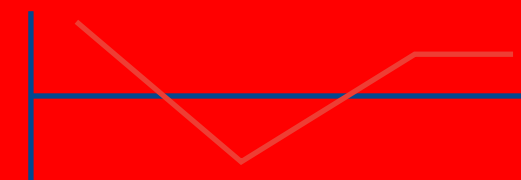


#### Long Put



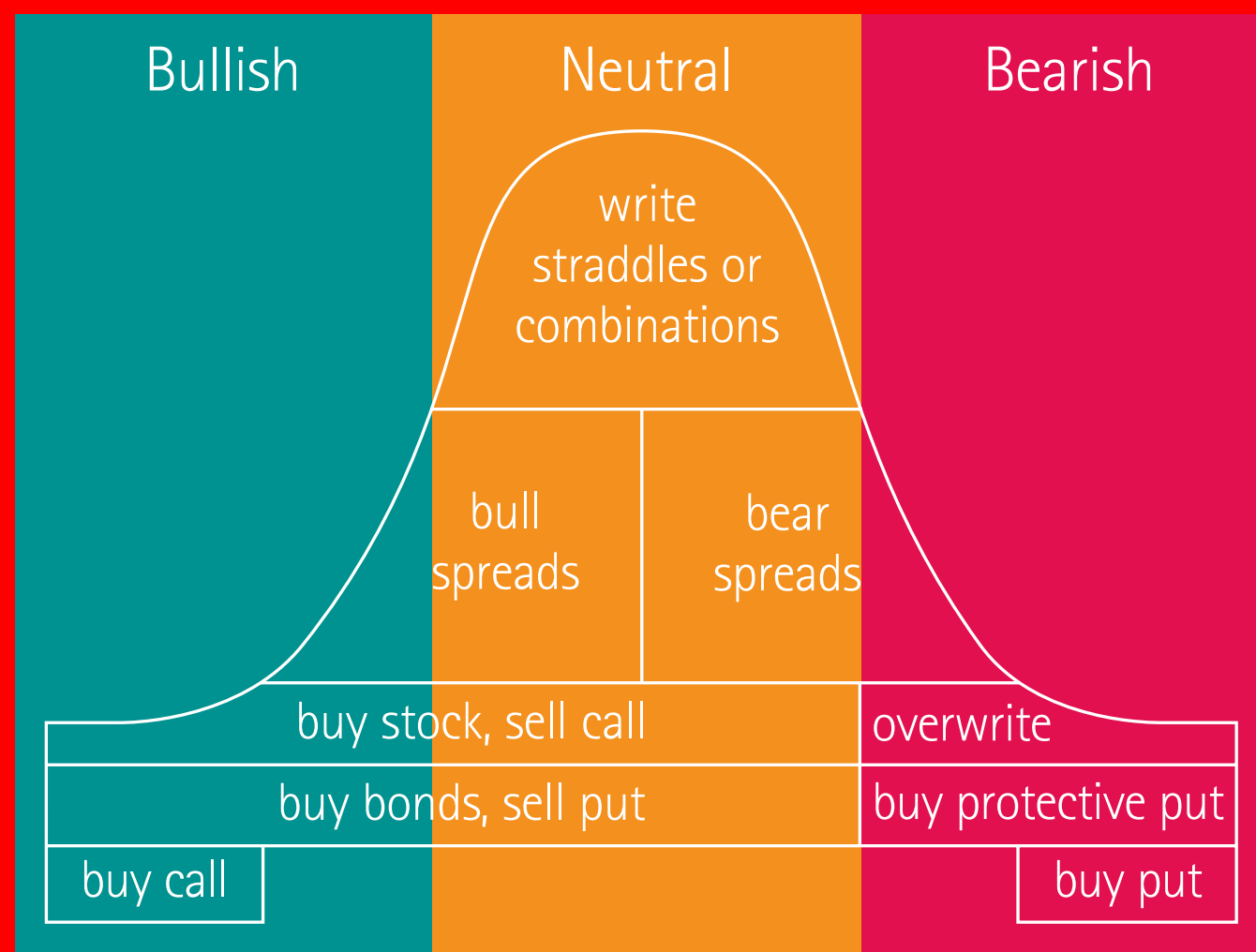
Example:  
Buy 1 Put  
Market Outlook: Bearish  
Risk: Limited  
Reward: Substantial  
Increase in Volatility: Helps position  
Time Decay: Hurts position

#### Put Backspread

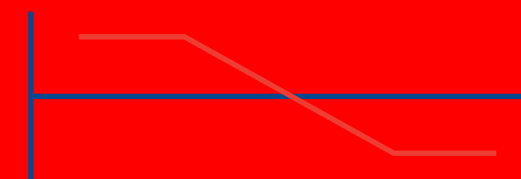


Example:  
Sell 1 Put and Buy 2 Puts at a lower strike  
Market Outlook: Bearish  
Risk: Limited  
Reward: Substantial  
Increase in Volatility: Typically helps position  
Time Decay: Typically hurts position

### THE OPTIONS STRATEGY SPECTRUM

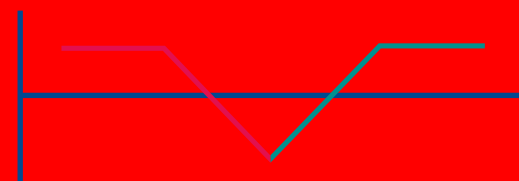


#### Bear Spread



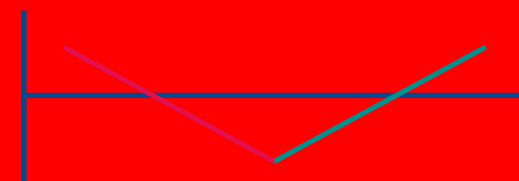
Example:  
Sell 1 Put (Call) and Buy 1 Put (Call) at higher strike  
Market Outlook: Moderately Bearish  
Risk: Limited  
Reward: Limited  
Increase in Volatility or Time Decay: Helps or Hurts depending on strikes chosen

#### Short Butterfly



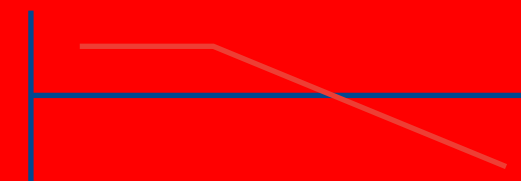
Example:  
Buy 2 Puts, Sell 1 Put at higher strike and Sell 1 Put at lower strike  
Market Outlook: Strong move in either direction  
Risk: Limited  
Reward: Limited  
Increase in Volatility: Typically helps position  
Time Decay: Typically hurts position

#### Long Straddle



Example:  
Buy 1 Call and Buy 1 Put at the same strike  
Market Outlook: Strong move in either direction  
Risk: Limited  
Reward: Unlimited  
Increase in Volatility: Helps position  
Time Decay: Hurts position

#### Short Call



Example:  
Sell 1 Call  
Market Outlook: Neutral to Slightly Bearish  
Risk: Unlimited  
Reward: Limited  
Increase in Volatility: Hurts position  
Time Decay: Helps position



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