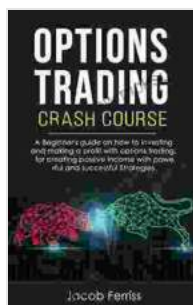


Beginner's Guide to Options Trading for Profit



Options Trading Crash Course: A Beginner's guide how to investing and making a profit with options trading, for creating passive income with powerful and successful Strategies. by Jacob Ferriss

★★★★☆ 4.5 out of 5

Language : English
File size : 4499 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 181 pages
Lending : Enabled



What are Options?

Options are financial contracts that give the buyer the right, but not the obligation, to buy or sell an underlying asset at a specified price on or before a certain date. The underlying asset can be a stock, ETF, index, commodity, or currency.

There are two main types of options: calls and puts.

- **Call options** give the buyer the right to buy the underlying asset at the specified price.
- **Put options** give the buyer the right to sell the underlying asset at the specified price.

How Options Trading Works

When you buy an option, you are paying a premium for the right to buy or sell the underlying asset at the specified price on or before the expiration date. The premium is determined by a number of factors, including the price of the underlying asset, the volatility of the asset, and the time until expiration.

If the price of the underlying asset moves in your favor, you can exercise your option and buy or sell the asset at the specified price. If the price of the asset moves against you, you can let the option expire worthless and lose your premium.

Options Trading Strategies

There are a variety of options trading strategies that you can use to make a profit. Some of the most common strategies include:

- **Covered calls** involve selling a call option against a stock that you own.
- **Naked calls** involve selling a call option without owning the underlying asset.
- **Married puts** involve buying a put option and selling a call option with the same strike price and expiration date.
- **Protective puts** involve buying a put option to protect against downside risk in a stock that you own.

Risks of Options Trading

Options trading can be a profitable way to invest, but it is also important to be aware of the risks involved.

- **You can lose your entire investment.** The value of options can fluctuate rapidly, and you could lose your entire investment if the price of the underlying asset moves against you.
- **Options trading can be complex.** There are a number of factors that can affect the price of options, and it is important to understand how these factors work before you start trading.
- **Options trading can be time-consuming.** You need to monitor the price of the underlying asset and the value of your options regularly to make sure that you are making the right decisions.

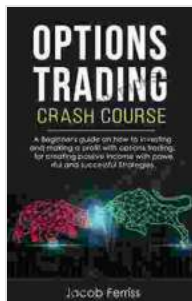
How to Make a Profit with Options Trading

If you are interested in learning more about options trading, there are a number of resources available to help you get started.

- **Books:** There are a number of books available that can teach you the basics of options trading.
- **Online courses:** There are a number of online courses that can teach you how to trade options.
- **Brokers:** Most brokers offer educational materials and support to help their clients learn about options trading.

Once you have learned the basics of options trading, you can start trading with a small amount of money and gradually increase your investment as you become more experienced.

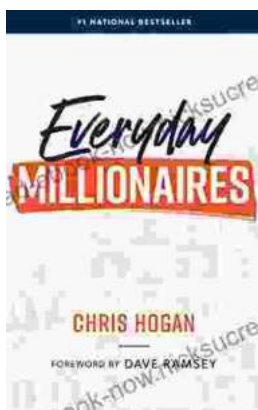
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