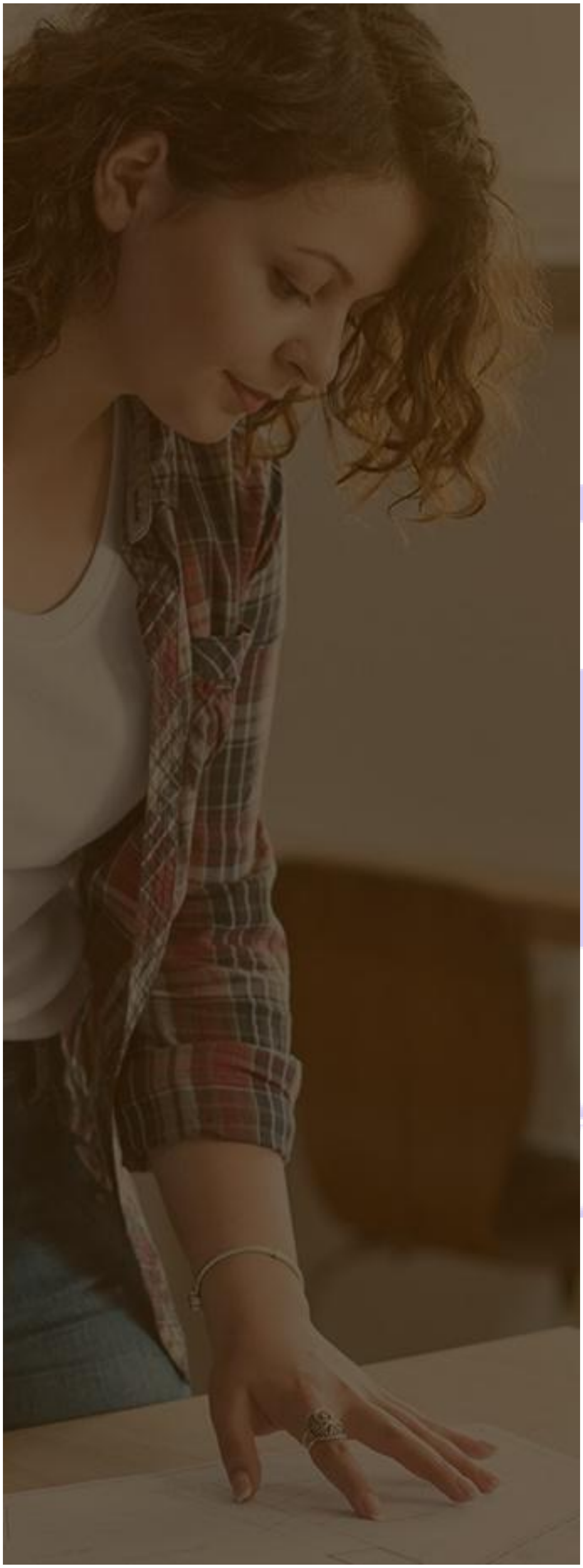
5 WINNING

OPTIONS TRADING STRATEGIES FOR CONSISTENT PROFITS

Free Guide



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INTRODUCTION

Welcome to this exclusive guide from Replete Equities.

With over 13 years of experience in derivatives trading, Sachin Sival has distilled key strategies that have helped thousands of traders navigate the Indian markets successfully.

This guide will equip you with practical, time-tested option strategies to build confidence and sustained profitability.

1. STRATEGY 1: BULL CALL SPREAD

The Bull Call Spread is a popular spread strategy best suited when your outlook on the stock or index is moderately bullish — expecting a rise but with limited upside. It involves buying an ATM call option and selling an OTM call option with the same expiry on the same underlying.

Trade Setup

- **Buy 1 ATM Call option (e.g., 7800 CE)**
- **Sell 1 OTM Call option (e.g., 7900 CE)**

Key Points

- **Net cash flow is a debit (cost): premium paid for ATM call minus premium received for OTM call.**
- **Maximum loss = net debit (premium paid minus received).**
- **Maximum profit = difference between the strike prices minus net debit.**
- **Breakeven = lower strike + net debit.**

Example

- **If you pay Rs.79 for 7800 CE and receive Rs.25 for 7900 CE, net debit = Rs.54.**
- **Max loss = Rs.54**
- **Max profit = Rs.46 (100 spread - 54 net debit)**
- **Breakeven = 7854 (7800 + 54)**

Ideal Use

When moderately bullish with an expected rise under 5% and desire to reduce cost compared to outright buying calls.

2. STRATEGY 2: BULL PUT SPREAD

The Bull Put Spread is a credit spread strategy suitable for a moderately bullish outlook when put premiums are attractive due to a decline or high volatility. It involves selling an ITM put and buying an OTM put on the same underlying and expiry.

Trade Setup

- Sell 1 ITM Put option (e.g., 7900 PE)
- Buy 1 OTM Put option (e.g., 7700 PE)

Key Points

- Net cash flow is a credit (income): premium received for ITM put minus premium paid for OTM put.
- Maximum profit = net credit (premium received minus paid).
- Maximum loss = spread between strikes minus net credit.
- Breakeven = higher strike minus net credit.

Example

If you receive Rs.163 for selling 7900 PE and pay Rs.72 for buying 7700 PE, net credit = Rs.91.

- Max profit = Rs.91
- Max loss = Rs.109 (200 spread - 91 net credit)
- Breakeven = 7809 (7900 - 91)

Ideal Use

When you expect the market to hold or rise moderately and want to earn premium income with defined risk.

3. STRATEGY 3: CALL RATIO BACK SPREAD

The Call Ratio Back Spread is a bullish strategy involving selling fewer ITM calls and buying more OTM calls (typically 1:2 ratio). It offers unlimited profit if the market surges and limited profit if the market falls, with predefined loss within a range.

Trade Setup

- Sell 1 ITM Call (e.g., 7600 CE)
- Buy 2 OTM Calls (e.g., 7800 CE)

Key Points

- Usually executed for a net credit.
- Max loss occurs if price stays between ITM and OTM strikes.
- Two breakeven points: lower breakeven = lower strike + net credit; upper breakeven = higher strike + max loss.
- Profit unlimited on upside and limited gain on downside.

Example

If you receive Rs.201 premium for selling 7600 CE and pay Rs.78 per lot for two 7800 CE, net credit = Rs.45.

- Max loss approx Rs.155
- Lower breakeven approx 7645
- Upper breakeven approx 7955

Ideal Use

When you have a strong bullish view and expect a significant market move.

4. STRATEGY 4: BEAR CALL LADDER

The Bear Call Ladder is an advanced bullish strategy resembling a combination of call ratio spreads, involving selling 1 ITM call and buying 1 ATM + 1 OTM calls. It is setup for a net credit and offers profits if the market moves significantly up or down, with losses if the market stays in a specific range.

- **Trade Setup**
  - Sell 1 ITM Call (e.g., 7600 CE)
  - Buy 1 ATM Call (e.g., 7800 CE)
  - Buy 1 OTM Call (e.g., 7900 CE)
- **Key Points**
  - Executed for net credit.
  - Loss happens when market closes between breakeven levels.
  - Two breakevens: lower and upper, beyond which profits grow.
- **Example**
- Sell 7600 CE for Rs.247, buy 7800 CE at Rs.117, buy 7900 CE at Rs.70, net credit = Rs.60.
  Loss zone between approx 7660 and 8040. Profits outside this zone.
- **Ideal Use**
- When you expect significant price volatility, often around earnings or major events.

5. STRATEGY 5: LONG STRADDLE

The Long Straddle involves buying both ATM Call and Put options to profit from large price moves in either direction. The strategy profits if the stock moves significantly up or down, with losses limited to premiums paid.

Trade Setup

- Buy 1 ATM Call
- Buy 1 ATM Put

Key Points

- Net cash flow is debit (combined premiums).
- Maximum loss = total premiums paid if price does not move.
- Unlimited profit if price moves sharply in either direction.
- High sensitivity to volatility increases.

Ideal Use

When expecting a major price swing but uncertain about direction, often before earnings or events.

6. CALL TO ACTION

Take Your Trading to the Next Level: Join Our Option Strategies Mentorship Program

Ready to accelerate your trading success with personalized guidance?
Our **Option Strategies Mentorship Program** is designed for traders like you who want expert coaching, proven strategies, and practical insights to consistently profit in fast-moving markets.

What You Get:

- One-on-one mentorship from Sachin Sival with 13+ years of experience
- Deep dives into advanced option strategies and risk management
- Real-time trade setups and market analysis
- Access to exclusive trading tools and community support

Don’t Trade Alone — Build Confidence and Grow Your Portfolio with Expert Support!

Join now and start transforming your trading journey today.

Visit repleteequities.com/mentorship or contact us at hello@repleteequities.com to learn more

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