

Common Options Trading Strategies

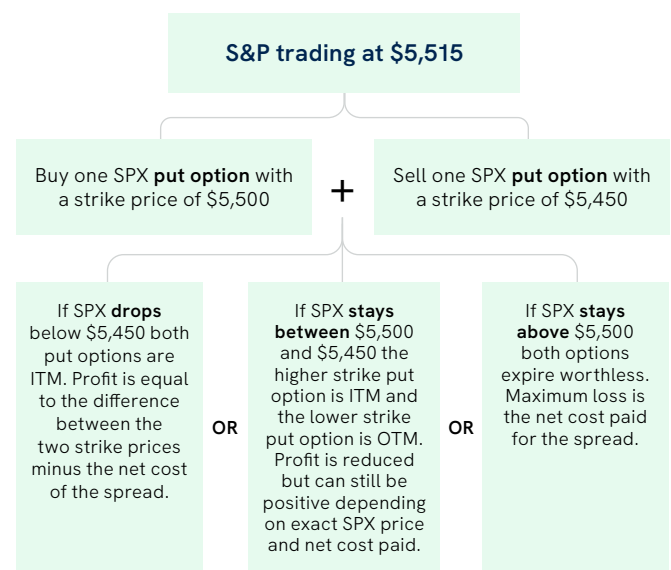
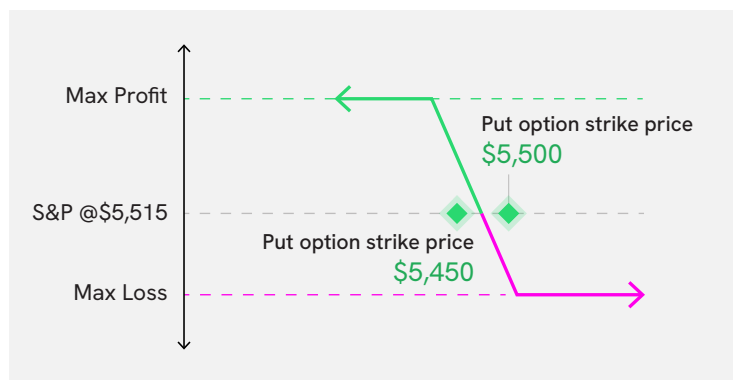
Global Derivatives

Options trading strategies combine different options to target specific outcomes. They are often more flexible than basic options trades which can help limit losses. Having the ability to tailor trading to specific market scenarios may also help traders better cost-effectively define gains. Let's take a look at three common trading strategies.

Bear Put Spread

GOAL: To profit from a gradual price decline in the underlying asset.

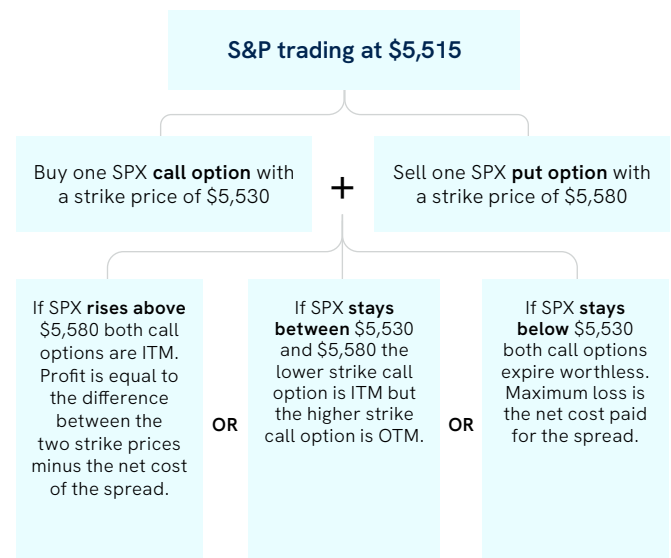
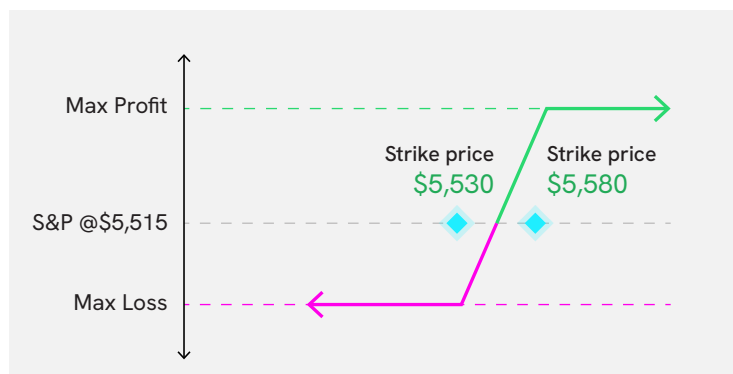
A bear put spread involves a trader buying a put option and selling the same number of put options at a lower price. This strategy may be utilized by a trader who believes an asset will decline in value.



Bull Call Spread

GOAL: To profit from a gradual price rise in the underlying asset.

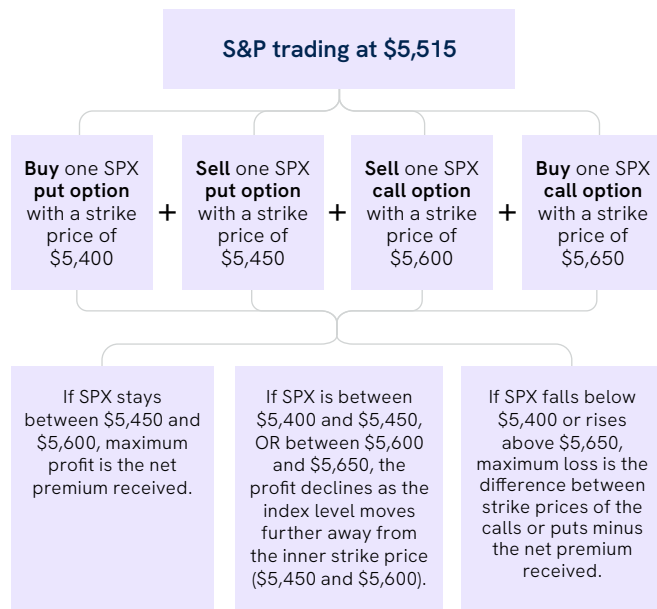
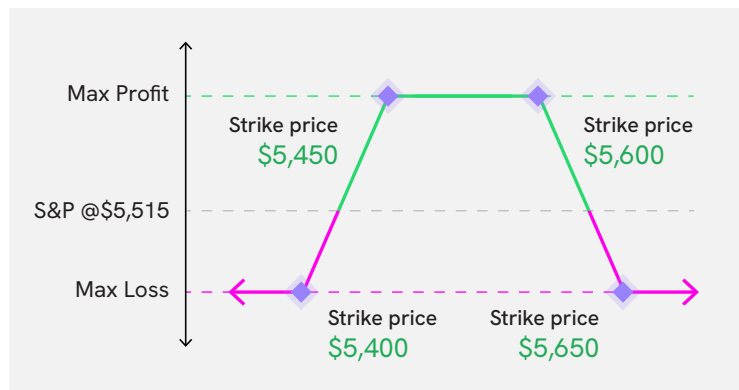
A bull call spread involves a trader buying a call option and selling the same number of call options at a higher price. This strategy may be utilized by a trader who believes an asset will increase in value.



Iron Condor

GOAL: To profit from little to no price movement in the underlying asset (low volatility).

An iron condor combines both long and short call options and long and short put options. This strategy may be utilized by a trader who believes an asset's value will stay within a specific range.



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