

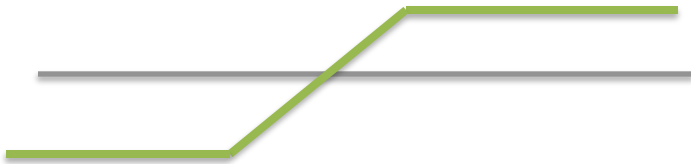


Investing With **Options**



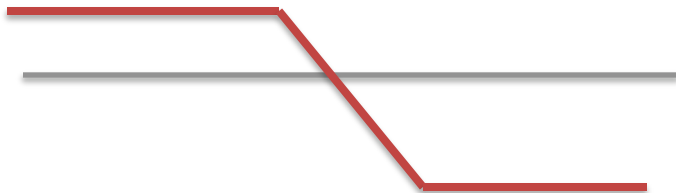
Credit Spread Trading Worksheet

Credit Spread Sale Structure



Put Credit Spread

- Short put spread
- Long put spread
- Bullish trade



Call Credit Spread

- Short call spread
- Long call spread
- Bearish trade

1. All options are out of the money
2. The short option will have a strike price closer to the price of the stock.

Credit Spread Rules

Duration

- 30 to 45 Days

Strike

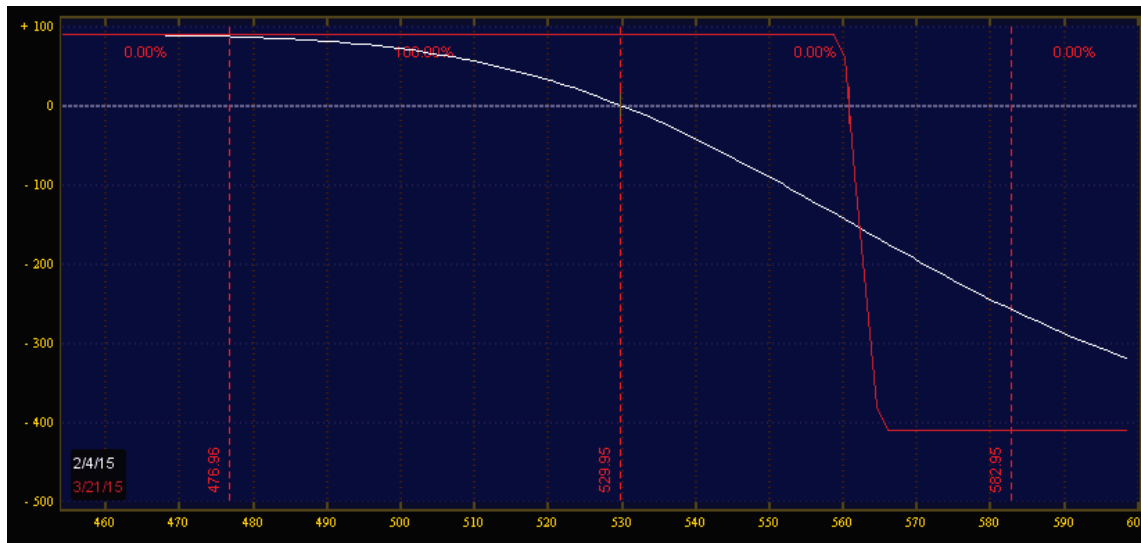
- 20 to 30 delta short strike

Distance

- Long option is 5 points further out than short option

Example Credit Spreads

Call Credit Spread in GOOGL



Duration: 44 Days

Short strike: 560 call (22 delta)

Long strike: 565 call

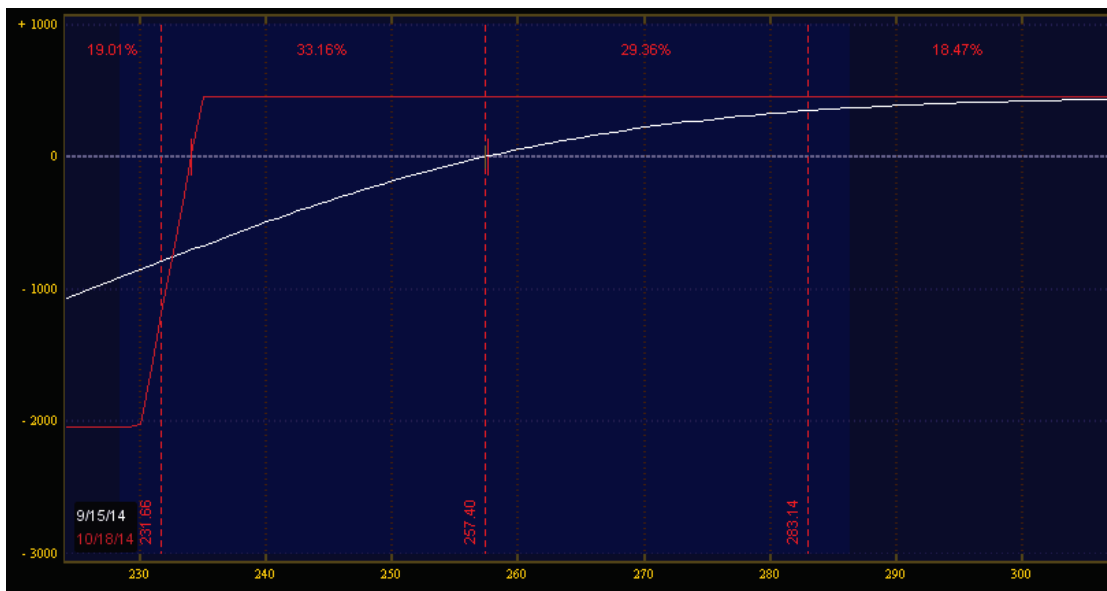
Max Reward: \$90

Max Risk: \$410

Return on Risk: 21%

Example Credit Spreads

Put Credit Spread in TSLA



Duration: 33 Days

Short strike: 235 put (25delta)

Long strike: 230 put

Max Reward: \$90

Max Risk: \$410

Return on Risk: 21%