

Twitter Thread by OPTION STRADDLE TRADER



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Thread on T+0 line

What is (t+0 line) BLUE LINE in your payoff tells about your system?

1) FALLING LINE:

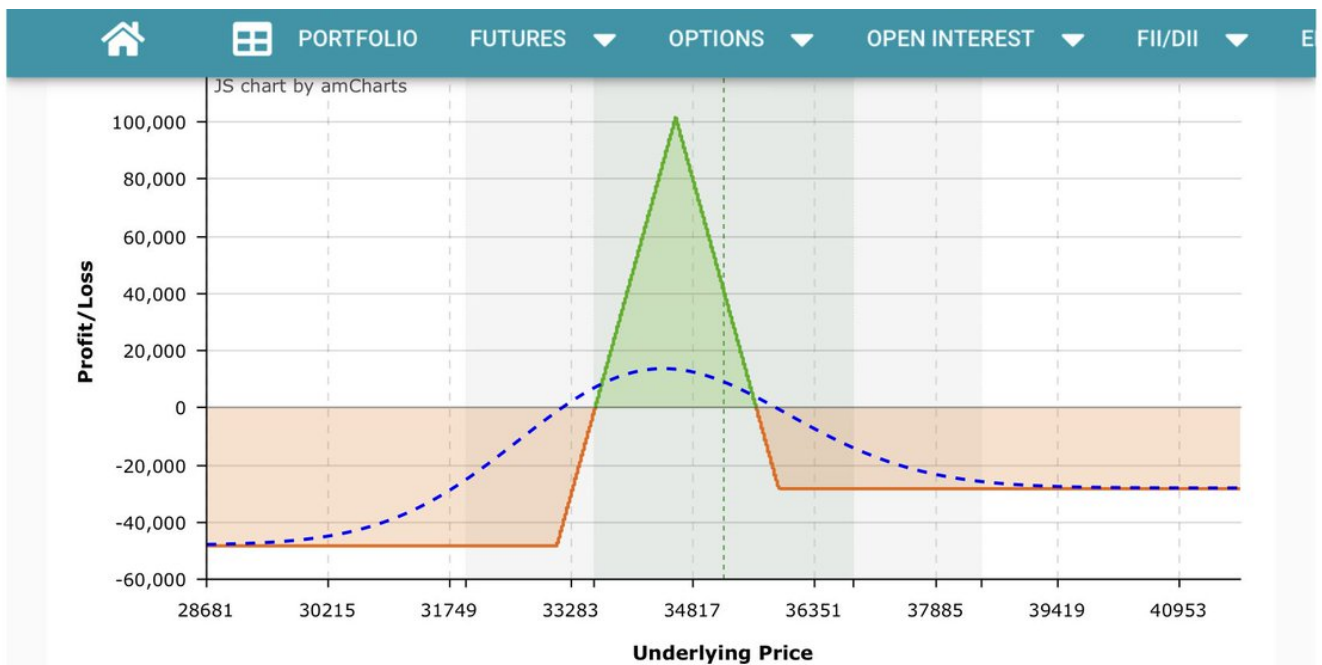
If you are t+0 line is falling down , you may lose money if the market moves unidirectional.

good breakevens

High theta decay

Moderate Delta

Example: IRON FLY



2) RISING LINE:

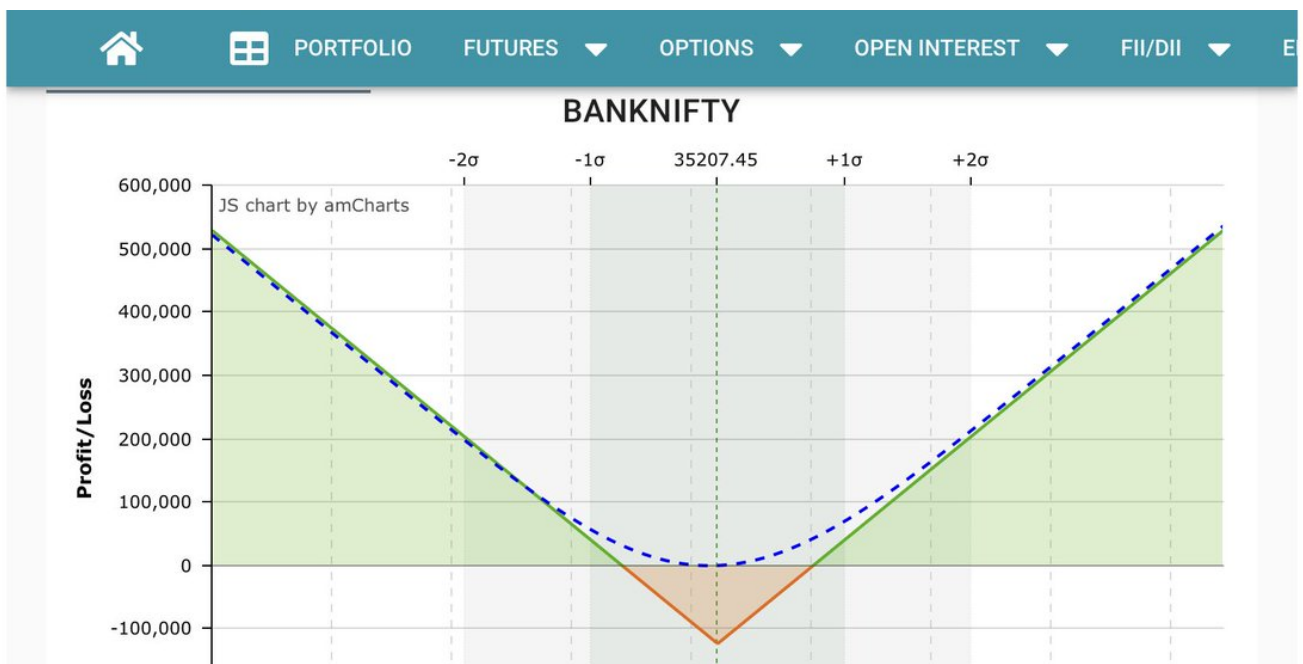
If you are t+0 line is rising up , you may lose money if the market is sideways .

very poor breakevens.

Zero theta decay

High delta

Example: LONG STRADDLE



3) FLAT LINE: (my personal set up)

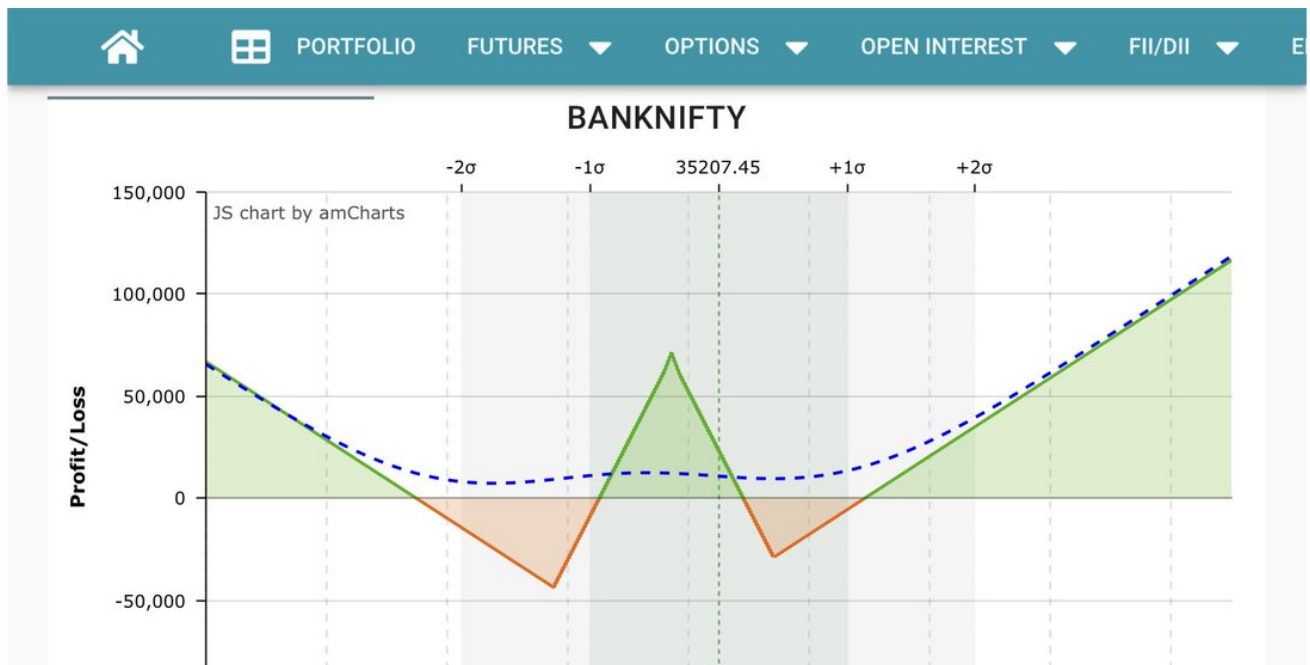
If you are t+0 line is flatten , you may not lose in any the market situation till some extent.

Decent breakevens

Moderate Theta decay

Very low Delta

Example: PROTECTED IRON FLY



4) STEEP DOWNFALL:

If you are t+0 line is falling too steep , you may lose in unidirectional move.

Brilliant breakevens

High Theta decay

High Delta

Example: SHORT STRADDLE

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