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Short straddle :

What is ?? Sell an atm call and put.

Instrument: mostly bnf and nf.

Now there are versions of it.

1. Best version :

Enter around 9.15-20 and exit around 3.20. No adjustment nothing.

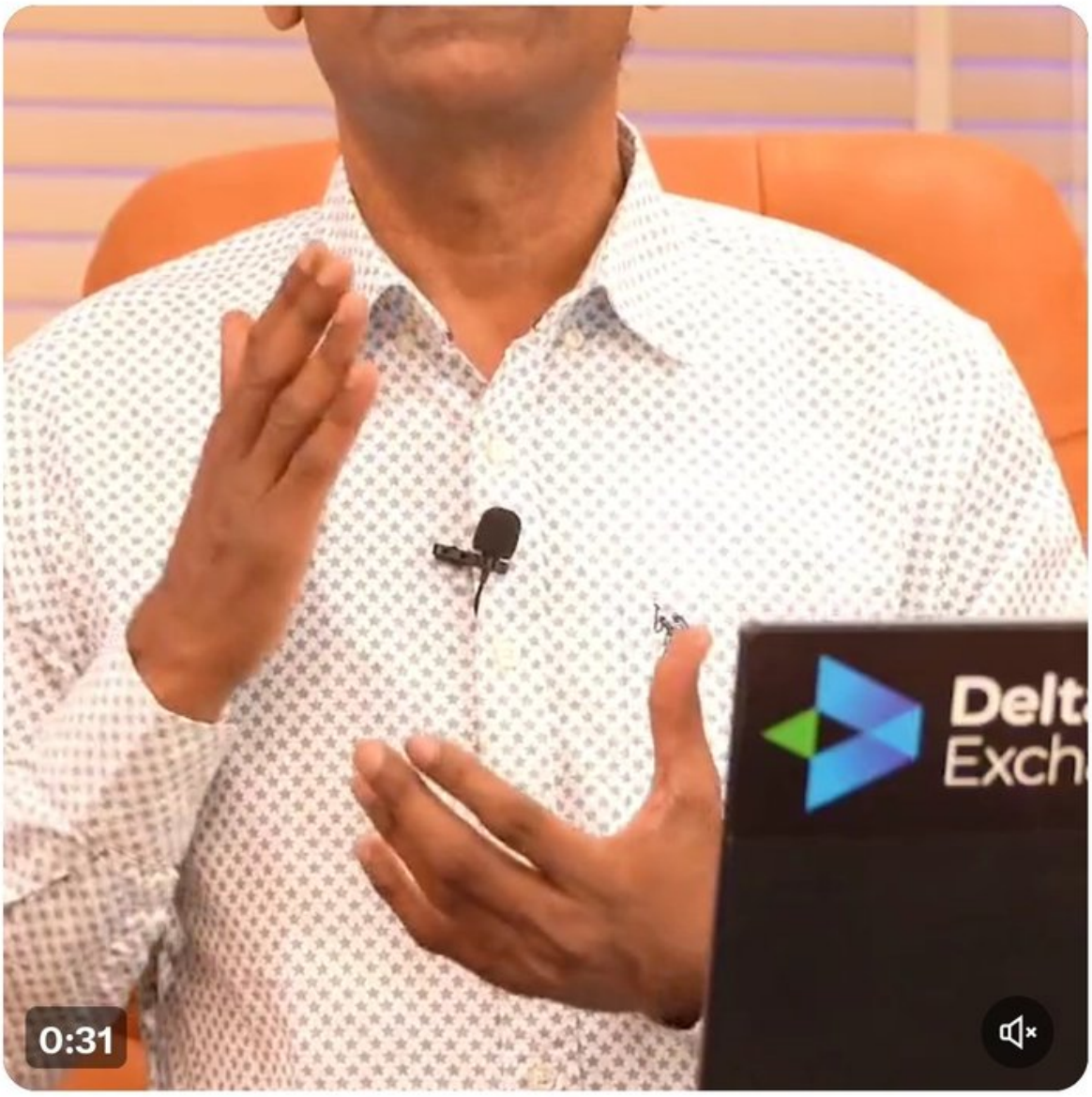
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Launching New Course, "INTRADAY SHORT STRADDLE"



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If u r doing it on zero leverage(meaning u have full capital of around bnf's notional contract,i.e. 40000*25 = 10lacs), then u r most likely going to make better than fd or anything like that.

Simple rules : friday,monday, tuesday do for weekly. Wednesday and thrusday next week

So, gamma moves can't impact much.
Another better version of mahesh chander kaushik is to do it for monthly expiry.
Bigger premiums and never hav to worry about 200-300 points sudden moves.
2. 2nd version : have combined stoploss of premiums and re-entry criteria. Example :

Let say 40000 straddle is at 600. Sell at 600 and hav combined sl at 650. Many algos are providing this. U can even place stoploss in % terms. Like, if sold straddle at 400 and placed 10% sl, means if 440 combined premium touch, it will be stoploss.
Let say, in morning,

U sold straddle at 600 and it sl hit at 650. Now, u placed reentry at 600 with same sl. This time may be linear decay happens and u may cover morning's loss and make some profit.
3rd version : stoplosses at each leg and trail sl to cost type.
Example , 40000 straddle at 400.

Call priced 200. Put price 200. Have each leg sl of 240. And sell. Now, let say mkt went up and call sl triggered at 240. Now, algo may make put sl at cost.
This strategy is good when one side trend happens. But, will not work in choppy mkt.

4th version: it is not a version. But, kind of time variable straddles. Which can be of above 3 versions'.
Instead of doing all qty at 9.20, one can do at every hour or every 2 hour. Or may be at every 10 mins.
I hav seen someone selling version 3 algo for every 10 mins.

5th version : premium matching.
Let say u sold 40000 call put jodi at 400. And 200 each for call nd put. Now mkt went up and call became 300. Now, u will book call at 300 and will sell 2 lots of call of let say 40400 strike at 150. So, U matched premiums and do adjustments

That for whole day.
Requires high margin and if one side move came, u may lose big. On other choppy day, this will make money.
6th version : ekdum copy to 5th version. Here, instead of matching premium, u need to match delta of call nd puts.
Requires understanding of greeks

7th version : rolling straddles.
Requires no sl no tgt.
Whenever mkt moves, u move the straddle.
Example : U sold straddle at 400 at 9.20 am strike 40000.
If mkt move to 40200, shift whole straddle to 40200 and do it for whole day. Eventually theta will come.

General points : in addition, people buys hedges of far otm call puts.
Sometimes, monthly far otms too. That too reduce margins.
Another missed point.
Wait n trade straddle :

Example : 40000 straddle at 400. Now u wish that if it goes above 440, then only I want to sell, so u can put limit in algo to sell straddle at 440.

Anyone want to contribute more can do it.