## **Twitter Thread by Manek**





## A thread on

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- 1. First of all one should know when to do a straddle, ideally when premiums are good and view is **EXECUTE** or when you are not expecting a huge trend.
- 2. When you do place a straddle, you will have good premiums so you will be covered for a good amount of move.

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- 3. Find your breakevens, and ideally delta should also be neutral.
- 4. Do not adjust until your BEP is breached or the delta exceeds (+/-)40, whatever happens first, generally delta limit will breach first.
- 5. When delta reached lets say -40 it means you have to roll puts.

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- 6. Just book profits in the current short put and roll put up by matching the premiums, delta should again be close to neutral but one can choose to have a little -ve delta since if there is mean reversion, PEs will spike.
- 7. This means you will be going Inverted(Short ITM)

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- 8. Keep repeating the same process until expiry OR till either one option reaches 100 delta which will mean that you basically are short/long one future lot.
- 9. As soon as any option reaches 100 delta, just book the straddle be it in loss or profit, dont adjust at all.

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- 10. While doing this keep in mind a loss limit(1-2% of cap), just get out if loss gets out of hand. "You cant play if you dont have chips"
- 11. If you want a video explanation check this Hindi video out on my YouTube channel <a href="https://t.co/dO0XkuVtWG">https://t.co/dO0XkuVtWG</a>

Retweet if you gained value■