

Strategy	Execution	Benefits	Disadvantages	Component Parts	Risk Profile
Long Call	Buy a call	Capped risk: Uncapped reward: Better leverage than	Can lose entire stake if the call expires OTM (out of the money)		
Long Put	Buy a put	Capped risk: Uncapped reward: Better leverage than Straight stockshorting	Can lose entire stake if the put expires OTM (out of the money)		
Short call (naked)	Sell a call	Short-term income strategy	Uncapped risk and capped reward		
Short Put (naked)	Sell a put	Short-term income strategy	Uncapped risk and capped reward		
Covered Call	Buy stock and sell call	Protected income strategy profit assured If stock remains static or rises. Calls can be Sold on a monthly basis to generate income	Uncapped risk and capped reward		
Callar	Buy stock, buy ATM Put and sell OTM Call	Can be a riskless strategy if executed correctly with the right stock	Net debit out of your account. Works best for long-term trades Where you leave it alone		
Covered Put	Sell stock (short) and sell put	Net credit into your account	Uncapped risk and capped reward		
Synthetic Call	Buy stock and buy put	Capped risk and uncapped reward good insurance tactic	Expensive strategy		
Synthetic Put	Short stock and buy call	Capped risk and uncapped reward	More complex than simply buying puts		
Covered Short Straddle	Buy stock and sell put and call with same strike and expiration date	Enhanced income (compared with covered call)	Very high risk and capped reward. Not recommended		
Covered Short Strangle	Buy stock and sell lower strike put and higher strike call with same expiration date	Enhanced income (compared with covered call)	Very high risk and capped reward. Not recommended		
Bull Call Spread	Buy lower strike calls and sell higher strike calls (same expiration)	Capped risk; lower breakeven point than simply buying a call	Capped reward		

Strategy	Execution	Benefits	Disadvantages	Component Parts	Risk Profile
Bull Put Spread	Buy lower strike puts and sell higher Strike puts (same expiration)	Capped risk; lower breakeven point than simply buying a put; net credit into your account	Capped reward		
Bear Call Spread	Sell lower strike calls and buy higher strike calls (same expiration)	Capped risk; bearish income strategy	Capped reward		
Bear Put Spread	Sell lower strike puts and buy higher strike puts (same expiration)	Capped risk	Capped reward		
Bull Call Ladder	Buy lower strike Calls. Sell higher Strike calls. And Sell even higher Strike calls (all Same expiration)	Cheap strategy	Uncapped risk if stock rises sharply confusing as to whether this is a bullish or bearish strategy		
Bull Put Ladder	Buy lower strike puts, buy higher Strike puts, and Sell even higher Strike puts (all Same expiration)	Uncapped reward as the stock falls	Expensive; confusing as to whether this is a bullish or bearish strategy		
Bear Call Ladder	Sell lower strike calls, buy higher Strike calls, and buy even higher Strike calls (all Same expiration)	Uncapped reward as the stock rises	Expensive; confusing as to whether this is a bullish or bearish strategy		



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