

## **Course Module: Basics to Advanced Option Trading**

### **Level 1: Basic Option Trading Concepts (Days 1-10)**

#### **Day 1: Introduction to Options and Derivatives**

- What are options and derivatives?
- Call and put options: definitions and examples
- Key terms: strike price, premium, expiration date

#### **Day 2: Option Payoffs and Profits**

- Understanding option payoffs at expiration
- Calculating profits and losses for different scenarios
- Diagramming option payoff profiles

#### **Day 3: Option Buying Strategies**

- Long call and long put strategies
- Break-even points and profit potential
- Selecting the right options for your strategy

#### **Day 4: Option Selling Strategies**

- Covered call and cash-secured put strategies
- Risk-reward trade-offs and potential outcomes
- Margin requirements for option selling

## **Day 5: Option Greeks: Delta and Gamma**

- Delta's impact on option prices
- Gamma and its influence on delta
- Practical examples of delta and gamma changes

## **Day 6: Option Greeks: Theta and Vega**

- Time decay (theta) and its significance
- Volatility exposure (vega) and its effects
- Strategies to benefit from theta and vega

## **Day 7: In-the-Money (ITM), At-the-Money (ATM), Out-of-the-Money (OTM) Options**

- Defining ITM, ATM, and OTM options
- Advantages and disadvantages of each moneyness

## **Day 8: Introduction to Option Chain Data**

- Reading an option chain
- Identifying open interest and volume
- Using option chain data for decision-making

## **Day 9: Using Support and Resistance with Option Chain Data**

- How option chain data reflects support and resistance levels
- Analyzing option writers' positions to gauge market sentiment

## **Day 10: Introduction to Option Expirations**

- Different expiration cycles for index and stock options
- Weekly, monthly, and LEAPS options
- Pros and cons of various expiration choices

## **Level 2: Intermediate Option Trading Strategies (Days 11-30)**

### **Day 11: Basic Option Spreads**

- Bull spread, bear spread, and butterfly spread
- Risk-reward characteristics of spreads

### **Day 12: Calendar Spreads and Diagonal Spreads**

- Understanding time spreads
- Constructing calendar and diagonal spreads

### **Day 13: Iron Condors and Iron Butterflies**

- Strategies for range-bound markets
- Managing risk and potential outcomes

#### **Day 14: Straddles and Strangles**

- Volatility-based strategies
- Adjustments to straddle and strangle positions

#### **Day 15: Introduction to Option Adjustment Strategies**

- Rolling options: vertical and diagonal
- Adding legs to existing positions

#### **Day 16: High Volatility Market Strategies**

- Volatile market conditions and their impact on options
- Using straddles and strangles for uncertainty

#### **Day 17: Low Volatility Market Strategies**

- Strategies for low-volatility environments
- Iron condors and credit spreads as examples

#### **Day 18: Option Rollover Techniques**

- Understanding expiration and rollover choices
- Rolling positions forward and managing time decay

#### **Day 19: Introduction to Max Pain Theory**

- Concept of max pain and its implications
- Identifying potential price levels using max pain

#### **Day 20: Scalping Techniques in Options**

- Intraday trading strategies for quick gains
- Scalping using spreads and options chains

#### **Level 3: Advanced Option Trading Strategies (Days 31-51)**

#### **Day 31: Leveraging Prop Desk Trading Strategies**

- Applying prop desk techniques to personal trading
- High-frequency options trading approaches

#### **Day 32: Advanced Option Spreads and Ratio Spreads**

- Ratio spreads: understanding and execution
- Combining spreads for complex strategies

### **Day 33: Advanced Option Adjustment Techniques**

- Complex roll adjustments for multiple-leg positions
- Adding and removing options to adapt to market changes

### **Day 34: Hedging with Options**

- Protective puts and collars as hedging strategies
- Reducing risk exposure in your portfolio

### **Day 35: Swing Trading with Options**

- Strategies for capturing short- to medium-term price swings
- Using technical analysis with swing trading

### **Day 36: Rollover Strategies for Options**

- Rolling options across expirations and strikes
- Rollover decisions based on market conditions

### **Day 37: Arbitrage Option Strategies**

- Understanding arbitrage opportunities in options
- Conversion and reverse conversion arbitrage

### **Day 38: Risk Management in Options Trading**

- Position sizing and portfolio diversification
- Managing risk using options spreads

### **Day 39: Risk-Reward Ratios in Options Trading**

- Evaluating risk-reward ratios for different strategies
- Balancing potential gains and potential losses

### **Day 40: Backtesting and Strategy Deployment**

- Backtesting option strategies using historical data
- Transitioning from paper trading to live trading

### **Days 41-51: Application and Practice (Expiry Trading, Zero to Hero Trading Concept, Trapping of Market Positions)**

- Practical application of strategies learned in real market scenarios

- Building a trading plan and adapting strategies to different market conditions

### **Conclusion: Graduating to Advanced Option Trading**

- Recap of the entire course module
- Developing a personalized trading style and strategy

Please note that this course module is comprehensive, and the duration of each topic can vary based on the depth of understanding required and the pace of learning. Adjustments can be made based on the specific needs and knowledge levels of the students. Additionally, it's recommended to consult with experts in the field to ensure the accuracy and relevance of the content.

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