



# Options Fundamentals

## Ep 9

# Why Spreads?

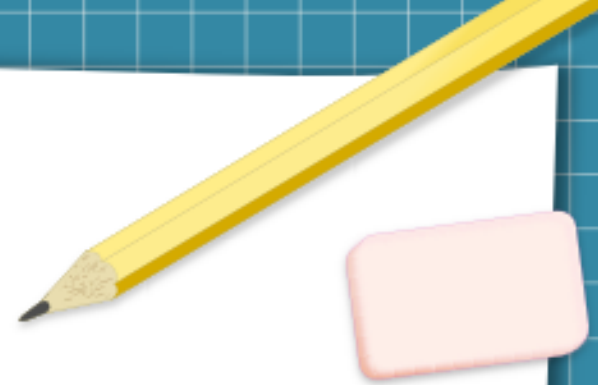
Gab: Finance Group  
@MidwayGab  
BitChute: MidwayTrades

# Disclaimer

This presentation is for educational purposes only. Nothing in this presentation is intended to be trading or financial advice.



# Why Options?



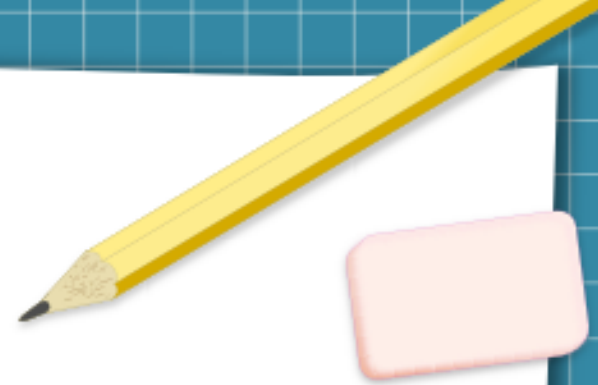
- Flexibility
  - Multiple ways to make money
  - Can make money on the downside without being short
  - Protecting a stock position
- Capital Efficiency!
  - By using leverage, it's possible to get the same profits using far less capital
  - Opens up possibilities to very high priced stocks

# Negatives with Options



- Time limited
- No benefits of stock ownership
  - Voting Rights
  - Dividends
- Leverage is a 2-way street

# Why Spreads?

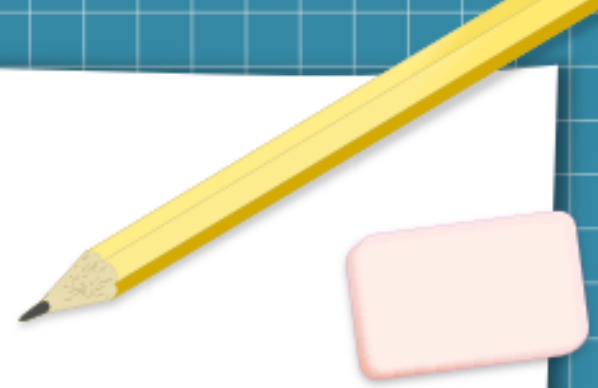
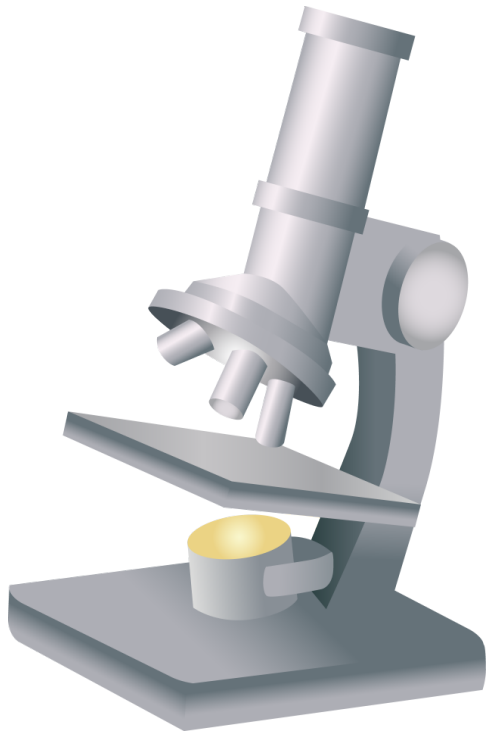


- Capital Efficiency!
  - If buying options, selling something against them reduces the capital costs and reduce/reverse time decay
  - If selling options, buying something against it can drastically reduce the capital costs
- If done correctly, options trades can be less risky the equivalent stock trades

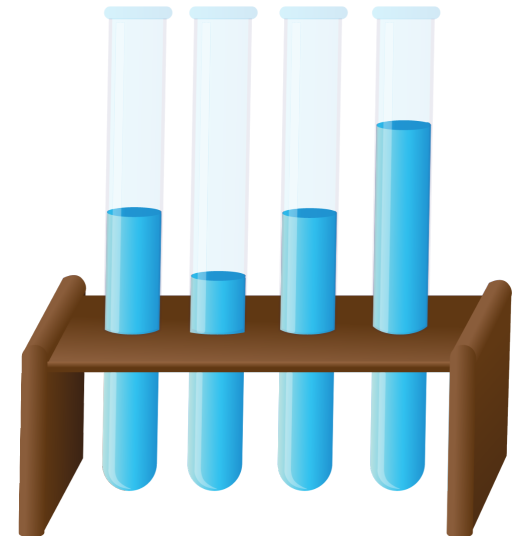
# Negatives with Spreads

A yellow pencil and a pink eraser are positioned in the top right corner of the slide, appearing to be on the white paper background.

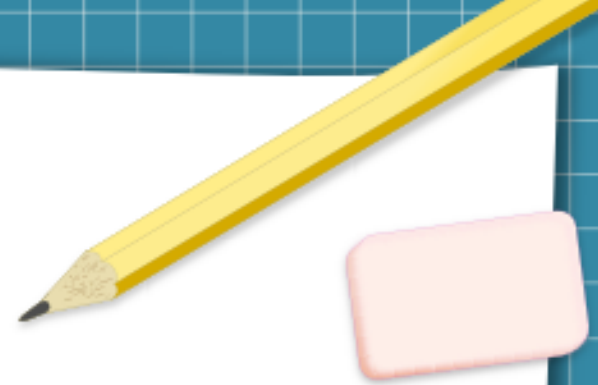
- Trades are more complex
- Higher trading costs
- In many cases, gains are limited



Off to the Lab!

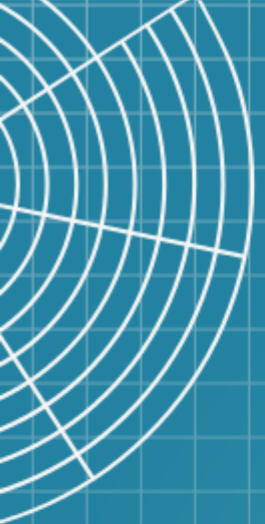


# Summary



- Options gives us flexibility and capital efficiency over stock trades
- Trading spreads gives us even more flexibility and capital efficiency than single options
- Both come with trade-offs





Thank you for your time. Let's keep talking!  
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