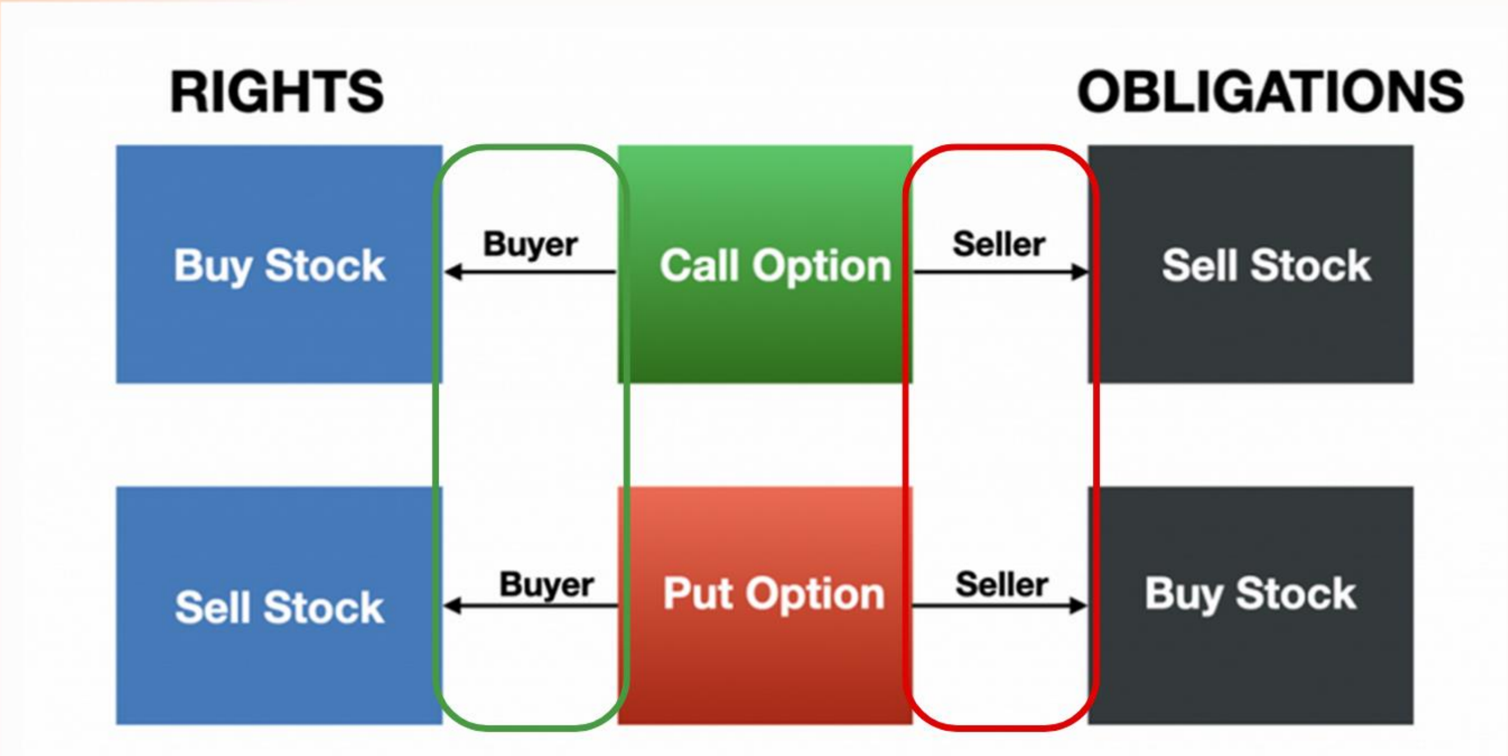
Options Made Simple:
Smarter Strategies for US Markets

Session Outline:

1. 2 Beginner-Friendly Option Strategies for Stock Holders: Covered Call & Protective Put
2. Step by Step Risk Reward of These Option Strategies
3. How to Place These Option Trades
4. Moomoo Platform 'P.R.O.F.I.T.S' Option Features
5. Q&A (10 minutes)

OPTIONS BUYER VS SELLER

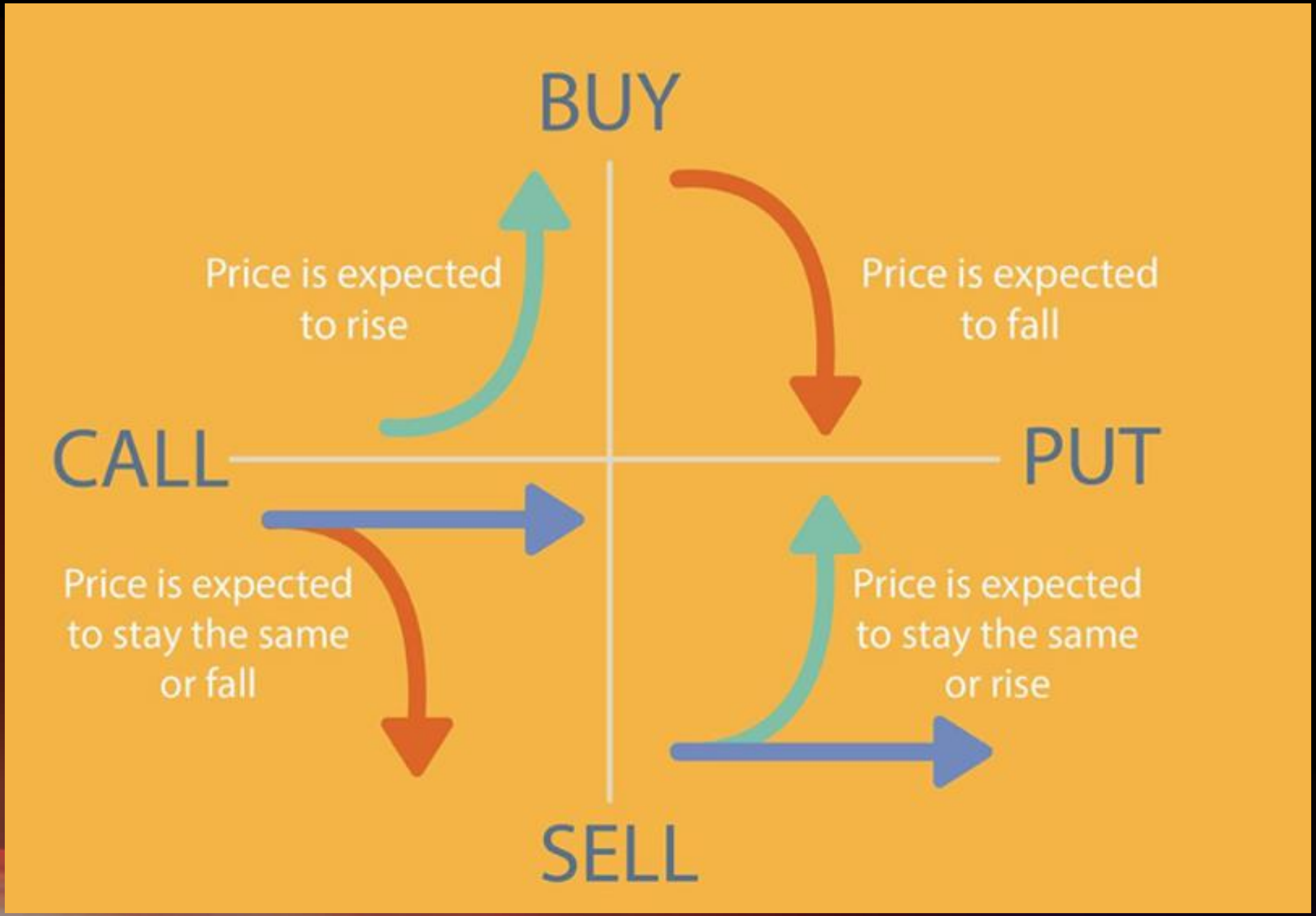


LIMITED RISK
UNLIMITED REWARD

UNLIMITED RISK
LIMITED REWARD

Objective of Today's Session

Options Contract to Match Underlying Price Movement



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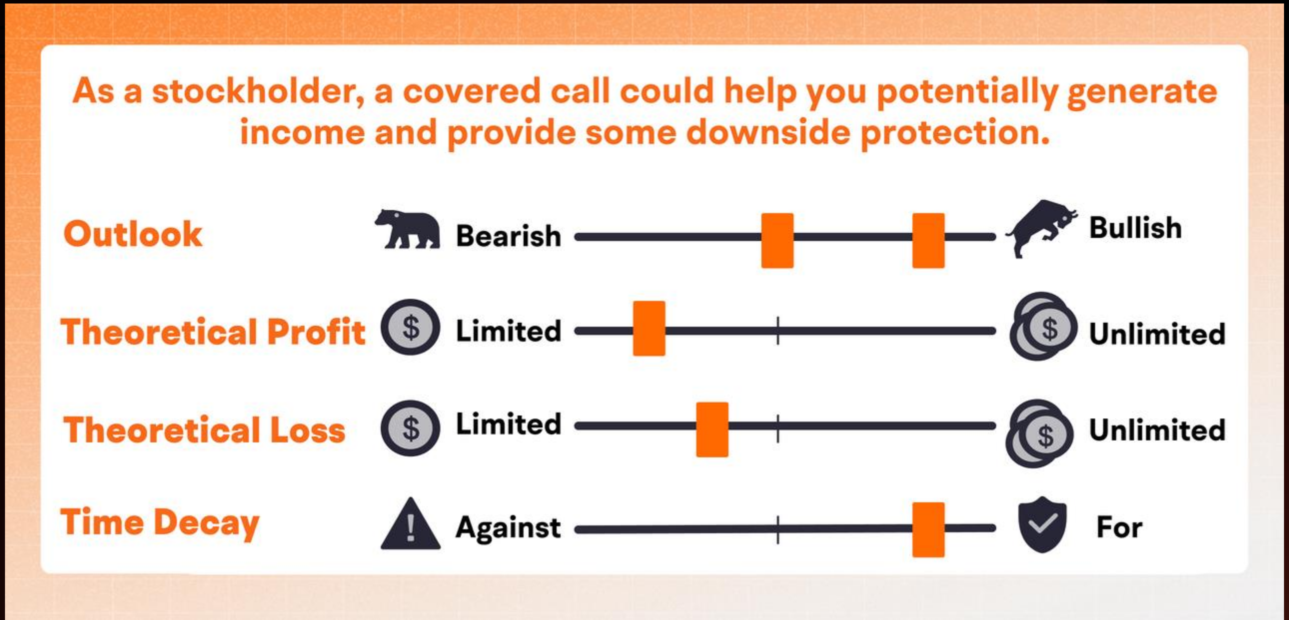
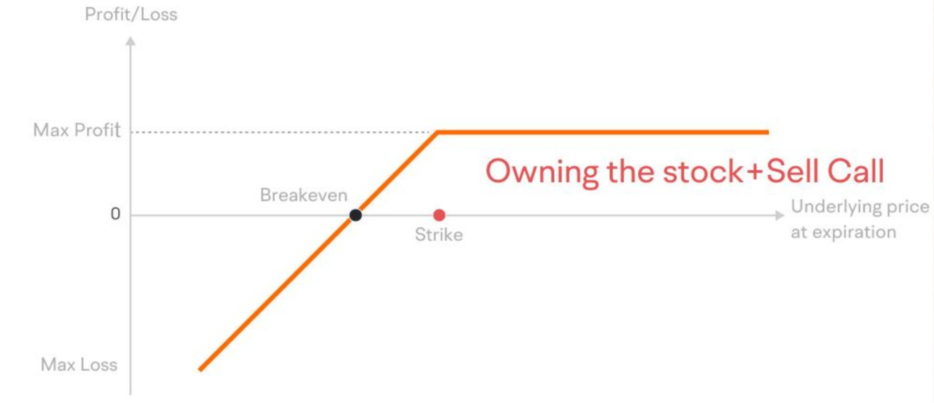
Options Strategy #1: Covered Call



Trading Options on moomoo

Covered Call



Breakeven Stock purchase price - premium received per share

Stock Purchase Price is the stock price when you open the Covered Call position.

Max Profit Reached when the stock price is higher than the strike price

= (Call Strike Price - Stock Purchase Price + Premium received per share) * Multiplier * Contract Quantity

Max Loss Reached when the stock price falls to zero

= (Stock purchase price - Premium received per share) * Multiplier * Contract Quantity

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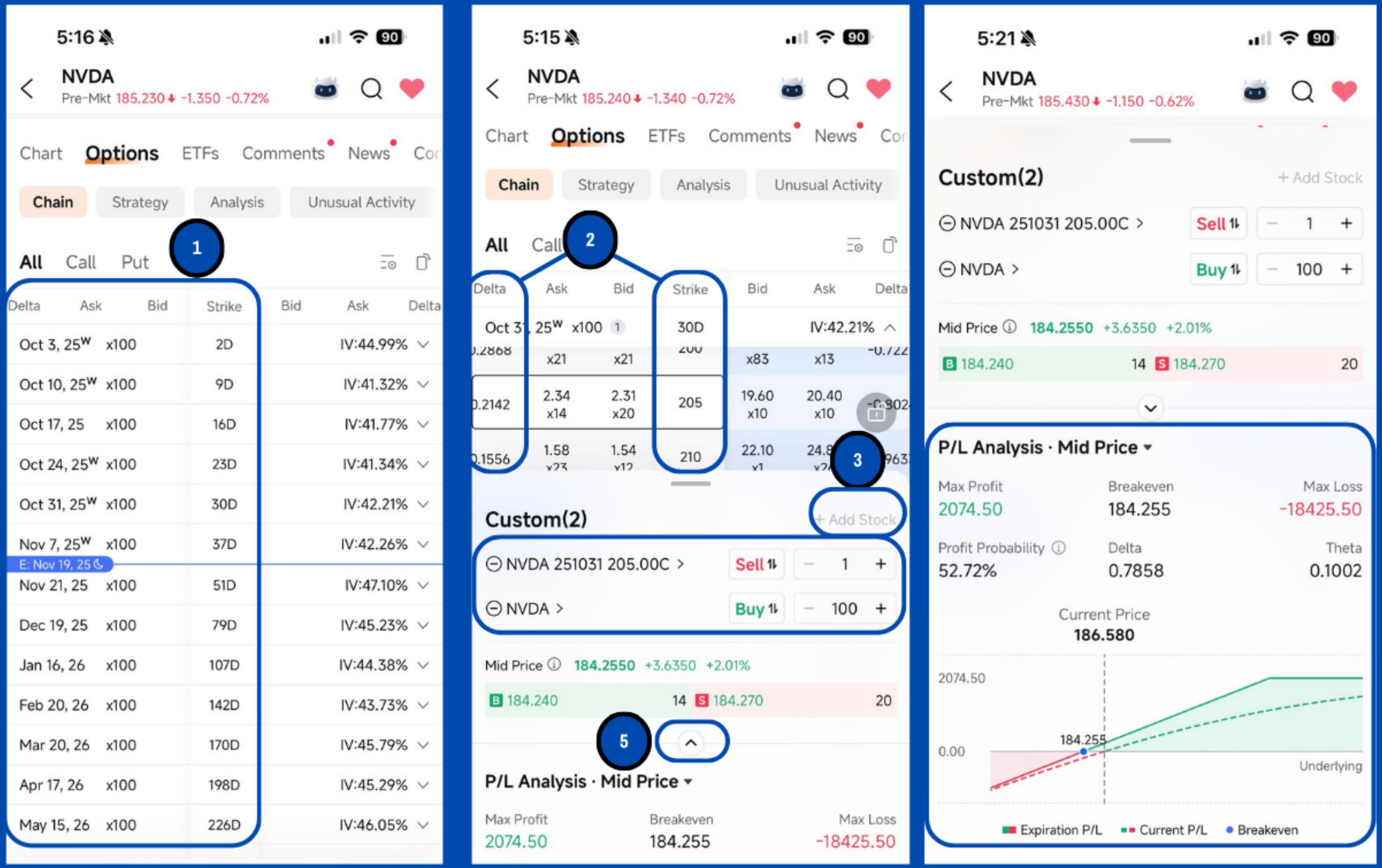
Covered Call



How I plan my Covered Call ?

1) **Expiration** – Pick expiration based on how long you're willing to hold the stock before possibly selling it. Shorter-term expirations (like weeklies) give you faster premium decay but smaller total premium. Longer expirations (30–45 days or more) give you more premium upfront, but you'll wait longer to collect it. I usually decide based on whether I want quick income or a bigger one-time credit.

2) **Strike Price** – Start with the short call strike. I usually look at OTM strikes, since the goal is to collect premium while still leaving some upside in the stock. A common reference is around 0.20–0.40 delta—high enough to give good premium, but not too high that I risk getting called away too easily. Another way is simple: if my entry in the stock is $100 and I'm happy to sell at $110, then I'll pick the $110 strike.

3) **Stock Position** – If you already own the stock in your portfolio, you can just sell the call directly. But if you don't own the stock yet and want to buy it together with the covered call, then simply select 'Add Stock'. The order ticket will show both legs: Buy stock + Sell Call.

4) Order Check – Make sure the order is correct: **long 100 shares and short the call** you selected. If you already have the stock, then just the short call leg will do.

5) **Risk and Reward** – Your downside risk is the same as holding the stock (price can fall), but the upside is capped at the short call strike plus the premium collected. The **premium** acts as a small buffer against losses and generates extra yield if the stock trades sideways.

Objective of Today's Session

DESKTOP PLATFORM DEMO

COVERED CALL

NVIDIA

NVDA Covered Call Case Study

1) **Expiration:** Approx. 30-45 days from expiration to take advantage of accelerating time decay nearing expiration

2) **Strike price:** can sell a strike price based on volatility measure (by option chain's expected move)

3) **Premium consideration:** Can consider 2% of current stock price (premium / stock price) + If premium is abnormally high, then check for earnings/corporate events which may affect it. What is too good to be true usually is.

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Technical Analysis

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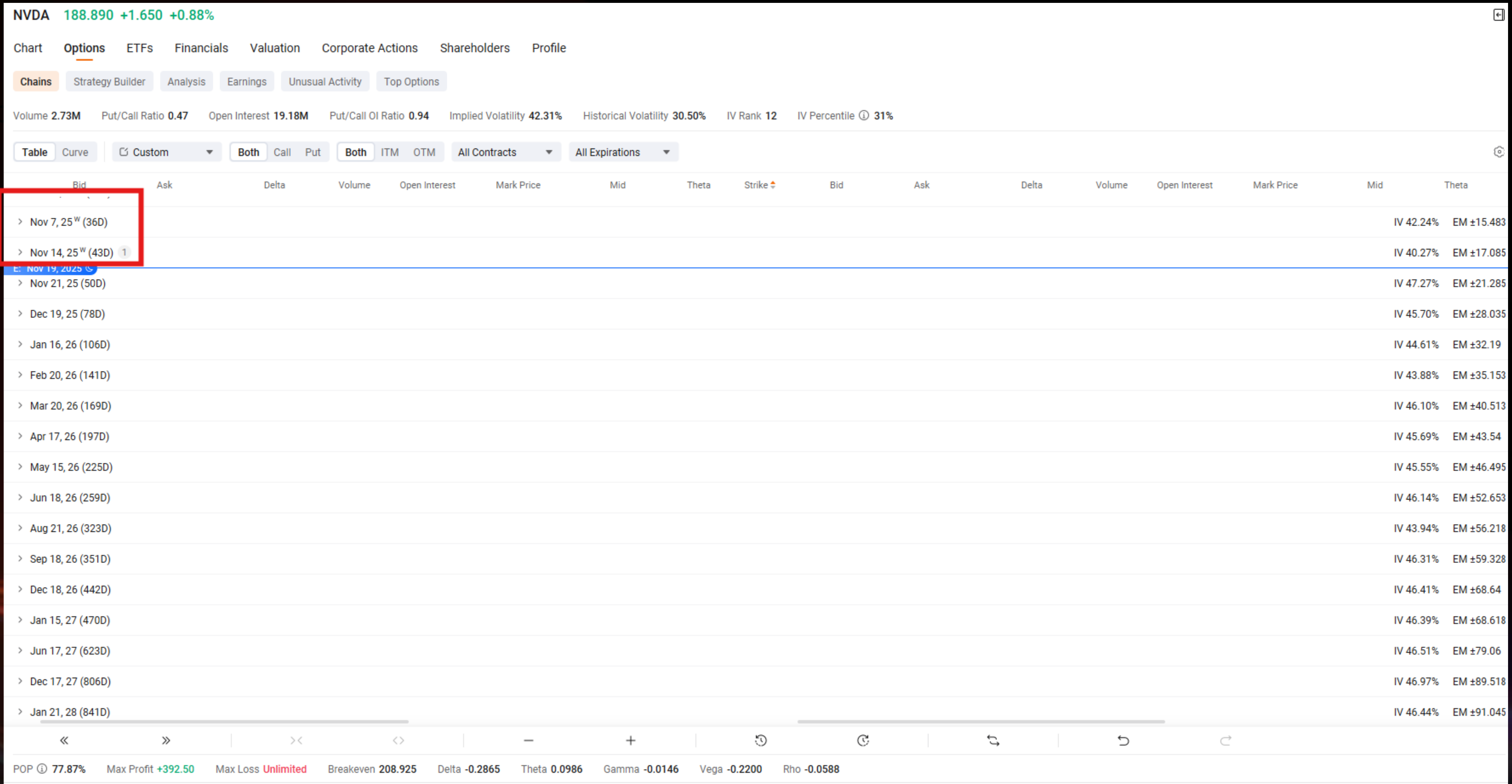
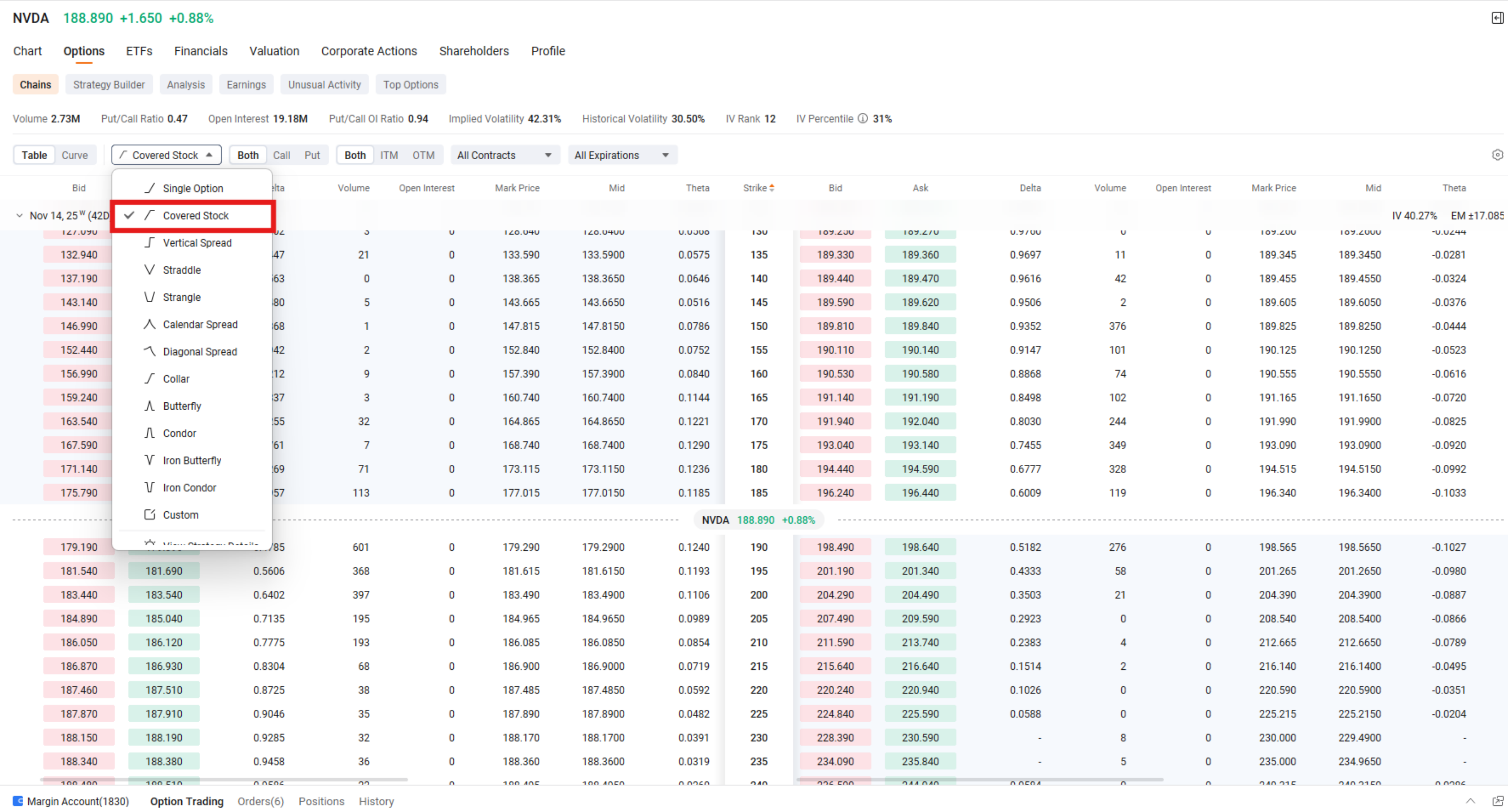
Option Chain - Expiration Selection (30-45 DTE)



Add 'Covered Stock' Strategy & Select Strike Price



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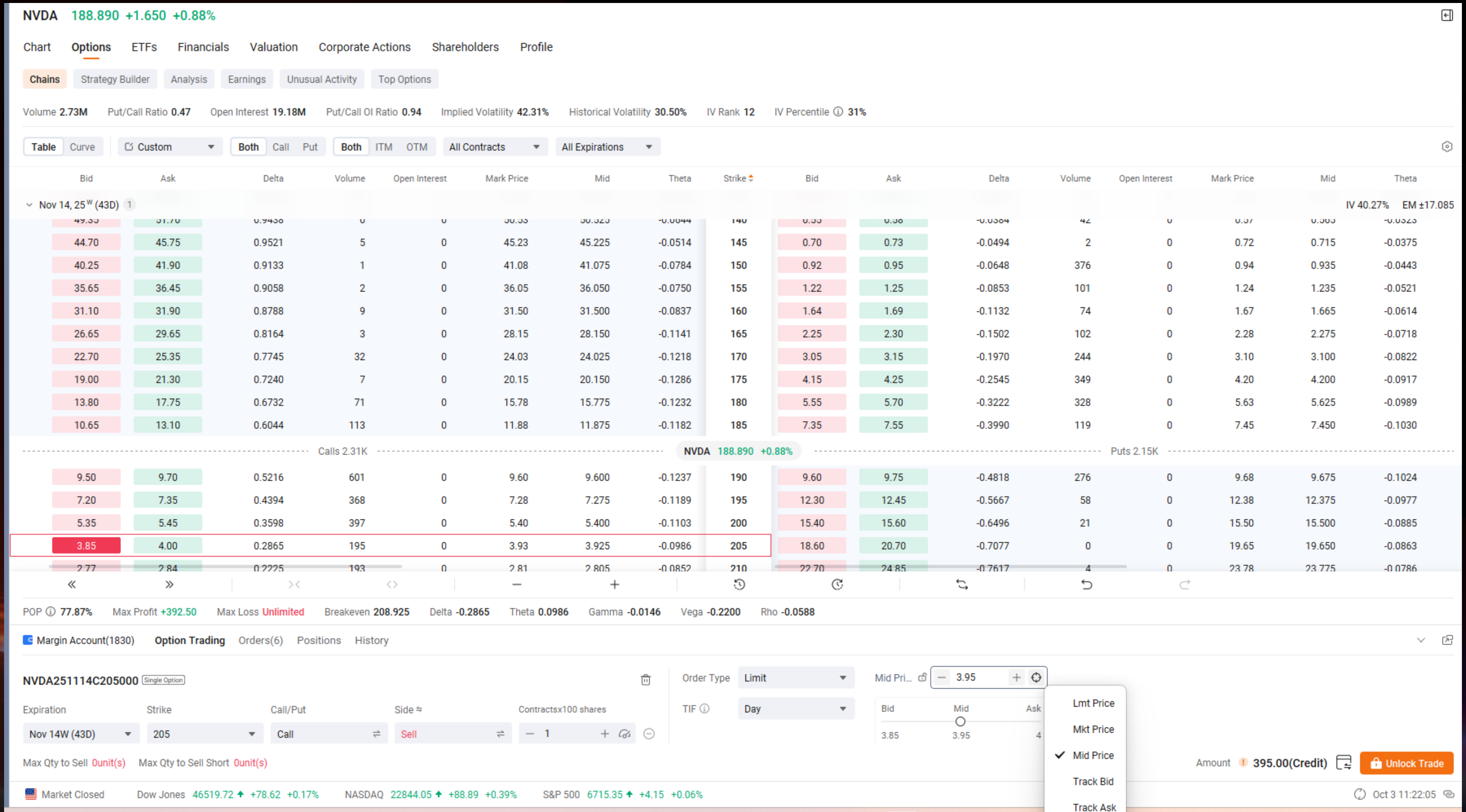
Option Chain - Strike Price Selection (EM: Expected Move)



Bid	Ask	Delta	Volume	Open Interest	Mark Price	Mid	Theta	Strike	Bid	Ask	Delta	Volume	Open Interest	Mark Price	Mid	Theta
49.35	51.70	0.9438	0	0	50.53	50.525	-0.0644	140	0.55	0.58	-0.0384	42	0	0.57	0.565	-0.0323
44.70	45.75	0.9521	5	0	45.23	45.225	-0.0514	145	0.70	0.73	-0.0494	2	0	0.72	0.715	-0.0375
40.25	41.90	0.9133	1	0	41.08	41.075	-0.0784	150	0.92	0.95	-0.0648	376	0	0.94	0.935	-0.0443
35.65	36.45	0.9058	2	0	36.05	36.050	-0.0750	155	1.22	1.25	-0.0853	101	0	1.24	1.235	-0.0521
31.10	31.90	0.8788	9	0	31.50	31.500	-0.0837	160	1.64	1.69	-0.1132	74	0	1.67	1.665	-0.0614
26.65	29.65	0.8164	3	0	28.15	28.150	-0.1141	165	2.25	2.30	-0.1502	102	0	2.28	2.275	-0.0718
22.70	25.35	0.7745	32	0	24.03	24.025	-0.1218	170	3.05	3.15	-0.1970	244	0	3.10	3.100	-0.0822
19.00	21.30	0.7240	7	0	20.15	20.150	-0.1286	175	4.15	4.25	-0.2545	349	0	4.20	4.200	-0.0917
13.80	17.75	0.6732	71	0	15.78	15.775	-0.1232	180	5.55	5.70	-0.3222	328	0	5.63	5.625	-0.0989
10.65	13.10	0.6044	113	0	11.88	11.875	-0.1182	185	7.35	7.55	-0.3990	119	0	7.45	7.450	-0.1030
9.50	9.70	0.5216	601	0	9.60	9.600	-0.1237	190	9.60	9.75	-0.4818	276	0	9.68	9.675	-0.1024
7.20	7.35	0.4394	368	0	7.28	7.275	-0.1189	195	12.30	12.45	-0.5667	58	0	12.38	12.375	-0.0977
5.35	5.45	0.3598	397	0	5.40	5.400	-0.1103	200	15.40	15.60	-0.6496	21	0	15.50	15.500	-0.0885
3.85	4.00	0.2865	195	0	3.93	3.925	-0.0986	205	18.60	20.70	-0.7077	0	0	19.65	19.650	-0.0863
2.77	2.84	0.2225	193	0	2.81	2.805	-0.0852	210	22.70	24.85	-0.7617	4	0	23.78	23.775	-0.0786

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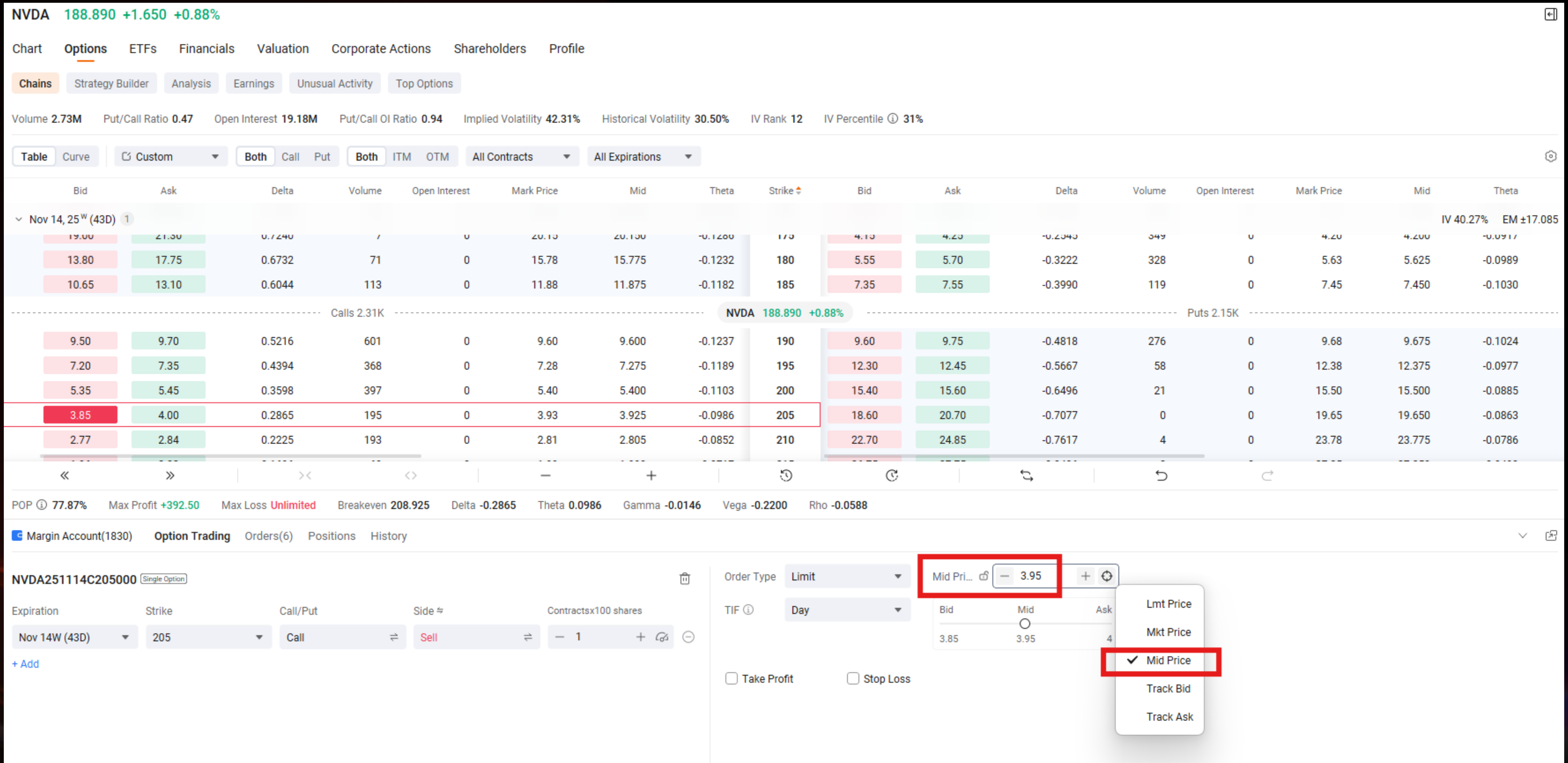
Premium / Stock Price = $395 / $18,800 = 2.1% for the next 43D



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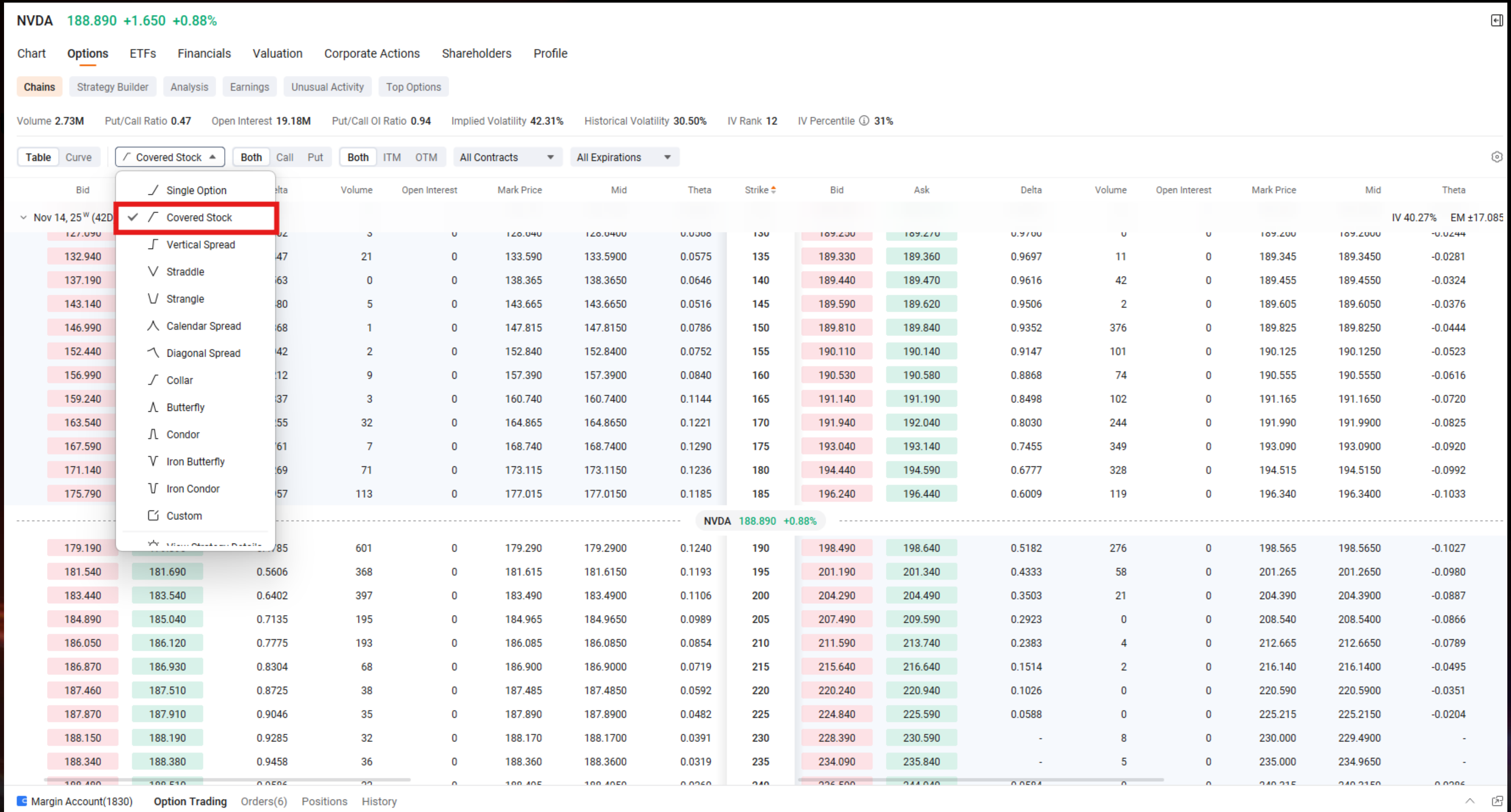
Select 'Covered Stock'



Scenario Considerations:

Objective of Today's Session

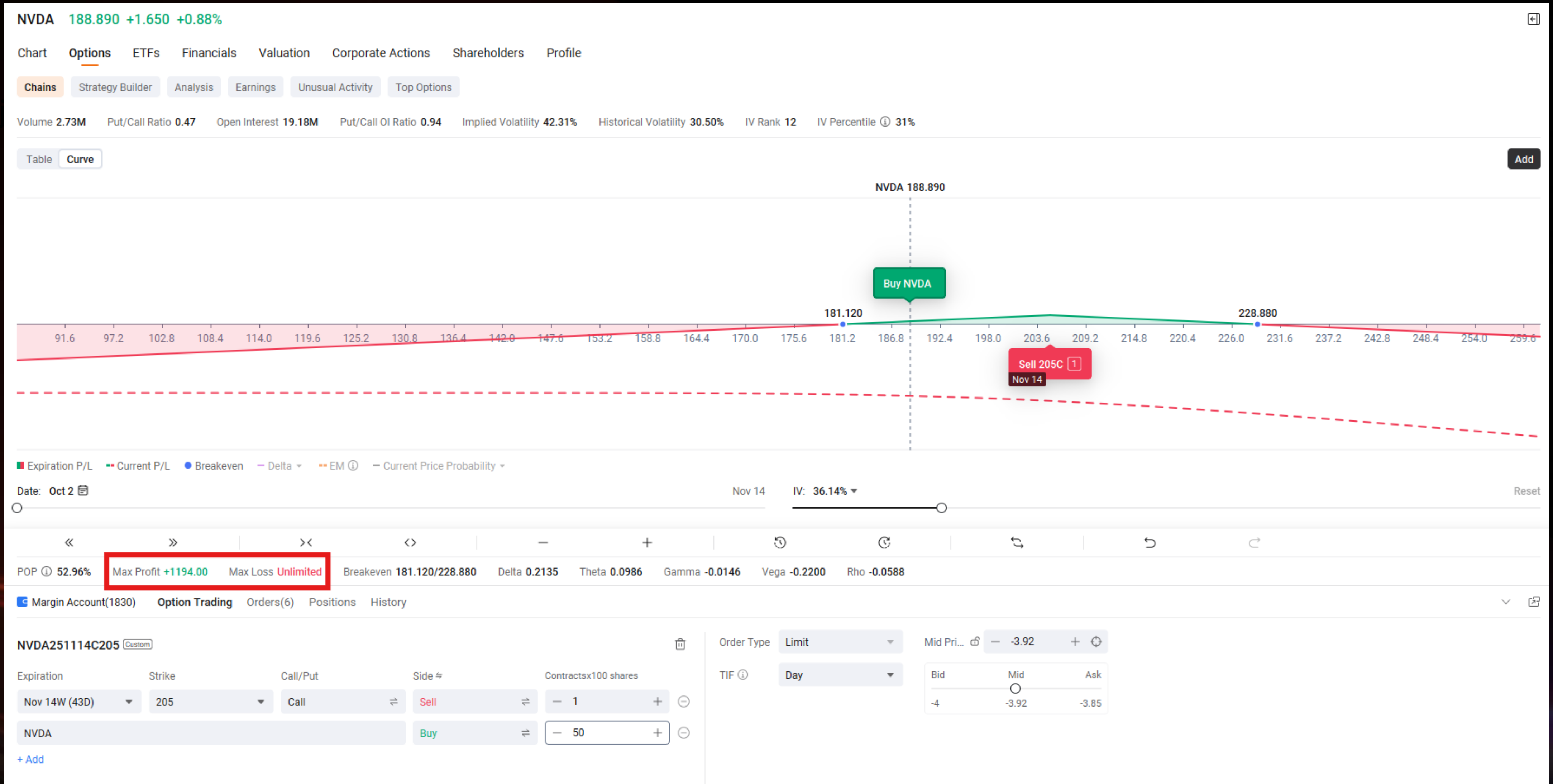
1) **With <100x shares holding (fractional):** Earn income if price stays below the 'strike price' target

2) **Without shares:** Consider as a 'naked call' (NOT covered call)

3) **With 100x shares:** Sell stock at the strike price with additional options profit

4) **Covered call option strategy:** Theta (Time) and Vega (volatility) changes

Scenario 1: Option Curve Risk Reward with 50 Shares



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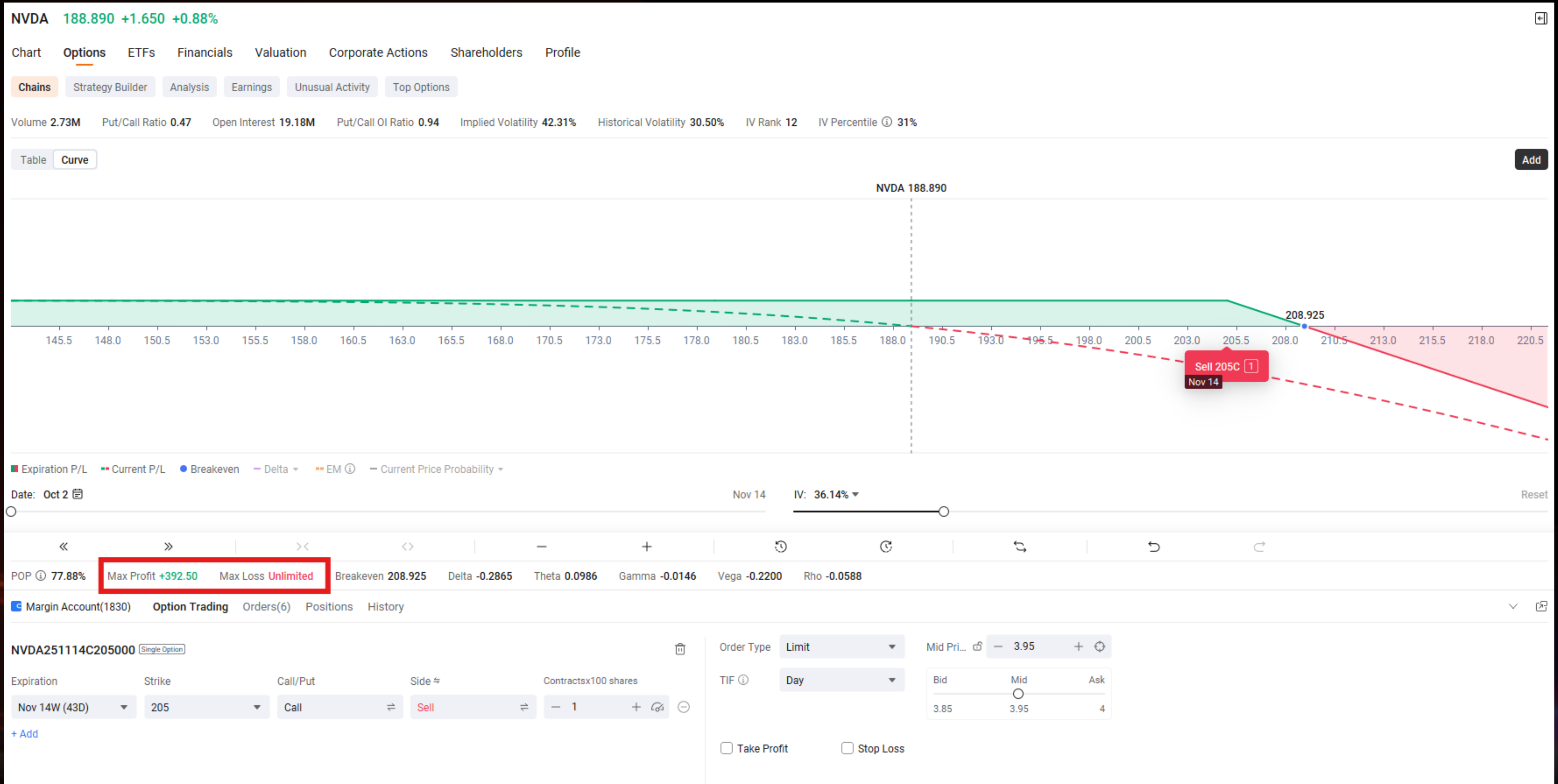
Scenario 2: Option Curve Risk Reward With Sell Call Only



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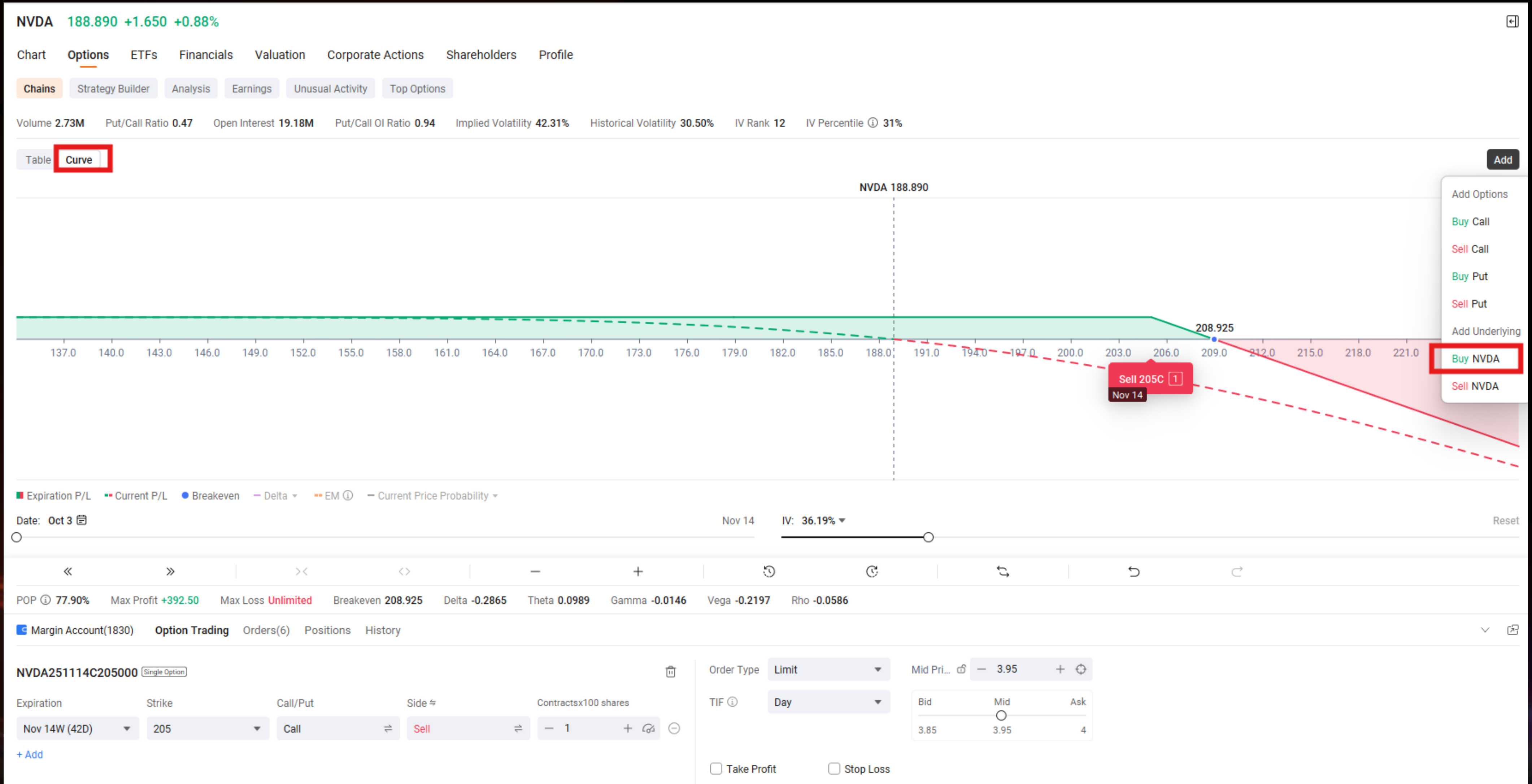
Option Curve: Add 100 shares + Sell Call = Covered Call



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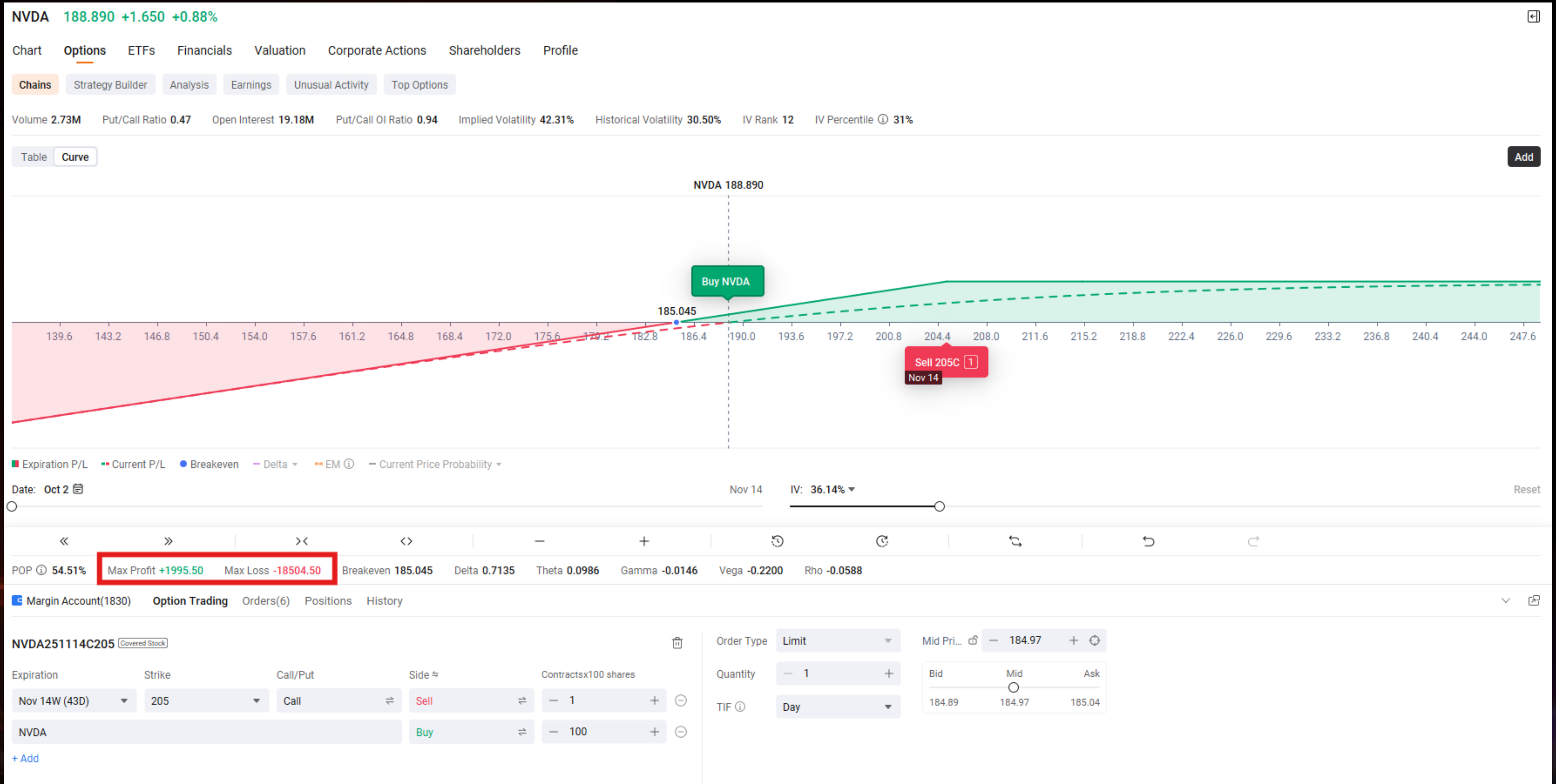
Scenario 3: Covered Call Risk Reward



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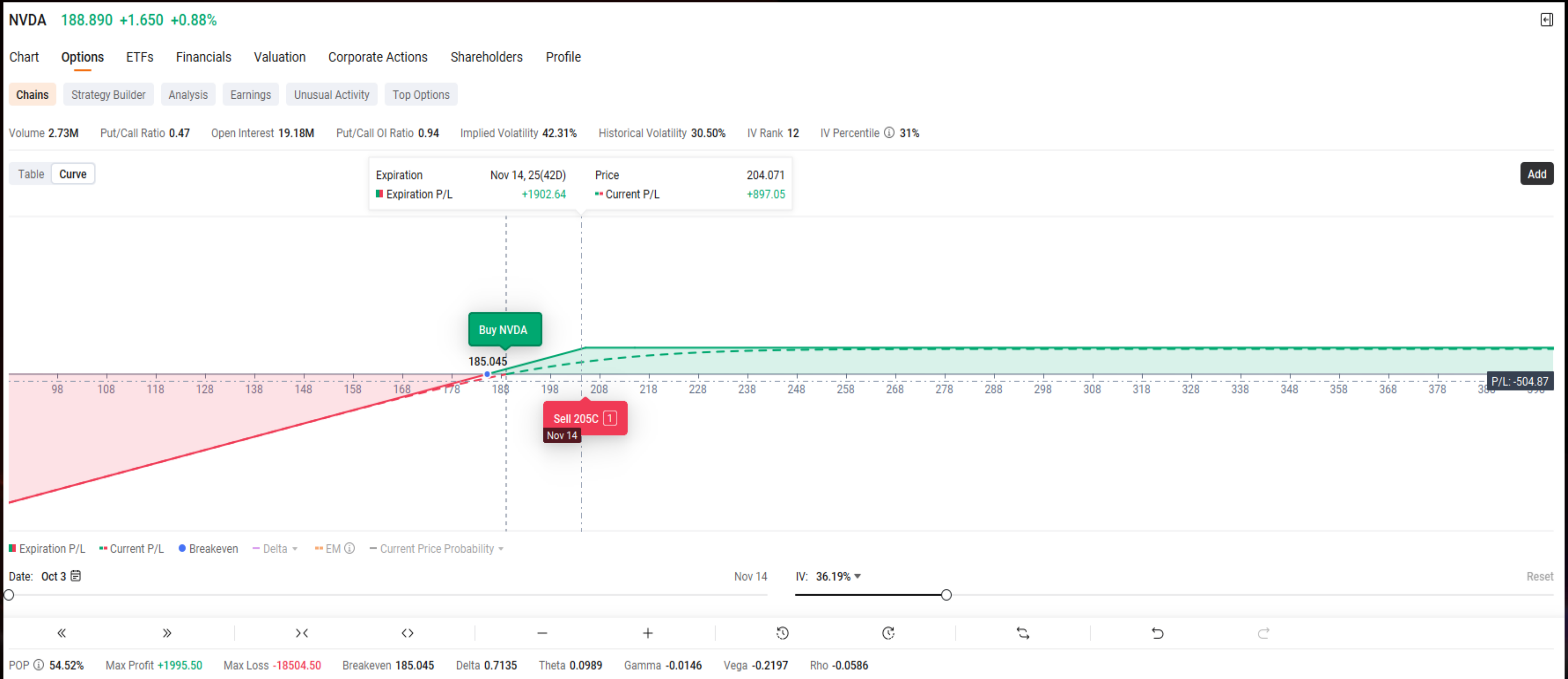
Current vs Expiration P/L When Price Reach $204.71



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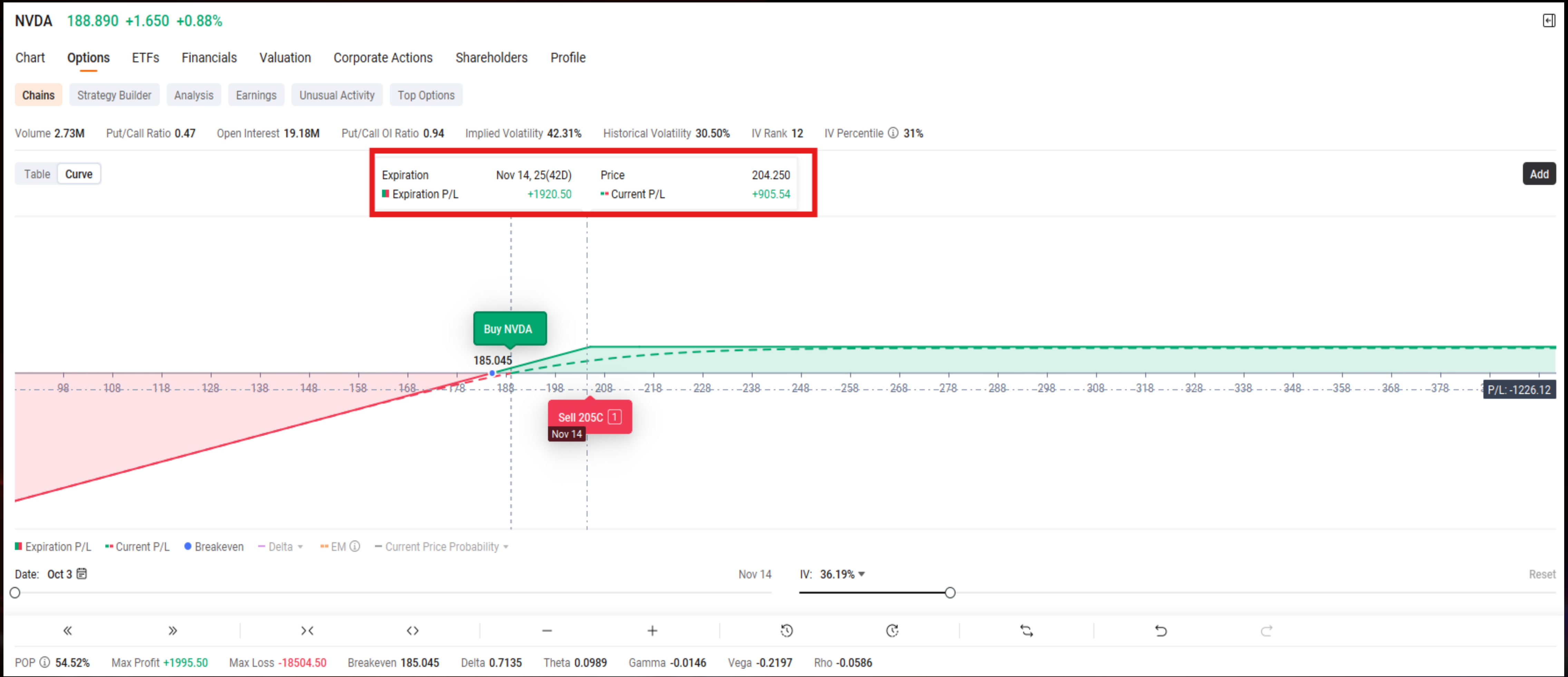
Projected Price $204 at Current P/L today = +$905.54



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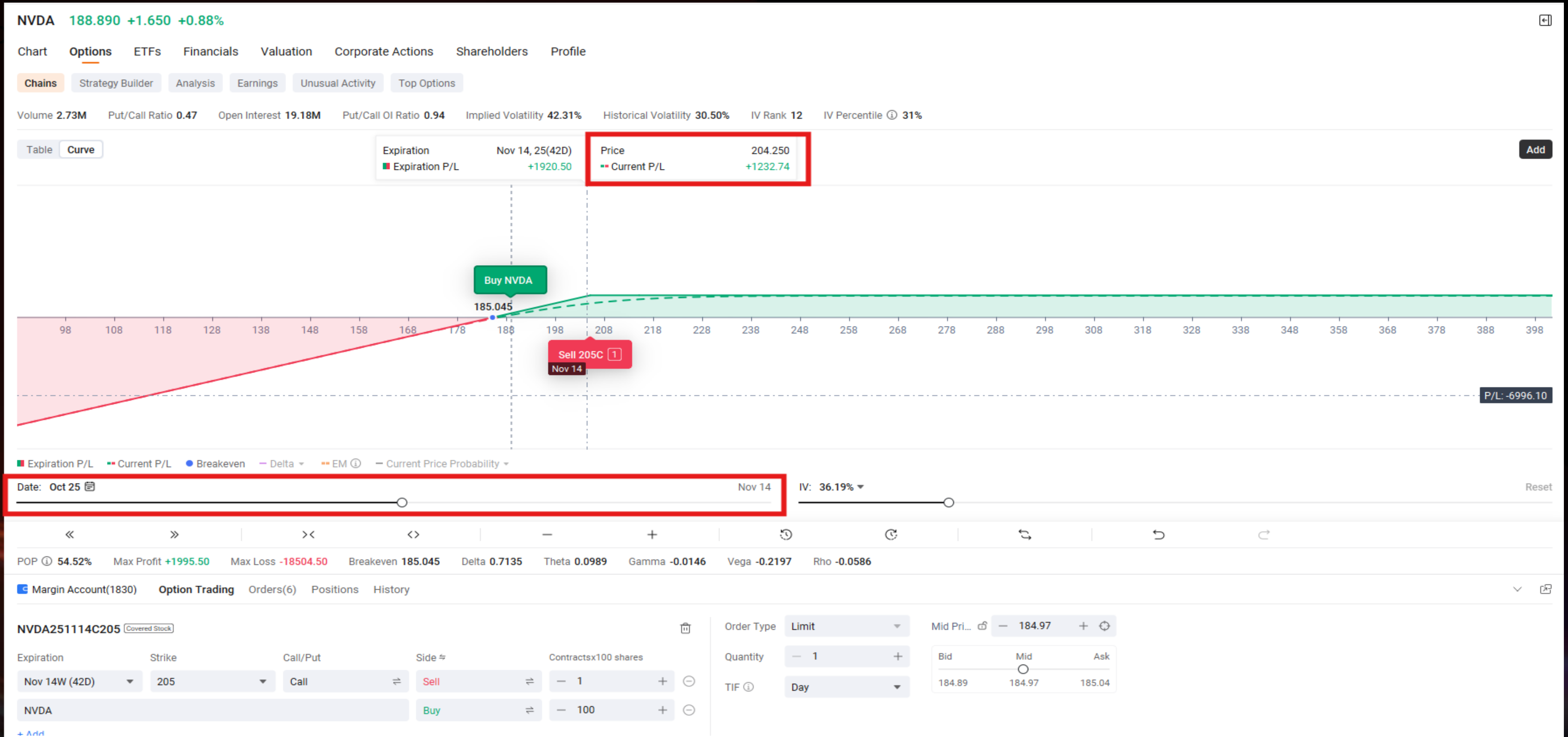
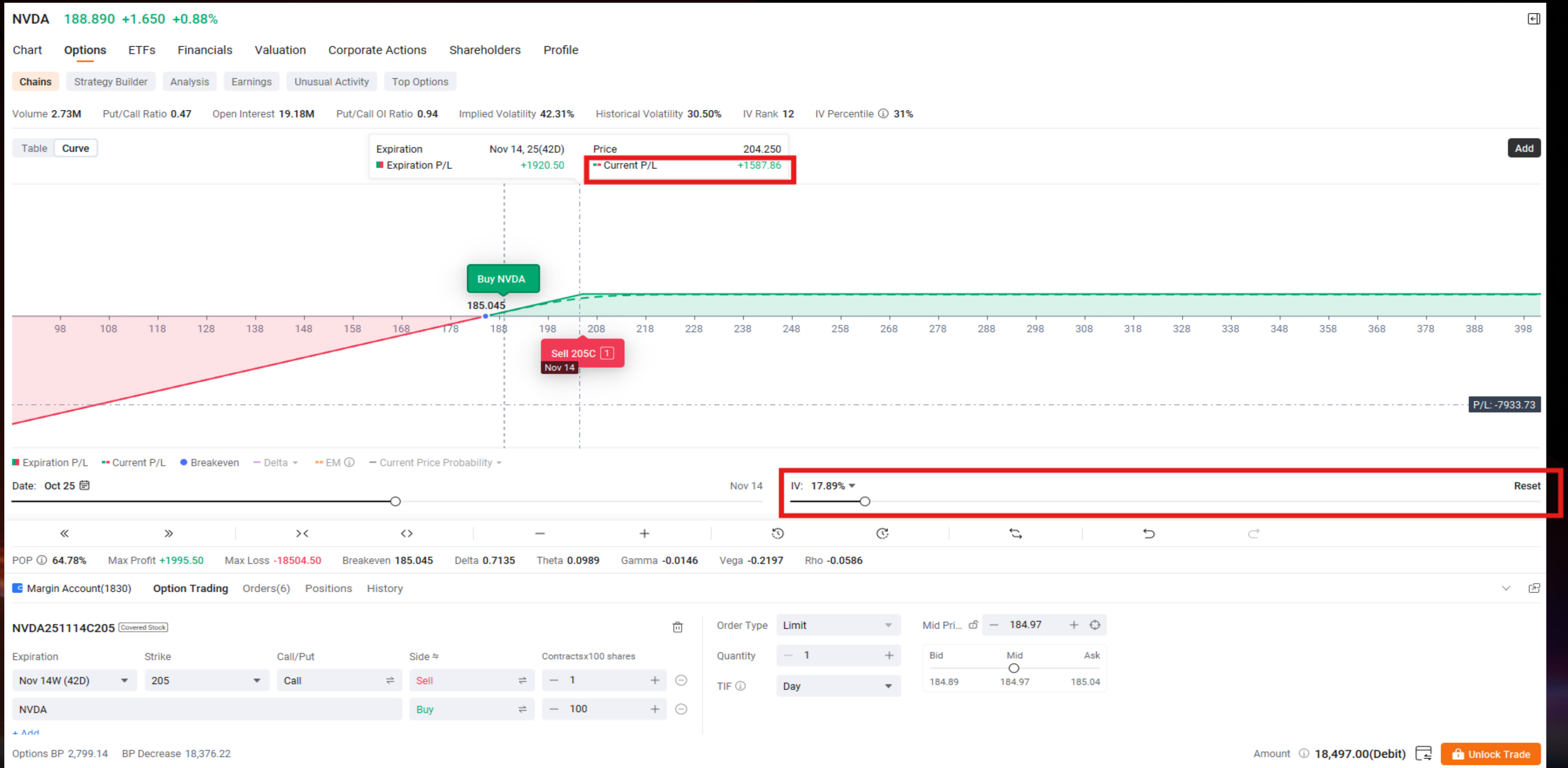
Projected Price $204 at Current P/L (20D) = +$1232.74
Theta (Time value): reduce to GAIN value



Projected Price $204 at Current P/L (20D) = +$1587.86
Vega (Volatility value): reduce to GAIN value



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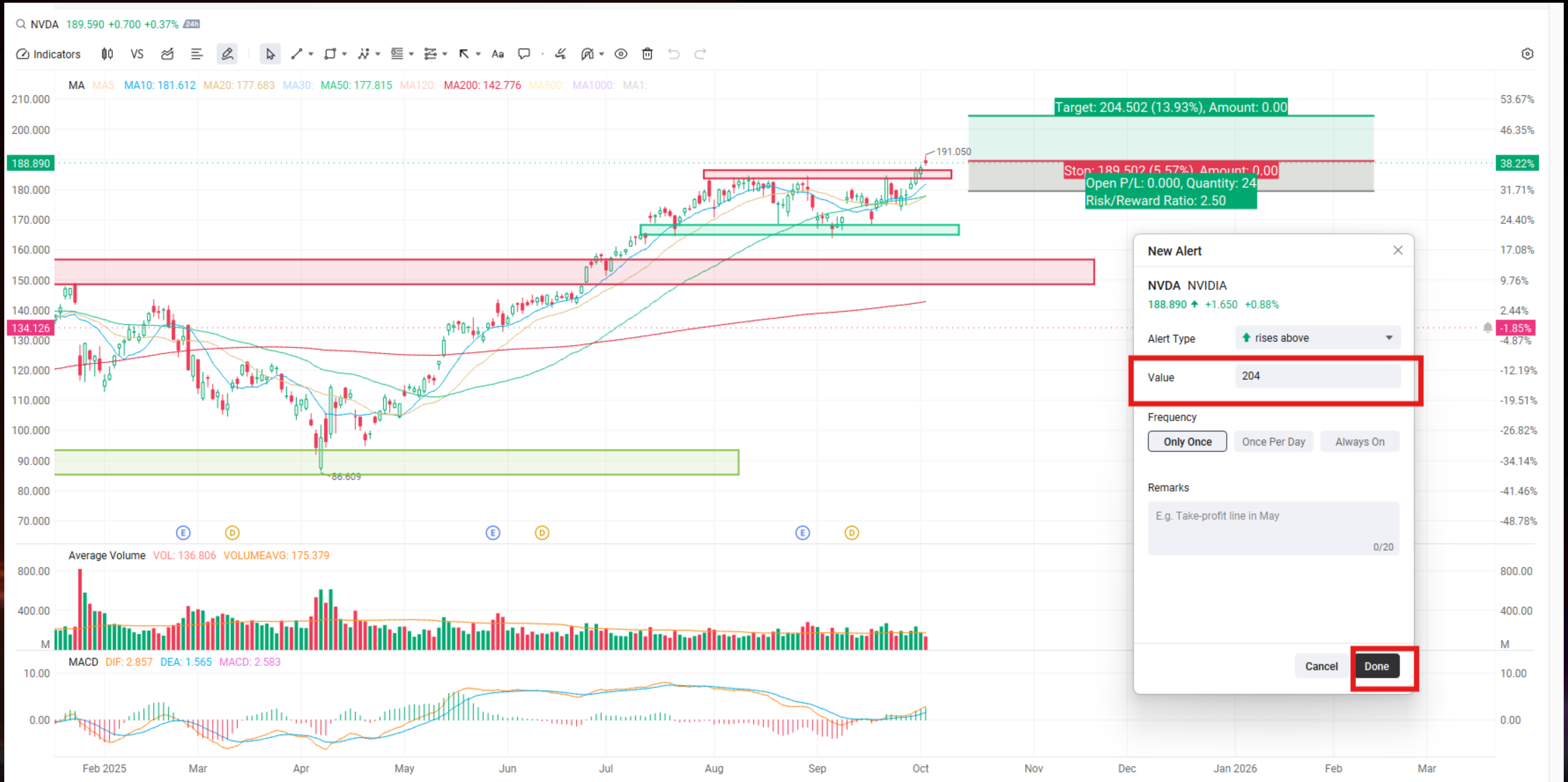
$204 as 'Profit' Price Target Alert



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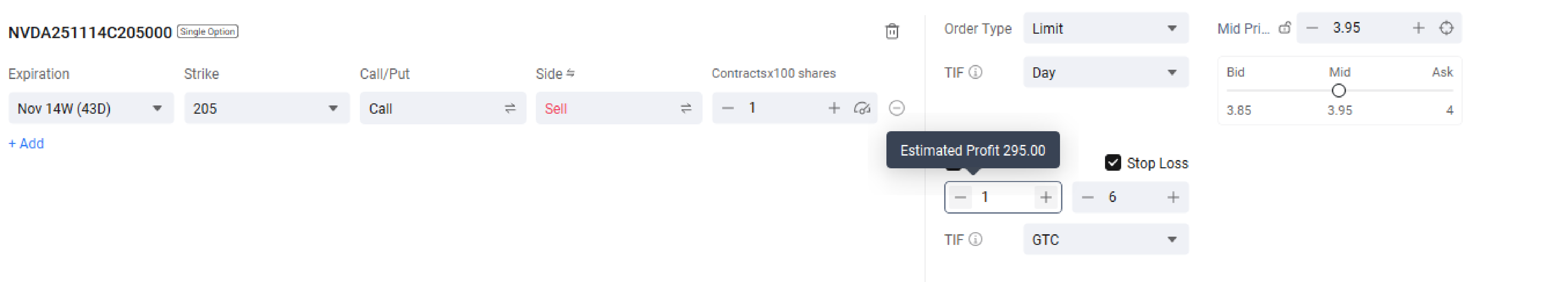
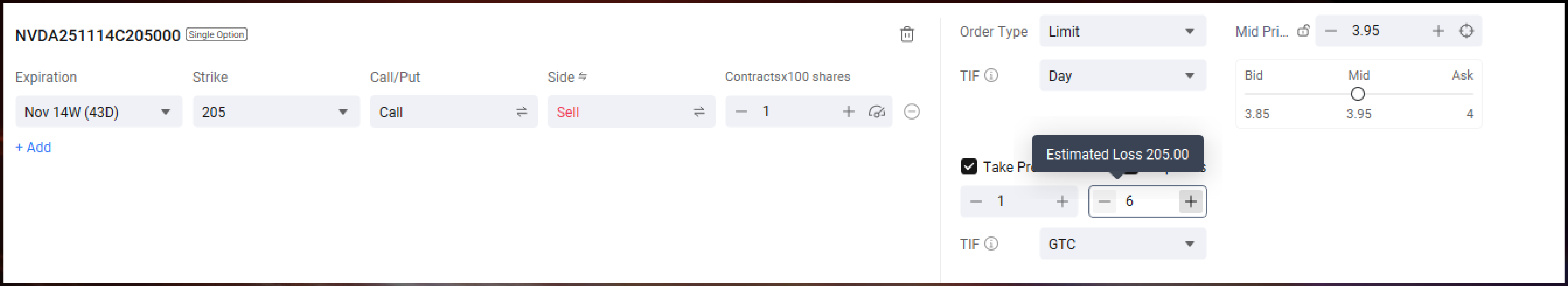
OR Take Profit and Stop Loss Setting (when enter as Single Leg Option)





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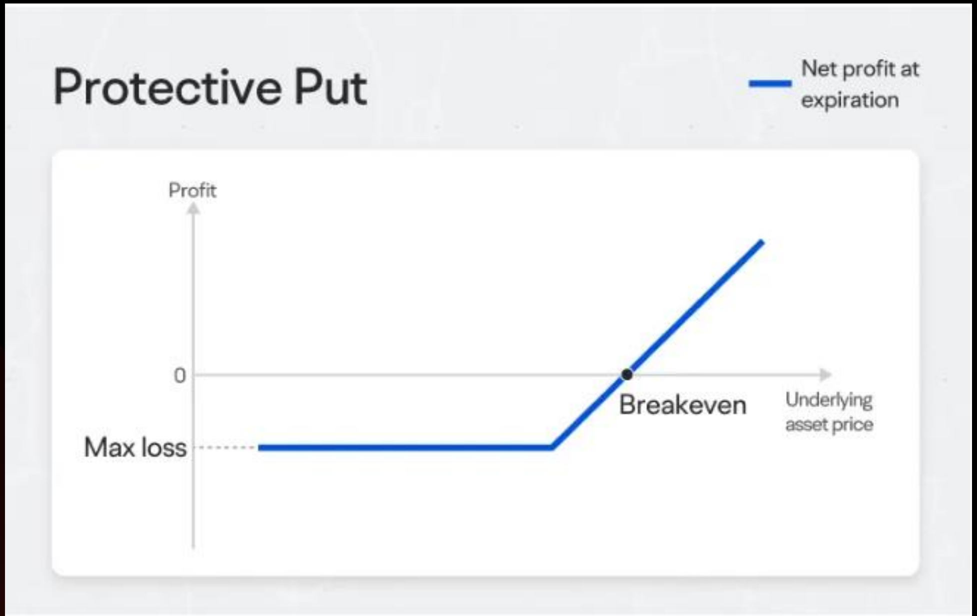
Options Strategy #2: Protective Put

Objective of Today's Session



1) Break-even: Stock Purchase Price + Net Premium

2) Max Profit: Unlimited

3) Max Loss: Stock Purchase Price - Put Strike Price + Net Premium

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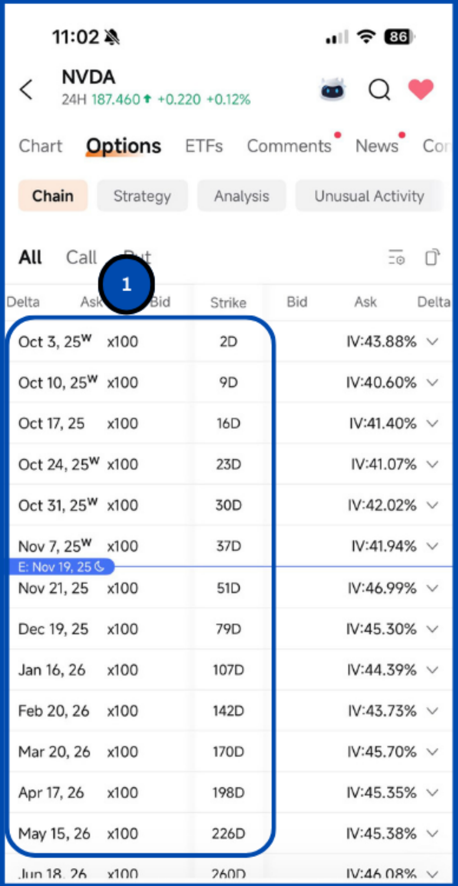
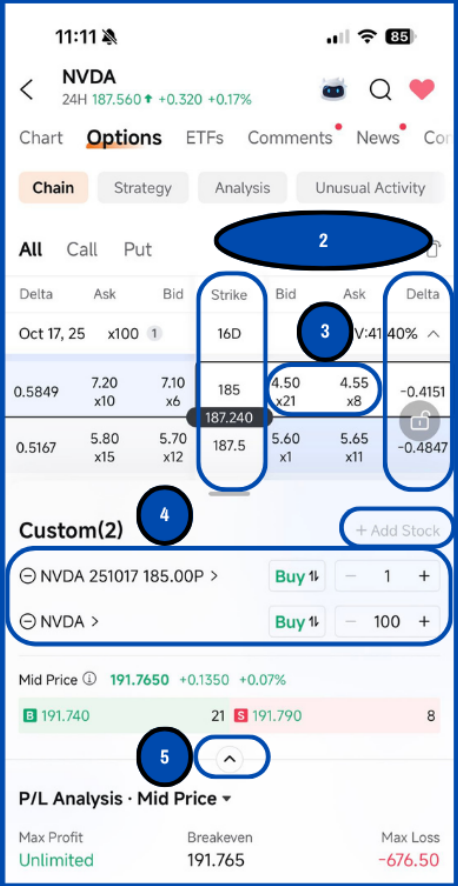
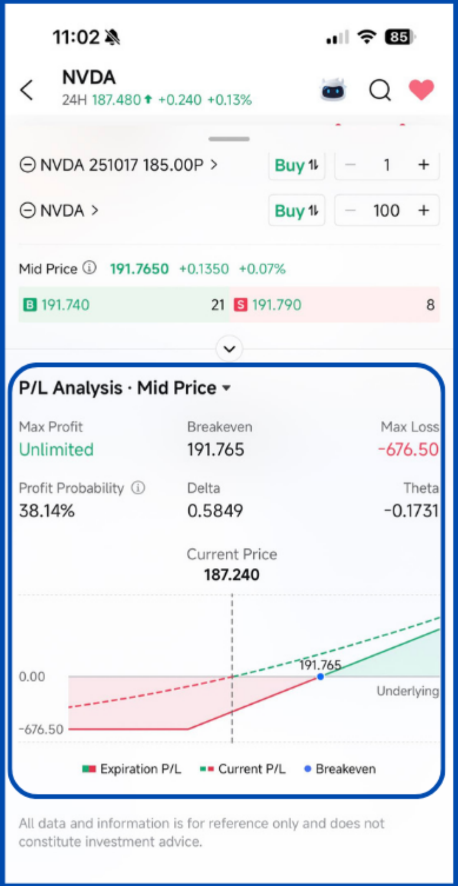
Protective Put







How I plan my Protective Put ?

1) **Expiration** – Pick expiration based on how long you want downside protection. If it's just for an upcoming event (like earnings), then use the nearest expiration covering that date. If you want longer-term insurance, go for longer expiration.

2) **Strike Price** – I usually pick a put strike near the level where I don't want to lose below. ATM or slightly OTM puts (like ~0.40–0.50 delta) give stronger protection but cost more. Further OTM puts are cheaper but give less coverage.

3) **Premium** – Check the bid-ask spread and liquidity on the puts. The premium is the "insurance cost." Higher protection = higher premium. Always balance how much downside you're willing to hedge against how much you're willing to pay.

4) **Direction** – If you **already own the stock** and just want to hedge it, then simply **add the long put**. If you don't have a stock position yet but want to take a bullish bet with downside protection, just tap "Add Stock" to include 100 shares alongside the put.

5) **Risk and Reward** – The P/L chart makes it clear. Your downside risk is limited to the put strike minus the premium paid (that's your insurance kicking in). Your upside profit is unlimited, since you still hold the stock. The trade-off: you pay the option premium, which reduces your net profit if the stock goes up.

Objective of Today's Session

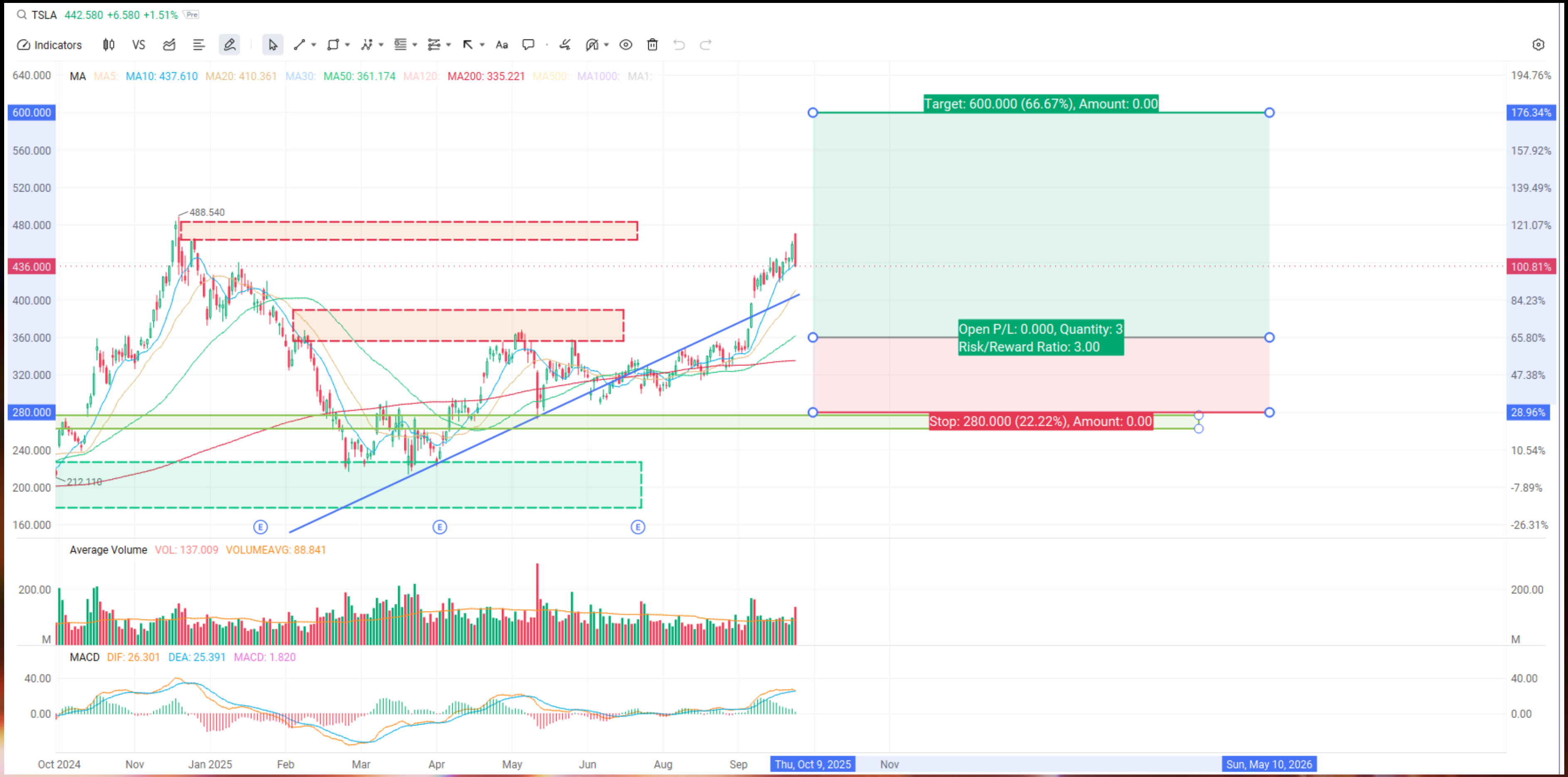
DESKTOP PLATFORM DEMO

PROTECTIVE PUT

TSLA Protective Put Case Study

1. **Expiration:** Next 2 weeks (14 days from expiration) as 'insurance cost' since price has break out to new high
2. **Strike price:** 40 delta strike price
3. **Premium consideration:** premium paid < floating profit
4. **Option Greek:** a) Theta: Premium loss with time decay, b) Vega: Benefit from rising volatility

Technical Analysis:



Assumption:

1) Entry = $360

2) Target Profit = $600

3) Stop Loss = $280

4) Floating Profit
= Current Price - Entry
= $442.58 - $360
= $62.58 x 100 shares = $6258

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Option Chain - Expiration Selection (14 DTE)

TSLA 436.000 -23.460 -5.11%

Chart | Options | ETFs | Financials | Valuation | Corporate Actions | Shareholders | Profile

Chains | Strategy Builder | Analysis | Earnings | Unusual Activity | Top Options

Volume 3.34M Put/Call Ratio 0.61 Open Interest 8.01M Put/Call OI Ratio 0.86 Implied Volatility 68.12% Historical Volatility 48.30% IV Rank 27 IV Percentile 51%

Table | Curve Custom Both | Call | Put Both | ITM | OTM All Contracts All Expirations

Bid	Ask	Delta	Volume	Open Interest	Strike	Bid	Ask	Delta	Volume	Open Interest

Expiration	IV	EM
Oct 3, 25 W (0D)	IV 74.42%	EM ±11.2
Oct 10, 25 W (7D)	IV 61.83%	EM ±27.418
Oct 17, 25 (14D) 1	IV 61.75%	EM ±37.48
E: Oct 22, 2025		
Oct 24, 25 W (21D)	IV 69.77%	EM ±52.363
Oct 31, 25 W (28D)	IV 68.12%	EM ±58.485
Nov 7, 25 W (35D)	IV 67.93%	EM ±65.125
Nov 14, 25 W (42D)	IV 52.43%	EM ±69.963
Nov 21, 25 (49D)	IV 66.90%	EM ±74.785
Dec 19, 25 (77D)	IV 65.88%	EM ±90.99
Jan 16, 26 (105D)	IV 65.00%	EM ±103.278

POP 37.42% Max Profit +41665.00 Max Loss -1835.00 Breakeven 416.650 Delta -0.4648 Theta -0.6520 Gamma 0.0083 Vega 0.3446 Rho -0.0796

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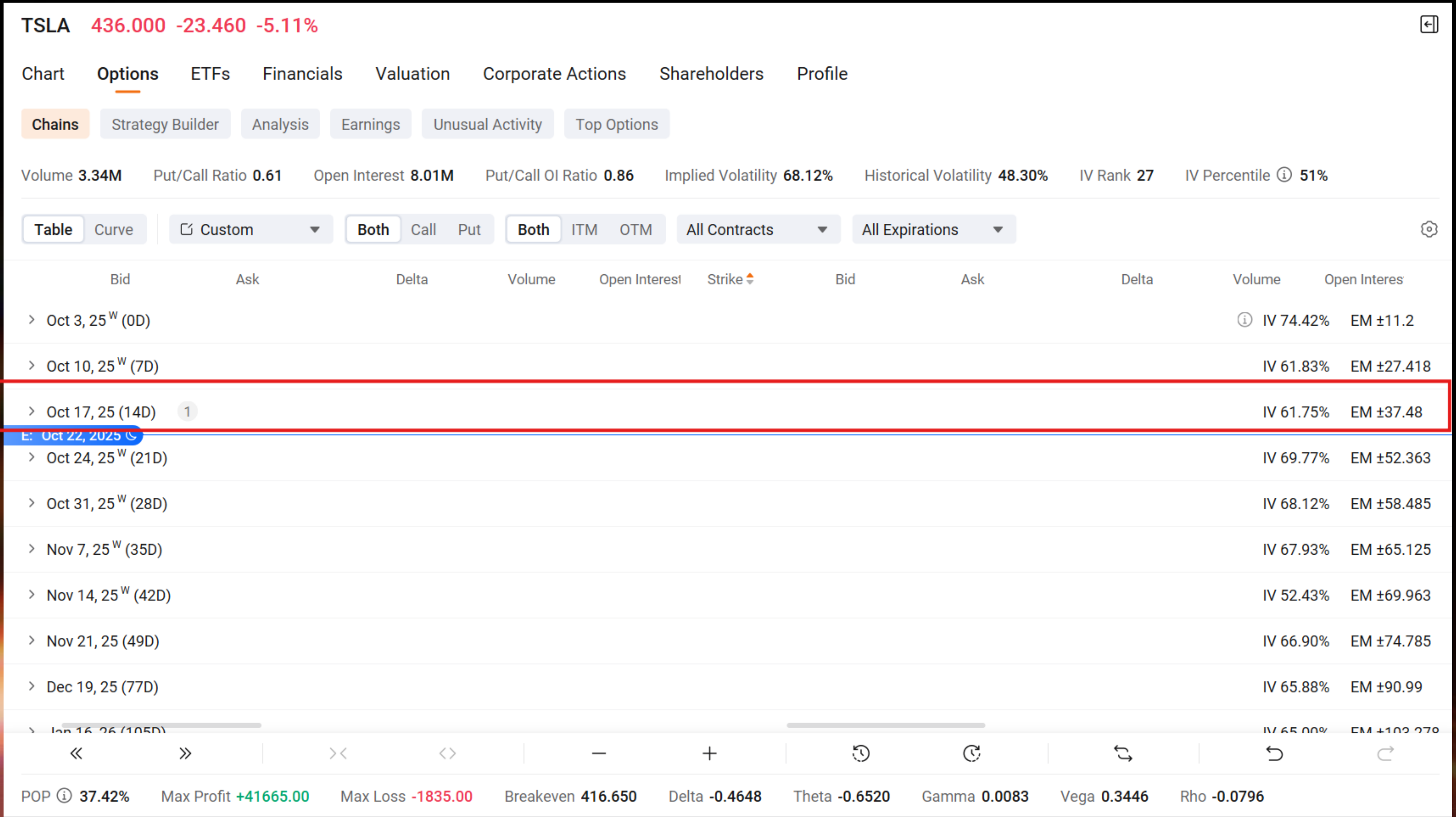
Option Chain - Expiration Selection (14 DTE)



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Option Chain - Strike Price Selection (45 delta)

TSLA 436.000 -23.460 -5.11%

Chart | **Options** | ETFs | Financials | Valuation | Corporate Actions | Shareholders | Profile

Chains | Strategy Builder | Analysis | Earnings | Unusual Activity | Top Options

Volume **3.34M** Put/Call Ratio **0.61** Open Interest **8.01M** Put/Call OI Ratio **0.86** Implied Volatility **68.12%** Historical Volatility **48.30%** IV Rank **27** IV Percentile **51%**

Table | Curve | Custom | Both | Call | Put | Both | ITM | OTM | All Contracts | All Expirations

Oct 17, 25 (14D) 1 — IV 61.75% EM ±37.48

Bid	Ask	Delta	Volume	Open Interest	Mark Price	Mid	Theta	Strike	Bid	Ask	Delta	Volume	Open Interest	Mark Price	Mid	Theta
25.55	25.80	0.6168	922	3.39K	25.68	25.675	-0.6846	425	13.60	13.75	-0.3823	2.47K	3.61K	13.68	13.675	-0.6278
24.15	24.40	0.5967	240	513	24.28	24.275	-0.6937	427.5	14.65	14.85	-0.4027	679	428	14.75	14.750	-0.6361
22.80	23.00	0.5765	6.31K	6.79K	22.90	22.900	-0.6999	430	15.80	16.00	-0.4234	4.13K	3.83K	15.90	15.900	-0.6434
21.50	21.70	0.5563	415	504	21.60	21.600	-0.7052	432.5	17.00	17.15	-0.4441	708	484	17.08	17.075	-0.6478
20.25	20.45	0.5359	1.6K	1.95K	20.35	20.350	-0.7085	435	18.25	18.45	-0.4648	1.36K	1.97K	18.35	18.350	-0.6520
Calls 157.63K								TSLA 436.000 -5.11%				Puts 99.99K				
19.05	19.25	0.5157	727	532	19.15	19.150	-0.7100	437.5	19.55	19.75	-0.4855	627	756	19.65	19.650	-0.6534
17.95	18.10	0.4955	3.42K	5.16K	18.03	18.025	-0.7105	440	20.90	21.10	-0.5062	7.18K	2.38K	21.00	21.000	-0.6528
16.85	17.05	0.4755	2.03K	1.39K	16.95	16.950	-0.7092	442.5	22.30	22.55	-0.5266	992	877	22.43	22.425	-0.6512
15.85	16.00	0.4558	5.11K	3.93K	15.93	15.925	-0.7061	445	23.80	24.05	-0.5466	3.16K	1.06K	23.93	23.925	-0.6488
14.85	15.05	0.4363	1.47K	1.21K	14.95	14.950	-0.7015	447.5	25.30	25.55	-0.5667	806	535	25.43	25.425	-0.6429
13.95	14.10	0.4172	18.64K	16.12K	14.03	14.025	-0.6953	450	26.90	27.15	-0.5861	6.78K	3.15K	27.03	27.025	-0.6372
13.10	13.25	0.3986	1.41K	0	13.18	13.175	-0.6888	452.5	28.50	28.80	-0.6052	679	0	28.65	28.650	-0.6292

POP **37.42%** Max Profit **+41665.00** Max Loss **-1835.00** Breakeven **416.650** Delta **-0.4648** Theta **-0.6520** Gamma **0.0083** Vega **0.3446** Rho **-0.0796**

Margin Account(1830) | **Option Trading** | Orders(6) | Positions | History

TSLA251017P435000 Single Option

Expiration	Strike	Call/Put	Side	Contractsx100 shares
Oct 17 (14D)	435	Put	Buy	1

+ Add

Order Type: Limit — Price: 18.35

TIF: Day — Bid 18.25 | Mid 18.35 | Ask 18.45

Take Profit | Stop Loss

Protection Required if Price Falls back to $400 level like Sept 12 with Current Engulfing Candle

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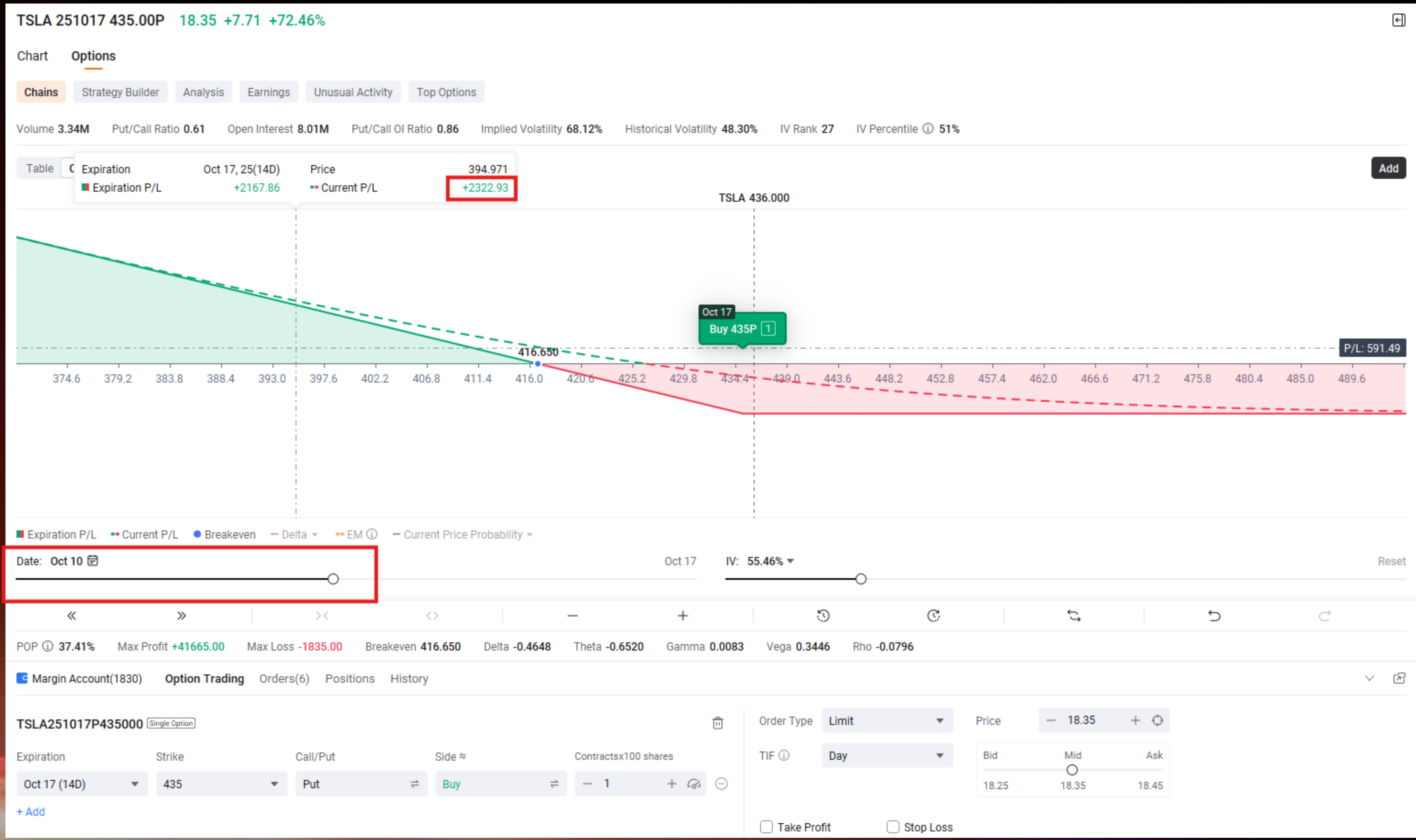
Assumption:

Objective of Today's Session

1. When price falls back to $400 in the next 7 days, current P/L for protective put is +$2322.93

2. IV stays the same



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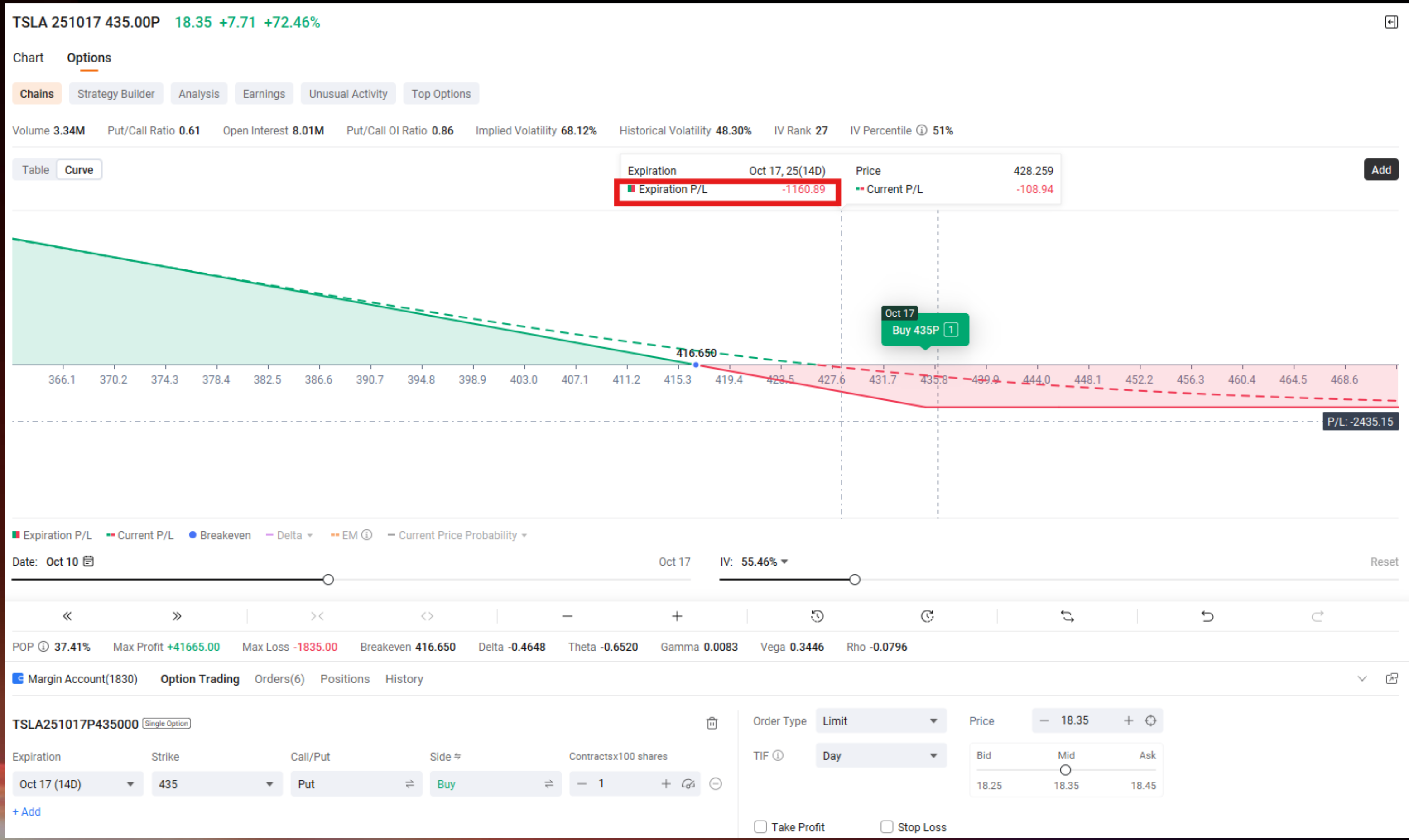
Option Curve Risk Reward

Risk : Reward 1:2

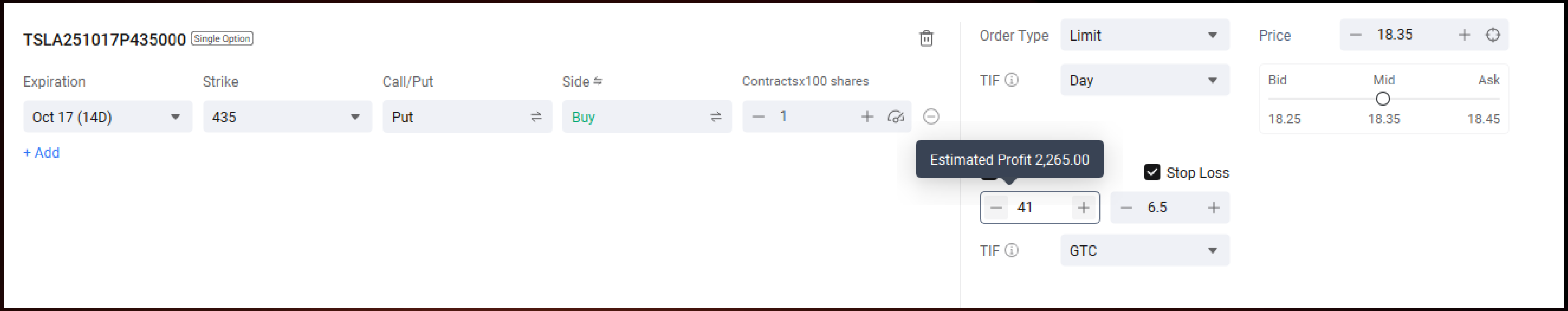
1. Reward: +$2322.93 = Underlying price move to U$400 (in 7 days)

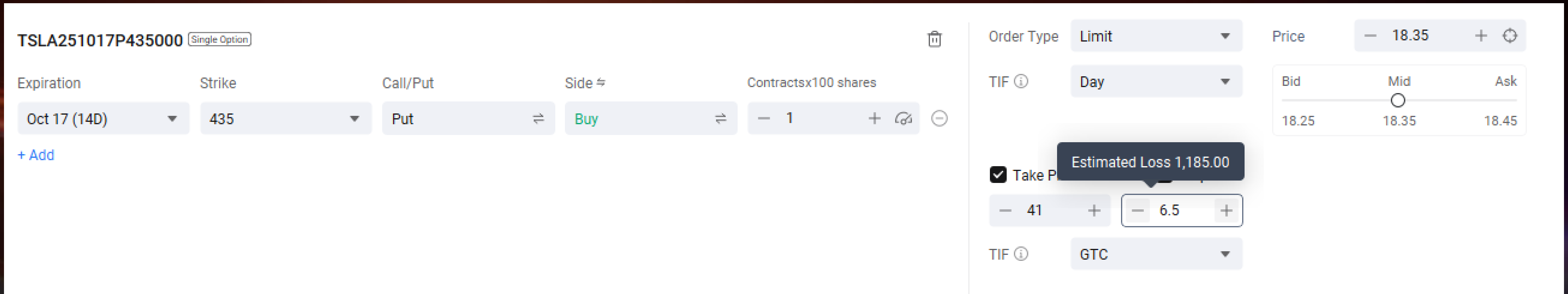
2. Risk: -$1161.47 = Underlying price move to US$428 (in 14 days)



Take Profit & Stop Loss

Open to buy = Premium paid = $18.35 or $1835 / $6258 = 29.3%
Close to sell:
1. Reward: +$2322.93 = Take Profit (round up) at $41
2. Risk: -$1161.47 = Stop Loss (round up) at $6.50





'P.R.O.F.I.T.S' Option Features (pt 1)

P – Price Movement Insights

Option Calculator/Chain/Curve → Gain foresight by seeing past, present, and projected option prices.
Chain with Earnings, Dividends, IV%, Expected Move → Get the complete market picture in one glance.
Volatility Projections → Choose the best moments to buy or sell options with confidence.

R – Risk & Reward Planner

Strategy Builder + Option Curve → Create strategies tailored to your budget or expected move.
Bullish/Bearish/Neutral Curves → Visualize trade outcomes instantly and plan with clarity.

O – Options Analysis Tools

IV vs HV, OI, Volume, Volatility Smile, Probabilities → Identify opportunities where options may be attractively priced.
Risk Assessment Dashboard → Make informed choices with data-driven insights.

'P.R.O.F.I.T.S' Option Features (pt 2)

F – Forecasting Earnings Reactions

IV Crush & Expected Move Analysis → Understand how option prices shift around earnings for better timing.

Expected vs Actual Move Comparison → Spot opportunities when stock reactions differ from market expectations.

Historical Earnings Data → Learn from past cycles to plan stronger earnings strategies.

I – Institutional Options Activity Alerts

Unusual Options Activity (Sweep, Cross, Floor, Normal) → Follow the trail of smart money to discover new opportunities.

T – Top Options + Options Screener Tool

Volume / OI Change Scanner → Quickly identify trending stocks and high-interest trades.

IV & OI Shifts → Gain insight into market sentiment across calls and puts.

S – Study & Sharpen

Moomoo Community → Learn from real option strategies (eg. earnings trades/0-14dte SPX trades) with Options Hunter (Moomoo ID: 106074905) and other active traders.

Moomoo Learn → Strengthen your knowledge with easy-to-follow guides and tutorials.

'Options Hunter' (Moomoo ID: 106074905)

Options Hunter

Simple option strategies for retail traders from earnings playbooks to technical setups to achieve POSITIVE expectancy!

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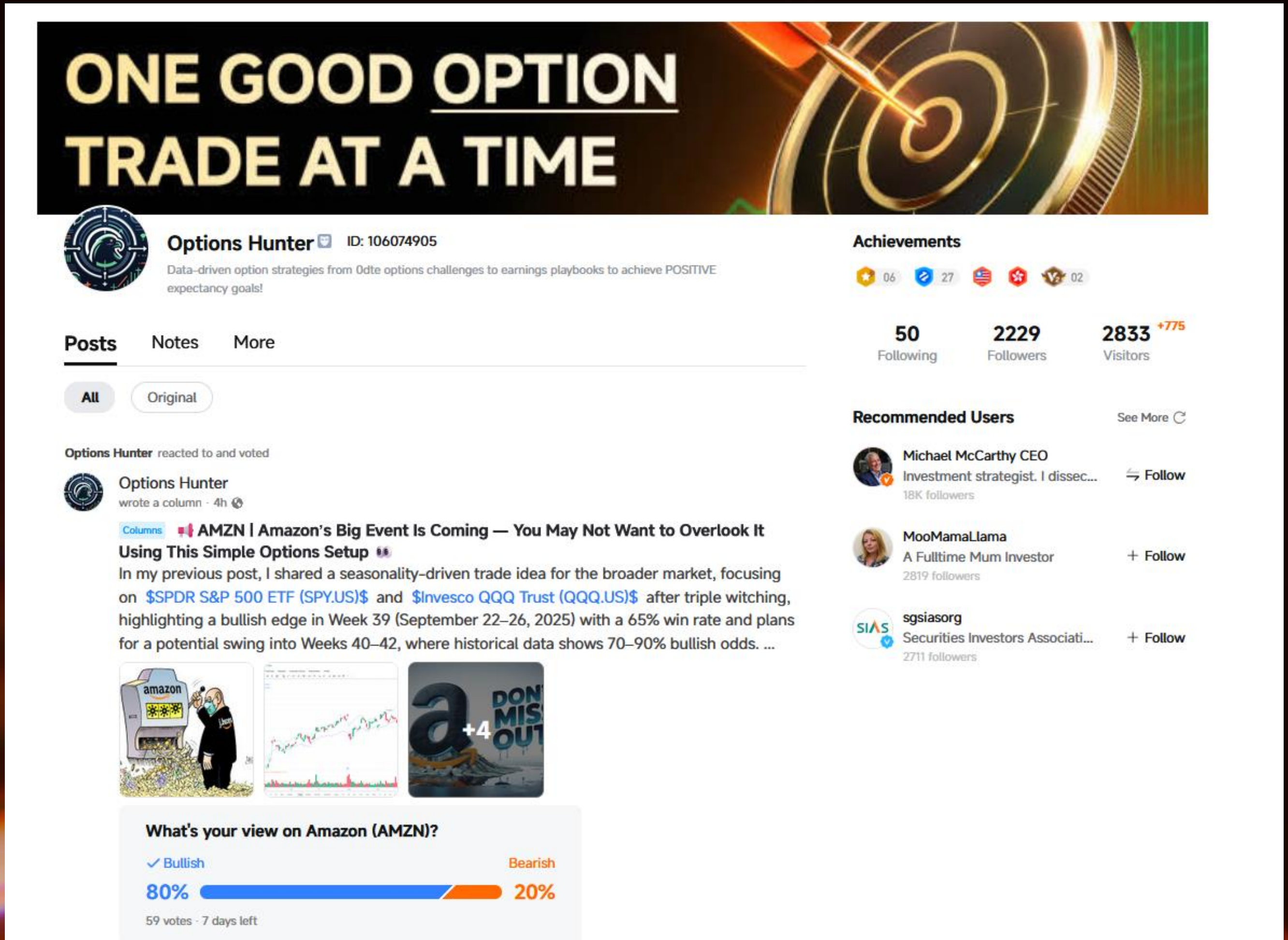

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Disclosure

Q&A