

Zero to Trading in 21 Days

Day 18: Vertical Spreads

Learn: Test your knowledge and understanding of the concepts presented in the video.



Review: Summarize the main points and concepts from the video.

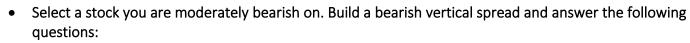


Apply:

Demonstrate how you will apply the concepts from the video into your own trading.

- What advantages do vertical spreads have over long options?
- What disadvantages do vertical spreads have when compared to long options?

- What are the basic entry rules for bearish vertical spreads?
- How would you decide if you were using calls or puts to construct a vertical spread?
- How do you calculate the maximum loss of a debit spread? What about a credit spread?



- \circ $\;$ What strike are you selling?
- What strike are you buying?
- Are you using calls or puts?
- \circ What is your maximum loss?
- What is your maximum gain?