



Zero to Trading in 21 Days

Day 11: Option Greeks



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 is delta?
- What is theta?



- For option buyers, does theta increase or decrease a position's profitability?
- What is the relationship between the passage of time and how theta increases/decreases over time?
- Describe how an option's delta changes in value relative to the underlying security price.



- Using the trading platform, list the current price of the SPY call option with a delta closest to .16?
- Using the trading platform, list the theta for the current at the money SPY call option.
- Using the trading platform, record the prices (to buy) of the QQQ 70 and 30 delta call options.
- From the example above, list the amount of extrinsic value for the 70 and 30 delta call options. If you were to buy the 70 and 30 delta call options, based on the extrinsic values, how much would QQQ have to move/increase in price for those options to be profitable?