

Advanced Guide on Option Trading Adjustment

Table of Contents

Chapter 1 - “Liquid” Trade adjustment	
Preamble	7
Chapter 2 - “Liquid” trade adjustment)	
overview and terms	
Adjusting a losing trade	10
Closing a losing trade	13
Taking a profit	13
Chapter 3 - short call in collar (covered call)	
adjustments along with long put in married	
put	
Preamble	16
Covered call	17
Short call	19

Chapter 4 - Put adjustment and married put position

Reasons to get out of a put hedge	34
Reason one - avoid an exercise	35
Reason two - it is near expiration and you have to get out before hedge expires	43
Reason three - the underlying has sold off and you	46
Reason four - the stock has bounced	58
Conclusion	59

Chapter 5 - Long Call into call spread on expiration day

Case study	60
Locking in the Trade	63

Chapter 6 - platinum butterfly hedge adjustment to close and save money

Case study	70
------------	----

Chapter 7 - rolling complex positions up or down staying in the same month

Introduction	75
Main material	80
Criteria	85

Chapter 8 - adjusting,protecting,legging and stopping out vertical spread

Preamble	91
Concept overview	92
Short vertical spread going against you	
Part 1 important variables	95
Part 2 how it works	98
Part 3 criteria	105
Short vertical spread going in your favor	123
Long vertical spread going against you	129

Chapter 9- alternative spread choices

Preamble	131
Case study in SPY	134
Decision /conclusion	149
Criteria	155

Chapter 10- Adjusting,Protecting Broken WingButterfly Spreads and Adjusting Criteria

Case study	168
Original trade	168
First adjustment	169
Second adjustment	170

Chapter 11- BWB Adjusting Criteria

Step 1 - Consider Possible Solutions	175
Step 2 - Determine if Adjusting the BWB Makes Sense For You	176
Step 3 - Determine further steps	177
Step 4 - Determine Where You Have Risk in Your Position.	178
Step 5 - Buy an Option at the Strike at Risk	179
Step 6 - Choose Delta Neutral or Straight Buys	180
Step 7 – Consider Delta Neutral	182
Step 8 – Trade 1 Up	184
Step 9 - Weigh Things Intellectually	185