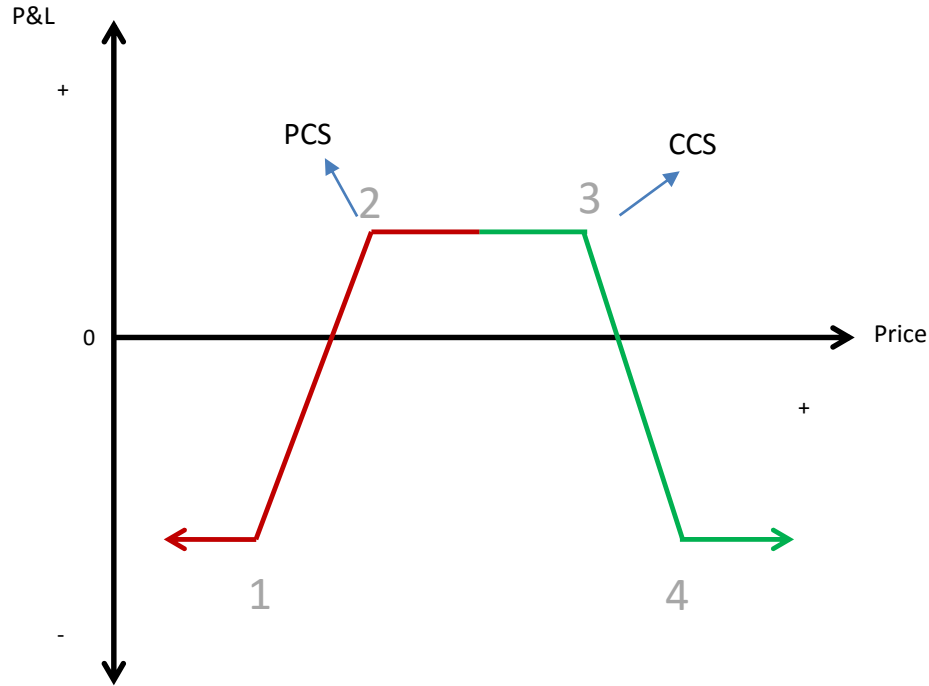


Iron Condor Setup

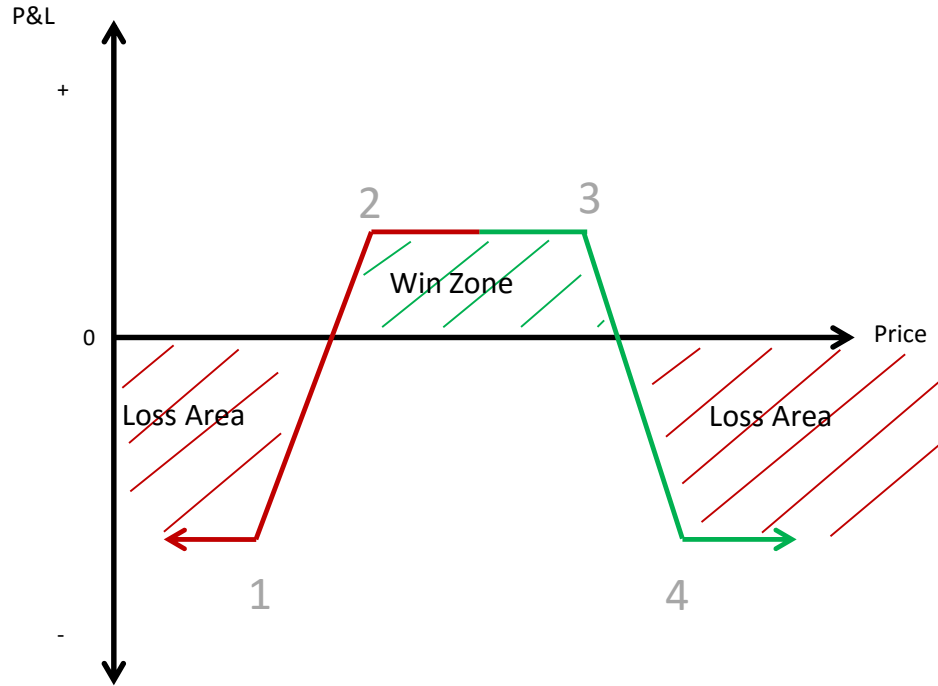
Iron Condor P&L Diagram

Iron Condor Setup



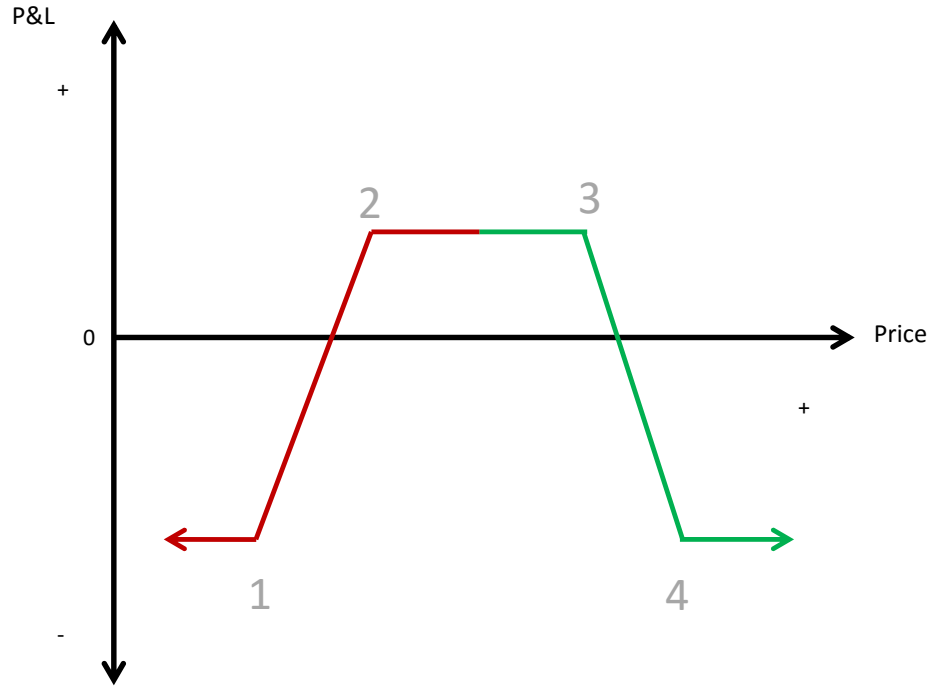
- Involves simultaneous selling of an OTM Call Credit Spread (CCS) and an OTM Put Credit Spread (PCS)
- Iron Condor
 - Short Call @ strike 3
 - Long Call @ strike 4
 - Short Put @ strike 2
 - Long Put @ strike 1
- Neutral outlook. Expectation: the market does not move over your strikes
- Condors are adjustable depending on outlook

P&L Diagram



- Max win: Net premium collection as option seller
- Margin requirement: only on one side
- Iron Condor is with the right conditions, a great way to collect more credit (1 x Margin und 2 x Premium or Credit amount)
- Similar to a short strangle? – Yes. Only a condor is hedged
- Break even price is at either: ITM call strike + credit received, or ITM put strike - credit received

P&L Diagram



- Best to capitalize on this strategy when IV is high. Just make sure the strikes you chose are far enough not to get hit
- Depending on your hedge, this strategy is risk defined and can be used with smaller trading accounts (small is relative. Please do not confuse this with “small” scalping accounts of 500-1000.)
- As a seller you capitalize on Theta Decay