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Sheridan Options Mentoring

Short Term Trade: Double Diagonal

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“Short Term Double Diagonals”



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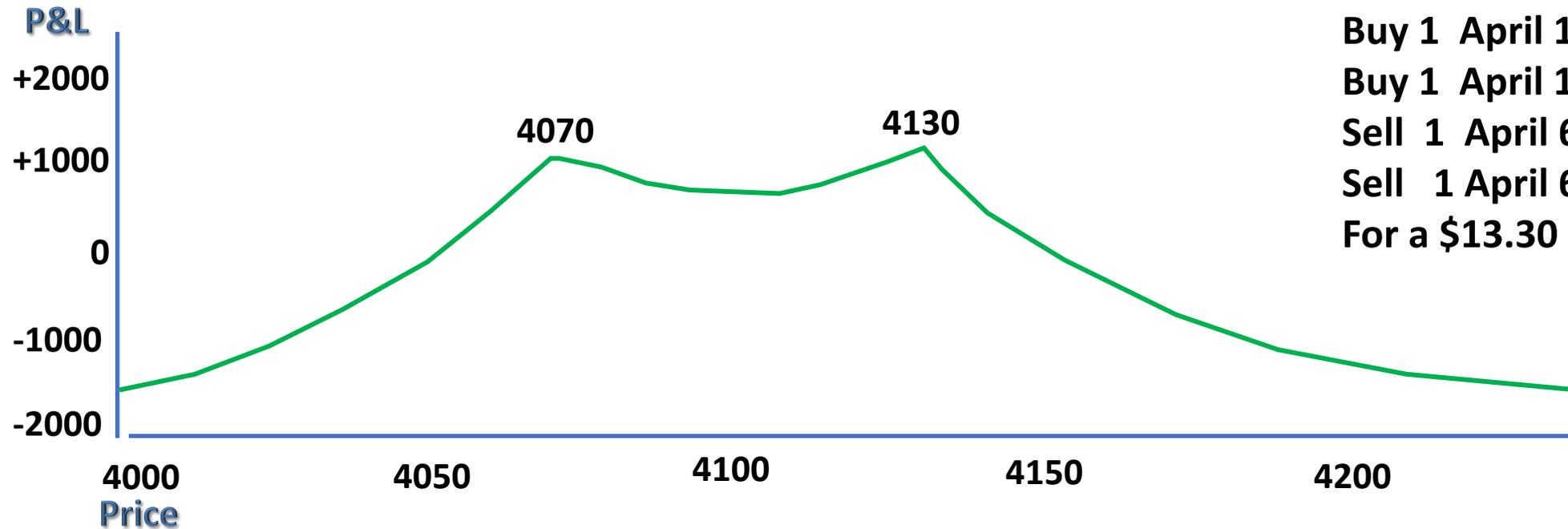
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Double Diagonal Example for a Short-Term Trade



Buy 1 April 10 4135 Calls
Buy 1 April 10 4065 Puts
Sell 1 April 6 4130 Calls
Sell 1 April 6 4070 Puts
For a \$13.30 Debit

Greeks:
Deltas 2.00
Gamma -.36
Theta 380
Vega 170

Expected Move for 2 Days = 40 Points. Duration Short Strikes = 2 Days Duration Long Strikes = 6 days

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Guidelines

- Philosophy and Characteristics of Short-Term Trades?
- Philosophy and Characteristics of Double Diagonals?
- When to initiate this trade?
- When not to initiate this trade?
- Foundation of Double Diagonals
- Strikes
- Duration
- Execution
- Risk Management

