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Sheridan Risk Management

All Wheel Options Strategy, Part 2: Using Long Diagonals instead of Covered Writes

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As with all investments, your capital is at risk

Sheridan Risk Management

“Options Wheel Strategy Part 2: Using Long Diagonals Instead of Covered Writes”



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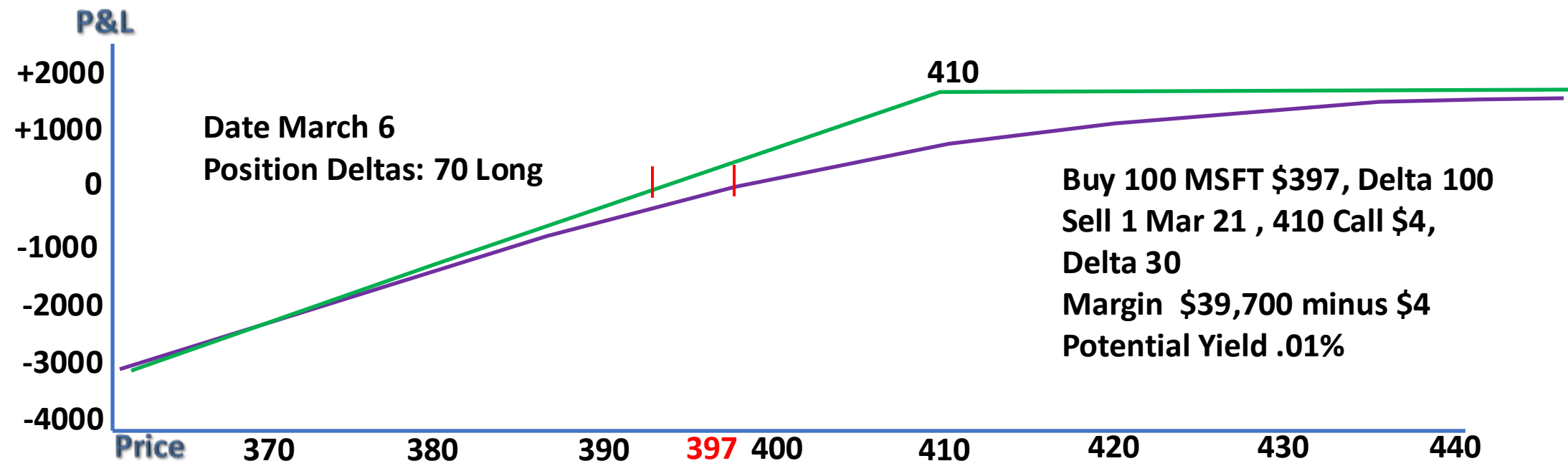
Covered Writes

- Good Strategy for extra Income to Stock Owners
- Bridge strategy for most Investors into World of Options
- Yields could be 1% Monthly
- Cost is High because of the expensiveness of 100 Shares of Stock

Review All Options Wheel Strategy

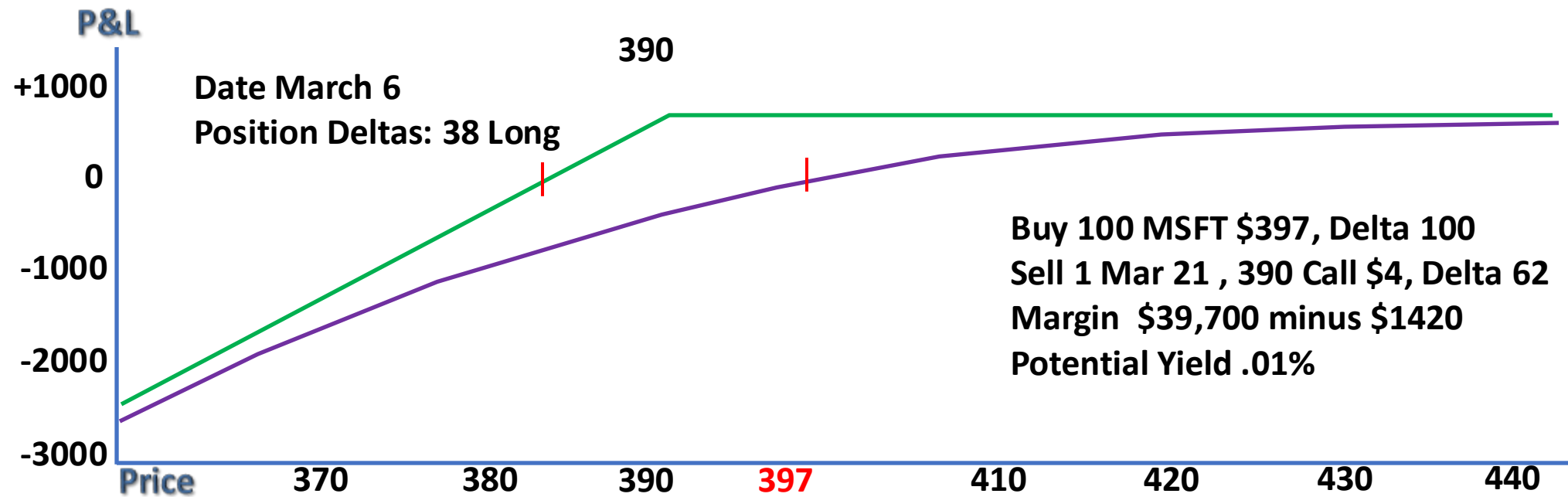
- Traditional Wheel: Cash Secured Put VS All options: Put Vertical Credit Spread
- Traditional Wheel: Covered Write VS All Options: Long Diagonal

Example of ZXYZ Covered Write or Buy Write or Covered Call (OTM)



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Example of ZXYZ Covered Write or Buy Write or Covered Call (ITM)

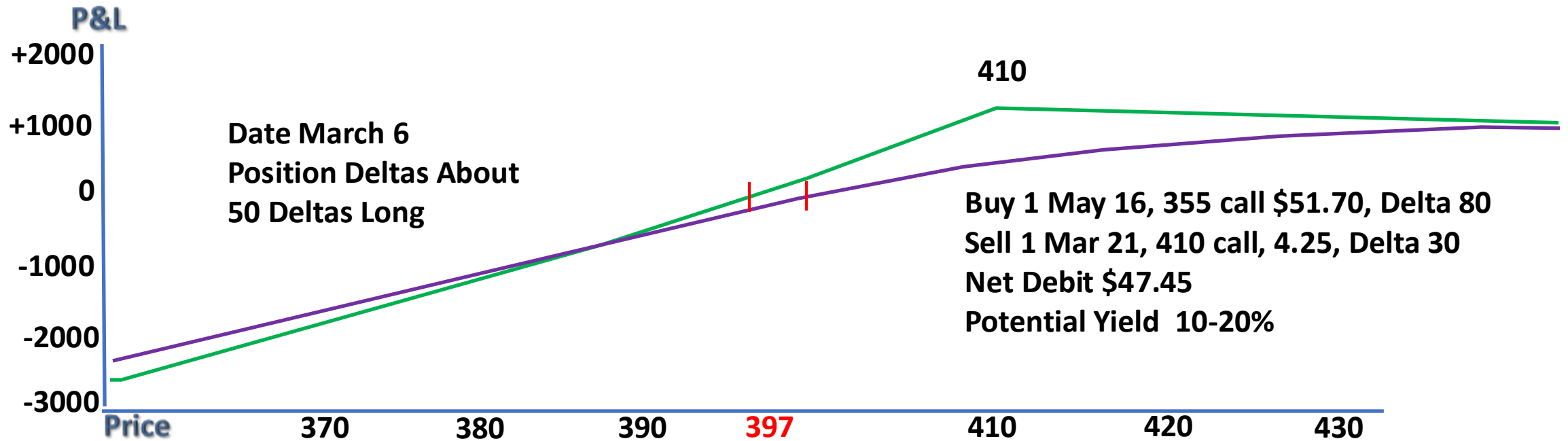


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Long Diagonals or Poor Man's Covered Call

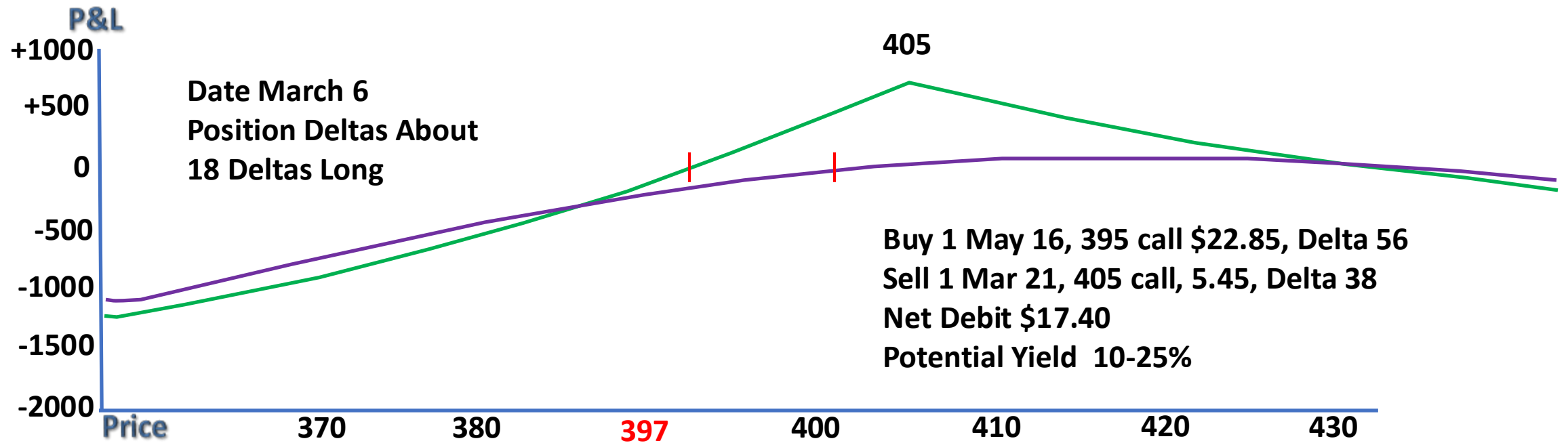
- What is a Long Diagonal?
- Contrast Long Diagonal versus Covered call?
- Vehicles to Trade?
- Long and Short Strikes ?
- Duration of Long and Short Strikes?
- Long or Short Deltas?
- Profit Target?
- Risk management?

Long Diagonal or Poor Man's Covered Call



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Long Diagonal or Poor Man's Covered Call for Smaller Account



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