

May 27, 2025

Sheridan Risk Management

Wheel Strategy, Part 3: Example Of “The All Options Wheel Process”

Dan Sheridan

Sheridan Risk Management

www.ibkrcampus.com/webinars

www.ibkrcampus.eu/webinars

Exchange and Industry Sponsored Webinars are presented by unaffiliated third parties. IBKR is not responsible for the content of these presentations.

You should review the contents of each presentation and make your own judgment as to whether the content is appropriate for you. IBKR does not provide recommendations or advice. This presentation is not an advertisement or solicitation for new customers. It is intended only as an educational presentation.

Disclosure:

Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled Characteristics and Risks of Standardized Options by visiting ibkr.com/occ. Multiple leg strategies, including spreads, will incur multiple transaction costs.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the [CFTC Risk Disclosure](#). For a copy visit your local Interactive Brokers Website.

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the [Security Futures Risk Disclosure Statement](#). For a visit copy your local Interactive Brokers Website.

There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

IRS Circular 230 Notice: These statements are provided for information purposes only, are not intended to constitute tax advice which may be relied upon to avoid penalties under any federal, state, local or other tax statutes or regulations, and do not resolve any tax issues in your favor.

Interactive Brokers LLC is a member of NYSE FINRA SIPC

Interactive Brokers Canada Inc - Is a member of the Canadian Investment Regulatory Organization (CIRO) and Member - Canadian Investor Protection Fund

Interactive Brokers (U.K.) Limited is authorised and regulated by the Financial Conduct Authority. FCA Register Entry Number 208159

Interactive Brokers Ireland Limited is regulated by the Central Bank of Ireland. CBI, reference number C423427

Interactive Brokers Australia Pty. Ltd. - ABN 98 166 929 568 is licensed and regulated by the Australian Securities and Investments Commission AFSL: 453554

Interactive Brokers Singapore Pte. Ltd. - Is licensed and regulated by the Monetary Authority of Singapore. MAS, Licence No. CMS100917

Interactive Brokers Hong Kong Limited is regulated by the Hong Kong Securities and Futures Commission, and is a member of the SEHK and the HKFE

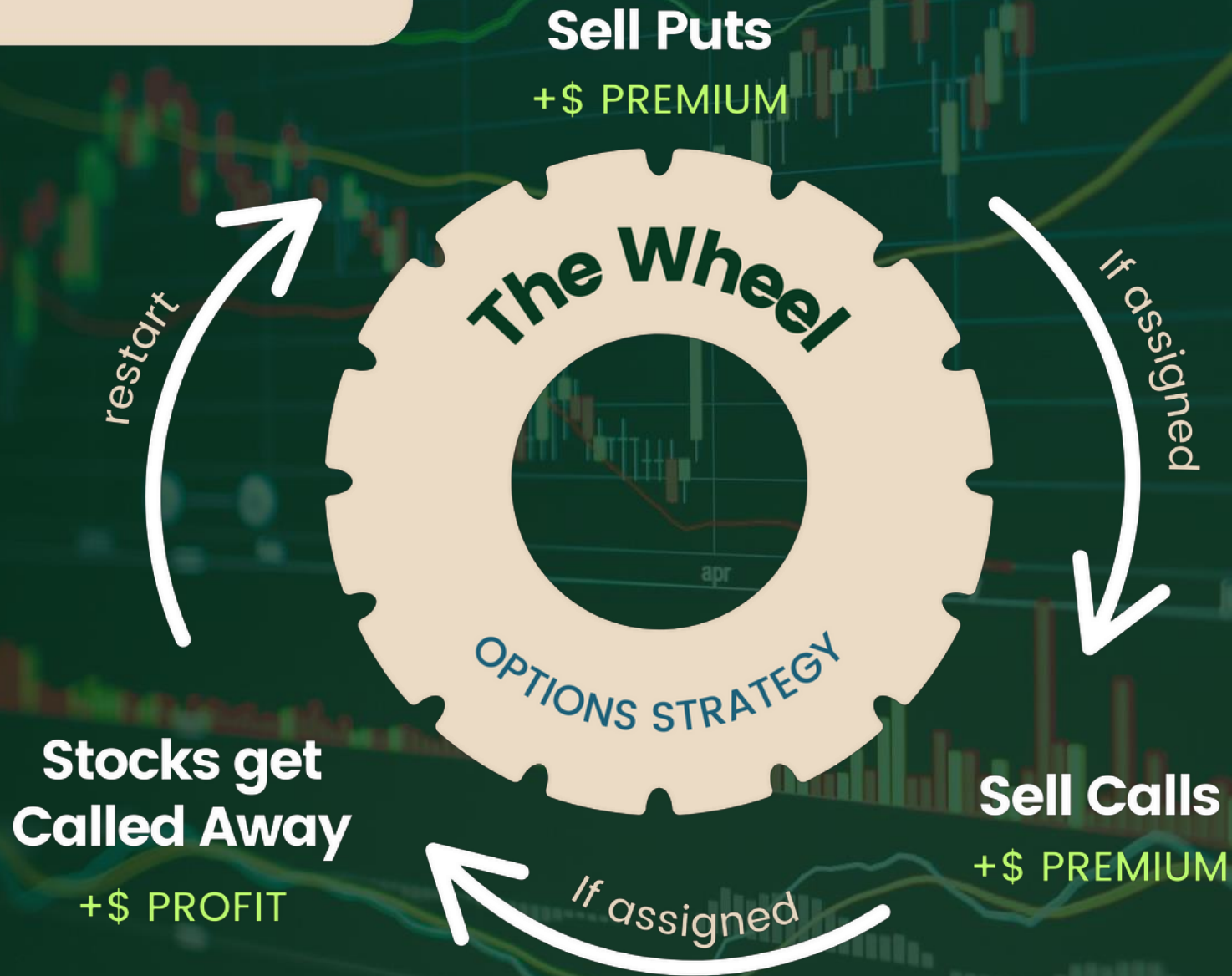
Interactive Brokers India Pvt. Ltd. member: NSE, BSE, SEBI. Regn. No. SEBI Registration No. INZ000217730; NSDL: IN-DP-NSDL-301-2008



Wheel Strategy, part 3: Example of “The All Options Wheel Process”

sheridanriskmanagement.com

Review of Wheel Strategy

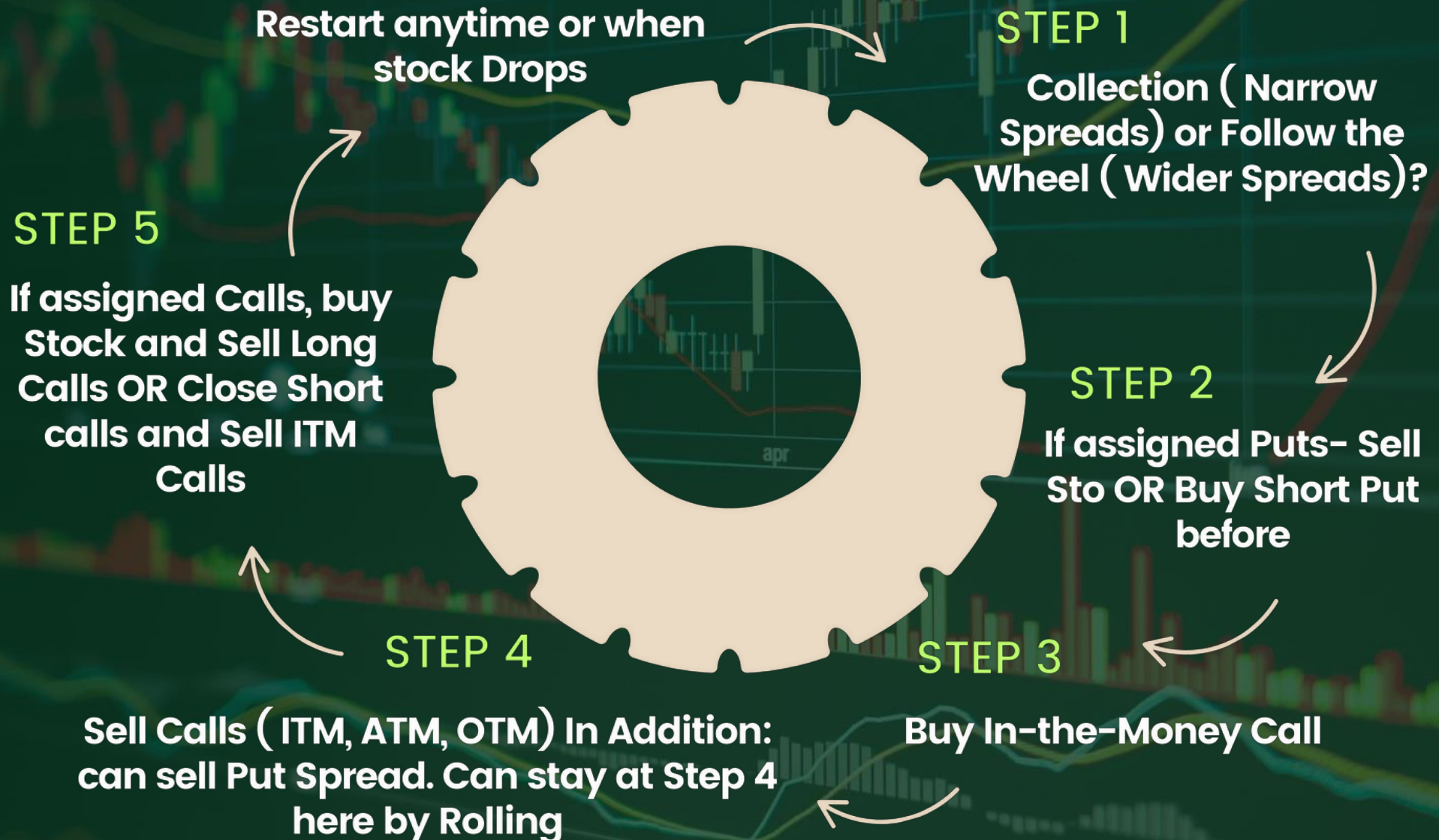


Sell Put Spread



Sell Put Spread

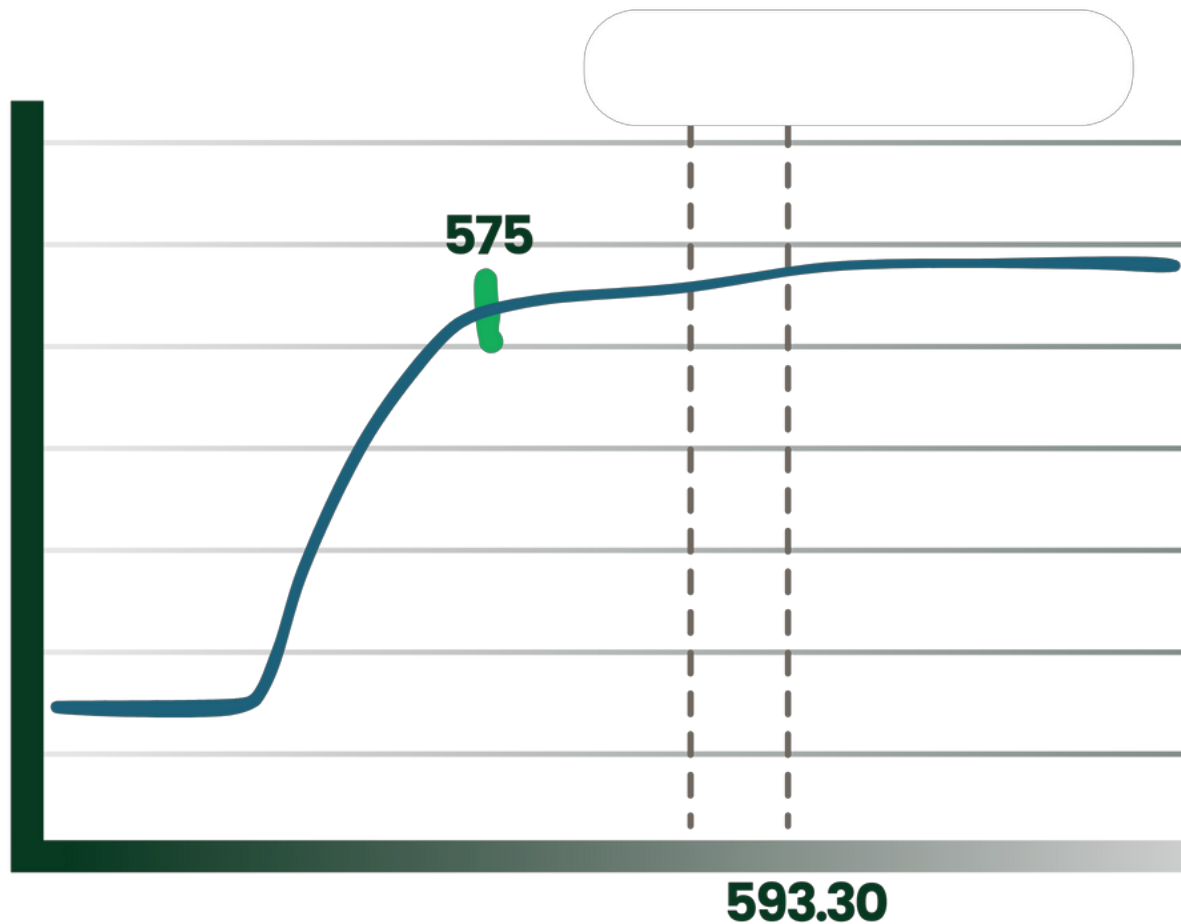
INCOMES



Multiple leg strategies, including straddles and spreads, will incur multiple transaction costs.

Sell Bull Put Spread in SPY

- Date: May 20
- SPY 593.19
- VIX 18
- Deltas 12
- Theta 7
- Vega -18



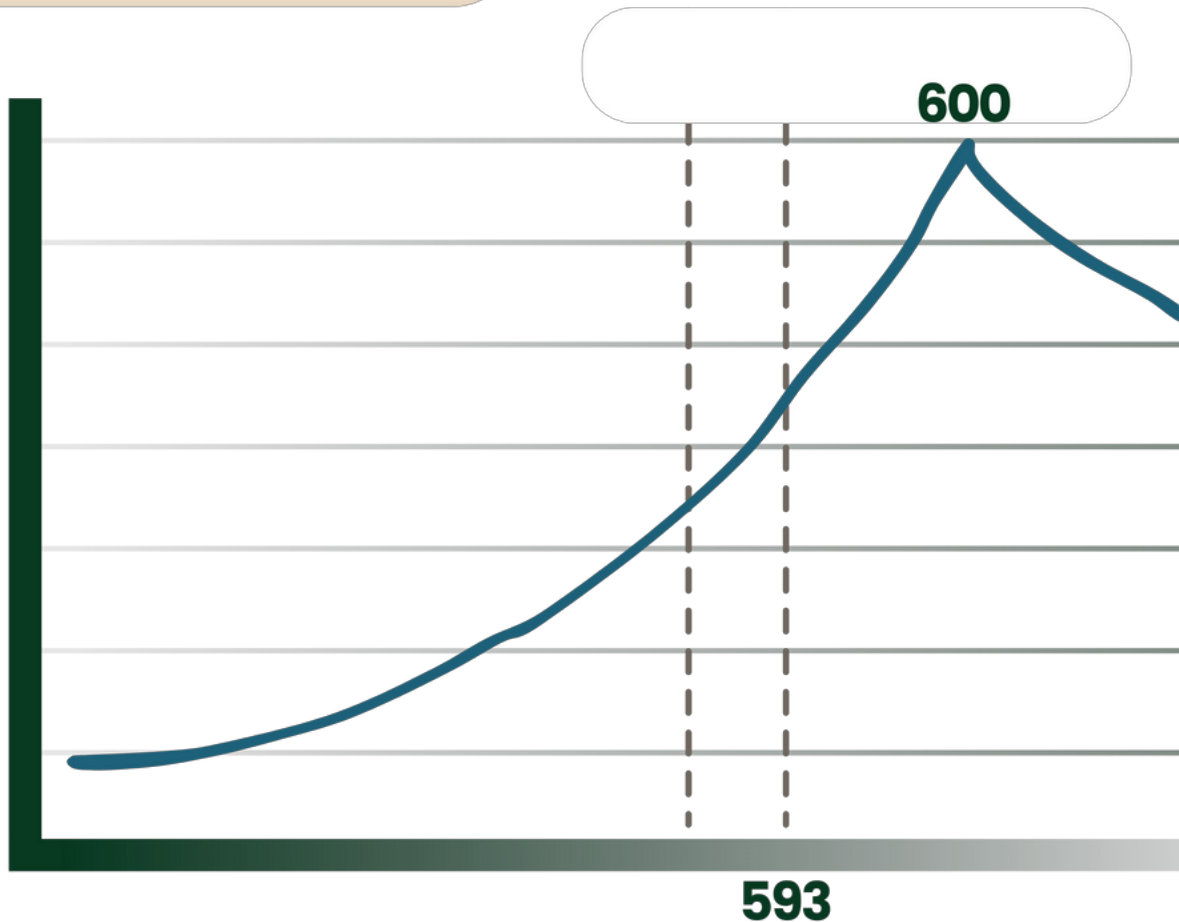
- Sell 1 Jun 6 , 575 Put
- Buy 1 Jun 6 , 555 Put
- Credit \$1.80
- Margin \$1820
- Yield 10%
- Delta Short: 20
- Delta Long: 7

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Multiple leg strategies, including straddles and spreads, will incur multiple transaction costs.

SPY Long Diagonal (Poor Man's Covered Write)

- Date: May 20
- SPY 593
- Deltas 15
- Theta 10
- Vega 74



- Buy 1 Aug 29, 595
- CaSell 1 Jun 6, 600
- Call \$17.50 Debit

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Multiple leg strategies, including straddles and spreads, will incur multiple transaction costs.

The background of the image is a dark teal color with a faint, semi-transparent overlay of financial market data. This includes a candlestick price chart at the top, a volume bar chart at the bottom, and several moving average lines in various colors (green, yellow, red, blue) that trend across the chart area. The x-axis of the charts is labeled with the months 'mar', 'apr', 'may', and 'jun'.

sheridan

r i s k m a n a g e m e n t