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Market Chameleon

How to Use an Option Chain

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Option Chain

Find Trade Idea - Conduct Deeper Analysis

Order Flow Analysis- time and sales, options volume, open int.

Price Analysis- implied volatility, historical price analysis

Risk/Reward- payout diagrams, historical movements, greeks

Strategy Builder- option combinations

Option Chain

The Option Chain is a table that organizes options data to make it faster and easier to make trading decisions.

Typically you will see:

Prices

Volume

Open Interest

Trades

Analytics

Research

You can use analytics to help evaluate option prices and risks such as

Implied Volatility

Greeks

Rankings

Option Pricing Models

Evaluate Potential Risk/Reward

You can use theoretical payoff diagrams at expiration to view your potential risk and rewards along different stock prices

Payoff Diagram at expiration

Build Strategies

You can create different option strategies based on your future outlook. This can be directional or non-directional strategies.

Spreads

Straddles

Butterfly

Trading Insights

You can view the volume and trade prices to see what other traders are doing

- Put vs Call Volume

- Volume by Expiration

- Volume by Option Contract

- Implied Volatility Changes

- Time and Sales