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# Aeromir Corporation

## Calendar Spreads in SPX

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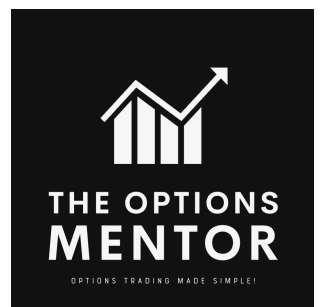
# Calendars With Mark Fenton



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# What Is a Calendar Spread?

Structure: An options spread where an option is sold at a strike in one expiration and an option at the same strike is purchased in a further out expiration.



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# Calendar Spread Concepts

- How does this strategy work?
- Distance between short and long expiration considerations
- Duration considerations
- Risk/Reward considerations
- Placing trade
- Risk management and adjustment
- Macro market considerations
- Significance of news events

# Calendar Spread Greeks

Delta: Can be long or short delta, usually close to neutral delta

Vega: This spread is long vega (when purchased but not when sold) and changes in the implied volatility of your options during trade can greatly affect the profitability

Theta: This spread is long theta and income from theta is the primary profit



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# Every Strike Has Its Own IV

SPX		S&P 500 INDEX		5024.71		+2.50		B: 5023.13	
						+0.05%		A: 5026.50	
Underlying									
Last X	Net Chng	Bid X		Ask X		Size	Volume		
5024.71	+2.50	5023.13		5026.50		N/A	N/A		
Option Chain									
Filter: Off		Spread: Single		Layout: Impl Vol, Delta					
CALLS									
		Impl Vol	Delta	Bid X		Ask X		Exp	Strike
26 APR 24		(8) 100 (Weeklys)							
		16.96%	.52	53.60	C	53.90	C	26 APR 24	5025
		16.88%	.51	50.80	C	51.20	C	26 APR 24	5030
		16.79%	.49	48.10	C	48.50	C	26 APR 24	5035
29 APR 24		(11) 100 (Weeklys)							
		15.85%	.54	63.80	C	64.20	C	30 APR 24	5020
		15.78%	.52	60.90	C	61.40	C	30 APR 24	5025
		15.68%	.51	58.10	C	58.40	C	30 APR 24	5030
		15.60%	.50	55.30	C	55.70	C	30 APR 24	5035

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# Differing Widths Between Short and Long Expirations

- The greater the distance between the short and long expirations the higher the position Vega and Theta
- Since the long is purchased further out than the short, volatility effects are higher in this trade
- The greater the distance between the short and long, the faster the theta decay difference and the price is higher

# Profit Goals & Risk

- Profit Goal: Our goal is 10% of the cost of the trade. Cost of the trade is the debit.
- Your Max risk is also the cost of the trade
- Average time in trade should be around 3 to 6 days
- When would we change our profit goal?

# Significant News Events

- What News events are MOST important?
  - FOMC Announcements
  - Non-Farm Payrolls
  - Unemployment Claims
  - CPI, PPI and PCE
  - Earnings Releases
  - Fed Board Member Speaker Events
  - Other US Political and GEO Political Events.

# My Day-to-Day Routine in Trading

Websites I use for Market news and analysis:

- [ZeroHedge.com](https://www.zerohedge.com): Excellent website for Macro market news and analysis
  - I check it everyday!
- [Marketwatch.com/economy-politics/calendar](https://www.marketwatch.com/economy-politics/calendar):
  - Good website for upcoming market news events and their time of release.
- [financialjuice.com](https://www.financialjuice.com)



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