

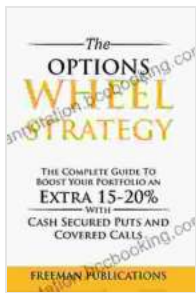
The Complete Guide to Boost Your Portfolio an Extra 15-20% with Cash Secured Puts

Cash secured puts are a type of options trading strategy in which you sell a put option while simultaneously holding the underlying asset. This means that you are obligated to sell the underlying asset at the strike price if the option is exercised. However, you also collect a premium for selling the option, which can offset the potential loss if the underlying asset price falls.

There are several benefits to using cash secured puts:

- **You can generate income.** The premium you collect for selling the put option can provide you with a source of income.
- **You can protect your portfolio.** Cash secured puts can help to protect your portfolio from downside risk. If the underlying asset price falls, the put option will be exercised and you will be forced to sell the asset at the strike price. However, the premium you collected for selling the option will offset some of the loss.
- **You can speculate on the market.** Cash secured puts can also be used to speculate on the direction of the market. If you believe that the underlying asset price will rise, you can sell a put option at a higher strike price. If you believe that the underlying asset price will fall, you can sell a put option at a lower strike price.

To use cash secured puts, you will need to have a margin account with a broker. You will also need to have the underlying asset in your account.



The Options Wheel Strategy: The Complete Guide To Boost Your Portfolio An Extra 15-20% With Cash Secured Puts And Covered Calls by Freeman Publications

★★★★☆ 4.5 out of 5

Language	: English
File size	: 2021 KB
Text-to-Speech	: Enabled
Screen Reader	: Supported
Enhanced typesetting	: Enabled
X-Ray	: Enabled
Word Wise	: Enabled
Print length	: 156 pages
Lending	: Enabled



Once you have these things in place, you can follow these steps to sell a cash secured put:

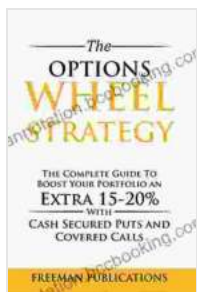
1. Choose an underlying asset.
2. Choose a strike price.
3. Choose an expiration date.
4. Sell the put option.
5. Hold the underlying asset until the option expires or is exercised.

Let's say that you have 100 shares of Apple stock. You believe that the stock price will rise, but you want to protect yourself from downside risk. You decide to sell a cash secured put with a strike price of \$100 and an expiration date of one month.

You collect a premium of \$2.50 for selling the put option. If the Apple stock price rises above \$100, the put option will expire worthless and you will keep the premium. However, if the Apple stock price falls below \$100, the put option will be exercised and you will be forced to sell your shares at \$100.

In this example, the maximum profit you can make is \$2.50 per share. The maximum loss you can incur is \$2.50 per share, minus the premium you collected.

Cash secured puts are a powerful tool that can be used to boost your portfolio returns. However, it is important to understand the risks involved before using this strategy. If you are not comfortable with the risks, you should not use cash secured puts.



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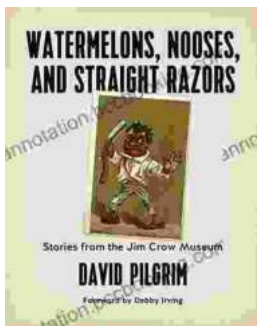
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