

OPTIONS TRADING STRATEGIES

From Basics to Advanced Setups

NSE Focus: A Practical Guide to Greeks, Volatility, Risk Management, and Trade Execution for Indian Markets



Dr. G. Prasanna Kumar

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Management, and Trade Execution for Indian Markets**

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Preface

Financial markets have evolved rapidly over the past two decades, and derivatives trading has become an important component of modern financial systems. Among various derivative instruments, options trading offers traders flexibility in expressing market views, managing risk, and building strategic positions based on direction, volatility, and time. However, despite its growing popularity, many traders still approach options without a structured understanding of how strategies should be selected and managed.

This book, “Options Trading Strategies: From Basics to Advanced Setups,” has been written to provide a clear and practical understanding of options trading for intermediate learners and market participants. The objective of this book is not only to explain different option strategies but also to help readers understand the logic behind them—why they work, when they should be used, and how they should be managed in different market environments.

The chapters in this book are organized to guide the reader from fundamental concepts of options and derivatives to more advanced topics such as volatility-based strategies, risk management, trade adjustments, and real-world execution practices. Special attention has been given to practical decision-making, including strategy selection frameworks, position sizing, margin discipline, and psychological aspects of trading.

Ultimately, the purpose of this book is to encourage traders, students, and finance enthusiasts to approach options trading with discipline, analytical thinking, and responsible risk management.

Acknowledgment

Writing this book has been a meaningful journey, and I am grateful to everyone who supported, guided, and encouraged me throughout the process.

First and foremost, I extend my heartfelt thanks to my family for their patience, understanding, and constant motivation. Their support gave me the time and confidence to research, write, revise, and complete this work. I am deeply thankful for the emotional strength they provided during long writing hours and the challenges that come with turning an idea into a finished manuscript.

I also express my sincere gratitude to my mentors, and senior colleagues who helped shape my thinking about markets, discipline, and risk. Their insights, guidance, and high standards influenced the way I approached this book especially the emphasis on structured decision-making and risk-first execution. I am thankful for every discussion, suggestion, and correction that helped refine the concepts presented here.

A special thanks to my fellow traders, and readers whose questions highlighted what traders genuinely need: clarity, practicality, and a repeatable process. Your curiosity and feedback played a major role in shaping the structure of this book, from the strategy selection framework to the chapters on execution, psychology, and case studies.

I would also like to acknowledge the broader trading and academic community authors, researchers, educators, and market practitioners whose work has contributed to the understanding of derivatives and options. While this book is written in a practical style for intermediate traders, the foundation of these ideas comes from years of learning built by many professionals in the field.

Finally, I thank everyone who contributed directly or indirectly editors, reviewers, friends, and well-wishers who offered suggestions, pointed out improvements, or simply encouraged me to continue. Any errors or omissions that remain are entirely my responsibility, and I welcome feedback for future editions.

With gratitude,

[Dr. G. Prasanna Kumar]

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ABOUT THE AUTHOR



Dr. G. Prasanna Kumar is an academician, researcher, and finance professional with a strong interest in financial markets, derivatives trading, and investment behaviour. He currently serves as an Assistant Professor in the Department of Management Studies at Pragati Engineering College (Autonomous), Surampalem, Andhra Pradesh, where he has been contributing to teaching, research, and academic development since 2017.

Dr. Prasanna Kumar holds a Ph.D. in Management (Finance) from Desh Bhagat University, Punjab, where his doctoral research focused on the impact of equity derivatives trading on retail traders in India, with a case study from East Godavari District of Andhra Pradesh. His academic interests include derivatives markets, financial behaviour of retail investors, fintech, and risk management in financial systems.

With nearly nine years of teaching experience, he has taught a wide range of management and finance subjects including Managerial Economics, Financial Analysis, Organizational Behaviour, Marketing Management, Entrepreneurship Development, Project Management, and Research Methodology.

Dr. Prasanna Kumar has published numerous research papers in peer-reviewed and indexed journals on topics such as financial derivatives, financial literacy, fintech, stock market behaviour, and digital banking risks. He has also presented research papers at several national and international conferences and has contributed book chapters in edited volumes related to finance and management.

Through his academic work, research publications, and teaching, Dr. Prasanna Kumar aims to promote financial awareness, analytical thinking, and responsible participation in financial markets among students and researchers.

ABOUT THE BOOK

Options Trading Strategies: From Basics to Advanced Setups is a practical guide designed for traders who want to understand not only what strategies to use, but why they work and how to manage them in real market conditions especially in the NSE environment.

This book covers:

- How option premiums move (time, volatility, and underlying price)
- Greeks explained in real-trading terms (Delta, Gamma, Theta, Vega)
- Strategy selection frameworks (direction + expected move + IV + risk budget)
- Defined-risk vs. undefined-risk thinking
- Execution essentials: option chain reading, liquidity, bid-ask spread, order types
- Psychology and journaling: building consistency and avoiding common trader errors
- Case-study templates to build your personal trading playbook

Who this book is for:

Intermediate traders who understand basic calls/puts and want a structured method to trade strategies on NIFTY/BANKNIFTY/FINNIFTY and stock options.

Who this book is not for:

Readers looking for “guaranteed profit systems” or high-risk shortcuts. The focus here is disciplined strategy selection and risk control.

Core promise of the book:

You don't need dozens of strategies. You need a small set of setups, executed with clear rules, controlled risk, and consistent review.



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