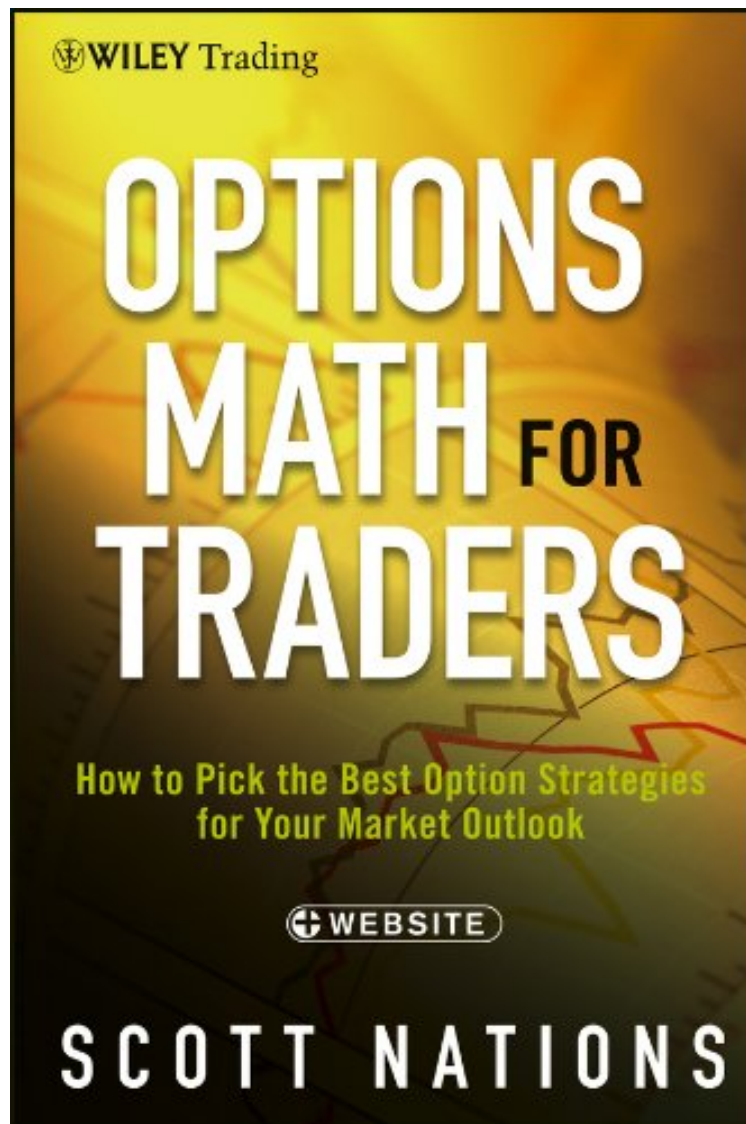


(Download) Options Math for Traders: How To Pick the Best Option Strategies for Your Market Outlook (Wiley Trading)

Options Math for Traders: How To Pick the Best Option Strategies for Your Market Outlook (Wiley Trading)

Scott Nations

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Scott Nations : Options Math for Traders: How To Pick the Best Option Strategies for Your Market Outlook (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Options Math for Traders: How To Pick the Best Option Strategies for Your Market Outlook (Wiley Trading):

0 of 0 people found the following review helpful. Evaluate your Best Options with this BookBy CRAIG FSUMMARY: Concise enough for novices, and beneficial for intermediate traders, coupled with a helpful website,

highlighting trades that "get the math working for you". Each chapter concludes with a helpful "Takeaways" section that summarizes key points from the chapter, enabling quick review or future reference. I find myself referring to the latter portion of the book frequently and recommend it highly.

DETAILS: I first heard of the author on CNBC's "Options Action", a show that I used to watch primarily to understand option trade structures and the rationale behind them, rather than for specific trades to follow. Sure, this book will cover some of the basics that can be found on the web or is covered in other texts -- Part 1 is CALLED "The Basics", with four chapters that can be skipped if you're not an options newbie. The book gets more interesting in Part 2 ("The Phenomena"), which covers volatility, skew, time decay, and bid/ask spread, and how they impact option pricing. Understanding these lays the basis for the third section of the book and the rationale for being on a certain side of the trades. It is worth rereading Part 2 (even if you already understand these attributes) to have a solid grounding in the factors that will affect your option positions. In the third and final section, the book goes on to cover simple option structures from covered calls and protective puts to spreads (both calendar and vertical) and risk reversals (long call/short put structures), how the phenomena (Part 2, remember?) influence the trade, and how to adjust the trade when things don't go as smoothly as planned (which you'll discover needs to be done more often than not). The end-of-chapter "Takeaways" that summarize key points are very helpful to determine whether a chapter is worth (re)reading. When I pick up the book, this is where I first look to get a refresher on adjusting trades or phenomena such as skew.

The URL provided in the book for the website takes you to another URL which is the "Market Tools" section of LiveVol. The website is VERY helpful in helping you visualize skew, comparing theoretical to bid/ask quotes, highlighting the most active option strikes, and more. Definitely load the website in your browser as you refer back to the book, and use it to help evaluate prospective trades. I'd rate the website Five Stars even if you somehow find the book no longer useful (again, I find it an excellent quick reference even after understanding it).

25 of 28 people found the following review helpful. Don't waste your time or money on this.

By JDMI can't believe I'm even giving this 2 stars. 2 Stars only because there is some valuable information with respect to certain strategies, selling puts if you are bullish on the underlying and you think the stock is due for a small pullback before resuming an up trend. Why not take in some premium instead of just entering a limit order to buy at the strike price? Anyone who has even thought about options trading would already be aware of this simple strategy. This book didn't do much for me other than a refresher on Greeks. Even then, why does a retail options trader even need to know the calculations behind the Greeks or the Black Scholes formula for that matter. Your broker with a simple website will provide you with the values. I wanted to know how to apply what it means, in practical terms how to easily look at that information, then how to choose which option I would buy/sell based on the collection of data. This was more just a glossary of definitions of option terms you can find anywhere on the web. Seriously, they provide no insightful information that you can't find by searching the web or using your own options broker's educational material. I have severe buyer's remorse on this. I was hoping to learn something I didn't know. I guess this was my mistake and expected more than it delivered.

1 of 1 people found the following review helpful. Best book I've read on options!

By Cary This is my favorite book on options. The knowledge gained from this book is invaluable and quite frankly, I don't know how I ever traded without it. Like Scott says, get the option math working for you, not against you! This book will teach you how to do just that. Also, if you have any questions like I did when reading the book, send a message to Scott on twitter (@ScottNations). He is very responsive and happy to explain things. Thanks Scott!

A practical guide to the math behind options and how that knowledge can improve your trading performance. No book on options can guarantee success, but if a trader understands and utilizes option math effectively, good things are going to happen. The idea behind Options Math for Traders + Website is to help retail option traders understand some of the basic tenants and enduring relationships of options, and option math, that professional and institutional traders rely on every day. This book skillfully highlights those strategies that are inherently superior from an option math point of view and explains what drives that superiority while also examining why some strategies are inherently inferior. The material is explained without complex equations or technical jargon. The goal is to give you a solid conceptual foundation of options behavior so you can make more informed decisions when choosing an option strategy for your market outlook. Topics covered include the volatility premium, because over time, options will cost more than they are ultimately worth; skew, wherein far out of the money put options may seem cheap from an absolute term, but are very expensive in relative terms; and the acceleration in option price erosion. The book also has a companion Website, which includes links to those sites that can scan for the best strategies discussed in the book. Explains, in a non-technical manner, the mathematical properties of options so that traders can better select the right options strategy for their market outlook. Companion Website contains timely tools that allow you to continue to learn in a hands-on fashion long after closing the book. Written by top options expert Scott Nations. Most independent traders have an imperfect understanding of the math behind options pricing. With Options Math for Traders + Website as your guide, you'll gain valuable lessons in this area and discover how this information can improve your trading performance.

"Options Math for Traders + Website: How to Pick the Best Option Strategies for Your Market Outlook by Scott

Nations is an excellent educational tool for the investor wishing to utilize options in their investment strategies. Options Math for Traders guides you and helps you understand the thought process when evaluating and analyzing risk and reward on an options trade". —Dax Rodriguez, President, Livevol, Inc. From the Inside Flap Trading options is considerably different from the buying and selling of other financial instruments. And while no book on options can guarantee success, if you understand and use options math effectively, good things can happen. That's what Options Math for Traders + Website is all about. Written by Scott Nations —President and CIO of NationsShares, a leading developer of domestic and international option-enhanced investment products —this practical guide takes the mystery out of the math behind options, making it both understandable and usable. It also provides you with a solid conceptual foundation of options behavior so you can make more informed decisions when choosing an option strategy for your market outlook. Ultimately, the goal is to familiarize you with the mathematical sophistication required for successful options trading. Divided into three comprehensive parts, this reliable resource removes much of the guesswork from trading options, with comprehensive coverage of: The factors an options trader must consider when putting on a trade, including direction, magnitude, and time The quantifiable variables that can be used to determine an option's value and how option pricing models can offer insights as to what an option could be worth The what, why, and how much associated with the volatility risk premium The role of implied volatility in options trading and the various aspects of skew Time value and option price erosion Proven option strategies, including covered calls/overwrites, selling puts, buying calendar spreads, risk reversals, and vertical spreads Each step of the way, Options Math for Traders + Website includes various examples of the strategies covered —illustrating how you can effectively incorporate them into your trading endeavors. It also contains informative "takeaway" sections at the end of each chapter that highlight essential issues you should be aware of when dealing with the specific topics discussed. Most independent traders have an imperfect understanding of the math behind options. With Options Math for Traders + Website as your guide, you'll gain valuable lessons in this area and quickly discover how this information can improve your overall trading performance. From the Back Cover Praise for Options Math for Traders "Just as he does every week on CNBC's Options Action, Scott helps everyone from a basic to advanced trader understand options in a clear, straightforward manner. Scott has the ability to transfer his immense knowledge of options in a way that is inviting rather than intimidating and can help traders select an options strategy to best reflect their thoughts on the market." —JJ Kinahan, Chief Derivatives Strategist, TD Ameritrade "Options trading for individual investors has come a long way from just simply 'going long' a call or a put. Understanding the basic mathematical principles behind options pricing, as well as basic strategies, will help build a solid foundation for the aspiring trader. Scott Nations combines those principles with real-world experience to create a winning combination." —Kris Monaco, Head of New Product Development, International Securities Exchange LLC "For anyone who finds options or the concepts of volatility challenging, Scott helps simplify them. Scott helps options traders of all backgrounds better understand these markets and trade more profitably." —Michael Khouw, Managing Director, Head of Equity Derivatives, CRT Capital Group, LLC; CNBC contributor Divided into three informative parts, Options Math for Traders + Website addresses some of the most essential issues of this discipline, from the volatility risk premium, skew, and the bid/ask spread to time value and decay, option pricing models, and implied volatility. Along the way, it also offers valuable guidance into using proven option strategies, including covered calls/overwrites, selling puts, buying calendar spreads, risk reversals, and vertical spreads. Options Math for Traders + Website puts an emphasis on practical application. To that end, this book provides readers with exclusive access to a companion website filled with supplementary materials, allowing you to continue to learn in a hands-on fashion long after closing the book.