





Bear put spread explained

Credit/Debit, Call/Put, Bull/Bear
Vertical Spreads

	Credit	Debit
Calls	 BUY higher strike SELL lower strike	 SELL higher strike BUY lower strike
Puts	 SELL higher strike BUY lower strike	 BUY higher strike SELL lower strike

Bear put spreads

- Highly leveraged, and sensitive
- Most suitable with 2 months or less to expiration
- Potential for total i.e. 100% loss
- Profitable in down and sideways trending price moves.
- Can serve as a hedge

