



COVERED CALL

| | | | | |
|--------|---|---------------------------|---------|---------------|
| Step 1 | For all stocks in which F&O is enabled, identify call options with strike price which is very near to current underlying price ~ 1% | UNION BANK (IN THE MONEY) | | |
| Step 2 | Find out the total premium which buyer is willing to pay (Bid Price) i.e. Bid Price x Qty (1 lot) | | | |
| Step 3 | Compute underlying investment amount i.e. underlying ask price x qty (1 lot) | PRICE | LOTSIZE | TOTAL PREMIUM |
| Step 4 | Compute return % i.e. Premium/Underlying Price * 365/ remaining days(time to expiry excluding today) | 5.95 | 3000 | 17850 |
| Step 5 | Show top 20 rows sorted by highest return | 120.85 | 3000 | 362550 |
| | | no of days to expiry=16 | | 0.0492 |
| | | | | 112.32% |

