03. Option Chain and the Greeks

Option Trading Basics in 60 Minutes
A quick introduction to reading option-chain information and measuring option sensitivity.

1. Reading an Option Chain

- Calls and puts arranged by strike price.
- Bid, ask, last traded price and volume.
- Open interest and changes in open interest.

2. The Main Greeks

- Delta: sensitivity to a change in the underlying price.
- Gamma: how delta may change as the underlying moves.
- Theta: sensitivity to the passage of time.
- Vega: sensitivity to implied volatility.

3. Using the Information

- Greeks are estimates, not guarantees.
- Compare liquidity and bid-ask spreads.
- Check the full contract details before considering a trade.

Educational overview only. Options are complex, leveraged instruments and can result in substantial or total loss of the premium paid; some option strategies can carry much larger losses. This material is not investment advice or a recommendation to trade.