

# Option Trading for Rookies

## “Short” Straddle Trading Checklist

**Note:** Leaning slightly Bullish, Sell Straddle below Stock Price  
Leaning slightly Bearish, Sell Straddle above Stock Price

**Rule #1:** Trade as Close to 45 Days as possible

**Rule #2:** Prefer Volatility Rank  $> 50$

**Rule #3:** Lower POP = Higher Income (More Risk/More Reward)

**Rule #4:** Cost Basis (Assignment) – Can you afford?

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## “Short” Straddle Management Checklist

**Rule #1:** Manage all Straddles at 25% Profit Target

**Rule #2:** If Trade never gets to 25% Profit Target:

- i) Close trade 3 weeks before expiration