

# AAII San Diego Options Trading SIG

Saturday, November 22, 2025 @ 9:00am PT

## Option Basics: Terminology and Fundamentals

- Informal presentations to help you enhance your portfolio with options
- For addition to email list: Bruce W. Ennis, [vicepresident@aaiisandiego.com](mailto:vicepresident@aaiisandiego.com)
- Previous meetings: [www.aaiisandiego.com/sub-groups/options-trading/](http://www.aaiisandiego.com/sub-groups/options-trading/)

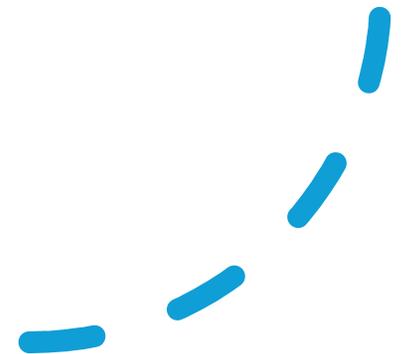
# Flexible Meeting Fees

- Flexible Meeting Fees
- We need contributions to meet our expenses.
- Ways to make voluntary contributions
  - Cash or check
  - [https://www.paypal.com/donate/?hosted\\_button\\_id=2M5F9F7L4C2HU](https://www.paypal.com/donate/?hosted_button_id=2M5F9F7L4C2HU)
  - Use this PayPal QR code 



# Presentation Outline

- What are options, why do people trade them?
- Options Defined
- Describe Calls and Puts
- Describe the Market
- Trade Example



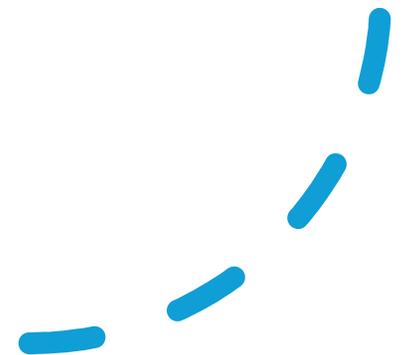
# Why Do People Trade Options?

## Four Main Reasons:

1. Generate income.
2. Hedging: risk reduction to protect a portfolio from a market decline.
3. Flexibility: market speculation at lower risk and greater reward.
4. Leverage: less money gains more exposure to stock price movement.

# What is an Option ?

- An option is a financial derivative.
- An option is a contract. Its value is derived from the *underlying asset*.
- One contract allows buying or selling *100 shares* of an underlying asset.
- A option is bought or sold at a specified *price* on or before a specified *date*.
  - The specified price is the *Strike Price*
  - The date is the *Expiration Date*
- An option exists as either a *Call* or a *Put*
  - Stock can be *Called Away*
  - Stock can be *Put up for sale*



# Describing Options

## **Calls**

- If you **buy** a call, you have the right, but not the obligation, to **buy** the underlying asset
- If you **sell** a call, you have the obligation to **sell** the underlying asset (*it gets called away*).

## **Puts**

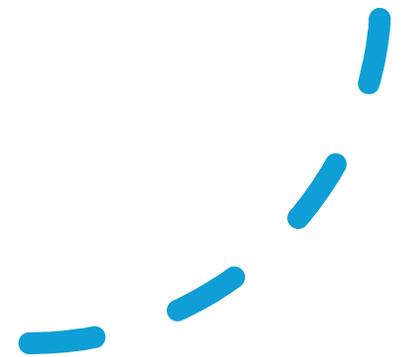
- If you **buy** a put, you have the right but not the obligation to **sell** the underlying asset (it gets put up for sale and put to you).
- If you **sell** a put, you have the obligation to **buy** the underlying asset (*it gets put up for sale and put to you*).

# Describing Options

Feature	Call Option	Put Option
<b>Right</b>	To buy the underlying asset	To sell the underlying asset
<b>Buyer's Expectation</b>	The underlying price will rise	The underlying price will fall
<b>Buyer's Action</b>	Buy the asset at the strike price if the market price is higher	Sell the asset at the strike price if the market price is lower
<b>Seller's Expectation</b>	The asset's price will stay below the strike price	The asset's price will stay above the strike price
<b>Risk</b>	Buyers' risk is limited to the premium paid. Sellers' risk can be unlimited	Buyers' risk is limited to the premium paid. Sellers' risk can be substantial if the price falls significantly
<b>Example</b>	Buying a call on a stock you believe will go up in price. You'd exercise your right to buy it at a lower, fixed price	Buying a put on a stock you believe will go down. You'd exercise your right to sell it at a higher, fixed price

# Underlying Assets

- Stock (TSLA, AAPL, AMZN)
- ETFs (SPY, QQQ, IWN)
- Index (SPX, VIX, RUT, NDX)
- Futures (/ES, /MES, /NQ)

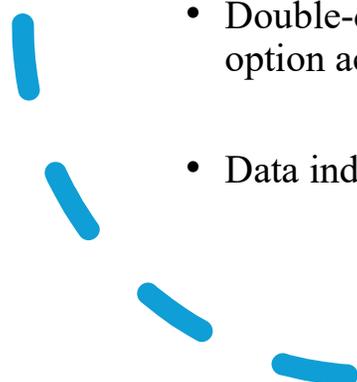




# The Market

Options are traded through your **brokerage firm** at **Exchanges**. Trade transactions are cleared through the Options Clearing Corporation (**OCC**).

- Markets are fragmented, anonymous and 90% electronic.
- Every trade has a buyer and a seller, but one initiator.
- Double-digit returns for equity investors and increased volatility are driving unprecedented levels of option activity this year (2025).
- Data indicates the total volume in 2025 will top 13.8 billion contracts.





## Major options exchanges in the U.S. are:

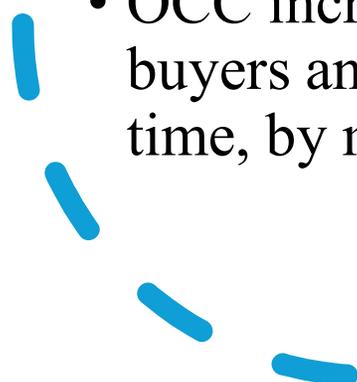
- Chicago Board Options Exchange (CBOE)
- American Stock Exchange (AMEX)
- Philadelphia Stock Exchange (Philly)
- Pacific Stock Exchange (PSE)
- International Securities Exchange (ISE)





# Options Clearing Corporation (OCC)

- Established in 1973
- Owned by the CBOE, AMEX, PHLX, PSE
- Regulated by the SEC
- Main role: to act as a performance guarantor for all options
- OCC increases option marketability and liquidity by enabling option buyers and sellers to terminate their positions in the market at any time, by making an offsetting transaction.

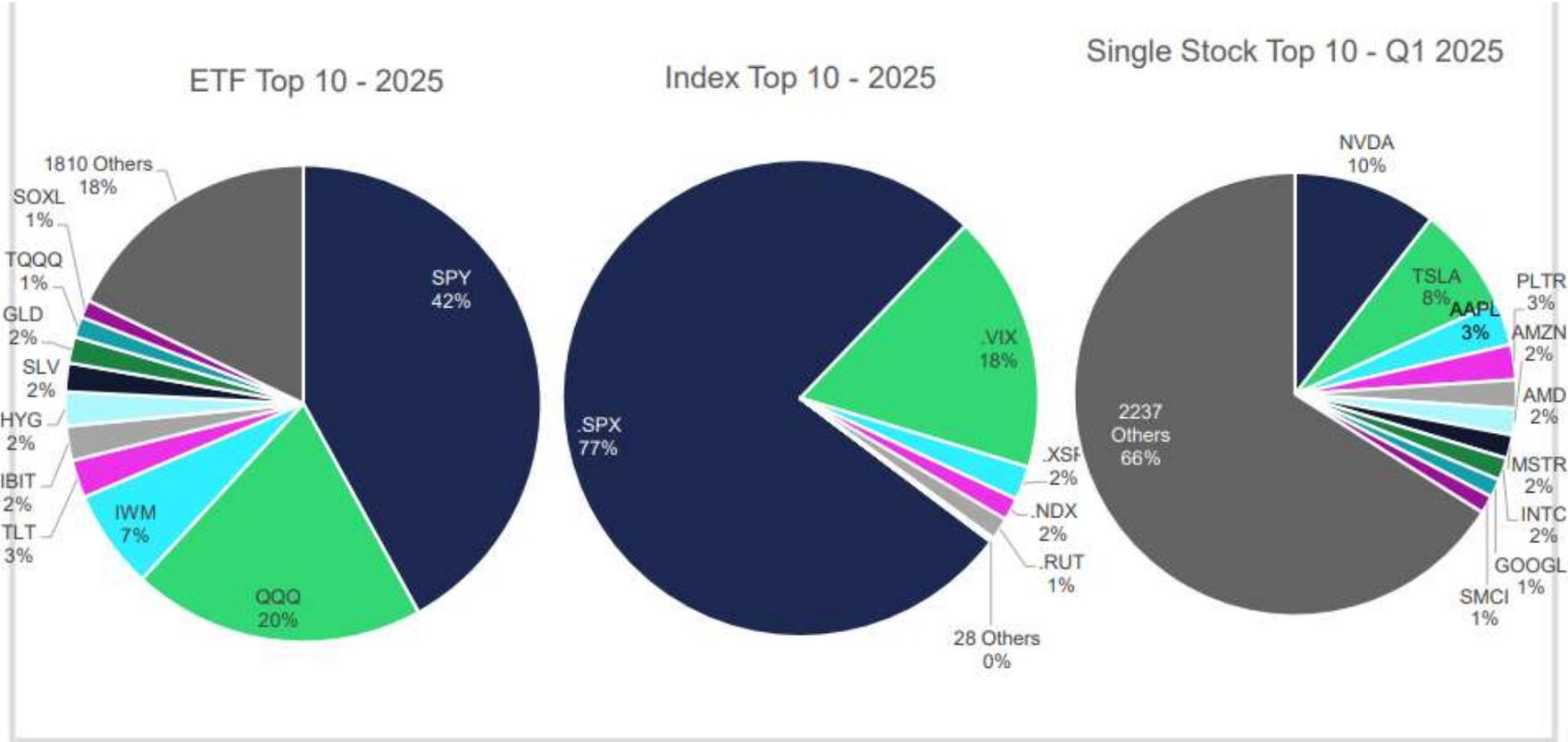


# U.S. Options Market Volume Summary

(CBOE Global Markets, 5 day Avg on 11-14-25)

Net Option Premium Summary		Volume Summary	
<a href="#">TODAY</a>   <a href="#">5 DAY AVG</a>   <a href="#">MTD</a>			
Matched Volume	Market	% of Mkt	Today
⊕ Cboe (C,W,E,Z)	19,660,134	29.56%	28.49%
⊕ NASDAQ (Q,T,X,H,I,J)	18,921,953	28.45%	28.49%
⊕ NYSE (A,N)	11,032,208	16.59%	17.11%
⊕ MIAX (M,P,D,S)	10,560,486	15.88%	16.37%
BOX Options	3,594,774	5.41%	5.26%
Members Exchange (U)	2,734,005	4.11%	4.29%
<b>Total</b>	<b>66,503,561</b>	<b>100.00%</b>	<b>100.00%</b>

# Top 10 Option Volume Leaders 2025



# OCC October 2025 Monthly Volume

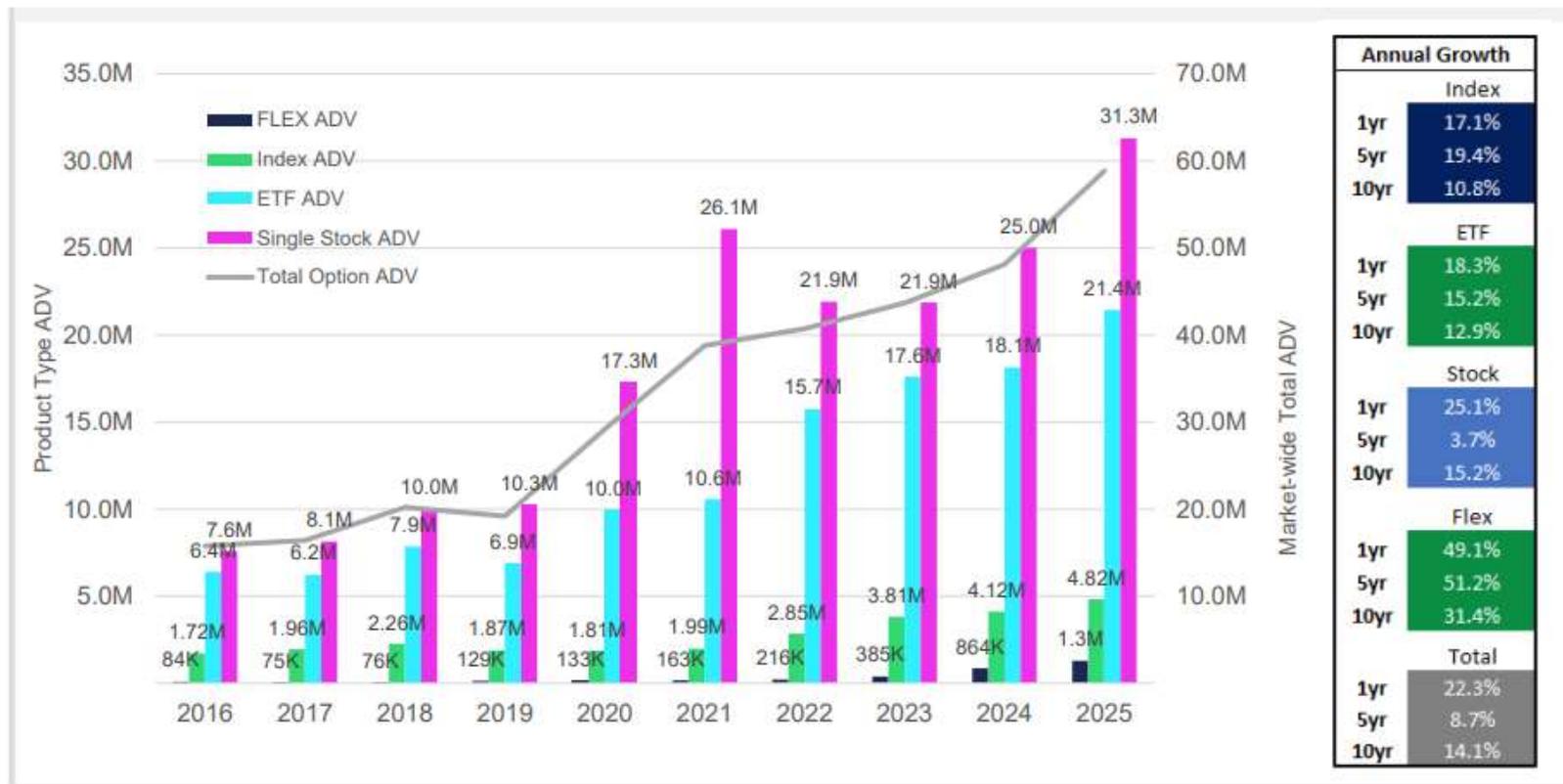
## Contract Volume

	October 2025 Contracts	October 2024 Contracts	% Change	2025 YTD ADV	2024 YTD ADV	% Change
<a href="#">Equity Options</a>	958,815,181	588,158,095	63.0%	33,132,410	25,085,397	32.1%
<a href="#">ETF Options</a>	586,617,946	431,237,700	36.0%	22,045,859	18,307,560	20.4%
<a href="#">Index Options</a>	129,258,378	92,723,711	39.4%	4,912,072	4,150,768	18.3%
<a href="#">Total Options</a>	1,674,691,505	1,112,119,506	50.6%	60,090,341	47,543,725	26.4%
<a href="#">Futures</a>	5,956,069	4,300,525	38.5%	225,825	242,748	-7.0%
<a href="#">Total Volume</a>	1,680,647,574	1,116,420,031	50.5%	60,316,166	47,786,473	26.2%

## Options Volume 14 NOV 2025 (OCC)

	Ticker	Name	Call Options Volum...	Put Options Volume...	Total Option Volume
1	SPY	SPDR S&P 500 ETF Trust	46.93 %	53.07 %	10,729,374
2	QQQ	Invesco QQQ Trust Series 1	43.19 %	56.81 %	6,196,853
3	SPX	S&P 500 Index (SPX)	44.86 %	55.14 %	4,619,818
4	TSLA	Tesla Inc	56.46 %	43.54 %	3,922,476
5	NVDA	NVIDIA Corp	63.03 %	36.97 %	3,507,276
6	IWM	iShares Russell 2000 ETF	39.88 %	60.12 %	1,738,511
7	IBIT	iShares Bitcoin Trust ETF	67.75 %	32.25 %	1,562,859
8	VIX	CBOE Volatility Index	56.82 %	43.18 %	1,267,864
9	PLTR	Palantir Technologies Inc	50.57 %	49.43 %	1,061,314
10	AAPL	Apple Inc	55.94 %	44.06 %	944,659
11	AMD	Advanced Micro Devices Inc	60.20 %	39.80 %	929,708
12	MSTR	Strategy Inc	62.68 %	37.32 %	795,916
13	SLV	iShares Silver Trust	66.69 %	33.31 %	786,662
14	META	Meta Platforms Inc	65.16 %	34.84 %	712,698
15	HYG	iShares iBoxx \$ High Yield Corporate Bon...	5.54 %	94.46 %	644,251

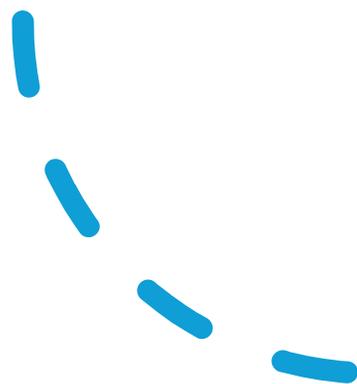
# Average Daily Option Volume





# Steps to Open a Trade

1. Decide which vehicle to trade.
2. Sell or buy, short or long, bearish or bullish?
3. Consider and study the Option Chain.
4. Analyze the trade: max loss, max profit.
5. Place the order and verify the fill.
6. Determine a Stop.
7. Monitor the trade:
  - price movement
  - volatility
  - DTE
  - your mental state, degree of sanity, mental acuity, worry threshold



# DASH at 212.08 on 11-18-25



# DASH Option Chain on 11-18-25

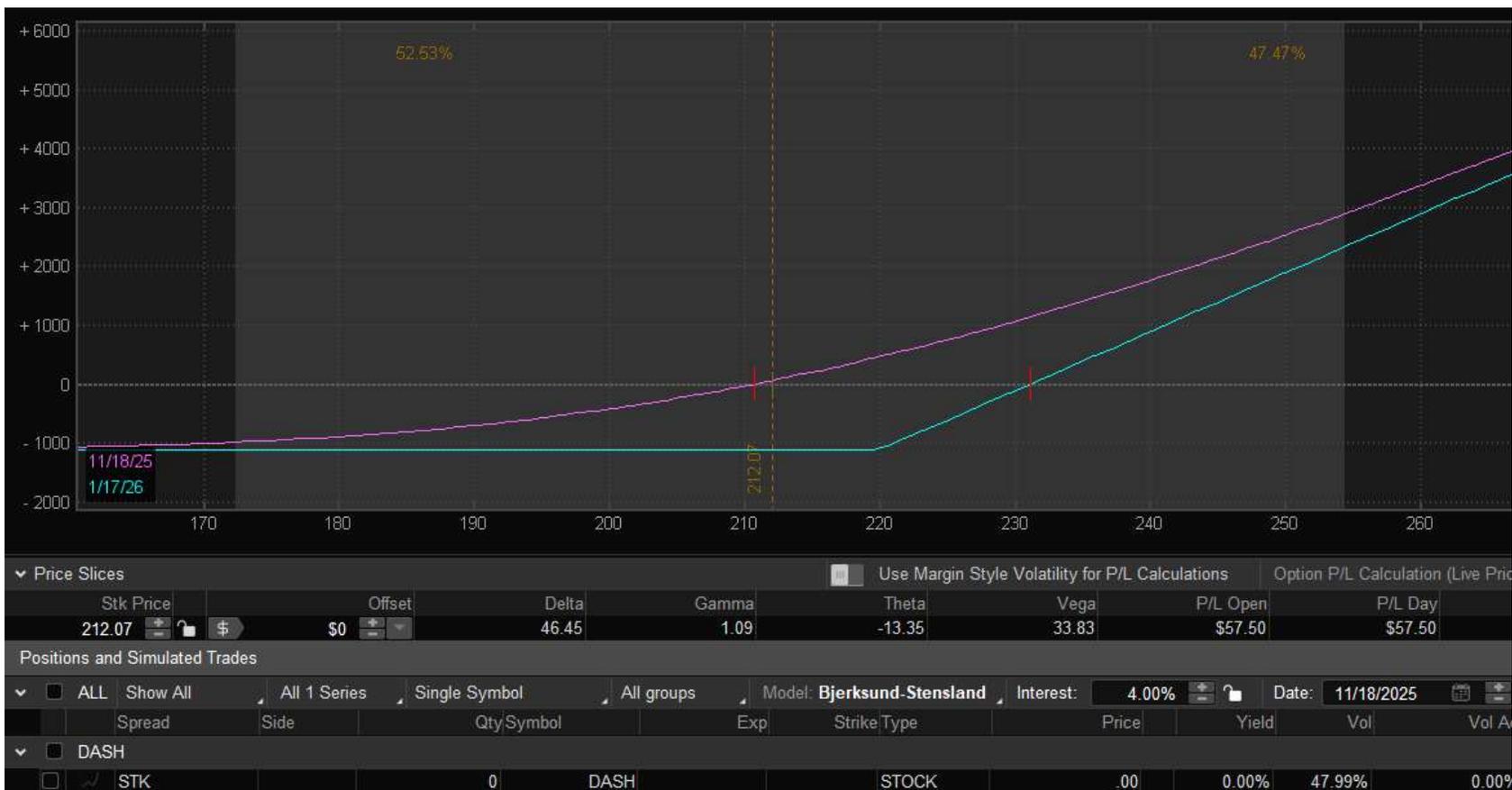
DASH										
DOORDASH INC A		212.08	+1.43 +0.68%	B: 211.50 A: 212.08	ETB	NASDAQ	M: ±7.111	EXTO Eligible		
Underlying										
	Last X	Net Chng	Bid X	Ask X	Size	Volume	Open	High	Low	
	212.08 Q	+1.43	211.50 K	212.08 Q	440 x 160	7,348,200	210.80	214.34	207.20	
Option Chain Filter: Off Spread: Single Open Interest, V...										
>	21 NOV 25	(3)	100							59.59% (±9.026)
>	28 NOV 25	(10)	100 (Weeklys)							44.66% (±12.481)
>	5 DEC 25	(17)	100 (Weeklys)							44.99% (±16.442)
>	12 DEC 25	(24)	100 (Weeklys)							45.20% (±19.667)
>	19 DEC 25	(31)	100							47.98% (±23.784)
>	26 DEC 25	(38)	100 (Weeklys)							44.75% (±24.577)
>	2 JAN 26	(45)	100 (Weeklys)							44.90% (±26.875)
>	16 JAN 26	(59)	100 [POB]							48.55% (±33.429)
>	20 FEB 26	(94)	100							52.87% (±46.485)
>	20 MAR 26	(122)	100							52.67% (±53.121)
>	15 MAY 26	(178)	100							51.43% (±63.432)
>	18 JUN 26	(212)	100							51.77% (±70.316)
>	18 SEP 26	(304)	100							49.65% (±82.125)
>	18 DEC 26	(395)	100							48.54% (±93.081)
>	15 JAN 27	(423)	100							50.34% (±101.217)
>	17 DEC 27	(759)	100							45.58% (±128.702)
>	21 JAN 28	(794)	100							45.24% (±131.248)
Today's Options Statistics										
52 week IV High:	0.84	Trade Analysis		Calls	Puts	Total	Sizzle Index		0.326	
52 week IV Low:	0.31	Total Volume:		5,969	3,869	9,838	Call Sizzle Index		0.743	
Current IV Percentile:	32%	Traded at BID or below:		685	451	1,136	Put Sizzle Index		0.174	
52 week HV High:	0.796	...% of total:		11%	11%	11%	Volatility Sizzle		1.022	
52 week HV Low:	0.171	Traded at ASK or above:		1,403	341	1,744	Stock Sizzle		0.945	
Current HV Percentile:	100%	...% of total:		23%	8%	17%	P/C Ratio		0.648	
Implied Volatility:	47.94%	Between the Market:		3,881	3,077	6,958				
VWAP:	211.291	...% of total:		65%	79%	70%				
Delta Between *										
	0 ... 20	1,427	23%	1,538	39%	2,965	30%			
	21 ... 40	1,550	25%	1,209	31%	2,759	28%			
	41 ... 60	1,909	31%	903	23%	2,812	28%			
	61 ... 80	911	15%	85	2%	996	10%			

# DASH Option Chain on 11-18-25

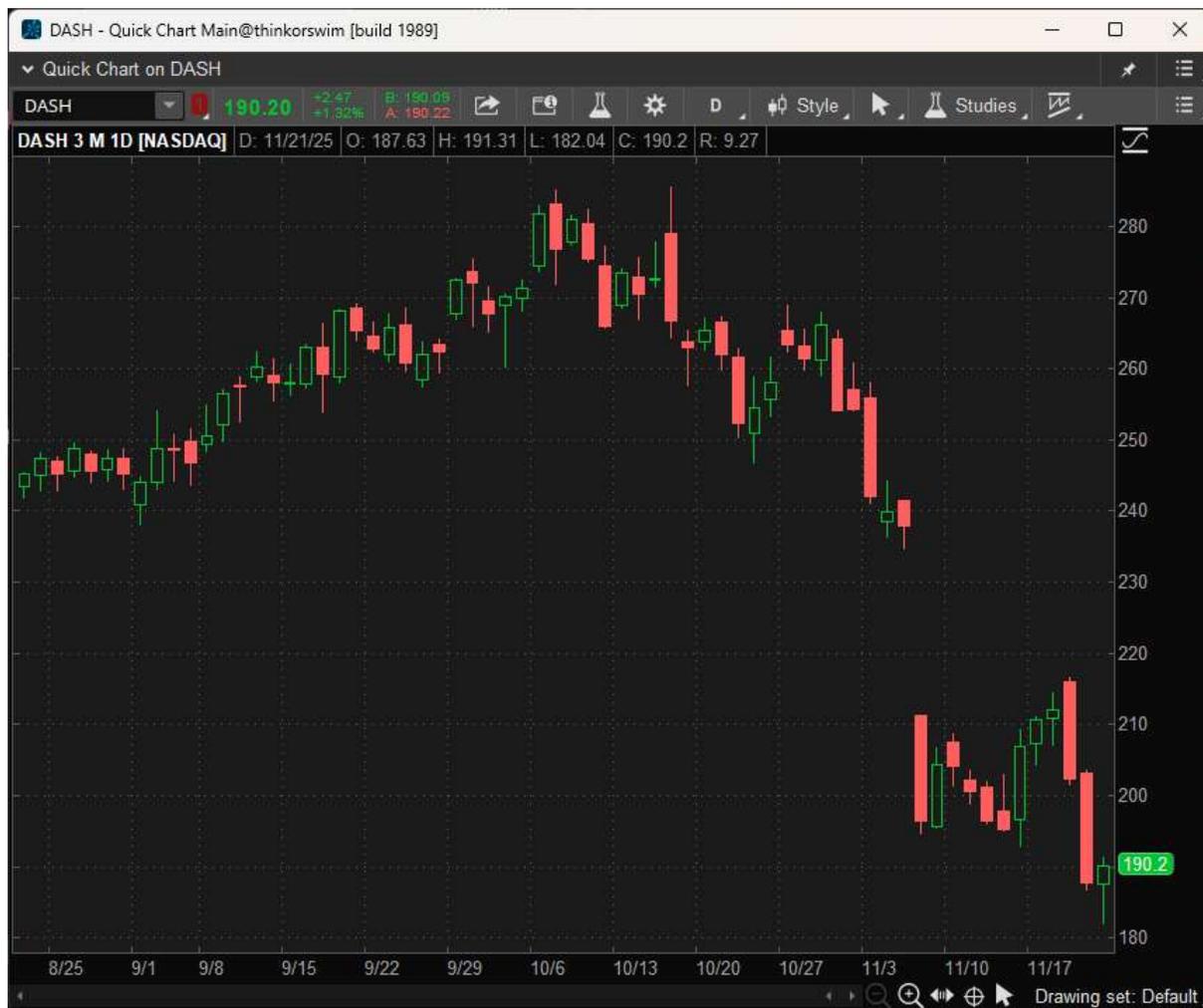
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212.08 Q	+1.43	211.50 K	212.08 Q	440 x 160	7,348,200	210.80	214.34	207.20						
Option Chain														
Filter: Off	Spread: Single	Open Interest, V...												
CALLS														
Exp	Strike	Bid X	Ask X	Open.Int.	Volume	Delta								
16 JAN 26	100	54.50 M	57.30 E	100	436	.90								
		50.20 E	52.75 E	269	N/A	.88								
		45.80 M	48.30 E	331	3	.86								
		41.40 C	43.65 E	132	N/A	.84								
		37.20 E	39.30 E	441	N/A	.82								
		33.10 C	35.75 E	116	N/A	.78								
		29.45 M	31.30 E	526	50	.75								
		25.50 E	28.25 E	641	15	.71								
		22.40 M	24.80 E	2,013	37	.67								
		16.10 E	17.00 M	763	31	.57								
		11.50 A	12.05 C	1,103	111	.46								
		6.30 E	8.45 B	2,818	64	.35								
		5.10 X	5.40 N	992	31	.27								
		3.35 C	3.55 P	1,698	13	.19								
		1.68 E	2.60 E	1,062	4	.13								
		1.23 E	1.69 E	463	9	.09								
		.71 E	1.15 E	3,259	7	.06								
		.48 E	.96 E	1,227	N/A	.05								
		.20 E	.60 N	1,349	1	.03								
		.05 E	.70 E	840	N/A	.03								
		0 S	.50 E	949	N/A	.02								
		.10 A	.51 E	361	N/A	.02								
		0 S	.47 E	1,548	N/A	.02								
		0 T	.43 E	139	N/A	.01								
		0 T	.60 E	146	N/A	.02								
		0 S	.59 E	27	N/A	.02								
		0 S	.57 E	69	N/A	.02								
		0 W	.36 E	18	N/A	.01								
		0 W	.95 A	3	N/A	.02								
		0 W	1.26 A	18	N/A	.03								
PUTS														
Exp	Strike	Bid X	Ask X	Open.Int.	Volume	Delta								
16 JAN 26	160	1.60 E	2.78 E	333	4	-0.09								
	165	2.02 E	3.50 E	366	1	-0.11								
	170	2.53 B	4.30 E	237	17	-0.13								
	175	3.15 A	4.60 E	814	4	-0.15								
	180	3.00 E	4.70 E	445	2	-0.16								
	185	4.85 E	5.35 E	679	23	-0.20								
	190	6.05 A	6.45 E	2,806	16	-0.24								
	195	7.15 E	7.85 B	859	16	-0.28								
	200	8.85 E	9.35 B	1,631	6	-0.33								
	210	12.35 E	13.20 E	1,752	118	-0.43								
	220	17.25 E	18.30 E	474	30	-0.54								
	230	22.55 E	25.05 A	715	N/A	-0.66								
	240	29.80 E	32.35 M	6,840	6	-0.77								
	250	37.90 E	40.55 M	407	N/A	-0.86								
	260	46.85 E	49.55 E	1,039	1	-0.93								
	270	56.55 E	58.90 E	418	N/A	-1.00								
	280	66.00 Z	68.55 M	10	N/A	-1.00								
	290	75.80 N	78.40 M	0	N/A	-1.00								
	300	85.80 N	89.00 N	0	N/A	-1.00								
	310	95.75 N	98.30 M	0	N/A	-1.00								
	320	105.85 N	109.45 N	0	N/A	-1.00								
	330	115.85 Z	119.45 N	0	N/A	-1.00								
	340	125.85 N	129.45 N	0	N/A	-1.00								
	350	135.85 N	139.45 N	0	N/A	-1.00								
	360	145.75 N	149.45 N	0	N/A	-1.00								
	370	155.85 N	159.50 N	0	N/A	-1.00								
	380	165.85 Z	169.30 N	0	N/A	-1.00								
	390	175.85 N	178.95 Z	0	N/A	-1.00								
	400	185.75 Z	188.95 Z	0	N/A	-1.00								
	410	195.85 N	199.30 N	0	N/A	-1.00								

# Risk Profile: DASH 16 JAN 220 Call

## 11-18-25, Trade Start P/L \$57.50



# DASH at 190.2 on 11-21-25



# Risk Profile: DASH 16 JAN 220 Call 11-21-25, P/L (\$747.50)

