

IBKRCampus

IBKRWebinars

February 5, 2024

ListDer Research

Price Behavior Around and Strategies Using EURO STOXX 50 Daily Options

Russell Rhoads, PhD, CFA

Director of Research
ListDer Research

www.ibkrcampus.com/webinars

www.ibkrcampus.eu/webinars

Exchange and Industry Sponsored Webinars are presented by unaffiliated third parties. IBKR is not responsible for the content of these presentations. You should review the contents of each presentation and make your own judgment as to whether the content is appropriate for you. IBKR does not provide recommendations or advice. This presentation is not an advertisement or solicitation for new customers. It is intended only as an educational presentation.

Disclosure:

Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled Characteristics and Risks of Standardized Options by visiting ibkr.com/occ. Multiple leg strategies, including spreads, will incur multiple transaction costs.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the [CFTC Risk Disclosure](#). For a copy visit your local Interactive Brokers Website.

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the [Security Futures Risk Disclosure Statement](#). For a visit copy your local Interactive Brokers Website.

There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

IRS Circular 230 Notice: These statements are provided for information purposes only, are not intended to constitute tax advice which may be relied upon to avoid penalties under any federal, state, local or other tax statutes or regulations, and do not resolve any tax issues in your favor.

Interactive Brokers LLC is a member of NYSE FINRA SIPC

Interactive Brokers Canada Inc - Is a member of the Canadian Investment Regulatory Organization (CIRO) and Member - Canadian Investor Protection Fund

Interactive Brokers (U.K.) Limited is authorised and regulated by the Financial Conduct Authority. FCA Register Entry Number 208159

Interactive Brokers Ireland Limited is regulated by the Central Bank of Ireland. CBI, reference number C423427

Interactive Brokers Australia Pty. Ltd. - ABN 98 166 929 568 is licensed and regulated by the Australian Securities and Investments Commission AFSL: 453554

Interactive Brokers Singapore Pte. Ltd. - Is licensed and regulated by the Monetary Authority of Singapore. MAS, Licence No. CMS100917

Interactive Brokers Hong Kong Limited is regulated by the Hong Kong Securities and Futures Commission, and is a member of the SEHK and the HKFE

Interactive Brokers India Pvt. Ltd. member: NSE, BSE, SEBI. Regn. No. SEBI Registration No. INZ000217730; NSDL: IN-DP-NSDL-301-2008

Interactive Brokers Central Europe Zrt. is licensed and regulated by the Central Bank of Hungary (Magyar Nemzeti Bank) under no. H-EN-III-623/2020

As with all investments, your capital is at risk

Behavior Around and Strategies Using EURO STOXX 50 Daily Options

Russell Rhoads, PhD, CFA

Disclaimer

- This material is provided for information only and is not an offer to sell or the solicitation of an offer to buy any financial instrument or asset class
- This material does not and is not intended to take into account the particular financial conditions, investment objectives or requirements of individual customers. Before acting on this material, you should consider whether it is suitable for your particular circumstances and, as necessary, seek professional advice.
- ListDer Research is not affiliated with Interactive Brokers LLC, or any other FINRA broker-dealer.
- The information provided in this presentation is believed to be accurate, but the accuracy and completeness of the information is not guaranteed.
- Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.
- Past performance is not indicative of future results.
- Day Trading can be extremely risky and may not be appropriate for individuals with limited resources, investment experience or low risk tolerance. Please review the Day Trading Risk Disclosure Statement before deciding whether Day Trading is appropriate for you.

Outline

- Euro Stoxx 50 Daily Options
- 2023 Price Action
- Combining Expirations
- Contact / Questions

EURO STOXX 50 Daily Options

	Description
Eurex Product ID	OEXP
Underlying/ISIN	EURO STOXX 50® Index / ISIN: EU0009658145
Contract Size / Value	EUR 10.00
Tick Size	Premium-Dependent Tick Size: Bid up to: 0.10 – 10.00 : 0.10 Index Points 10.25 – 25.00: 0.25 Index Points 25.50+: 0.50 Index Points
Strike Price Intervals	5 Index Points
Contract Terms	<ul style="list-style-type: none">• The first five trading days• The three consecutive month-end trading days• Available settlement days: Monday, Tuesday, Wednesday, Thursday, Friday. Last trading day of the month.
Last Trading Day / Final Settlement Day	Last trading day of the relevant contract Close of trading on the last day: 17:30 CET
Final Settlement Price	Index level of the Euro STOXX 50 index based on the closing price of the underlying stocks.
Minimum Block Trade Size	1,000 contracts
Trading Hours	09.00 – 17.30 CET (TES 09.00 – 19.00 CET)

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options.

SX5E 1-Day Short PL

Sep-Dec 1-Day Short ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+34.94	(30.03)	+7.55	+158.56
Oct	+38.06	(53.73)	+8.89	+195.58
Nov	+32.20	(44.74)	+0.69	+15.22
Dec	+23.22	(22.56)	+6.70	+127.26
Sep – Dec	+38.06	(53.73)	+5.91	+469.62

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 1-Day Long PL

Sep-Dec 1-Day Long ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+26.03	(38.94)	(11.55)	(242.56)
Oct	+49.73	(42.06)	(12.89)	(283.58)
Nov	+40.74	(36.20)	(4.69)	(103.23)
Dec	+18.56	(27.22)	(10.70)	(203.26)
Sep – Dec	+49.73	(42.06)	(9.91)	(832.62)

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 1-Day Option Pricing

1-Day ATM Straddle Pricing By Month				
Month	Maximum Straddle	Minimum Straddle	Avg Straddle	Avg Change
Sep	0.97%	0.62%	0.79%	0.55%
Oct	1.27%	0.67%	0.95%	0.69%
Nov	0.93%	0.43%	0.63%	0.56%
Dec	0.76%	0.42%	0.54%	0.35%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 2-Day Short PL

Sep-Dec 2-Day Short ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+38.19	(35.19)	+5.83	+116.57
Oct	+47.19	(36.93)	+9.30	+204.61
Nov	+38.27	(60.62)	(1.10)	(24.09)
Dec	+33.22	(40.76)	+8.78	+166.83
Sep – Dec	+47.19	(60.62)	+5.59	+463.91

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 2-Day Long PL

Sep-Dec 2-Day Long ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+31.19	(42.19)	(9.83)	(196.57)
Oct	+32.93	(51.19)	(13.30)	(292.61)
Nov	+56.62	(42.27)	(2.90)	(63.91)
Dec	+36.76	(37.22)	(12.78)	(242.83)
Sep – Dec	+56.63	(51.19)	(9.59)	(795.91)

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 2-Day Option Pricing

2-Day ATM Straddle Pricing By Month				
Month	Maximum Straddle	Minimum Straddle	Avg Straddle	Avg Change
Sep	1.34%	0.89%	1.09%	0.88%
Oct	1.62%	1.03%	1.31%	1.04%
Nov	1.29%	0.59%	0.89%	0.88%
Dec	0.94%	0.61%	0.76%	0.52%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 3-Day Short PL

Sep-Dec 3-Day Short ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+56.56	(56.51)	+13.54	+257.24
Oct	+57.85	(64.82)	+11.73	+258.09
Nov	+48.64	(76.87)	(3.19)	(70.12)
Dec	+46.66	(35.15)	+8.33	+158.36
Sep – Dec	+57.85	(76.87)	+7.36	+603.56

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 3-Day Long PL

Sep-Dec 3-Day Long ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+52.51	(60.56)	(17.54)	(333.24)
Oct	+60.82	(61.85)	(15.73)	(346.09)
Nov	+72.87	(52.64)	(0.81)	(17.88)
Dec	+31.15	(50.66)	(12.33)	(234.36)
Sep – Dec	+72.87	(61.85)	(11.36)	(931.56)

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 3-Day Option Pricing

3-Day ATM Straddle Pricing By Month				
Month	Maximum Straddle	Minimum Straddle	Avg Straddle	Avg Change
Sep	1.65%	1.12%	1.31%	0.94%
Oct	1.93%	1.25%	1.58%	1.24%
Nov	1.66%	0.76%	1.12%	1.16%
Dec	1.09%	0.78%	0.91%	0.69%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 4-Day Short PL

Sep-Dec 4-Day Short ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+60.34	(87.57)	+17.13	+308.36
Oct	+65.87	(53.70)	+21.54	+473.79
Nov	+59.51	(79.37)	(6.19)	(136.23)
Dec	+47.77	(62.81)	+4.13	+78.56
Sep – Dec	+65.87	(87.57)	+8.94	+733.41

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 4-Day Long PL

Sep-Dec 4-Day Long ATM Straddle P/L By Month				
Month	Max	Min	Avg	Total
Sep	+83.57	(64.34)	(21.13)	(380.36)
Oct	+49.70	(69.87)	(25.54)	(561.79)
Nov	+75.37	(63.51)	+2.19	+48.23
Dec	+58.81	(51.77)	(8.13)	(154.57)
Sep – Dec	+83.57	(69.87)	(12.94)	(1048.47)

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 4-Day Option Pricing

4-Day ATM Straddle Pricing By Month				
Month	Maximum Straddle	Minimum Straddle	Avg Straddle	Avg Change
Sep	1.73%	1.31%	1.47%	1.01%
Oct	2.22%	1.45%	1.80%	1.24%
Nov	1.92%	0.87%	1.33%	1.43%
Dec	1.23%	0.79%	1.05%	0.93%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 4-Day Option Pricing

4-Day ATM Straddle Pricing By Month			
Month	Max	Min	Avg
Sep	1.73%	1.31%	1.47%
Oct	2.22%	1.45%	1.80%
Nov	1.92%	0.87%	1.33%
Dec	1.23%	0.79%	1.05%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

SX5E 4-Day Price Action

4-Day Price Ranges By Month			
Month	Max	Min	Avg
Sep	3.43%	0.06%	1.01%
Oct	3.02%	0.16%	1.24%
Nov	3.87%	0.09%	1.43%
Dec	2.45%	0.01%	0.93%

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Long Monthly ATM Straddles

Long Monthly ATM Straddle Statistics By Month						
Month	Trade Date Close	Straddle Strike	Trade Premium	Settlement Close	Settlement Premium	P/L
Sep	4297.11	4300	135.85	4174.66	125.34	(12.51)
Oct	4174.66	4175	149.45	4061.21	113.79	(37.66)
Nov	4061.21	4050	158.90	4382.47	332.47	+171.57
Dec	4382.47	4375	104.70	4521.44	146.44	+39.74
					Total	+161.14

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

Long 1-Month + Short 1 – 4 Days

Long 1-Mo ATM Straddle + Short 1-4 Daily Index Option Straddles					
Month	Long 1-Mo Straddle	Plus Short 1-Day Straddle	Plus Short 2-Day Straddle	Plus Short 3-Day Straddle	Plus Short 4-Day Straddle
Sep	(12.51)	+146.05	+104.06	+244.73	+295.85
Oct	(37.66)	+157.92	+166.95	+220.43	+436.13
Nov	+171.57	+186.79	+147.48	+101.45	+35.34
Dec	+39.74	+167.00	+206.57	+198.10	+118.30
Sep – Dec	+161.14	+657.76	+625.06	+764.71	+885.62

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

Long 1-Month + Short 1 – 4 Days

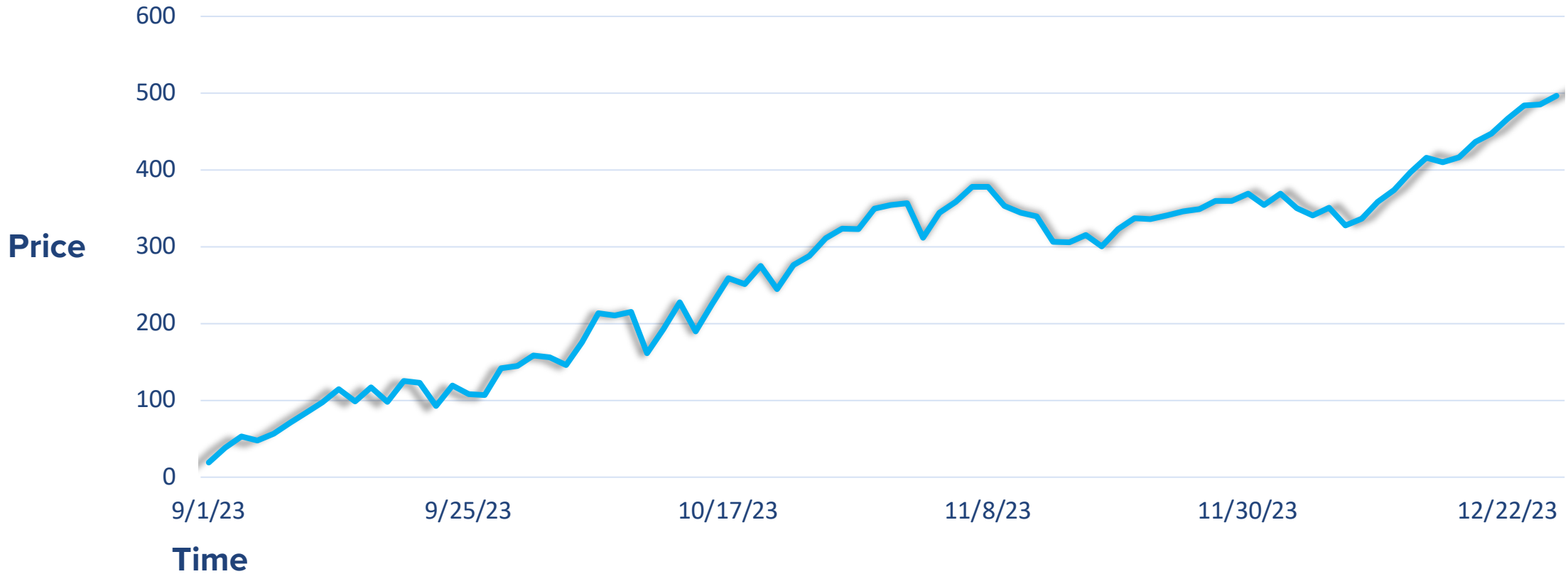
Long Matched Number Of 1-Mo ATM Straddles + Short 1-4 Daily Index Option Straddles					
Month	Long 1-Mo Straddle	1 Plus Short 1-Day Straddle	2 Plus Short 2-Day Straddle	3 Plus 3x Short 3-Day Straddle	4 Plus Short 4-Day Straddle
Sep	(12.51)	+146.05	+91.55	+219.71	+258.32
Oct	(37.66)	+157.92	+129.29	+145.11	+323.15
Nov	+171.57	+186.79	+319.05	+444.59	+550.05
Dec	+39.74	+167.00	+246.31	+277.58	+237.52
Sep – Dec	+161.14	+657.76	+786.20	+1086.99	+1369.04

Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

1-Day ATM Straddle P/L

Short 1-Day SX5E ATM Straddle Performance Sep - Dec 2023

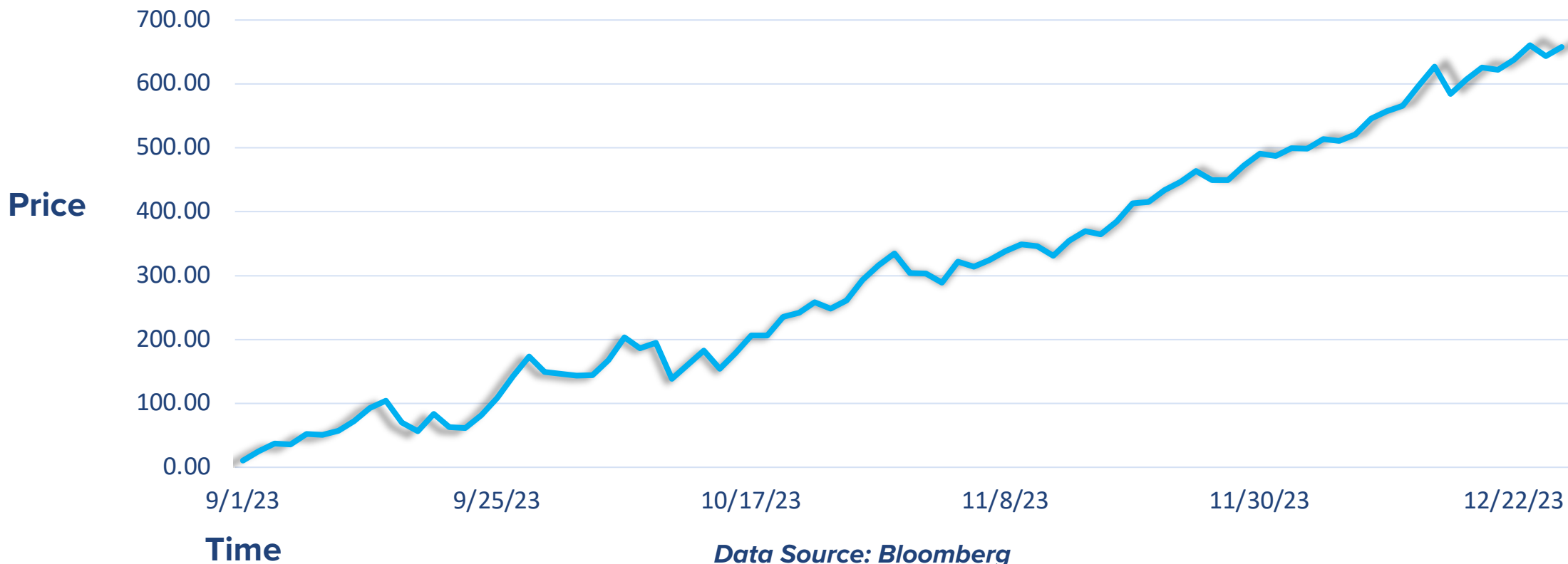


Data Source: Bloomberg

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

Long 1 Mo + Short 1 Day ATM Straddle

Long 1-Month + Short 1-Day SX5E ATM Straddle Performance Sep - Dec 2023



Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Multiple leg strategies, including straddles, will incur multiple transaction costs. Past performance is not indicative of future results.

Questions / Contact

Questions?

(Any market related topic is fine)

Contact

Russell@listder.com

Twitter - @RussellRhoads

Blogs – russellrhoads.substack.com