
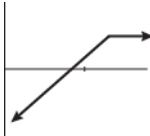


OptionMath.com - Covered Call Cheat Sheet

Covered Call	
Description	Long Underlying Stock, Short Call
Example	ATM = 100.00 Long 100 Shares of Stock Short One 105 Strike Call
Pay or Collect Premium	Collect
Needed Directionality	
Passage Of Time Without Market Movement	+ + +
Increase In Implied Volatility Without Market Movement	- - -
Payoff Thumbnail Chart	
Maximum Risk	Price of the Stock When the Covered Call is Sold Minus Premium Received (if Stock Drops to Zero)
Maximum Profit	Regret Point (Call Strike Price Plus Premium Received) Minus Price of the Stock When the Covered Call is Sold
Breakeven Points	Stock Price When the Covered Call is Sold Minus Premium Received