

## Strangle/Straddle Trading Plan

A straddle option strategy is a strategy that takes advantage of quick moves in the market. That means that all other factors equal, the option straddle will lose money every day due to the time decay, and the loss will accelerate as we get closer to expiration.

For the straddle to make money, one of the two things (or both) has to happen:

1. The stock has to move (no matter which direction).
2. The IV (Implied Volatility) has to increase.

Many traders like to buy straddles before earnings and hold them through earnings hoping for a big move