FOR WORKING PROFESSIONALS

Build a stock portfolio & earn monthly income

without watching the market every day ?

Strategy: The Wheel Strangle

Phase 1 · Sell Puts to Enter

Phase 2 · Covered Strangle

The Wheel Strangle — Overview

PHASE 1

Get Paid to Wait

Sell put options at the price you **WANT** to own the stock.

If NOT assigned → keep premium, sell again next month.

If ASSIGNED → collect shares at your target price, with a lower cost basis from all the premium collected.

→

assigned

PHASE 2

Covered Strangle

Now own 100 shares.

Sell covered call above current price.

Keep selling puts below current price to ladder and acquire more shares.

Repeat monthly. Collect premium from both sides.

If never assigned in Phase 1 → keep collecting premium indefinitely. That's a win too.

PHASE 1

Get Paid to Wait — Sell Puts to Enter

Cost basis is LOWER than your strike — all premium collected reduces your effective entry price.

PHASE 2

The Covered Strangle Machine

LEG 1

Own 100 Shares

Your assigned shares become the foundation. Cost basis is already reduced by Phase 1 premium.

LEG 2

Sell Covered Call (Above Price)

Collect upside premium.
20–25 delta,
30–45 DTE / Discretionary.
Caps upside but pays you monthly.

LEG 3

Sell Another Put (Below Price)

Continue laddering.
Collect more premium OR acquire more shares at an even lower level.

The Laddering Strategy

Phase 1
Sell Put

Sell put at $X
Collect premium
Wait for entry

Assigned
at $X

Own 100 shares
Cost basis < $X
(premium offset)

Phase 2
Strangle

Sell call above
Sell put below
Collect both

Put Hit
Again

Own 200 shares
Sell 2 calls
Ladder continues

Whether UP or SIDEWAYS → collect premium. If DOWN → buy more cheaper and ladder. Always a plan.

4 Scenarios — Always a Plan

Stock Goes UP

Put expires worthless. Keep full premium. Sell again next month.
In Phase 2: call may get tested — roll up and out.

✅ Collect Premium

Stock Stays FLAT

Full theta decay on both sides. Keep maximum premium.
Best case scenario — rinse and repeat.

✅ Maximum Income

Small Dip

Premium collected cushions the drop. Break-even extends lower.
Still profitable or neutral well below current price.

🛡️ Protected

Sharp Drop

Assigned shares at your target price. Cost basis is even lower from accumulated premium. Phase 2 begins. Ladder continues.

🎯 Enter Position

In all 4 scenarios, there is always a pre-planned response. No panic required.

My Entry Criteria

✅ Stock you WANT to own long-term

Quality company, uptrend. If you wouldn't want to own it, don't sell the put.

✅ 30–45 DTE, 16–25 delta

Fast enough theta decay, far enough OTM for 80%+ probability of profit.

✅ High IV Rank — sell when others are fearful

Elevated implied volatility = richer premium = deeper downside buffer.

✅ VIX spike days are prime entry time

5–15% VIX pop in a day = same trade, significantly more premium.

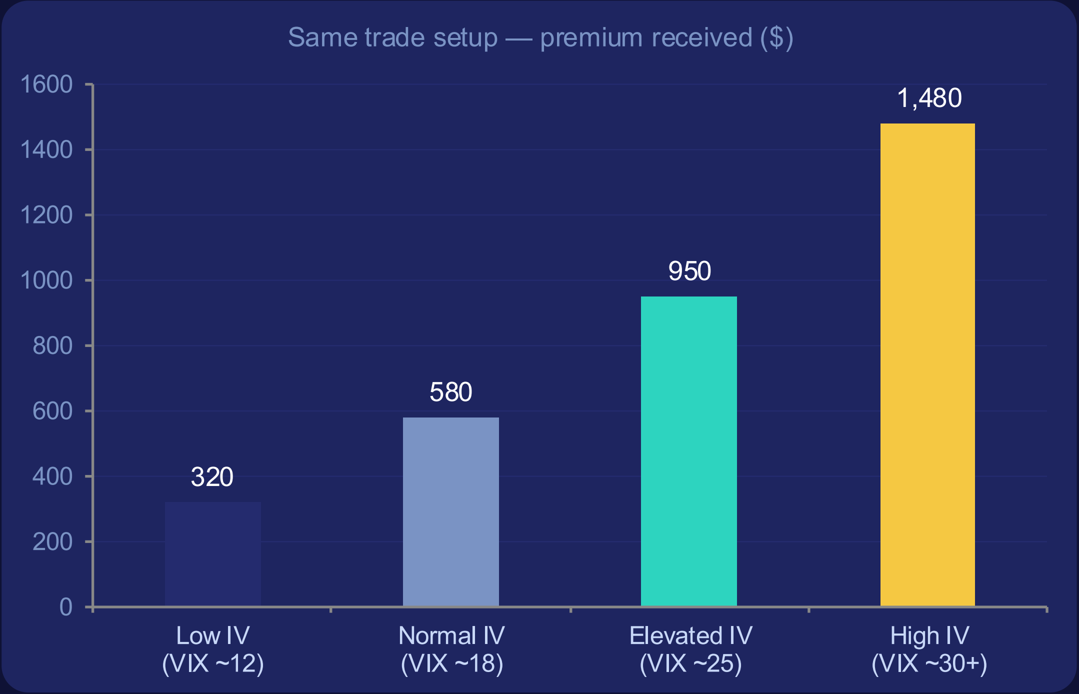
✅ Strike at strong support level

Put strike at a price where you're genuinely happy to be assigned shares.

✅ Start with half position, add on dips

Sell 1 contract first, then 1 more if stock pulls back further.

Why High IV Is Your Best Friend



I wait for the market to panic. That's when I get paid the most to do the same trade.

🎯 When to Enter

Look for VIX spikes 5–15% intraday. That's your signal to act.

💰 Premium Doubles

High IV can 2–3× the credit on the exact same put strike.

🛡️ More Buffer

Richer premium = break-even extends much further below.

⏳ Stay Patient

Don't trade low IV. Wait — the panic always comes.

IVR Explained

✅ Simple term

IVR tells you whether option premiums are expensive or cheap compared to the last 1 Year.

✅ Analogy

High IVR = Houses/options are expensive right now.
Low IVR = Houses/options are cheap right now.

✅ How traders use it

IVR > 50 : Options are relatively expensive
IVR < 30 : Options are relatively cheap

✅ Example

Suppose over the last year :

Lowest IV = 20%
Highest IV = 60%
Current IV = 50%

Then IVR = 75

Meaning current IV is higher than 75% of its range over the past year.

Risk Management

📅 Weekly Check-in Only

Sunday evening, 20–30 min. Review positions — is anything threatened? That's it.

🎯 Profit Target: 40–50%

Close when you've captured half the premium. Take the win and redeploy capital.

🔄 Rolling Threatened Puts

Put tested? Roll down and out. Collect more credit, extend runway, lower break-even.

📏 Half-Position Entry

Start with 1 contract. Add the second on a dip. Better average cost basis.

🚫 Stock Conviction First

Never sell puts on stocks you wouldn't genuinely want to own at that price.

🏦 Keep Cash Reserve

Maintain enough cash to take assignment. Don't let margin force a bad exit.

Adjustments

Put Threatened (Phase 1)

- Roll DOWN and OUT to next month
- Collect additional credit in the roll
- Lower break-even, more time
- If still convicted — no loss yet

Put Threatened (Phase 2)

- Roll down/out OR take assignment
- Accept shares at even lower price
- Cost basis drops further
- Continue selling calls on new shares

Sharp Crash (Assigned)

- Assignment = target entry achieved
- Immediately sell covered calls
- Begin Phase 2 ladder
- Collect income while waiting for recovery

Every adjustment is just the next step in the system. There is always a plan.