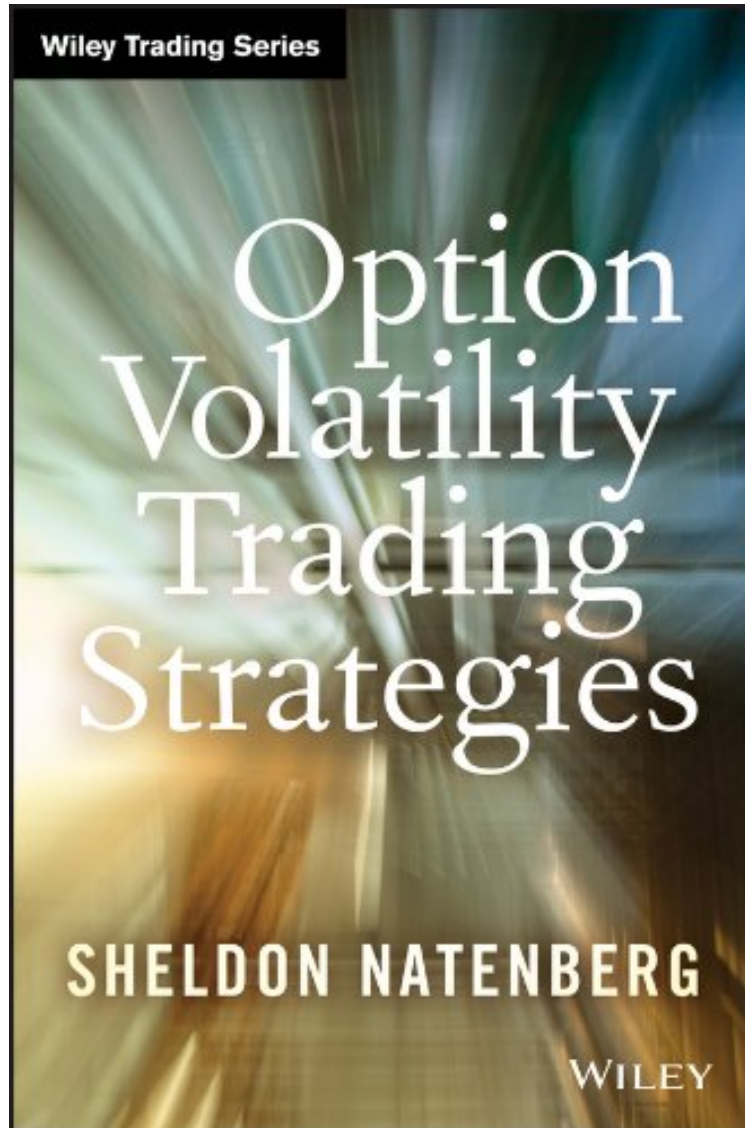


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Option Volatility Trading Strategies (Wiley Trading)

Sheldon Natenberg

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Sheldon Natenberg : Option Volatility Trading Strategies (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Option Volatility Trading Strategies (Wiley Trading):

4 of 5 people found the following review helpful. Sheldon is a master buy this book first By Sydbear I did this backward I got his first book "option volatility pricing" first it took me a couple months to really understand it but if I would have started with this one it would have been a quicker study. Sheldon is a master and explains how the retail investor can succeed even if he doesn't actually say it. Both his books are a must, you will find new things out each time you read them, I find myself always going back to them over and over. Watch tastytrade along the way and you

will be successful. 1 of 1 people found the following review helpful. Good As Far as it Goes By Chris G. Pflum Natenberg's folksy style of writing offers a pleasant relief from the passive voice used in other trading books. His text explains some complicated concepts with limited use of math. Rather than presenting a concept once and then expecting the reader to remember it 50 pages later, Natenberg repeats and reinforces these concepts throughout the book. On the downside, the book is short (100 pages of text and 57 pages of appendices) and does not offer much bang for the bucks. Natenberg gives little practical advice nor does he present any trading strategy other than to buy cheap options and sell expensive ones. Although the book focuses on volatility, it fails to explain how a trader could take advantage of volatility skews to improve profits and reduce risks. Also the book does not fully explain how a trader may judge whether an option is cheap or expensive. For example, according to the book, an option would be expensive if its implied volatility were higher than the stock's (i.e., the underlying asset) future volatility. The Black / Scholes model calculates implied volatility from the option's market price while another model, the generalized autoregressive conditional heteroscedasticity (GARCH) calculates future volatility from the historical volatility of the underlying asset. While both models are theoretical, the Black / Scholes is the more popular and most trading platforms are programmed to perform its calculations. The GARCH model is available in EXCEL, but to use it, a trader must have some mathematical knowledge and great deal of data. It is unclear why Natenberg would even mention GARCH in a book that otherwise tries to avoid math. 42 of 44 people found the following review helpful. disappointing, tho quick, humble read By michael catolic first off let me say that "option volatility pricing" is a masterwork - an essential option trader's read. but natenberg's latest is a very lightweight volume with little insight for most traders. there is some basic discussion of volatility definitions. however there is not really anything resembling a "trading strategy" discussed in the book unless you consider "buy low, sell high" as a strategy. to be fair, n. offers no pretense of uncovering any secret strategy for market success. his goal seems to be imparting an understanding of how volatility is the key concept to grasp for determining option prices. he does a nice job of distinguishing between various perspectives on volatility (historical vs. future vs. forecast vs. implied) but ultimately fails to discuss how any of these variables can be incorporated into a trading framework. at best, the book points readers to look at option prices and values in terms of volatility (again "buy underpriced vol, sell overpriced vol") but leaves it to the reader to make the decision on what is a decent price to pay. this is not much different from saying "your guess is as good as mine." if that's the case (and in many ways i actually believe this to be true), it really makes no difference if you incorporate sophisticated volatility modeling into your trading or just throw darts. no in depth discussion of commonly experienced trading puzzles like skew, surface, anomalies between expiration periods, and so on. just simple, not-at-all-mathematical, layman's overview of probability and statistics. many on-line discussion groups offer far more in-depth treatment of volatility trading and it's quirks for free. if you understand "option volatility pricing" no need to supplement your library with this (even though i've just listed my copy for sale).

Sheldon Natenberg is one of the most sought after speakers on the topic of option trading and volatility strategies. This book takes Sheldon's non-technical, carefully crafted presentation style and applies it to a book that you'll study and carry around for years as your personal consultant. Learn about the most vital concepts that define options trading, concepts you'll need to analyze and trade with confidence. In this volume, Sheldon explains the difference between historical volatility, future volatility, and implied volatility. He provides real inspiration and wisdom gleaned from years of trading experience. This book captures the energy of the spoken message direct from the source. Learn about implied volatility and how it is calculated Gain insight into the assumptions driving an options pricing model Master the techniques of comparing price to value Realize the important part that probability plays in estimating option prices

From the Inside Flap This print rendition of Sheldon Natenberg's highly successful Mastering Option Trading Volatility Strategies presentation is a must-have. It outlines his personal approach for analyzing and trading options the way the pros do: using option models, estimating option prices, and using key volatility techniques. From the basis of implied volatility and how it's calculated, to the importance of dynamic hedging through delta and neutral positions, Natenberg delivers a five-star presentation in print that explains critical concepts simply and concisely. Here he proves once again that he's the foremost expert on volatility. Arming yourself with this book can enhance your trading success in every type of market and allow you to reap considerable rewards by mastering the most effective volatility techniques from an absolute master of the game. From the Back Cover Sheldon Natenberg is one of the most sought-after speakers on the topic of option trading and volatility strategies. This book takes Sheldon's non-technical, carefully crafted presentation style and applies it to a book that you'll study and carry around for years as your personal consultant. Learn about the most vital concepts that define options trading, concepts you'll need to analyze and trade with confidence. In this volume, Sheldon explains the difference between historical volatility, future volatility, and implied volatility. He provides real inspiration and wisdom gleaned from years of trading experience. This book captures the energy of the spoken message direct from the source. Learn about implied volatility and how it is calculated Gain insight into the assumptions driving an options pricing model Master the techniques of comparing

price to value Realize the important part that probability plays in estimating option prices About the Author Sheldon Natenberg is one of the most sought-after speakers on the topic of option trading and volatility strategies. As a speaker and Co-Director of Education for Chicago Trading Company, Natenberg has helped many of the world's top institutional investors, mutual fund managers, and brokerage analysts better understand volatility and utilize it in valuing and pricing options of all types. He is the author of *Option Volatility and Pricing: Advanced Trading Strategies and Techniques*, widely considered to be the finest book ever written on the subject. First published in 1988, and revised in 1994, the book established Sheldon as one of the world's most acclaimed authorities on volatility and its impact on pricing and trading strategies—a reputation he has continued to build ever since.