Worth Charting

January 26, 2024

TSLA Current Price: $183.00

Action: Selling a strangle (selling Calls and Puts)

Feb 16th $205 Calls:	**$1.50**	(selling them for a credit)
Feb 16th $150 Puts:	**$0.58**	(selling them for a credit)
Total Credit:	**$2.08**	($1.50 + $0.58)

Scenario 1:

TSLA stays between $205 and $150 between now and Friday, February 16th

Outcome

Keep the entire $2.08 credit
$2.08 = 1.14% of the value of TSLA
1.14% = 19.32% annualized return

Scenario 2:

TSLA rises above $205 between now and Friday, February 16th

Outcome

One gets short TSLA at $205 but keeps the $2.08 credit
So, one is short TSLA at $207.08
(13.16% higher than where it is now)

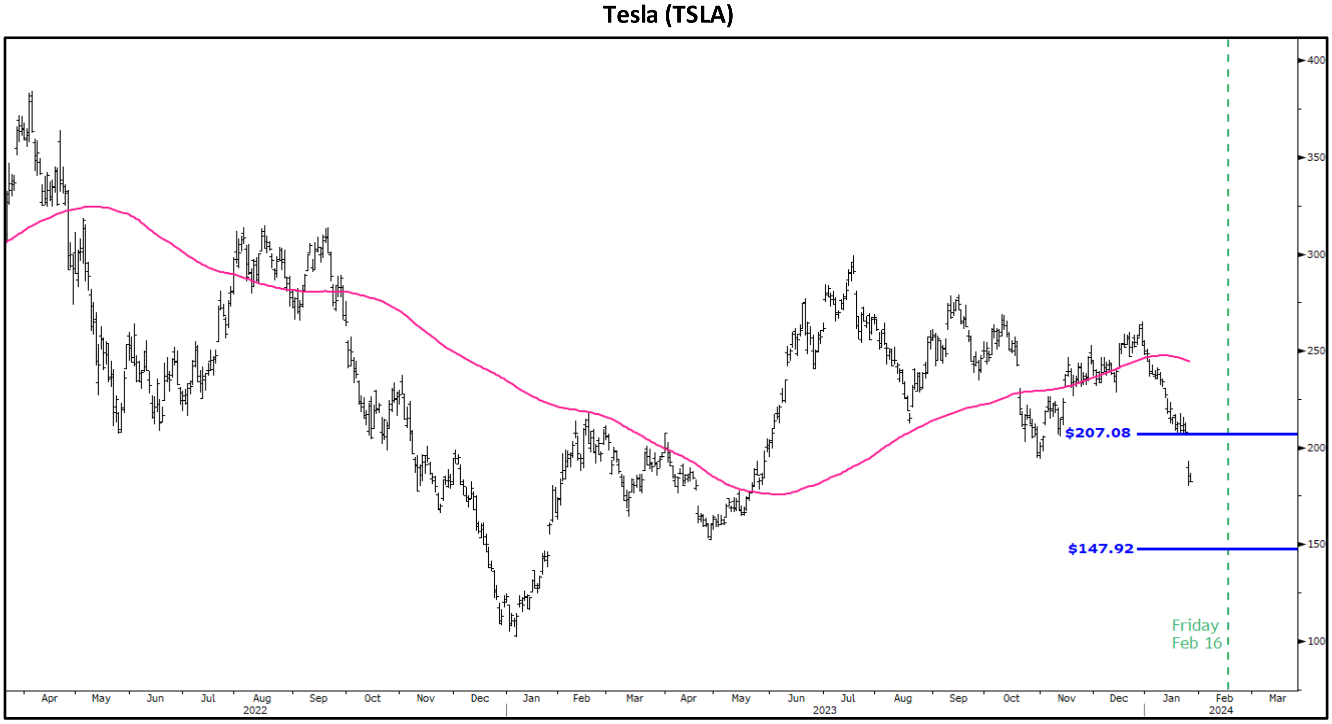
Scenario 3:

TSLA falls below $150 between now and Friday, February 16th

Outcome

One gets long TSLA at $150 but keeps the $2.08 credit
So, one is long TSLA at $147.92
(19.17% lower than where it is now)

Tesla (TSLA)



Bottom Line:

If one is thinking - as we are - that TSLA is stretched to the downside day to day, week over week, but one doesn't want to buy the stock here, but would be interested in buying it lower (or shorting it higher) ... then selling a Strangle is a good strategy by our work.

Simply stated, if one deploys this strategy, one is willing to:

- Get short TSLA **13.16% higher than where it is now** (see upper horizontal blue line drawn)
- Get long TSLA **19.17% lower than where it is now** (see lower horizontal blue line drawn)
- Collect premium & generate a 'standstill yield' if TSLA stays between $205 and $150 in the coming 15 sessions

Tesla (TSLA)