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Options

Janay S. - 2019-10-15 - 0 Comments - in [Trading Terminology](#)

Options: A call or a put, an option is a contract that entitles the buyer to buy (in the case of a call) or sell (in the case of a put) a number of shares of stock at a predetermined price on or before a fixed expiration date.

Strike Price: The pre-determined price at which underlying stock is purchased (in the case of a call) or sold (in the case of a put) when an option is exercised.

Buy to open: Used to open a long option position, be it a call or a put.

Sell to close: Used to close a long option position, be it a call or a put.

Sell to open: Used to open a short or naked option position, be it a call, put, or a covered call.

Buy to close: Used to close a short or naked option position, be it a call, put, or a covered call.

Comments (0)