

Long Call

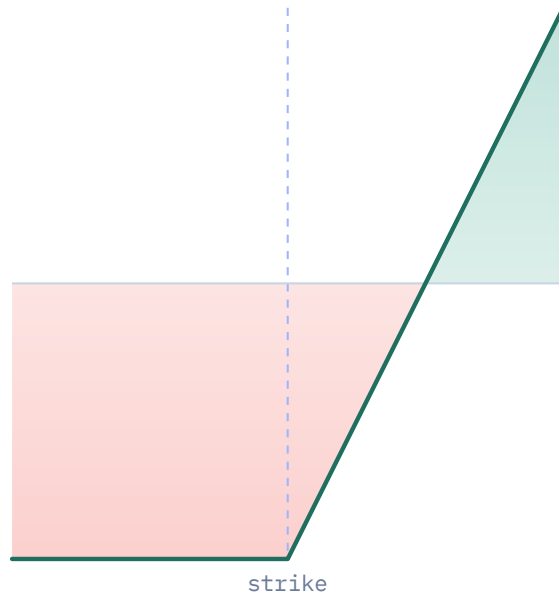
A bought right to rising prices — the loss is capped at the premium.

also: buying a call · call option

PAYOFF PROFILE

Profit / loss per contract unit

Profit



Loss

Schematic, not to scale.

Price at expiration →

CONSTRUCTION

- +1 Call at the strike

KEY FIGURES

Maxprofit	unlimited
Maxloss	premium paid
Break-even	strike + premium
Profitzone	price above the break-even
Capital required	premium only
Opening	premium is paid

WHAT HELPS THE POSITION

Direction	Rising prices help
Movement	Large moves help
Time	Time works against you
Volatility	Rising volatility helps

WHAT PAYS YOU

Price direction

Time decay against you

You get paid on direction. Time works against you every single day.

TYPICAL USE

Market phase	clear uptrend
Volatility	low (IV rank < 30) / medium (IV rank 30-50)
Goal	Speculation
Expiration	45-120 days
Strike choice	0.30-0.60
Assignment risk	none (long option)

EXIT & MANAGEMENT

Take profit	50-100% of the debit
Loss limit	50% of the debit, or the thesis is broken
Time rule	close before the last 21 days to expiration (gamma and theta both accelerate)

THE ONE QUESTION BEFORE ENTRY

Will the move go far enough past your break-even – and get there in time?

COMMON MISTAKES

- Bought too short an expiration – right about direction, still a total loss
- Bought right after earnings, and the IV crush ate the gain
- Ignored the break-even: the stock rises and the position still loses



Related: Bull Call Spread · Long Call Diagonal · Synthetic Long Stock — Opposite: Naked Short Call
Figures are per contract unit at expiration, before fees and tax. This is not investment advice — options can lose their entire value.