



Covered calls, explained

The honest version

Rent out your shares

Own 100 shares, sell a call against them, collect premium as income. If the stock stays flat or dips a little, you keep the premium and the shares. Income from patience.

You cap the upside

If the stock rips 20%, your shares get called away at the strike. You traded the moonshot for the income check. Every covered call is a deal with a ceiling.



Not free money

Covered calls trail buy-and-hold in strong bull markets and beat it in flat ones. They are a yield strategy, not an alpha strategy. Know which market you are in.

Assignment would not upset you

Sideways markets, rich premiums, stocks you would happily sell at the strike. The best covered call is one where getting assigned feels like a win, not a loss.



Verified flow.
Zero hype.

Follow @zerogammaresearch
zerogammaresearch.com