



Delta, explained honestly

It is not quite a probability

Roughly true, usefully true

A 30-delta option gets called a 30% chance of expiring in the money. That is roughly true and genuinely useful. But it is not exactly true, and the gap matters.



It is really a hedge ratio

Delta is how many shares to hold against the option. The probability reading works because the math overlaps, not because delta IS a probability. Shorthand, not definition.



Everything moves it

Delta shifts with the stock (that is gamma), with time (theta eats it), and with volatility (vega bends it). A 30-delta option today is a different animal next week.

Speak in delta

'I am long 30 delta' tells a desk your exposure instantly. Use it to size and to communicate. Just do not mistake the shorthand for the full truth.





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Zero hype.

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