



The Greeks, explained

The four numbers that price every option

How much it moves

Delta is the option's speed. A 0.50 delta call gains about \$0.50 for every \$1 the stock rises. It also reads as odds. A 0.50 delta is roughly a 50% chance of expiring in the money.

How fast the speed changes

Gamma is acceleration. It tells you how quickly delta itself moves. Gamma peaks near the strike as expiry approaches. That is why options pinned near a strike can whip violently in the final days.



The daily rent

Theta is time decay: what the option loses every single day. Sellers collect it. Buyers bleed it. It accelerates hard in the final 30 days, which is why buying short-dated options is swimming upstream.



Fear, priced in

Vega measures sensitivity to implied volatility. When IV rises one point, the option gains its vega in value. This is why options are expensive before earnings. You are paying for the fear, not just the move.



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