



# IV crush, explained

Why options get cheaper after the news

# Uncertainty has a price

Before a known event like earnings, CPI, or the Fed, implied volatility inflates. The market charges extra for not knowing. That premium is baked into every option price.

# Then the event passes

The number prints. Uncertainty dies. IV collapses, sometimes 30, 40, 50 points overnight. That collapse is the crush, and it eats option value regardless of direction.



# Right on direction, wrong on the trade

Stock beats earnings and rises 5%. But IV falls off a cliff. The call you bought can still lose money. The direction was right, but the volatility bet was wrong. Direction is only half the trade.



# Sell the fear, don't buy it

Professionals sell premium into events and buy it back after the crush. They collect the inflated IV and let time and the event do the work. The house wins the crush more often than not.



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