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Market makers, explained

Who takes the other side

SWIPE →

WHO THEY ARE

The other side of your tap

When you buy a call on your phone, a market maker sells it to you. Their business is quoting both sides all day, every day, and collecting the spread in between.

HOW THEY STAY NEUTRAL

Hedge everything, bet on nothing

They do not gamble on direction. Every trade gets hedged instantly with stock. Their profit is the spread and the flow, not the move. Direction is someone else's problem.

WHY IT MATTERS TO YOU

The spread is their fear gauge

Wide spreads mean the makers are scared. Tight spreads mean calm. Your fill quality is their mood, quoted live. Never trade when the spread eats your edge.

THE GAMMA LINK

The plumbing behind everything

When makers hedge big options flow, their stock buying and selling moves the underlying. That is the machinery behind gamma squeezes, pinning, and OPEX weirdness.

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