

# CALL OPTION

"RIGHT TO BUY"

the option buyer can "CALL AWAY FROM" the option seller

BUYER of the call option

"Bullish"

- pays for the option via the option premium
- has the right to buy the stock to the option seller ("call it away from them")
- does not have to exercise the right (can allow option to expire)
- wants the price to go up

SELLER of the call option

a.k.a. WRITER, MAKER

"Bearish  
or  
Neutral"

- receives the option premium from the option buyer
- must sell the stock to the option buyer if the option buyer exercises the option
- wants the price to go down or stay the same
- gets to keep the option premium whether or not option is exercised

# PUT OPTION

"RIGHT TO SELL"

the option buyer can "PUT TO" the option seller

BUYER of the put option

"Bearish"

- pays for the option via the option premium
- has the right to sell the stock to the option seller ("put it to them")
- does not have to exercise the right (can allow option to expire)
- wants the price to go down

SELLER of the put option

a.k.a. WRITER, MAKER

"Bullish  
or  
Neutral"

- receives the option premium from the option buyer
- must buy the stock from the option buyer if the option buyer exercises the option
- wants the price to go up or stay the same
- gets to keep the option premium whether or not option is exercised