How to use the Portfolio Analyser?

1. Introduction

Portfolio Analyser is a tool for users to analyse the impact on the value/delta of an options portfolio caused by change in underlying asset price and time to expiry. The analyser can cater for portfolio consisting up to combinations of four different options and one underlying. It is useful for those setting up covered call strategy.

IMPORTANT NOTE

- i) Please note that the analyser only demonstrates theoretical outcomes under different assumptions about market scenarios. Theoretical outcomes can deviate from the actual market environment. Investors are not advised to make investment trading decisions based on this tool only.
- ii) Commission, taxes and other transaction costs are not considered in this tool.

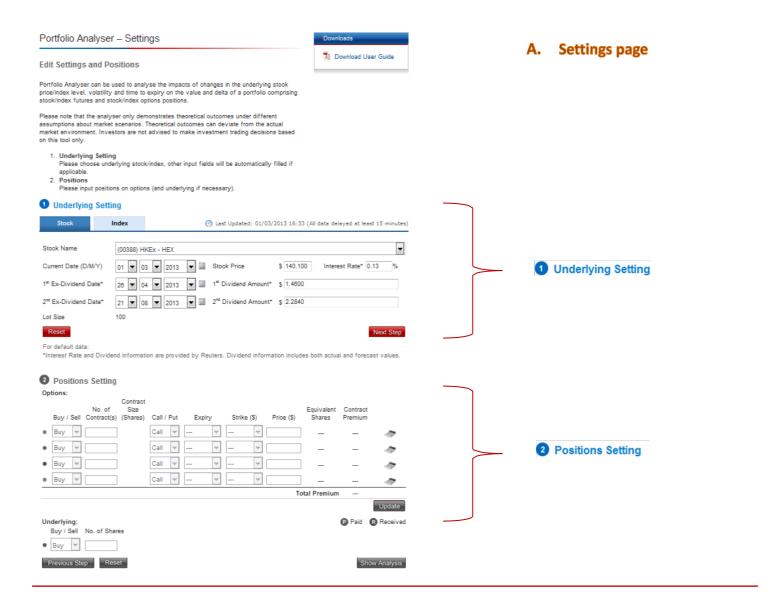
2. Overview

The analyser can cater for both stock and index options portfolio. Users can click respective tab to analyse their corresponding portfolios. The tool consists of two pages:

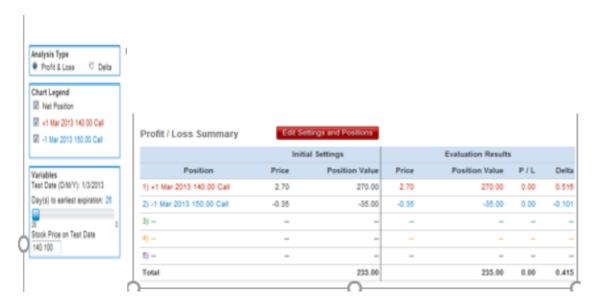
- A. Settings page
- B. Results page

Users must fill in details in settings page before reaching the analysis results page. The settings page is divided into two parts:

- 1 Underlying Setting
- Positions Setting



B. Results page



3. How to use the analyser?

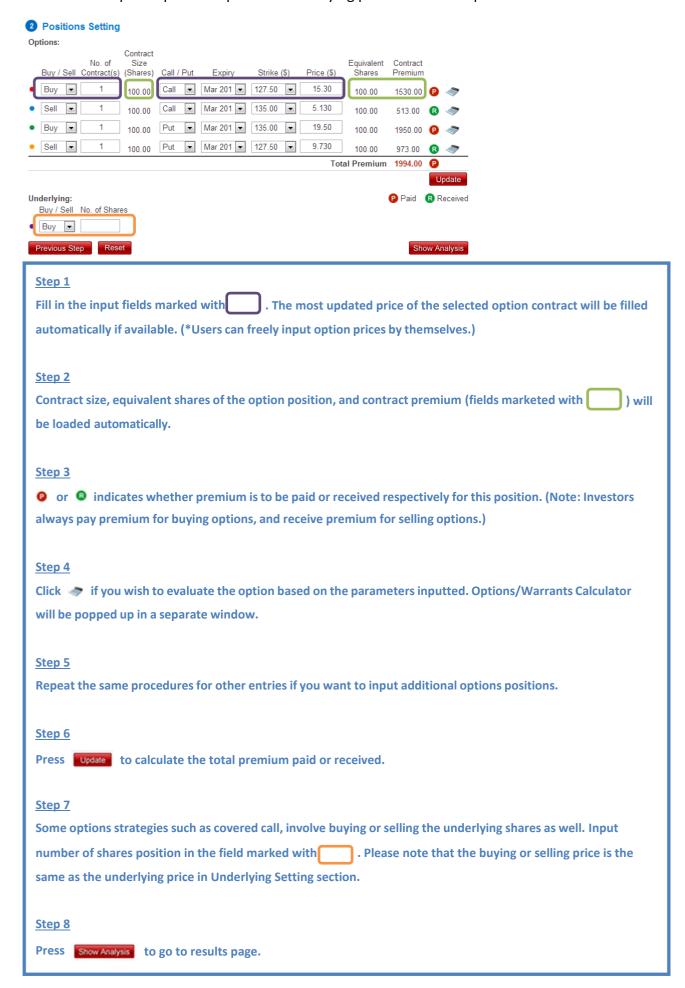
The steps of analysing both stock and index options portfolios are very similar. Hence this document will focus on analysing stock options portfolio only.

Settings page Step 1 Underlying Setting Click Stock or Index tab to select Stock (All data delayed at least 15 minutes) Index underlying type. (00388) Hong Kong Exchanges and Clearing Limited - HEX Stock Name ▼ | Current Date (D/M/Y) 02 ▼ 02 ▼ 2013 ▼ III Stock Price \$ 125.600 Interest Rate* 0.42 Step 2 1st Ex-Dividend Date* 25 ▼ 04 ▼ 2013 ▼ III 1st Dividend Amount* \$ 1.7250 Stock price, interest rate, 2nd Ex-Dividend 26 🔻 08 🔻 2013 💌 🚟 2nd Dividend Amount* \$ 2.0790 Date* dividend information etc will be Lot Size Reset Next Step filled into input fields For default data: automatically.* *Interest Rate and Dividend information are provided by Reuters. Dividend information includes both actual and forecast values. Step 3 *Users can fill in all input fields by themselves. **Press** to activate

Note on default data:

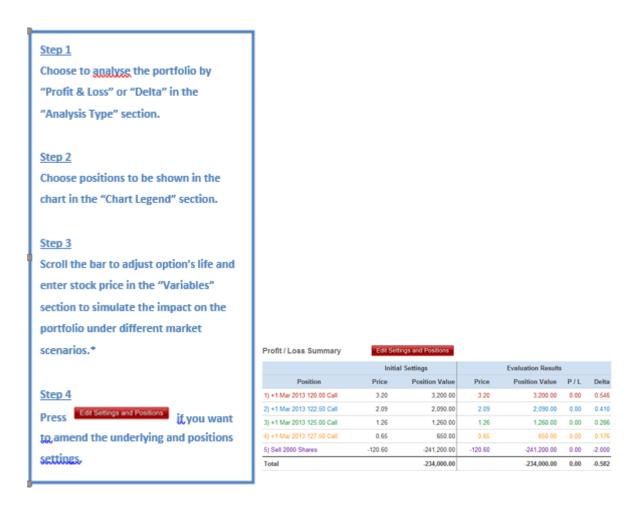
Interest Rate and Dividend information are provided by Reuters. Dividend information includes both actual and forecast values.

Users need to set up their options (and underlying) positions in this positions setting section. A maximum of four options positions plus one underlying position can be inputted.



B. Results page

The result page shows profit and loss or delta of the portfolio according to users' preferences. Results are displayed in a summary table.



^{*}Scroll "Day(s) to earliest expiration" to view the payoff profile at expiry day.

Note:

The analyser accepts changes in remaining life of the earliest expired option and stock price only. It is assumed that the implied volatility remains the same as the first day of the position has been set up. Implied volatility is calculated based on the underlying setting and option prices inputted in positions setting section.

C. Index tab

Please refer to section 3 for details.

Note:

For buying or selling index futures in positions setting section, it is assumed that the price of the futures is the same as the index level in underlying setting section.