Options Implied Move Worksheet

Companion Reference Sheet for: Options Implied Move Explained
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Key points

- An implied move estimates size, not direction or a guaranteed boundary.
- An at-the-money straddle estimate adds the call premium and put premium for the same expiration.
- The implied volatility method scales volatility by the square root of time.
- Use matching expirations and current, reliable option quotes.
- Ranges and probabilities depend on model assumptions, market conditions, and the options used.

What an implied move estimates

Hypothetical worked example. All prices and premiums are invented and are not live market quotes.

Input or result	Hypothetical figure	How to read it
Underlying price	$100.00	Reference price for the calculation
At-the-money call premium	$4.00	Call premium for the selected expiration
At-the-money put premium	$4.50	Put premium for the same strike and expiration
Combined straddle estimate	$8.50	$4.00 plus $4.50
Estimated move and price range	8.5%; $91.50 to $108.50	The estimate is centered on the hypothetical underlying price

How to calculate a move from implied volatility and time

Hypothetical worked example using a calendar-day year fraction. All inputs and results are invented and are not live market quotes.

Input or result	Hypothetical figure	Calculation detail
Underlying price	$100.00	Starting price for this example
Annualized implied volatility	30%	Volatility input for the hypothetical option
Days to expiration	30 days	Hypothetical time remaining
Time fraction	30 ÷ 365	Hypothetical calendar-day convention
Estimated dollar move	About $8.60	$100.00 × 30% × √(30 ÷ 365)
Estimated price range	$91.40 to $108.60	Underlying price plus or minus the estimated move

Implied move calculation checklist

☐ Choose the expiration that matches the period you want to estimate.

☐ For a straddle estimate, use a call and put with the same strike and expiration.

- ☐ Check quote freshness and bid-ask width before using premiums.
- ☐ For an implied volatility estimate, use a consistent time-count convention.
- ☐ Read the result as an estimate, not a direction, guarantee, or trading signal.
- ☐ Account for event risk, skew, liquidity, and the possibility of volatility changes.

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