

FREE GUIDE

AVOX FREE OPTIONSFLOW / GAMMA EXPOSURE GUIDE

A simple introduction to the data behind key intraday market levels.

The simple idea: options positioning can influence how price behaves around certain levels.

01 | WHAT IS OPTIONS FLOW?

Options flow is simply the activity happening in the options market: which calls and puts are being traded, at what strikes, and in what size. It can help reveal where important positioning may be building.

Why it matters

Large options positions can create areas that attract price, slow a move down, or become a place where price reacts. It does not predict every move - it helps you map areas worth paying attention to.

02 | WHAT IS GAMMA EXPOSURE (GEX)?

Gamma Exposure measures how options positioning may affect dealer hedging as price moves. In simple terms: it helps show where hedging activity could add stability or increase volatility in the market.

Think of GEX as a map - not a trade signal.

It gives you context before the session begins: where price may react, consolidate, accelerate, or get pulled toward. The market can always ignore a level, so risk management still comes first.

OPTIONS FLOW: THE BUILDING BLOCKS

You do not need to understand every option contract. Start with these four basics.

01 CALLS

A call option gives the buyer exposure to price moving higher. Heavy call activity at a strike can make that level relevant - but it is never an automatic bullish signal.

02 PUTS

A put option gives the buyer exposure to price moving lower. Large put positioning can matter around a strike, especially when the market is trading near it.

03 STRIKE PRICE

The strike is the price level written into an option contract. For example, a QQQ 500 call is tied to the 500 strike. Strikes with large positioning are worth mapping.

04 EXPIRATION

Options expire on a set date. Same-day and weekly expirations can be especially relevant for intraday conditions because positioning changes quickly.

WHAT TO LOOK FOR

Focus on unusually large activity, repeated activity at the same strike, and strikes close enough to current price to matter during your session. The goal is context - not trying to copy every trade you see.

Important: flow needs context.

A large call can be a bullish bet, a hedge, or one leg of a larger strategy. That is why experienced traders combine options data with price action, GEX, and order flow instead of reacting to one print.

GAMMA EXPOSURE: A PRACTICAL VIEW

GEX is useful because it adds a positioning lens to your regular chart analysis.

GEX does not tell you where price must go. It highlights areas where market behaviour may change.

POSITIVE VS. NEGATIVE GAMMA

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POSITIVE GAMMA

When dealers are generally long gamma, their hedging can reduce volatility. Price may trade more orderly, rotate around key strikes, or feel more contained.

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NEGATIVE GAMMA

When dealers are generally short gamma, hedging can add to price movement. This can create faster moves, more momentum, and less forgiving conditions.

COMMON TERMS YOU WILL SEE

Gamma flip: a rough area where the market may shift between more stable and more volatile behaviour. Call wall / put wall: major strikes with concentrated call or put positioning. These are reference points, not guaranteed barriers.

How to think about a major GEX level

Ask: Is price accepting above or below it? Is momentum slowing? Is there a rejection, absorption, or a failed breakout? The reaction around the level matters more than the level by itself.

THE AVOX PRE-MARKET PROCESS

A clean, repeatable way to turn options data into a trading plan.

1. MAP THE SESSION

Mark major GEX levels, important option strikes, and your existing market-profile or structural levels. If several tools point to the same area, it deserves more attention.

2. CREATE IF / THEN SCENARIOS

Example: If price accepts above a key level, look for continuation. If it rejects and sellers take control, look for a rotation lower. Planning scenarios prevents emotional decisions.

3. LET ORDER FLOW CONFIRM

At the level, do not guess. Watch the auction: absorption, failed breakouts, volume imbalances, and whether buyers or sellers are actually able to move price.

THE CORE FRAMEWORK

GEX = WHERE

Order flow = WHEN

Risk management = HOW MUCH

No tool removes risk. Your execution and risk plan still protect the account.

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DEALER HEDGING, EXPLAINED SIMPLY

This is the connection between options positioning and the underlying market.

WHAT IS A DEALER?

A dealer is the firm on the other side of many option trades. When a trader buys an option, the dealer often takes the opposite side. That creates risk for the dealer if the underlying market moves.

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WHAT DOES HEDGING MEAN?

Hedging means reducing that risk. Dealers can buy or sell shares, futures, or ETFs as price moves. Their hedge is not a prediction - it is risk management. When positioning is large, these hedges can influence liquidity and intraday price behaviour.

A SIMPLE EXAMPLE

If a dealer needs more upside protection as price rises, it may need to buy the underlying. In other conditions, a rising market can lead the dealer to sell. The exact effect depends on the options book - this is why GEX tools are useful.

The key takeaway

Dealer hedging can amplify a move or help contain it. You do not need to calculate it yourself. You need to understand that large options positioning can make certain levels and market conditions more important.

YOUR BEGINNER GEX WORKFLOW

Keep it simple: levels first, confirmation second, risk always.

1 GET YOUR LEVELS

Use a dedicated GEX dashboard such as GEXBot to view key gamma levels and positioning before the session. It gives you a starting map so you can focus on the areas that matter.

2 MARK, THEN WAIT

Place the most relevant levels on your NQ or QQQ chart. Let price come to your zone. A level is an alert to pay attention - not a reason to enter immediately.

3 CONFIRM WITH YOUR PROCESS

Use order flow, market structure, and your risk rules to decide whether there is a trade. If there is no confirmation, there is no trade.

GEX gives you the location. Order flow helps with timing.

Your execution and risk management stay in control.

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