ROLLING: A NEW TRADE, NOT A RESCUE

Vajgrt Labs - Education - Lesson 54 of 72 - 9 min read - Updated Oct 21, 2026

TL;DR

- Rolling is two trades wearing one ticket: closing the old position - its result final, in dollars, at that moment - and opening a new one, with new strikes or a new expiry, a new max loss and a new breakeven. Nothing about the new trade changes the old trade's result: the -$156 in this lesson's worked roll is lost money before the 'rescue' is even priced. Any sentence about rolling that doesn't state both trades' numbers separately is marketing.

- The seduction is the ticket's net line. Roll B below nets +0.70 - 'they paid me to roll' - because the new, wider spread collects 3.30 against the 2.60 closing cost. The ledger tells the truth: the realised loss -$156 stands, the new max loss is $670, and the episode's worst case grows from the printed $396 to $826 - 2.1 times the risk - purchased with a credit that feels like income (Stage 7's warning, second offence).

- This course rolls only when the roll is boring: the thesis unchanged and still passing Stage 3's map; the new trade passing all three filters standalone; the episode's total risk - realised loss plus new max loss - still inside the ORIGINAL budget line, divided again; and the possibility written into the plan before entry. A roll invented at the loss, sized by what the old trade needs to 'get back', is a new trade sized by hope - and hope is not a sizing input (Stage 4).

THE TAKEAWAYS

- Roll A, priced (same strikes, more time - the 'respectable' roll): close the 765/760 spread at 2.60 (realised -$156, -0.39R); sell the same strikes in the next monthly expiry for a 1.85 credit - a new trade with max loss $315 and breakeven 763.15. The ticket nets -0.75: you PAY $75 more today for the privilege of continuing. Episode arithmetic: worst case -156 - 315 = -$471 against the original -$396 (+19% risk), and to finish the episode flat the new trade must capture $156 of its $185 maximum gain. Time was bought. Nothing was rescued.

- Roll B, priced (out and wider, 'for a credit'): close at 2.60 (the same -$156 stands - the first trade's fate never depends on which roll follows); sell a $10-wide 760/750 put spread in the next expiry for 3.30. The ticket shows +0.70 net credit. The new three numbers: max gain $330, max loss $670, breakeven 756.70. Episode worst case -$826 = 2.1x the original $396. The +0.70 is not a payment for skill; it is the market paying a larger premium for under-writing a larger loss - Stage 7's insurance analogy, re-read: bigger policy, bigger obligation.

- The toll, itemised: a roll crosses four bid/ask spreads - two legs out, two legs in - Stage 2's friction quadrupled, charged on top of whatever the market takes between mark and fill. On a structure whose entire expectancy is a few dollars (Stage 7's spread: +$4.00 a trade at an 80% win rate, before costs), one roll's crossings can consume the expectancy of several clean trades. Rolls are therefore rationed by arithmetic as well as by honesty: each one must be justifiable as a new trade you would take, at this size, with no old trade on the books at all.

- The legitimate core, kept intact: sometimes the thesis is right and the calendar was wrong - the level holds, the view stands, only the deadline was optimistic. Extending a still-valid thesis into a later expiry is a real technique - which is precisely why this course fences it

with pre-commitment: the plan names the roll conditions before entry (the thesis fact that must still hold, the expiry it may extend to, the episode risk cap), or the roll does not happen. What separates adjustment from denial is never the mechanics - the tickets are identical - it is whether the decision predates the loss.

RULE: A roll is a closed loss plus a new trade. Quote both, size both, judge both - or don't roll.

COMMON MISTAKES

- Describing a roll by its net credit or debit. The ticket's cash line is the least informative number in the transaction; the episode's worst case is the most.

- Rolling to avoid a journal entry. The loss exists at the mark whether or not the ticket prints; a journal that only records 'adjustments' is fiction with good handwriting.

- Letting the new trade's size be set by the old loss ('I need a wider spread to win it back') - sizing by hope, the exact input Stage 4 banned.

- Rolling a thesis the market already falsified. If the invalidation fired, the trade is over; a 'roll' from a falsified premise is a brand-new speculation wearing the old trade's paperwork.

DO IT - SPLIT A ROLL INTO ITS TWO TRADES

Take any losing paper spread in your log (or rebuild this lesson's scene at a labeled mark) and write the roll ledger before touching a ticket: Trade 1 closed at its mark - result in dollars and R, journaled. Then the candidate new trade written as a stranger: three numbers, three filters, and the episode line - realised loss + new max loss - divided against your budget. Finish with the four roll conditions answered yes or no, in ink. If any answer is no, the correct entry is the close alone - write that sentence too. Paper only. This ledger is a Stage 8 gate artefact.

Education only - not financial advice. Management figures are recomputations on Stage 7's own structures - the 765/760 put credit spread (credit 1.04), the 773/775 debit vertical at its 1.42 fill, and the 780/785 debit vertical (debit 2.96) - with scenario marks labeled as the lessons' example numbers. Assignment and exercise mechanics: the OCC's (Rule 805 exercise-by-exception at $0.01 in-the-money; contrary instructions under Rule 805(b); allocation of exercise notices by the broker's disclosed method) - checked Oct 15, 2026. SPY distribution: State Street's declared September 2026 distribution, $1.8888 per share. Margin-rate range: Fidelity's published schedule, checked Oct 15, 2026. Vajgrt Labs - Education.