THETA & DTE - TIME IS BLEEDING

Vajgrt Labs - Education - Lesson 40 of 72 - 4 min read - Updated Oct 21, 2026

TL;DR

- Theta is rent: you pay it every calendar day you hold - weekends too.
- Rent is cheap far from expiration and spikes inside ~30-45 DTE.
- Match the expiration to the plan: short DTE for day trades, 45+ DTE for swings.

THE TAKEAWAYS

- Theta is rent: every calendar day you hold, you pay it - weekends too.
- Far from expiration the rent is cheap. Inside ~30-45 DTE it spikes.
- Day trades: short DTE is fine. Swing holds: use 45+ DTE so theta doesn't eat the trade.

RULE: Match the expiration to the plan - day trade, swing, or thesis.

COMMON MISTAKES

- Swing-trading on a 7-DTE option - the rent eats the thesis.
- Holding into expiry week with no plan for the decay spike.
- Forgetting that weekends charge rent too.
- Buying time you don't need - or not nearly enough of it.

DO IT ON PAPER

Pick any SPY option in Robinhood and find its theta. Multiply it by 5 - that's roughly a trading week of rent. Ask: would my plan survive paying that? Write the answer in your journal.

Education only - not financial advice. Options involve substantial risk of loss. Examples use real SPY chain data from Oct 9, 2026. Vajgrt Labs - Education.