The structure expresses the view

> **THE STRUCTURE AS THE VIEW**
>
> In options, choosing the structure - which options, at which strikes, in which combination - is how the three judgements become a position. A pure directional view with strong timing suits a simple long option; a view that the move is bounded suits a spread; a view on volatility itself suits structures that isolate it. The structure is not decoration on a view - it is the view, expressed in the only language options have: payoff shapes.

The three judgements produce a view; the structure expresses it. Choosing which options to combine is choosing which payoff shape matches the view - and in options, the structure is the view made concrete, not a wrapper on it.

Matching structure to view

A strong directional-and-timing view: a simple long option expresses it - maximum exposure to the move, at the cost of maximum decay; the structure for a confident, timed, large-move view.A bounded-move view: a spread (a long option financed by a short one at a further strike) expresses a view that the move is real but limited - capping the gain to reduce the cost and the decay; the structure for a moderate, defined view (module 5's defined-risk structures preview).A volatility view: structures that isolate volatility from direction express a view that the move will be large or small regardless of direction - the pure third-judgement position, betting on movement itself.

The structure encodes all three judgements

A well-chosen structure encodes the three judgements at once: the strikes encode the direction and the magnitude (how far the view expects the move), the expiry encodes the timing, and the choice between buying and selling volatility - long options versus spreads versus volatility structures - encodes the volatility judgement. A reader who has made the three judgements chooses the structure that expresses exactly them; a reader who reaches for a structure without the judgements has a shape without a view. The structure is the judgements, drawn as a payoff.

Why this reframes options analysis

Options analysis is not 'pick a direction and buy an option' but 'make three judgements and build the structure that expresses them' - which is why the payoff diagram (module 2) is the options analyst's native tool: it is the view, drawn. Module 6 will find that these structures, with their non-linear combined payoffs, break the platform's linear expectancy tool - so the structure must be evaluated by its whole payoff shape, not a single average. This lesson establishes the principle the rest of the track builds on: in options, you do not have a view and then choose an instrument; the structure you choose is the precise shape of the view, and choosing it well is most of options analysis. The structure expresses the view, because in options the structure is the view.

Check your understanding

1. What does 'the structure expresses the view' mean?

a. The structure is decoration on a view
b. Choosing which options to combine is choosing the payoff shape that matches the three judgements - the structure is the view made concrete, in the only language options have
c. The structure sets the premium

Answer: b. The strikes encode direction and magnitude, the expiry the timing, the long-versus-short-volatility choice the volatility judgement. The structure is the judgements, drawn as a payoff.

2. What does a reader who reaches for a structure without the judgements have?

a. A complete view
b. A shape without a view - the structure is meant to express the three judgements, so a structure chosen without them is a payoff shape expressing nothing
c. A cheaper position

Answer: b. In options you do not have a view then pick an instrument - the structure is the view. Choosing it without the judgements is a shape with no thesis behind it.