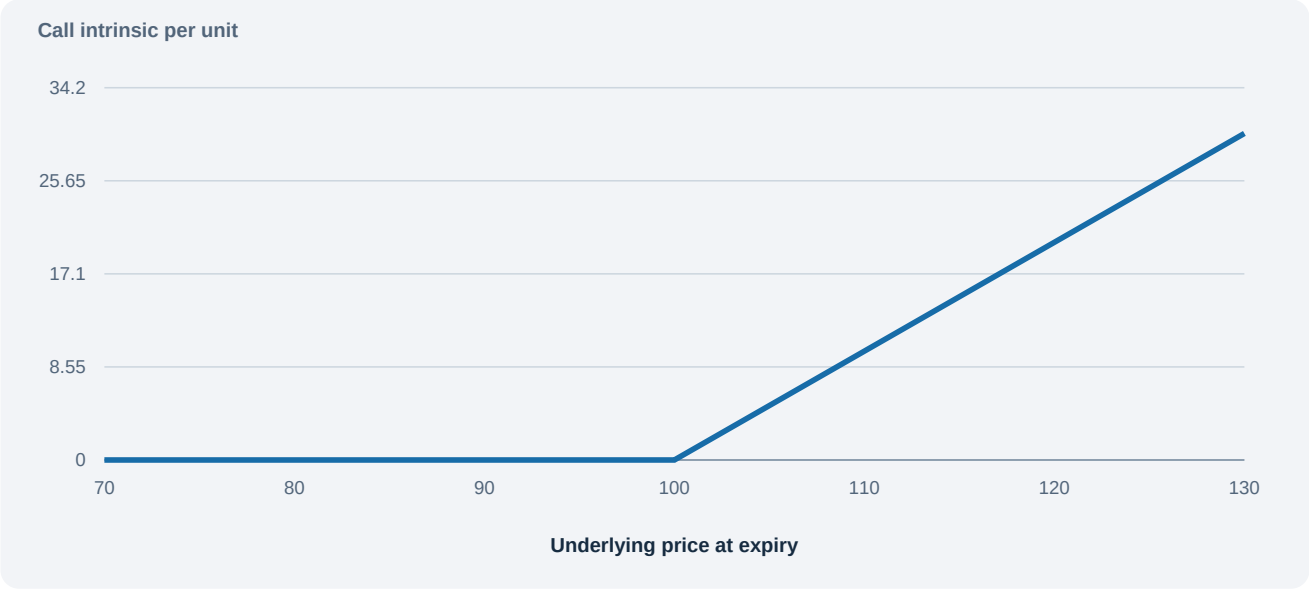
Call intrinsic value at expiry

Option arithmetic | Original synthetic example | Edition 2026-11-26

At expiry, a call's intrinsic value is the positive part of the underlying price minus its strike. This value excludes the premium paid, so it is not the option buyer's profit.

FORMULA Call intrinsic = max(underlying - strike, 0)

SCENARIO 01: Synthetic expiry scenario; reference strike 100



WORKED EXAMPLE

At underlying 110, intrinsic value is 10; premium and multiplier are excluded. No fees or settlement frictions.

COMMON MISTAKE

Calling intrinsic value profit omits the purchase premium and contract multiplier.

BEFORE YOU USE THE CALCULATION

1. Separate payoff from P/L.
2. Use expiry underlying price.
3. Apply the contract multiplier after per-unit math.

COMPARE TWO MORE INPUT SETS

Scenario 05: Synthetic expiry scenario; reference strike 140. At underlying 150, intrinsic value is 10; premium and multiplier are excluded. No fees or settlement frictions.

Scenario 10: Synthetic expiry scenario; reference strike 190. At underlying 200, intrinsic value is 10; premium and multiplier are excluded. No fees or settlement frictions.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.