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The Effect Of Delta Buying Options In The Profitability Of The Original Basis. Applied Research On The Company Of Apple Phones And Communication Technology

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Abstract

The derivatives market is considered as one of the cornerstones of the financial markets, since the establishing of financial options market in 1973 the financial markets have entered a new era and a new turn. According to these great changes, which are created by derivatives in the financial world and financial markets, therefore, ''Financial Options" started to take its primary place among securities which are playing an important role in the accounts of investors, speculators, and traders in the financial markets. In addition to the entering of options as a basic player to protect investors' money losses through the use of options as a facet of hedging and preserving the wealth and the financial centres of these dealers. The study deals with highlighting the Delta Options which concerned with the options of buying and their roles in the level of profits that is achieved by original basis. Additionally, it aims to discover whether these Delta options have a primary or secondary role in attracting investors to invest in the original basis. Moreover, the study aims to show the level of the relationship between the bonus buying options and the price of the original basis by accounting Delta Options.

El Efecto De Las Opciones De Compra De Delta En La Rentabilidad De La Base Original. Investigación Aplicada Sobre La Compañía De Teléfonos Apple Y Tecnología De Comunicación

Resumen:

El mercado de derivados se considera una de las piedras angulares de los mercados financieros, desde el establecimiento del mercado de opciones financieras en 1973, los mercados financieros han entrado en una nueva era y un nuevo giro. De acuerdo con estos grandes cambios, que son creados por derivados en el mundo financiero y los mercados financieros, por lo tanto, las "Opciones financieras" comenzaron a ocupar su lugar principal entre los valores que juegan un papel importante en las cuentas de inversores, especuladores y comerciantes en los mercados financieros. Además de la entrada de opciones como un jugador básico para proteger las pérdidas de dinero de los inversores mediante el uso de opciones como una faceta de cobertura y preservación de la riqueza y los centros financieros de estos distribuidores. El estudio trata de resaltar las Opciones Delta que se refieren a las opciones de compra y sus roles en el nivel de ganancias que se logra de forma original. Además, tiene como objetivo descubrir si estas opciones de Delta tienen un papel primario o secundario en atraer inversores para invertir en la base original. Además, el estudio tiene como objetivo mostrar el nivel de la relación entre las opciones de compra de bonificación y el precio de la base original contando las opciones de Delta.

Introduction

The integration of the International Financial Markets during the last years is considered as one of the most important factor in increasing the level of competition between different fields in these markets. In addition to the development of communication media and information technology which assisted in developing the areas of financing companies and opening new prospects in building financial centres [1-10]. However, with the entering of the financial markets in a new period of innovations in the financial field which leads to the emergence of a new financial philosophy based on the concept of financial engineering.

The concept of financial engineering is considered as one of the most important modern innovations in the financial thinking which is built on the strategic planning on all fields and levels which is used by institutions

[11-15]. Strategic planning is very essential to meet the need and desires of all investors, and to protect institutions from risks that might surrounded them [16-19]. In this respect, lots of institutions faced great losses during financial operations due to fluctuations of prices of origins of financial and the price of currencies and the price of profits with high percentage which is caused these institutions to face great risks due to such fluctuations.

Options are considered as one of engineering tools which is regarded as the most heavily traded and influential between dealers on the level of financial markets, this tool presents good profits for speculators in these options. In addition, it provides security for preservers through using it. Finally, shedding light on this tool and on what is derived from using it, is to display the great role that is played by financial options in general and the active role that options take in particular.

Methodology

Most investors face various problems in the financial derivatives markets, the most prominent one is the large quantity of fluctuations in the price of original basis whether it was concrete like (minerals and goods) or financial like (stocks and the price of profit and the price of withdraw). All these fluctuations push to affecting in the achieved profits, then as a conclusion, the prices fall of profits gives a signal to the investors to take caution and prudent during investment like these risky investments. This indicates great of fear might lead to the reduction in numbers of investments; this in turn leads to push investors to avoid entering to the financial derivatives markets and this in turn lead to negative trails on the financial field on the one hand, and on the national economics on the second hand. Financial derivatives markets are considered as a basic component for the financial markets components.

The Significance of the Study

The significance of the study is summarized by shedding light on the risks that might happen because of investments in the financial derivatives markets and this reason has a great role in the entering of investors who are dealing with the financial derivatives markets and this in turn affects in the financial market as all and in the national economics. Subsequently, being able to measure the effect of Delta buying options in the achieved profits helps the investors to think well on exhibited investments before entering on them and before getting any losses that might threaten the staying of investors in the financial markets. Surely, this will increase the benefit of all dealers in the financial derivatives market and the securities markets and will support the confidence in these markets and help in the aspect of taking decision and this also will benefit financial field and national economics.

Limitations of the Research

1. Limitations of the Time

The study took (48) weeks. It started from (2/1- 1/12/2017), during this study, the researchers analysed the dealings of Apple Company in the financial derivatives market during the mentioned period.

2. Limitations of the Place

This study was performed on the Apple Company for IPhone mobiles and information technology which is mentioned in the financial derivatives market which is described as a sample of the study.

The Methods of Data Collection

1. The Theoretical Side

This section shows the attempts of the researchers to enrich the research and provide a theoretical background about the topic of the study. However, lots of the participations of the authors and researchers which are collected by the researchers depending on various sources concerning references, magazines, scientific conferences, researches and studies which have relation with two languages Arabic and English. In addition, the researchers got benefit from the international information network (Internet) to get lots of information and books and electronic researches which are filled with lots of information from a top libraries and international universities.

2. The Application Side

This study depends on the financial bills and indications that the researchers got from Nasdaq indication from the web which are concerning with Apple Company the sample of the study in order to apply the necessary applications to reach the goals of the study in addition to the reports which are published in the site of Apple Company.

The Intellectual Foundations of the variables of the Study

The First Request: The Intellectual Foundations of the Choices

The choice is considered as one of the tools which are used by investors to avoid risks that resulted from changing the prices of asset whether they were concrete or financial. This anchor is used to fulfil profits or at least avoid losses. For that reason, choice can be defined as a contract between two sides gives the investors side (the person who buys choice) the right for buying or selling for particular numbers of the origin which is agreed upon for the another side which is obliged to perform in a limited date opposite to commission agreed upon (Vora, 2002:12). This indicates if the contract gives the buyer the right choice to buy or sell financial origin (stocks, debentures, currencies) from another side (editor or choice seller) with a price agreed upon in advance and can perform in another time during the contract period. Such choice is known as the American choice. In addition, if the performance can be performed at the limited date at the end of the contract without having the ability to perform during the period of the contract such choice is known as European choice (Brealey & Myer, 1991:109).

First: The Most Important Characteristics of the Choices

There are lots of characteristics and advantages that characterized choices; they can be summarized as the following:

1. The buyer of the choices has the full freedom in performing or not performing the contract, it is a right and not a commitment, for that reason, it is called as a choice but what is remained is that the second part will bind for it (editor or choice buyer) in case of performing the buyer for it.

2. In case of dealing with choice on stocks, this indicates there is no relation between the exporting company of stock and the parties of the contract choice.

3. The term ''Price of the Contract'' or the price of implementation is called on the price which is agreed upon and which is limited in the contract of the choice. Concerning the price of the market it is the price on which the asset (stock) is sold, in the current market at the time of performing the contract.

4. The buyer of the choice pays a specific amount of money not refundable in the form of a specific premium to the second part (editor or choice buyer). This relation is not connected with the performing of the choice or not performing from the side of the buyer but it is opposite to the commitment of the seller to perform the contract.

5. The contract of the choice includes the following component: (Kane & Marcus, 1986:65).

* Both sides of the contract (the seller – the buyer).
* The date of the contract.
* The kind of the origin and the place of the contract.
* The date of the execution whether it was European or American, every one depending on its system.
* The value of the premium which is paid by the buyer to the editor of the choice (the seller) this value usually depends on the market value of the

origin and the price of the execution and the prices of profit.

Second: The Buying Option

The contract would be as buying option when it gives to the first side, the buyer, the right to buy (if he desires to perform the contract) from the second side the editor of the choice a specific origin with a limited amount and a limited date (or during a period of specific time) according to agreement, in return for obtaining the second side from the buying of the choice on a specific premium specified by the conditions of the contract. However, for that reason the editor of the choice bounds to sell the origin in the place of the contract for the first side, the buyer, if the buyer desires in executing the contract (Rodicffe, 1994:169).

Third: The Analysis of the Buyer's and seller's Situation for the Buying Option

The analysis of the situation, which is enabling and it is particular with the buyer of stock choice, which is facing the seller of that choice. The analysis illustrates the following (Hull, 1993:81):

1. The buyer has a strong motive to perform a contract for buying the stocks where his expectations indicate the increasing the market value of stock during the period of the contract. This might lead him to face one of the two situations:

A. The loss in case of his expectations was being not right concerning the increasing of the market value for the price of the stock during the period of the contract. Therefore, he will refrain to perform that contract because of that he prefers to buy the stock in its low price from the market. However, his losses are limited only from the value of the premium that he paid from the contract of the choice.

B. The profit in case of his expectations was being right concerning the increasing of the market value for the price of the stock during the period of the contract, however, he can practice his right and request to execute the implementation of the contract and its profits are represented in the difference between the value of the market stock during the execution of the choice and the value of the stock in the contract of the choice discounted from it the premium which is paid by the editor of the choice.

2. The seller (the editor of the choice) has a strong motive when contracting; however, his expectations refer to the reduction of the market value of the stock during the period of the contract. This might lead him to face one of the two situations (Dubofsky, 1992: 114):

A. The loss in case of his expectations, about the reduction of the price of stock, was not achieved during the period of the contract. When the buyer requested to perform the contract, his losses would be represented in the difference between the value of the stock in the contract of the choice and the market value of the stock. This loss is decreased in such premium that he will get it.

B. The profit in case of his expectations concerning the reduction of the price of the stock during the period of the contract. In this case the buyer is not requested to perform the contract. The profits of the seller are represented in such premium that he will get from the buyer.

Fourth: The Choice of Selling

The contract would be a choice of selling if it gave the first side, the buyer, the right in selling (if he desires in that) to the second side, the editor of the contract a specific origin in a limited amount and in a limited price with a known date (or during the period of time that agreed upon), and that for getting the editor of the choice for a specific premium from the buyer. Thus, the editor of the choice would be obliged to perform the contract if the buyer of the choice desires to execute it.

Fifth: The Analysis of the Buyer's and seller's Situation for the Selling Option

1. The buyer has a strong motive for contracting. However, his expectations refer to the reduction of the market value of the stock during the period of the contract. The buyer might face one of the two situations:

A. The loss in case of his expectations was not performed concerning the reduction of the price of the stock during the period of the contract. So, he refrains to perform that contract and he prefers to sell the stock in the market. However, his losses are represented in such premium that the buyer is paid to the editor of the choice.

B. The profit in case of his expectations was being executing concerning the reduction of the price of the stock during the period of the contract, then, he can practice his right and request to execute the implementation of the contract and its profits are represented in the difference between the buying value of the stock during the contract time which is specified in the contract and between the market value of the stock in the time of performing of the contract discounted from it the premium which is paid by the editor of the choice.

2. The seller has a strong motive when contracting; thus, his expectations refer to the increasing of the market value of the stock during the period of the contract. This might lead the seller to face one of the two situations (Samet, 1994:91):

A. The loss in case of his expectations, about the reduction of the price of stock, was not achieved during the period of the contract. When the buyer requested to perform the contract, his losses would be represented in the difference between the values of the stock in the contract of the choice and between the market value of the stock in the date of the implementation. The losses are decreased just like the amount of the premium.

B. The profit in case of his expectations concerning the reduction of the price of the stock during the period of the contract. In this case the buyer is not requested to perform the contract. The seller prefers to sell the stock in the market and the profits of the seller are represented in such received premium from the buyer.

Sixth: The Delta of the Choice

The term of the Delta is considered as one of the important indication for hedging, and it is possible to be edited easily because of that reason it doesn't need only the trading in the original basis. Since the establishing of the markets of the choices1973, the Delta played an essential role in administrating governor of options. The traders of the choice used to edit the Delta frequently; this makes it so close to the zero. Throughout the confer of the original basis, a number of researchers realize that the negative relationship between the price of the stock and its fluctuation means that the Delta can't give the centre in the basic stock that decrease the disparity of the centre of hedging. It takes the minimum of the change in the value of the Delta under consideration. This makes influence in both of the change in the price of the basic stocks and the expected change in the conditional fluctuations on the change in the price of the basic stocks. According to the operation of the hedging that is particular with the Delta, relatively simple Delta. That transformation by using the Delta is considered as a desired goal. Actually, the Delta has two characteristics. First, it decreased the disparity of the daily changes in the value of the hedging centre. Second, it reduced the musty remaining from the exposure of the risks through the centre which considers the basic origin (Robert, 2004:251).

However, a number of particular samples are suggested for a random fluctuation in literatures. They include Hall (1987, 1988), and Histon (1993), Hajan and others (2002). The natural assumption may be in using the sample of random fluctuation which is in turn improves the Delta automatically. In fact, this is not the case if the Delta is counted in an ordinary way as a part derived from the price of the choice with regard to the price of the asset. It is essential to use the sample, to count Delta, to determine the expected change in the price of the choice which is resulted from the change in the basic origin and the expected change that is connected with it in its fluctuations.

A number of researchers applied samples of random fluctuations and used assumptions of the samples to transform the simple Delta to various values of Delta. They found that this procedure produces improvement in the performance of hedging of the Delta, especially concerning the choices out of cash. Thus, the Delta can be defined as (the percentage of comparing the change in the price of basic origin to the percentage of the change in the premium of the choice, and this is almost would be as negotiable securities). For instance, if for the choice of the stocks a Delta value estimated 0.35, this means that whenever the price of the basic origin is increased with amount equal to one dollar, this indicates that the choice of basic origin will increase with estimated amount 0.35 dollar (Bodie & Kake, 19 99:312).

Seventh: The Kinds of the Delta of the Options

1. The Delta of the buying options/ it is the Delta in which the value of the Delta would be positive confined between (0,1), this means whenever the price of the basic origin increased by one this corresponds to the addition in the value of the buying option similar to the amount of the positive Delta.

2. The Delta of the selling options/ it is the Delta in which the value of the Delta would be negative confined between (1- , 0), this means that the increasing of the price of the basic origin with one amount, this corresponds to the reduction of the value of the selling option, similar to the negative Delta (Crawford & Bidyut, 1996: 34).

Eighth: How to Count the Delta of the Options

It is possible to count the Delta of the options through the following equation: (Robert, 2004: 256)

Delta = $\Delta c / \Delta s$

It refers:

Δc = the changing in the premium of the choice.

Δs = the changing of the price of the current stock.

The Second Request/ The Intellectual Foundations of the profit of the stocks:

The returns of the stocks are fluctuated to a large extent because of that it depends on a random events in the future, in addition, to the case of the economics which is difficult to expect it. The process of expectation with returns precisely looks as a semi impossible process. Wherefore, interest should be considered on the movement of the stocks and concentration on what will lead these stocks in order to exit with so high returns and less losses. This means that the interest should be with indications of the performance of the stocks for being able to judge on them as good indications for getting profits or losses (Arnold, 1998: 184).

First: The Investors' Expectations for the Returns of the Stocks

The investors' expectations for the returns of the stocks depend greatly on the risks that surrounded the stocks and the expected grow of the profits and the cash flowing of the company. This refers that with the rising of the risks, the investors should expect increasing in returns with the assumption that the American treasury bonds which are empty of risks with worth (10) years turn out profit with amount (7%) and premium of the risky stocks (3%) and they have a medium risks (Beta = 1). Thus, the expected return will be (10%), this expectation is achieved through the sample of putting price for the asset of capitalism which states:

The expected return of the stocks = the empty average of the risks + (Beta factor * the premium of the risks of the stocks)

Second: The Calculation of the Return for the Holders of the Stocks

This section includes the returns for any payments for profits in addition to the increasing of the price of the stocks which affect the investors during the period of retaining the investment. The concentration of the markets focuses on the annual returns for the holders of the stocks measured by the percentage of the profit or loss during the annual year. The importance of the return refers to the annual return which is equal to the sum of paid distributions. In addition, to the net change of the price of the stock divided on the price of the stock in the beginning of the investment (Fabozzi & Modiglian, 1996: 311).

The Return = (Cash Distributions + The Change in the Price of the stock)/ The Price of the Stock in the Beginning of the Investment

Concerning the profit of the stock, it is achieved by summing up the profits which are gained by the company and the company decided to distribute them to shareholders.

The Profit of the One Stock = Total Distributed Profits/ Number of Existing Stocks

Third: The Artificial Profits (Unreal Profits)

The securities market is enticed with great worrying because of unreal guesses for profits that the companies used to declare of them through their financial bills, therefore to attract the investors and dealers to buy their stocks. Subsequently, the request of the stock is increased which resulted that the price of the stock is increased to reach high levels more than the real price of that stock (Francis, 1990:162).

However, in order to ensure the transparency and honesty in declaring the financial bills, the cast of observation and supervision released rules that are belonging to the fair disclosure about information. Therefore, according to these rules, it became compulsory and obligatory for the companies to declare their information completely and precisely to anyone strange who desires in investment on them. Almost the companies give imprecise information because of the reduction of the achieved profits than the expected level albeit fractional form. This will lead to the reduction of the price of the stocks significantly. Before the emission of the cast of the observation to these rules, the companies were agreed with some of the analysts of the stocks in the financial market to provide positive guesses for the profits of the companies to increase the prices of the stocks significantly (Binhammer & Sephton, 1998: 98).

The Applied Side of the Variables of the Study

This section of the study deals with the process of the analysis of the prices of the stock in the Apple Company with the premium of the buying options during the period of the study, in order to pair it with the profit of the stock of the company and reach to that results through which the researchers can be sure from the trueness of the two hypotheses in the current research. It states that:

1. There is no a connection relation supported by statistical indication between the Delta buying options and the profit of the original basis.
2. There is no a repercussion relation supported with statistical indication between the Delta buying options and the profit of the original basis.

Table (1) shows the data of the Apple Company which are used in this study during the period which is extended for (48) weeks in the year (1917).

Table (1)

The Depended Data in the Analytic Side of the Study

The Week	The Average of the Price of the Stock	The Average of the Premium of the Buying Options	The Average of the Profit of One Stock
1	190.91	3.63	0.1629
2	191.45	3.71	0.156
3	190.4	3.58	0.1714
4	191.88	3.79	0.1743
5	191.44	3.69	0.2514
6	191.61	3.78	0.1657
7	193	4.45	0.1616
8	194.82	5.22	0.151
9	194.21	5.06	0.2543
10	190.98	3.69	0.1586
11	189.91	3.51	0.1271
12	190.29	3.53	0.1171
13	201.05	3.81	0.5243
14	207.39	8.11	0.4757
15	208.99	8.83	0.2014
16	211.07	9.23	0.6629
17	207.11	8.01	0.5186
18	207.25	8.05	0.9143
19	208.88	9.12	1.1142
20	207.53	8.07	0.9072
21	207.87	8.09	1.9814
22	208.9	8.19	0.7572
23	210.24	8.21	0.833

24	29.32	6.05	0.6414
25	217.58	6.93	1.9729
26	215.46	5.95	1.4414
27	215.04	5.76	1.0757
28	212.05	5.75	1.19
29	215.49	5.99	2.07
30	216.16	6.62	1.67
31	217.94	7.23	1.89
32	219.7	8.62	1.42
33	222.98	9.83	1.06
34	225.03	10.55	0.933
35	227.63	10.93	1.86
36	228.36	11.35	1.77
37	226.87	10.65	1.28
38	223.1	9.92	1.21
39	221.3	9.72	1.43
40	218.33	8.46	1.09
41	223.85	10.05	0.86
42	221.07	9.53	0.77
43	226.41	10.42	0.68
44	223.84	10.01	2.07
45	217.88	7.09	3.89
46	219.37	8.54	2.74
47	222.03	9.33	2.86
48	217.66	7.01	1.68

The Source: - https://www.nasdaq.com/symbol/aapl.

Table (2) illustrates the results of getting the Delta of buying options.

Table (2)

The Results of the Delta of the Buying Options

The Week	The Change in the Price of the Stock	The Change in the Premium of the Buying Options	The Delta of the Buying Option
1	-0.54	-0.08	0.148
2	1.05	0.13	0.124
3	-1.48	-0.21	0.142
4	0.44	0.1	0.227
5	-0.17	-0.09	0.529
6	-1.39	-0.67	0.482
7	-1.82	-0.77	0.423
8	0.61	0.16	0.262
9	3.23	1.37	0.424
10	1.07	0.18	0.168
11	-0.38	-0.02	0.053
12	-10.76	-0.28	0.026
13	-6.34	-4.3	0.678
14	-1.6	-0.72	0.450
15	-2.08	-0.4	0.192
16	3.96	1.22	0.308
17	-0.14	-0.04	0.286
18	-1.63	-1.07	0.656
19	1.35	1.05	0.778
20	-0.34	-0.02	0.059
21	-1.03	-0.1	0.097
22	-1.34	-0.02	0.015
23	180.92	2.16	0.012

24	-188.26	-0.88	0.005
25	2.12	0.98	0.462
26	0.42	0.19	0.452
27	2.99	0.01	0.003
28	-3.44	-0.24	0.070
29	-0.67	-0.63	0.940
30	-1.78	-0.61	0.343
31	-1.76	-1.39	0.790
32	-3.28	-1.21	0.369
33	-2.05	-0.72	0.351
34	-2.6	-0.38	0.146
35	-0.73	-0.42	0.575
36	1.49	0.7	0.470
37	3.77	0.73	0.194
38	1.8	0.2	0.111
39	2.97	1.26	0.424
40	-5.52	-1.59	0.288
41	2.78	0.52	0.187
42	-5.34	-0.89	0.167
43	2.57	0.41	0.160
44	5.96	2.92	0.490
45	-1.49	-1.45	0.973
46	-2.66	-0.79	0.297
47	4.37	2.32	0.531
48	-0.59	-0.1	0.169

The Source: Is prepared by the researchers depending on the out puts of the calculator

Table (2) illustrates the following points:

1. The results of the study showed that the fluctuations in the average of the price of stock of the Apple Company during the period of the study. It is clear that the great fluctuations in the price of the stock, one of them is that the positive which achieved clear profits with high level. The second

one is the negative which achieved the losses for the holders of the stock.
2. The results of the study showed fluctuations in the amount of the premium of the buying choices, and this is a clear evident that the premium of the buying options has a strong connection with the price of the stock which is specified with the basic origin.
3. The results of the study showed that the signal of the options of the Delta for the period of the study all of them are positive. This indicates that this Delta is peculiar with the buying options.
4. Finally, the results of the study showed that all the values of the Delta of the options confined between (0.003-0.973), this is considered as an evident that the all results are logical because of that the Delta should be confined between (1, 1-), from (1, 0) related to the buying options and from (0,-1) which is related to the selling options.
The table (3) illustrates the results of the connection relationship and the analysis of the moral (meaning) of that connection between the Delta of the buying options and the profit of the one stock for the Apple Company.

Table (3)

The Results of the Connection Relationship and the Moral of the Connection between the Delta of the Buying Options and the Profit of One Stock for the Apple Company

Y / X	The Profit of One Stock			
	R	**T**	**Sig.**	**The Decision**
The Delta of the Buying Options	**0.481**	**3.726**	**0.001**	**Reject the Hypothesis**

The Source: Is prepared by the researchers depending on the results of the calculation.

* The value of (T) in the table = 1.671 on the moral level 5%
Table (3) illustrates the following:
1. The results showed that the value of the connection between the Delta of the buying options and the profit of one stock for the Apple Company reached (0.481).
2. The value of the significance level reached (0.001), this value is less than the moral level reached (5%). This means the percentage of the depending on the results exceeds (99%).
3. The value of counted (T) reached (3.726) which is bigger than the value

of (T) in the table which is (1.671). This indicates that the connection relationship between the Delta of the buying options and the profit of one stock for the Apple Company is moral with statistical significance.

4. The decision will be rejecting the null hypothesis which states that (there is no connection relation with statistical significance between the Delta of buying options and the profit of basic origin), and accepting the hypothesis of existence which states that (there is a connection relation with statistical significance between the Delta of buying options and the profit of the basic origin).

Table (4) displays the results of the repercussion relation and the analysis of the moral effect between the Delta of the buying options and the profit of one stock for the Apple Company.

Table (4)

The Results of the Repercussion Relation and the Moral Effect between the Delta of the Buying Options and the Profit of One Stock for Apple Company

Y / X	The Profit of One Stock			
	R	**F**	**Sig.**	**The Decision**
The Delta of the Buying Options	**0.0.232**	**13.883**	**0.001**	**Reject the Hypothesis**

The Source: Is prepared by the researchers depending on the results of the calculator.

Table (4) illustrates the following:

1. The results showed that the value of R^2 between the Delta of buying options and the profit of one stock for the Apple Company reached (0.232). this means that the percentage (23.2%) of changes that earning on the profit of one stock (Y) can be interpreted through the Delta of buying options (X), concerning the remaining percentage which is reached (76.8%) it belongs to other changes not included in the current study.

2. The value of the significance level reached (0.001) (F) and it is less than the moral level (5%), this refers to the results which are achieved and that can be depended on with the percentage exceeds (99%).

3. The value of counted (F) for the sample of the simple linear regression (13.883) which is bigger than the value of (F) in the table which is (4.60)

in the moral level (5%) with a freedom degree (1-47), this indicates that the repercussion relation between the changes has a statistical significance.
4. The decision of the rejecting the null hypothesis which states that there is no connection relation with statistical significance between the Delta of buying options and the profit of basic origin), and accepting the hypothesis of existence which states that (there is a connection relation with statistical significance between the Delta of buying options and the profit of the basic origin).

The Results and Recommendations

First: The Results

1. Financial derivatives have a great and affected role among the basic financial instruments which are used in the stock market.
2. There are significant fluctuations in the prices of Apple's stocks; it means that the stocks of Apple Company are so sensitive toward changes which are witnessed in the financial market.
3. The results showed that the whole results of the Delta buying options carry positive signal and this indicates that the results are logical.
4. The results displayed that the Delta buying options has a moral connection with the profit of the basic origin.
5. The results showed that the Delta buying options has a moral effect with the profit of the basic origin.

Second: The Recommendations

1. It is necessary to held seminars, conferences, and workshops for investors and for those who desire for investment and for those who want to enter in the financial market to increase the level of investment and financial awareness for them.
2. It is necessary to work on using scientific methods in the analysis of investments, especially on what is concerned with financial derivatives for that reason they are being overlapping with basic financial instruments in the financial market.
3. It is necessary to open a market to confer the financial derivatives because of its important financial effect on the basic financial markets level.
4. It is necessary to encourage the listed companies in the financial market to introduce the financial derivatives because of their important effect in the price of the basic origin and for their important effect in the financial market level.

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