

SELLING OPTIONS WITH THE 99.7% ADVANTAGE

WHAT OPTIONS STRIKE PRICES SHOULD YOU SELL

- OTM(OUT THE MONEY) OPTION CONTRACTS ARE THE TYPE OF CONTRACTS TO SELL FOR INCOME
- OTM OPTION PRICES ARE BASED ON EXTRINSIC VALUE. THIS VALUE IS A REPRESENTATION OF TIME. AS TIME RUNS OUT, SO DOES THE EXTRINSIC VALUE OF THESE OPTION CONTRACTS

RISKS TO SELLING OPTIONS

- OPTION CONTRACTS CONTAIN LEVERAGE TO AN UNDERLYING ASSET. WHEN SELLING OPTIONS ONE MUST UNDERSTAND AND ACCEPT HOW MUCH LEVERAGE THEY ARE WILLING TO HANDLE IN THE UNDERLYING ASSET.

OVERCOMING RISKS WITH OPTION SELLING

- OPTION SELLING IS A BUSINESS. ONE MUST ADOPT THE MINDSET THAT THIS IS A BUSINESS
- HAVING ADEQUATE CAPITAL IN PROPORTION TO THE LEVERAGE YOU ARE ASSUMING IS ONE WAY TO MINIMIZE RISK FOR YOUR BUSINESS
- INCREASING YOUR ADVANTAGE AND ODDS OF SUCCESS IS ANOTHER WAY TO MINIMIZE RISKS TO MINISCULE LEVELS.

WHY SELL OPTIONS?

- CREATE A PASSIVE SOURCE OF INCOME
- TAKE ADVANTAGE OF THE POWER OF TIME ALLOWING IT TO WORK FOR YOU

HOW TO SELL OPTIONS MORE EFFECTIVELY

- TO SELL OPTIONS WITH A GREATER CHANCE OF EXPIRING WORTHLESS WE NEED A TOOL THAT CAN INCREASE OUR ADVANTAGE.
- A WAY TO ACCOMPLISH THIS IS A TOOL THAT HELPS US KNOW WHERE PRICE ACTION SHOULD FALL BETWEEN.
- TO ACCOMPLISH THIS THE NUMBER 1 TOOL WE CAN USE IS THE BOLLINGER BANDS.

USING BOLLINGER BAND FOR OPTION SELLING

- THE BOLLINGER BANDS DEFAULT SETTING TO CONTAIN PRICE ACTION IS 2 STANDARD DEVIATIONS. AT 2 STANDARD DEVIATIONS PRICE ACTION IS CONTAINED 95% OF THE TIME.
- THE BOLLINGER BANDS DEFAULT SETTING CAN BE CHANGED TO ANY STANDARD DEVIATION. THIS GIVES YOU GREATER ACCURACY IN CONTAINING PRICE ACTION.
- SETTING THE BOLLINGER BANDS TO 3 STANDARD DEVIATIONS WOULD CONTAIN 99.7% OF THE PRICE ACTION. THIS IS A GOOD POINT TO SET FOR SELLING OPTIONS WITH GREATER SUCCESS.

CHANGING THE BOLLINGER BAND SETTINGS

EXAMPLE



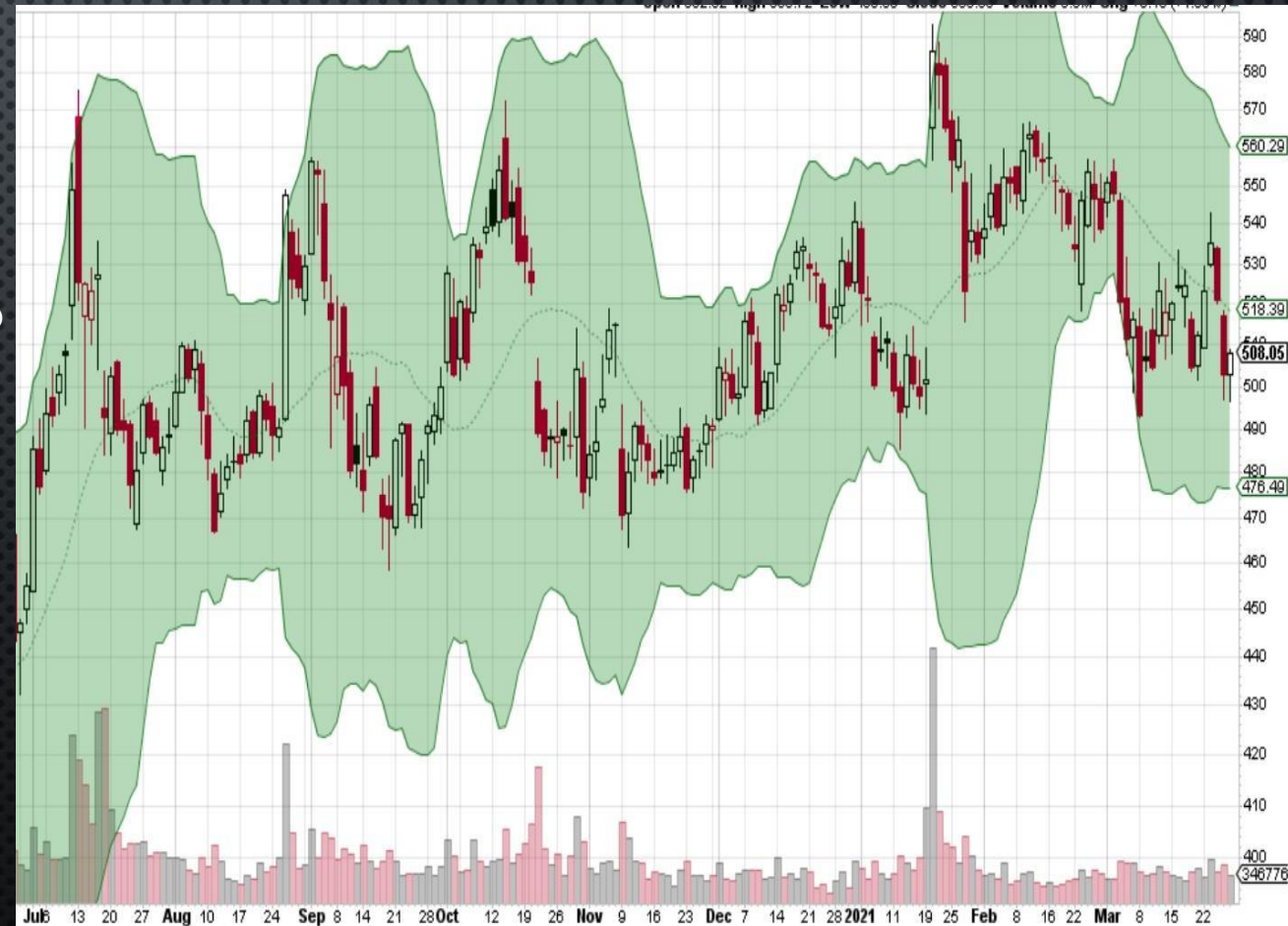
ADJUSTING SETTINGS

- TO ADJUST STANDARD DEVIATIONS SETTINGS, FIRST GO TO THE PARAMETERS. NEXT TO THE 20 YOU WILL SEE A 2 AS THE STANDARD SETTING. THIS REPRESENTS THE STANDARD DEVIATIONS. CHANGE THIS TO 3.
- YOU WILL NOW HAVE THE BOLLINGER BANDS SET TO CONTAIN 99.7% OF THE PRICE ACTION

CHART DISPLAYING THE 99.7% ADVANTAGE

NFLX DAILY CHART

- THE GREEN SHADED AREA IN THE CHART TO THE RIGHT REPRESENTS THE BOLLINGER BANDS SET AT 3 STANDARD DEVIATIONS
- WE CAN SEE HOW WELL IT CONTAINS PRICE ACTION.
- TIMES WHERE PRICE ACTION WENT OUTSIDE OF THE BANDS PROVIDED MAGNIFICENT TRADING OPPORTUNITIES TO MAGNIFY GAINS



CONCLUSION

- HAVING A GREATER ADVANTAGE IS JUST THE START TO YOUR SUCCESS WITH OPTION SELLING.
- FINDING THE RIGHT STOCK TO USE THIS ADVANTAGE IS KEY. I LIKE STOCKS LIKE NFLX, MSFT, FB, SPY
- YOU MUST CONTINUALLY WORK ON INCREASING YOUR PATIENCE, STAYING DISCIPLINED AND DEDICATED TO YOUR CRAFT.
- A 99.7% ADVANTAGE GIVES YOU 333 TO 1 ODDS OF NOT HAVING TO TAKE ANY FURTHER ACTION. IN THE CASE OF THAT 1 OUT OF 333, YOU CAN TREAT THAT AS A GREAT TRADING OPPORTUNITY TO FULLY MAXIMIZE YOUR POTENTIAL GAINS.
- USING 20% OF YOUR BANKROLL FOR OPTION SELLING WITH THIS ADVANTAGE IS AN IDEAL AMOUNT TO MAXIMIZE YOUR GROWTH.
- WITH DEDICATION YOU WILL SCALE TO MILLIONS