

SEMINAR OUTLINES

Beginner Options Traders Curriculum

\$125
Early Bird*
(Save \$100)

September 22-23, 2016

Chicago Board Options Exchange

Introduction

- Long/short calls and puts
- Define contract terms, including intrinsic vs. time value
- Difference between in-the-money and out-of-the-money options

Options Mechanics

- Volume and open interest
- Reading option chains
- Types of orders
- How stock splits affect options

Options Pricing & Volatility

- Why options are priced the way they are
- Understand how implied volatility affects option pricing
- How option pricing is affected by directional moves in the underlying stock

Understanding the Greeks

- Gauge the likelihood that an option you're considering will expire in the money
- Estimate how much the option's value might change when the underlying stock price changes
- Get a feel for how much value your option might lose each day as it approaches expiration
- Understand how sensitive an option might be to large price swings in the underlying stock
- How to use the Greeks to determine which options to trade and when to trade them

Trade & Risk Management

- How and why to exit an option trade prior to expiration
- Gauging the right position size
- How long should you hold a position before cutting your losses
- What assignment is and how it can be prevented
- Keeping a trading journal to record details of each specific trade

Beginner Trading Strategies

- Covered calls
- Protective puts
- Collars
- Cash-secured puts

Intermediate-Advanced Options Traders Curriculum

\$395
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Spread Basics

Bullish, bearish, or neutral

Spread orders

Why spreads?

- Better risk/reward ratios
- Higher profit potential vs. outright call or put position

Time Decay and Changing Volatility

- Some spreads protect, some take advantage

Trading Scenario

- Bull call spread vs. buying components
- Stock up but volatility down
- Expiration P&L table

Bull Call Spread (Ratio Spread)

- Take advantage of decay and lowering volatility
- Used with stock, becomes repair strategy

Stock Repair

Motivation

- Long stock position gone bad
- Expiration P&L table and graph
- Consider ratio spread along with stock purchase

Vertical Spreads

Call verticals—bull call & bear call

Put verticals—bear put & bull put

Characteristics

- Limited profit and limited loss
 - Reduced sensitivity to stock price change
- Maximum value at expiration, minimum spread value

Referred to by strike differential

Iron Butterfly

- Short straddle + long strangle
- Bear call + bull put
- Price behavior, P&L at expiration, early assignment for dividend

Call Condor & Put Condor

- Price behavior, P&L at expiration, early assignment for dividend
- Bear put + bull put
- Price behavior, P&L at expiration, early assignment when put ITM and expiration near

Iron Condor

- Short straddle + wider long strangle
- Bear call + bull put
- Price behavior, P&L at expiration, early assignment probabilities

*BUY EARLY and SAVE \$100 per person if purchased by September 1!