



WEEKLY INCOME NOW

WIN Checklist for Guaranteed Profits

Stock Selection

- Liquid Weekly Options

For a list of Weeklys go to: <http://www.cboe.com/micro/weeklys/availableweeklys.aspx>

If you want a free source for Option data, go to <http://finance.yahoo.com>... enter symbol for stock chart... click "Options" in left margin for a list of all available options...

Check for sufficient "Open Interest"

- Upside Potential

Check Option Chain for distance between strike prices... measure Dollars & Cents...

measure Percentage. You'll also want to know the average price range for the stock.

If you'd like a free source for excellent daily stock charts go to <http://stockcharts.com/>

In the right margin "Start to Chart" select SharpChart... enter stock symbol...

Add 50-day Average True Range to chart... the greater the 50-day ATR the better.

Determine Core Strategy

- Directional (Higher profits for experienced traders) Decide Between Calls & Puts
Calls – If Forecasted Stock Price Move is Higher
Puts – If Forecasted Stock Price Move is Lower
- Non Directional (High percentage of wins) Decide Between Straddles & Strangles
Straddles – If Stock Price is Equal or Near Strike Price
Strangles – If Stock Price is Evenly Between Strike Prices

Market-Moving Event

- Option Expiration
Only Buy OTM options beyond ATR if you have 3 or more days until expiration
- Government or Corporate Report
Buy options before the event, but not too much before. If Event takes place before the market opens at 9:30 AM Eastern Time, purchase options the day before.

Optimum Time of Day

- Opening & Closing Bell offers great volume and liquidity
At or near the Open 9:30 AM Eastern (pent up demand from overnight)
At or near the Close 4:00 PM Eastern (finalize positions to hold overnight)
- Intraday has two opposite trading behaviors
Vigorous Trading – higher volume resulting from Reports and/or News Events.
Typical Boring Day – low volume, wide Bid/Ask spreads... avoid non-news intraday

Profit Taking Strategy

- Start with the end in mind... whether Profit Target is entered as a Limit Order when trade is entered, or is a mental target to be manually executed... Determine Profit Objective BEFORE placing entry order.
- As with the Profit Target, a Trailing Stop can be entered for automatic execution, or can be executed manually. Regardless, a Trailing Stop will help lock in profits.

Determine Worst Case Scenario

- Calculate Stop Loss... Because Weeklys are so cheap, traders sometimes forego a stop loss in favor of an “all or nothing” philosophy. Regardless, make sure you can afford to be wrong. If necessary, skip the trade or consider a smaller trade size

Diversify for Smoother Performance

- WIN strategies allow a small account to succeed in a big way “putting all your eggs in one basket”. But, for larger accounts, diversification will increase the odds of success.

Make the Trade

- Once Everything is Lined Up, Place the Trade
“Buy to Open” Market or Limit Order
Confirm Your Purchase Price

Place Your GTC Orders

- Add your pre-determined Profit Objective to your purchase price and enter “Sell to Close” Limit Order... never enter a GTC at the Market
- Place a “Stop Loss” Order if appropriate

Wait and Watch Without Obsession

- To lock in profits, raise the Stop as Price increases
- Lower your Profit Target if not filled within pre-determined timeframe

Close the Transaction

- Working capital returned to trading account, ready to use again

Lather - Rinse – Repeat

- Enjoy your success
- Learn from the experience
- Repeat until you have more money than you know what to do with!

See For Yourself Why Everybody Loves to WIN!
Chris Verhaegh