

**WENDY KIRKLAND**

**NON-STOP INCOME  
FROM HIDDEN  
FORCE  
DRIVING THE  
STOCK MARKET**

# ***“First Quarter 2017 44% of All Option Volume Was On Exchange Trade Funds!”***

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Options and Exchange Traded Funds (ETFs)... both of which are surging in popularity... are a wealth-creating ***‘Match Made in Financial Heaven’***.

This special report is your invitation to join the celebration and reap tremendous profits as the greatest financial union of the century turns everyday men & women into multi-millionaires...

So why not YOU!!!

Let’s start by taking a look at how ETFs became the driving force behind today’s stock market.

## **How the ETF Industry Became a \$4 Trillion Market Behemoth**

In the first quarter of 2017 \$98 billion in US stocks were purchased by ETFs... outpacing total ETF stock purchases for the previous two years combined!

According to the Federal Reserve, at that point ETFs already owned 6% of the entire U.S. stock market... and that percentage is growing fast.

Another \$38 billion poured into ETFs in April bringing the US total ETF assets under management to \$2.65 trillion... global assets to \$4.002 trillion!

The safety of diversification with the convenience of stocks makes ETFs irresistible to investors of every level.

In fact, some of the most sophisticated investors in the world... pension funds, endowments, and insurance companies... have even started piling in.

Snowballing ETF ownership has reduced the importance of firm-specific information in favor of broad market/industry information. This is not your daddy’s stock market anymore!

ETFs are the engine driving today’s market. Time for you to climb on board!

## What Exactly is an ETF?

Exchange Traded Funds own shares of stock, or bonds, or a commodity, just like mutual funds.

And, like mutual funds, each stock ETF has a central theme; either they track a broad index like the S&P 500, Russel 2000, or NASDAQ Composite. Or they own a diverse basket of equities within a specific industry... for example medical, energy, or financial.

So, if you believe a particular sector will perform well, you can invest in it without the fear of picking the one stock in the group that underperforms.

ETFs give you a simple way to diversify your portfolio without having to pick specific stocks. Yet, they trade just like stocks... in real time throughout the day... using any brokerage account.

## Here's What Makes ETFs So Popular

**Real-Time Tracking:** ETFs price all day long whereas mutual funds only give one price at the end of the day.

**Real-Time Trading:** ETFs can be bought and sold whenever the markets are open. Mutual funds can only be bought and sold at the end of the day.

**No Minimum Purchase:** Most mutual funds have investment minimums and early redemption fees. No such thing exists for ETFs

**Lower Management Cost:** The average mutual fund management fee is 1.4%. ETF costs are a small fraction of that amount with the average being just 0.07%.

**Transparency:** Mutual funds are required to disclose their holdings only once per quarter. But, with an ETF you always know exactly what you own on any given day... for example, with SPY Apple is 3.25%, Microsoft is 2.53%, Exxon is 1.91%, etc.

**Options:** As with stocks, you can buy ETFs on margin and sell shares of an ETF short. But most important, many ETFs have options with tremendous volume... giving you the greatest income-producing and wealth-building vehicle on the planet!

## Options on ETFs Produce Profits Like You've Never Seen Before!

Roughly 6.5 million option contracts on ETFs are traded daily. And that number continues to grow.

One look at the table below and it's easy to understand why ETF option volume is skyrocketing.

These after-commission profits were produced by the TRIUMPH Trading System over a 16 month period... starting with a \$10,000 account and investing approximately \$1,000 per trade... Total Income: \$119,539.80.

ETF Description		Trades	Profit	ROI	Days
DIA	SPDR Dj Ind. Average ETF	13	\$ 9,295.20	73%	23
IWM	iShares Russell 2000 ETF	15	\$ 16,111.40	111%	23
QQQ	Nasdaq 100 Trust	16	\$ 13,387.40	82%	28
SPY	SPDR S&P 500 ETF	12	\$ 10,209.80	81%	28
XLB	SPDR S&P Materials ETF	7	\$ 6,352.40	89%	16
XLE	SPDR Energy ETF	12	\$ 5,061.00	39%	13
XLF	SPDR S&P Financial ETF	14	\$ 9,958.00	68%	12
XLI	SPDR Industrials ETF	10	\$ 5,512.60	50%	8
XLK	SPDR Technology ETF	14	\$ 6,068.80	42%	13
XLP	SPDR Consumer Staples ETF	11	\$ 2,495.80	21%	8
XLU	SPDR Utilities ETF	3	\$ 1,042.20	35%	3
XLV	SPDR Health Care ETF	25	\$ 25,519.60	99%	18
XLY	SPDR Cons Discretion ETF	16	\$ 8,525.60	51%	11

Notice how each of these ETFs has their own personality...

Options on XLV, the Health Care ETF, gave us 25 profit opportunities with an average return of 99% in 18 days... total profit, \$25,519.60.

Meanwhile, options on the Russel 2000 ETF earned an average ROI of 111% in 23 days. But we had fewer profit opportunities for a total of \$16,111.40.

The 4 index funds that TRIUMPH trades provide extraordinary profit opportunities when the broad market moves. And when the overall market is flat, the 9 sector ETFs keep the profits coming.

ETFs give you ample profit opportunities... Options give you the power to turn modest gains into enormous profits... a *'Match Made in Financial Heaven'*!

## **None of this is hard...**

If the thought of trading options makes you nervous. Or if you think it's complicated or confusing. You have nothing to worry about.

Once you've had a bit of training, it's as simple as trading stocks and ETFs. However, proper training and a proven trading system is critical to your success.

If you'd like to know more about options in general, read on.

But, if what you'd really like to know is how to make boatloads of cash trading options...

Be sure to watch my TRIUMPH Training Series, before it's take off line.

## **So, Exactly What Is An Option?**

An exchange traded option represents a behind-the-scenes contract between the option buyer and the option seller.

And once created, the option takes on a 'life of its own'... which is to say, the option contract can be bought and sold over and over again as easily as buying and selling stocks and ETFs.

The option holder has the right (but not the obligation) to buy or sell shares of the underlying equity at a certain price... the strike price... any time before the specified expiration date.

Holding an option allows you to benefit from the equity's price movement during the period of time that you hold the option.

For example... Let's say you're excited about trading-in your iPhone for the latest version that is to be released next month. You feel that many people will update their phones to this new version and you think Apple's stock will increase in value because of this demand for the new product.

Apple's shares of stock are currently priced at \$130 per share. Buying just 10 shares of stock would run \$1,300. So instead, you purchase one option contract (which is for 100 shares of stock) at the guaranteed price of \$130 per share which will expire in 60 days. The cost for this option is a premium of \$2.45 per share or \$245 for the one contract on the 100 shares of Apple's stock.

For 60 days, you will reap the benefit of the price changes of these 100 shares of Apple's stock. If Apple's stock increases in value by \$7.50 after the release of the new phone so it is now \$137.50 per share, your option increases by a large percentage of that \$7.50 move, perhaps about \$5.00. (There is a percentage

built into the pricing of the option that is calculated for you by the stock exchange.)

A week or so after the release of the new phone, you decide the hype is over and you decide to sell your option contract. There is still 30 days left before your option contract expires, which means it still has half its time value (\$2.45 divided by 2 = \$1.22) So your premium retains that time value, plus the percentage of the increase in the stock's value. (\$1.22 plus 5.00 = \$6.22 per share or \$622 for the 100 share contract.)

You paid \$245 to control 100 shares of Apple's stock for 60 days. When you choose to sell your option 30 days before expiration, the premium is \$622 for that one contract. Your profit from the trade is \$377 or a 154% gain because your option value went from \$245 to \$622.

You can see through this example that a lot of money can be made if you know when a company's price is going to go up or down.

## **Who Am I Trading With?**

Much of the option trading transaction happens behind the scene at the stock exchange. When you choose to purchase an option, the exchange posts the offer and another trader, often one they call a market-maker, accepts the trade conditions, in this case, to sell you 100 shares of Apple's stock for \$130 per share when you ask to buy them within the next 60 days.

When you choose to sell the contract, the exchange contacts the market-maker and buys the shares at \$130 each from them and then sells them for the current price of the stock \$137.50. The stock exchange receives a portion of the \$7.50 increase for handling the trade transaction for you (in this example \$2.50 and your portion is \$5.00) and your account increases to \$6.22 per share or \$622 for the one 100 share contact.

This buying and selling happens within seconds. And you don't have to find a buyer or a seller, it happens for you behind the scenes at the stock exchange.

## **Why Would a Market-Maker Want To Trade With Me?**

Market-makers know that many retail traders, everyday people like you and me, enter trades willy-nilly just because they like a company or because their Uncle Joe told them to invest in this great company that is going to do well.

If during the period of time that the trader is holding the option, the price of

the stock drops, the option premium also decreases.

Using the price of the Apple trade as an example again, if the price of the stock drops from \$130 to \$128, the option premium of \$2.45 per share will also drop a percentage of that \$2.00 decrease, perhaps about .50 so the premium now is valued at \$1.95 per share. The option contract for the 100 shares is now worth \$195. This \$50 loss to the option holder is a \$50 gain to the market-maker.

A stock's price can drop to zero. Apple's stock could drop from \$130 to zero, but you can never lose more than the option's premium and you know the full amount at risk right from the get-go. In our example, \$245 which was the initial cost of the option is the most that can be lost. When a retail trader enters a trade, they should know their "stop", the loss that is acceptable and the signal that it is time close the trade, perhaps about a 20%.

A key to option trading success is to let your profits continue to run up and to cut losses short. You want to have a plan (this is where I come in) and many retail traders fail to do this. When a loss happens, fear sets in and paralyzes them. They continue to hold a losing trade, hoping and hoping its premium will go back up, and before it recovers, their expiration time runs out and the time premium has run out, too, until it has no value. If you sell at a fixed point, it still retains some of its time value and it isn't a total loss.

Also, many retail traders don't have a clue how to know when a stock is going to go up in price or when it is going to drop. They enter trades based on wishful thinking or advice from others, not based on solid technical indicators and a proven trading system.

Watch the TRIUMPH Training Series and get the education you need to succeed for FREE.

### **Here's What You'll Learn In the Extraordinary TRIUMPH Training Series:**

Video 1: Turning ETF Options Into Non-Stop Income

Video 2: The Trading Breakthrough That Will End Your Money Worries

Video 3: Why Earning 69.9% a Month Is Easier Than You Thought

Video 4: Two Keys to Living the *Good Life* Both Now and in Retirement

Video 5: 2 Secrets to Earning Huge Profits on Nearly All Your Trades

Video 6: How You Can Totally Crush Option Trading Risk

Video 7: Instantly Gain the Power to Succeed!