

---

# Option Income Strategy Trade Filters An In Depth Article Demonstrating The Use Of Trade Filters To Enhance Returns And Reduce Risk

---

Volatility Trading

High Performance Options Trading

Trading Options

The 3 Best Options Strategies For Beginners

Profiting from Price Distortions in Very Brief Time Frames

A Proven Strategy for Creating Systematic, Repeatable, and Consistent Trading Profits

Options Trading

Advanced Trading Strategies and Techniques (40 Proven Trading Strategies Included)

How to Build Wealth Using Proven Options Trading Strategies and Technical Analysis

Profiting with Iron Condor Options

Alpha Trading

Know Your Options

The Rookie's Guide to Options

Your Guide to Profitable Trading

A Business Framework for Trading Equity and Index Options

Option Strategy Risk / Return Ratios

Winning with Options

How To Make Money Trading Options

The Unlucky Investor's Guide to Options Trading

An In-Depth Article Demonstrating the Use of Trade Filters to Enhance Returns and Reduce Risk

A Guaranteed Income for Life

The Beginner's Handbook of Trading Equity Options  
An In-Depth Article Introducing an Interactive Analytical Framework for Hedging Option Strategy Risk  
Day Trading Options  
Option Income Strategy Trade Filters  
The Banking Industry Guide: Key Insights for Investment Professionals  
The Bible of Options Strategies  
The Option Trader's Hedge Fund  
Making the Most Money when Selling Stock Options  
The Ultimate Guide To Making Extra Income On The Side By Trading Covered Calls, Credit Spreads & Iron Condors  
The Definitive Guide for Practical Trading Strategies  
The Volatility Edge in Options Trading  
Strategies for Income Generation, Directional Moves, and Risk Reduction  
Proven Techniques to Grow \$2,500 Into \$25,000 Using Options Trading and Technical Analysis  
The Smart Way to Manage Portfolio Risk and Maximize Profit  
Exit Strategies for Covered Call Writing  
Strategies and Models for Winning the Endgame  
The Monthly Income Machine

*Option Income Strategy  
Trade Filters An In  
Depth Article  
Demonstrating The Use  
Of Trade Filters To  
Enhance Returns And  
Reduce Risk*

*Downloaded from  
[blog.gmercyu.edu](http://blog.gmercyu.edu) by guest*

---

## **SHAFFER MELISSA**

---

**Volatility Trading** John Wiley & Sons  
An approachable guide to sustainable options trading, minimal luck needed. Traders who are successful long-term do

not rely on luck, but rather their ability to adapt, strategize, and utilize available tools and information. Modern markets are becoming increasingly accessible to the average consumer, and the emergence of retail options trading is opening a world of opportunities for the individual investor. Options are highly versatile and complex financial instruments that were exclusive to industry professionals until recently. So where should beginners start? The

Unlucky Investor's Guide to Options Trading breaks down the science of options trading to suit interested traders from any background. Using statistics and historical options data, readers will develop an intuitive understanding of the potential risks and rewards of options contracts. From the basics of options trading to strategy construction and portfolio management, The Unlucky Investor's Guide to Options Trading guides

readers through the world of options and teaches the crucial risk management techniques for sustainable investing.

*High Performance Options Trading* FT Press

From a leading trading systems developer, how to make profitable trades when there are no obvious trends How does a trader find alpha when markets make no sense, when price shocks cause diversification to fail, and when it seems impossible to hedge? What strategies should traders, long conditioned to trend trading, deploy? In *Alpha Trading: Profitable Strategies That Remove Directional Risk*, author Perry Kaufman presents strategies and systems for profitably trading in directionless markets and in those experiencing constant price shocks. The book Details how to exploit new highs and lows Describes how to hedge primary risk components, find robustness, and craft a diversification program Other titles by Kaufman: *New Trading Systems and Methods*, 4th Edition and *A Short Course in Technical Trading*, both by Wiley Given Kaufman's 30 years of experience trading in almost every kind of market, his *Alpha Trading* will be a welcome addition to the

trading literature of professional and serious individual traders for years to come.

**Trading Options** Springer

In this book, a hedge fund manager and an option trading coach show you how to earn steady, reliable income selling options by managing your option trades and running your option portfolio as a real business with consistent, steady returns. Packed with real-world examples, the authors show you how to manage your own "one man" hedge fund and make consistent profits from selling options by applying the basic framework and fundamental business model and principles of an "insurance company". This framework helps you to apply your option trading strategy to a solid, predictable, business model with consistent returns. For someone who has some knowledge of trading options and wants to become a consistent income earner. The authors provide a complete "operations manual" for setting up your business. Gain pearls of wisdom from both a professional options trader and coach, and from a hedge fund manager focused on managing an options based portfolio.

**The 3 Best Options Strategies For Beginners** John Wiley & Sons

*Exit Strategies for Covered Call Writing* reveals the best and most effective procedures to manage your stock option positions. After selling a call option, many investors simply permit the result to run its own course through expiration Friday. This will cost you money! By administering well-thought-out exit strategies, based on sound fundamental and technical principles along with your common sense, your profits will be maximized and your losses will be diminished. Alan Ellman, author of the best-selling *Cashing In on Covered Calls*, speaks to the average blue collar investors of the world. In a practical and straightforward manner, he offers sound, honest, and easy-to-understand management techniques that will take the mystery out of covered call writing. Inside you will discover and learn about: What exit strategies can do for you The key parameters to consider Exit strategy alternatives Executing exit strategy trades Real-life examples Profiting with the Ellman calculator And much more [Profiting from Price Distortions in Very Brief Time Frames](#) Pearson Education

Learn why stock options - a versatile investment tool that has seen explosive growth over the past few years - belong in your portfolio. If you're already trading options, this book is also for you. You will gain a thorough understanding of option pricing, function and equivalents, which will help you trade more effectively. Adopt more advanced option strategies, like iron condors and double diagonals, to help protect your nest egg and earn healthy returns. Includes chapter quizzes and accompanying CD-ROM.

*A Proven Strategy for Creating Systematic, Repeatable, and Consistent Trading Profits*  
John Wiley & Sons

How you can earn remarkable profits right now by trading in very brief time frames! • Forget 'buy and hold.' Look what it's done to the investors who believed in it! • Enter the market at very specific times, and structure trades that capitalize on proven pricing anomalies and distortions. • Master day trading strategies that work in any market conditions, because they don't rely on financial predictions, company results, or market direction. Stock prices have lost all relationship to the underlying performance of the companies they

represent: investors who relied on traditional 'buy and hold' strategies have been savaged by the greatest destruction of wealth in the history of the world. But some options traders are earning immense profits right now, even in this generation's worst market and they'll keep profiting no matter how the market moves. How? They trade at very specific times and structure trades to capitalize on well-characterized pricing anomalies and distortions. By doing so, they can generate more profit in one day than most experienced investors realize in a month, sometimes even a year. What's more, they systematically minimize exposure to market risk, including potentially disastrous after-hour market moves. In *Day Trading Options*, top options trader Jeff Augen shows exactly how you can use these strategies, too. You'll learn why day trading options is more practical than ever, and understand trends in the options market that have leveled the playing field between large institutions and private traders. Augen reveals how to choose candidates for day trading; use new technical indicators that work; spot mispriced options; exploit rapid changes in implied volatility, and much

more. Above all, you'll learn how to structure positions that close profitably before the end of trading, so end the day wealthier and more secure than you were in the morning. Jeff Augen, currently a private investor and writer, has spent over a decade building a unique intellectual property portfolio of algorithms and software for technical analysis of derivatives prices. His work includes over 1 million lines of computer code reflecting powerful new strategies for trading options. As founding executive of IBM's Life Sciences Computing business, he defined a growth strategy resulting in \$1.2B of new revenue, and managed \$200M in venture investments. His books include *Trading Options at Expiration*, *The Options and The Volatility Edge in Options Trading*, *Trader Workbook*, [Options Trading](#), [AMACOM Div American Mgmt Assn](#)

"Jeff's analysis is unique, at least among academic derivatives textbooks. I would definitely use this material in my derivatives class, as I believe students would benefit from analyzing the many dimensions of Jeff's trading strategies. I especially found the material on trading

the earnings cycle and discussion of how to insure against price jumps at known events very worthwhile.” —D R . R OBERT J ENNINGS , Professor of Finance, Indiana University Kelley School of Business “This is not just another book about options trading. The author shares a plethora of knowledge based on 20 years of trading experience and study of the financial markets. Jeff explains the myriad of complexities about options in a manner that is insightful and easy to understand. Given the growth in the options and derivatives markets over the past five years, this book is required reading for any serious investor or anyone in the financial service industries.” —M ICHAE L P. O’H ARE , Head of Mergers & Acquisitions, Oppenheimer & Co. Inc. “Those in the know will find this book to be an excellent resource and practical guide with exciting new insights into investing and hedging with options.” —J IM M EYER , Managing Director, Sasqua Field Capital Partners LLC “Jeff has focused everything I knew about options pricing and more through a hyper-insightful lens! This book provides a unique and practical perspective about options trading that should be required

reading for professional and individual investors.” —A RTHUR T ISI , Founder and CEO, EXA Infosystems; private investor and options trader In The Volatility Edge in Options Trading , leading options trader Jeff Augen introduces breakthrough strategies for identifying subtle price distortions that arise from changes in market volatility. Drawing on more than a decade of never-before-published research, Augen provides new analytical techniques that every experienced options trader can use to study historical price changes, mitigate risk, limit market exposure, and structure mathematically sound high-return options positions. Augen bridges the gap between pricing theory mathematics and market realities, covering topics addressed in no other options trading book. He introduces new ways to exploit the rising volatility that precedes earnings releases; trade the monthly options expiration cycle; leverage put:call price parity disruptions; understand weekend and month-end effects on bid-ask spreads; and use options on the CBOE Volatility Index (VIX) as a portfolio hedge. Unlike conventional guides, The Volatility Edge in Options

Trading doesn’t rely on oversimplified positional analyses: it fully reflects ongoing changes in the prices of underlying securities, market volatility, and time decay. What’s more, Augen shows how to build your own customized analytical toolset using low-cost desktop software and data sources: tools that can transform his state-of-the-art strategies into practical buy/sell guidance. An options investment strategy that reflects the markets’ fundamental mathematical properties Presents strategies for achieving superior returns in widely diverse market conditions Adaptive trading: how to dynamically manage option positions, and why you must Includes precise, proven metrics and rules for adjusting complex positions Effectively trading the earnings and expiration cycles Leverage price distortions related to earnings and impending options expirations Building a state-of-the-art analytical infrastructure Use standard desktop software and data sources to build world-class decision-making tools Tata McGraw-Hill Education In Options Made Easy, Second Edition, Guy Cohen clearly explains everything you

need to know about options in plain English so that you can start trading fast and make consistent profits in any market, bull or bear! Simply and clearly, the author reveals secrets of options trading that were formerly limited to elite professionals--and exposes the dangerous myths that keep investors from profiting. As you set out on your options journey, you'll learn interactively through real-life examples, anecdotes, case studies, and pictures. Guy Cohen is your friendly expert guide, helping you pick the right stocks, learn the right strategies, create the trading plans that work, and master the psychology of the winning trader. Master all the essentials--and put them to work Options demystified so that you can get past the fear and start profiting! Learn the safest ways to trade options Identify high-probability trades that lead to consistent profits Design a winning Trading Plan--and stick to it Understand your risk profile and discover exactly when to enter and exit your trades Choose the right stocks for maximum profit Screen for your best opportunities--stocks that are moving--or are about to move Discover the optimum strategies for you Match your trading

strategies to your personal investment goals No bull! The realities and myths of the markets What you must know about fundamental and technical analysis Advanced Trading Strategies and Techniques (40 Proven Trading Strategies Included) FT Press In a straightforward approach, Hanania Benklifa provides readers the practical knowledge needed to trade options conservatively in Profiting with Iron Condor Options: Strategies from the Frontline for Trading in Up or Down Markets. The objectives are simple: make 2%-4% a month staying in the market as little as possible. Market experts use option condors to consistently earn monthly returns while trading conservatively and staying in the market as little as possible. Benklifa--who manages \$10+ million in condor trades each month--shows you exactly how to run these trades and earn these returns, delivering all the details you need to master every nuance of this remarkable strategy. Benklifa shares option condors examples using market realities, not oversimplified abstractions. You'll learn how to handle real-life market dynamics that can dramatically impact

results, including rising and falling volatility, changing bid-ask spreads, and distorted call parity. You'll learn how to profit in the sideways markets where condor options are most widely used--and also in extreme-trending markets that offer their own surprising opportunities. Traders who focus on a specific type of trade have a history of outperforming stock pickers and directional investors. This book will give you that deep and usable level of knowledge about one of today's most well-proven strategies: option condors.

How to Build Wealth Using Proven Options Trading Strategies and Technical Analysis  
John Wiley & Sons

Options are an integral part of any financial portfolio, but they can be intimidating to the average investor. While often viewed as risky, the truth is that, if used properly, options can be one of the best tools for balancing a portfolio. In fact, they can help investors protect themselves from downside risk and leverage capital to make bigger plays than would otherwise be possible. In *Winning with Options*, Michael C. Thomsett offers nontechnical, easy-to-follow advice for

readers who need guidance on important techniques related to portfolio management, such as diversification and risk management. Readers will discover how to: choose the right brokerage firm • use online resources • pick the right stocks • track options • set portfolio and risk goals • understand the complicated world of options lingo • make the most of day trading and swing trading  
Straightforward and practical, this is the one book that will help the novice option trader navigate the sometimes daunting, but often rewarding, world of trading and investing in options.

*Profiting with Iron Condor Options* Mwaka Moon Ltd

Brian Johnson, an investment professional with over 30 years of experience, is the author of three pioneering books on options: 1) Option Strategy Risk / Return Ratios, 2) Exploiting Earnings Volatility, and 3) Option Income Strategy Trade Filters. His new in-depth (80+ page) article, Option Strategy Hedging and Risk Management, presents a comprehensive analytical framework and accompanying spreadsheet tools for managing and hedging option strategy risk. Drawing on

his extensive background in option-pricing and on decades of experience in investment management and trading, Brian Johnson developed these practical techniques to hedge the unique and often overlooked risks associated with trading option strategies. These revolutionary new tools can be applied to any option strategy, in any market environment. Option Strategy Hedging and Risk Management is written in a clear, easy-to-understand fashion and explains how to apply market-specific hedging techniques, using several different hedging vehicles. Created especially for readers who have some familiarity with options, this practical guide begins with a review of position sizing, including a detailed analysis of the implicit assumptions and embedded risks that could have disastrous consequences, particularly for option traders. Chapter 2 includes a comprehensive description and analysis of the actual option strategy, position model, and trade rules that are used to create real-world option strategy hedges in the subsequent chapters. This is followed by a thorough explanation and a concrete example of how to use futures to hedge option strategy exit risk.

Surprisingly, futures are not well understood in the option community and very few traders employ this simple, effective, and virtually free hedging tool. The next two chapters present a common analytical and hedging framework that is used to identify the most cost-effective hedging solutions for an actual option strategy in a real-world market environment. The process used to identify the lowest-cost hedging solution using actual VIX call options is explained in Chapter 4, followed by the same hedging analysis using put options on the underlying security in Chapter 5. All hedging examples in the article use real-time market prices and actual analytical results. Proprietary research is included in the article to provide validation for the analytical framework. The article was written to be accessible to a wide audience, so very few mathematical formulas are provided in the text. However, several important formulas are included to facilitate the understanding of important concepts, and to provide further research opportunities for inquisitive traders. The article also includes thirty separate graphs and tables to illustrate

how the tools can be used in practice. Perhaps most important, Option Strategy Hedging and Risk Management includes a download link to the accompanying Excel spreadsheet with macros designed to perform all of the position sizing and hedging calculations in the article. Chapters 1, 3, 4, and 5 all have their own dedicated tabs in the spreadsheet. The data from the article is included in the spreadsheet, which allows the reader to reproduce all of the examples from the article. All of the spreadsheet functions are automated through the use of push-button macros, making spreadsheet operation as simple as possible. Finally, Chapter 6 examines practical considerations and prospective applications of these innovative new tools.

**Alpha Trading** SD Publishing LLC Equity and index options expire on the third Friday of each month. As that moment approaches, unusual market forces create option price distortions, rarely understood by most investors. These distortions give rise to outstanding trading opportunities with enormous profit potential. In *Trading Options at Expiration: Strategies and Models for Winning the*

*Endgame*, leading options trader Jeff Augen explores this extraordinary opportunity with never-before published statistical models, minute-by-minute pricing analysis, and optimized trading strategies that regularly deliver returns of 40%-300% per trade. You'll learn how to structure positions that profit from end-of-contract price distortions with remarkably low risk. These strategies don't rely on your ability to pick stocks or predict market direction and they only require one or two days of market exposure per month. Augen also discusses:

- Three powerful end-of-cycle effects not comprehended by contemporary pricing models
- Trading only one or two days each month and avoiding overnight exposure
- Leveraging the surprising power of expiration-day pricing dynamics

If you're looking for an innovative new way to reignite your returns no matter where the markets move, you've found it in *Trading Options at Expiration*. "Learn and profit from Jeff Augen's book: It clearly explains how to take advantage of market inefficiencies in collapsing implied volatility, effects of strike price, and time decay. A must-read for individuals who are

options oriented." --Ralph J. Acampora, CMT, Director of Technical Analysis Studies, New York Institute of Finance "A fantastic, insightful book full of meticulously compiled statistics about anomalies that surround option expiration. Not only does Augen present a set of effective trading strategies to capitalize on these anomalies, he walks through the performance of each across several expirations. His advice is practical and readily applicable: He outlines common pitfalls, gives guidance on timing your executions, and even includes code that can be used to perform the same calculations he does in the text. A thoroughly enjoyable read that will give you a true edge in your option trading." --Alexis Goldstein, Vice President, Equity Derivatives Business Analyst "Mr. Augen makes a careful and systematic study of option prices at expiration. His translation of price behavior into trading strategy is intriguing work, and the level of detail is impressive." --Dr. Robert Jennings, Professor of Finance, Indiana University Kelly School of Business "This book fills a gap in the vast amount of literature on derivatives trading and stands out for



being extremely well written, clear, concise, and very low on jargon--perfect for traders looking to evolve their equity option strategies." --Nazzaro Angelini, Principal, Spearpoint Capital "Instead of considering macro-time strategies that take weeks to unfold, Jeff Augen is thinking micro here--hours or days--specifically the days or hours right before expiration, and harnessing grinding, remorseless options decay for profit. He builds a compelling case for the strategy here. The concept of using ratio spreads plus risk management for as brief a period as one day--open to close--to capture expiring premium is worth the price of admission alone. A superb follow-up to his first book. Must-read for the serious options student." --John A. Sarkett, Option Wizard software

Know Your Options Option Income Strategy Trade Filters An In-Depth Article Demonstrating the Use of Trade Filters to Enhance Returns and Reduce Risk Brian Johnson, a professional investment manager with many years of trading and teaching experience, is the author of two pioneering books on options: 1) Option Strategy Risk / Return Ratios: A

Revolutionary New Approach to Optimizing, Adjusting, and Trading Any Option Income Strategy, and 2) Exploiting Earnings Volatility: An Innovative New Approach to Evaluating, Optimizing, and Trading Option Strategies to Profit from Earnings Announcements. His new in-depth (100+ page) article, Option Income Strategy Trade Filters, represents the culmination of years of research into developing a systematic framework for optimizing the timing of Option Income Strategy (OIS) trades. His research was based on the analysis of 15,434 OIS trades, each with a comprehensive set of objective, tradable entry and exit rules. The results for each of the 15,000 plus trades were scaled to a constant dollar amount at risk, to ensure all trades were equally-weighted when calculating the performance metrics. The back-test results were all based on actual option prices and are summarized in this article for a selection of back-testing filters, making this one of the most comprehensive studies of option income strategy results ever published. The results of over 100 different back-tests are provided. The OIS strategy back-test results for ten different

types of filters are evaluated in this article, including unique filter combinations that delivered exceptional results. A custom market-edge hypothesis was created in advance for each filter type, which was then used to evaluate the filter-specific results. This critical step helped identify robust, exploitable relationships, rather than spurious correlations. Several of the resulting filters generated over 95% winning trades, with average returns of over six percent per trade (including losing trades). The ratios of cumulative gains to cumulative losses were over 20 to 1 for a few of the best performing filters. Option Income Strategy Trade Filters is written in a clear, understandable fashion and provides detailed examples of how to create and test market-edge hypotheses using the recent advances in back-testing software. Very few formulas were included. As a result, the material in the article should be accessible to all option traders. Useful for traders with a wide range of option trading experience, this practical guide begins with a detailed review of option income strategies, including basic examples that provide the requisite foundation for subsequent

chapters. Portions of this crucial background material also appeared in Brian Johnson's first book: *Option Strategy Risk / Return Ratios*. Chapter 2 includes a comprehensive description of the option income strategy, position model, and trade plan used to generate the back-test data. Every entry and exit rule is explained in detail, including actual graphical examples. The performance metrics for the 15,434 unfiltered OIS trades are summarized at the end of this chapter, which provide a performance benchmark for evaluating the effectiveness of the trade filters introduced in the next three chapters. The trade filters are grouped by classification, with a chapter devoted to each class or type. The market-edge hypotheses and corresponding results for trend filters are analyzed in Chapter 3. Unlike trend filters, discriminating filters exclude an increasing percentage of trades as the filter condition or threshold becomes more extreme or restrictive. The discriminating filter market-edge hypotheses and results are analyzed in Chapter 4. Chapter 5 is devoted entirely to a very unique and powerful example of a discriminating filter: the OIS Universal

Filter (OISUF). The final chapter examines practical considerations and prospective applications of trade filters and other resources in managing option income strategies in actual market conditions. *Option Strategy Hedging and Risk Management* An In-Depth Article Introducing an Interactive Analytical Framework for Hedging Option Strategy Risk Brian Johnson, an investment professional with over 30 years of experience, is the author of three pioneering books on options: 1) *Option Strategy Risk / Return Ratios*, 2) *Exploiting Earnings Volatility*, and 3) *Option Income Strategy Trade Filters*. His new in-depth (80+ page) article, *Option Strategy Hedging and Risk Management*, presents a comprehensive analytical framework and accompanying spreadsheet tools for managing and hedging option strategy risk. Drawing on his extensive background in option-pricing and on decades of experience in investment management and trading, Brian Johnson developed these practical techniques to hedge the unique and often overlooked risks associated with trading option strategies. These revolutionary new tools can be

applied to any option strategy, in any market environment. *Option Strategy Hedging and Risk Management* is written in a clear, easy-to-understand fashion and explains how to apply market-specific hedging techniques, using several different hedging vehicles. Created especially for readers who have some familiarity with options, this practical guide begins with a review of position sizing, including a detailed analysis of the implicit assumptions and embedded risks that could have disastrous consequences, particularly for option traders. Chapter 2 includes a comprehensive description and analysis of the actual option strategy, position model, and trade rules that are used to create real-world option strategy hedges in the subsequent chapters. This is followed by a thorough explanation and a concrete example of how to use futures to hedge option strategy exit risk. Surprisingly, futures are not well understood in the option community and very few traders employ this simple, effective, and virtually free hedging tool. The next two chapters present a common analytical and hedging framework that is used to identify the most cost-effective

hedging solutions for an actual option strategy in a real-world market environment. The process used to identify the lowest-cost hedging solution using actual VIX call options is explained in Chapter 4, followed by the same hedging analysis using put options on the underlying security in Chapter 5. All hedging examples in the article use real-time market prices and actual analytical results. Proprietary research is included in the article to provide validation for the analytical framework. The article was written to be accessible to a wide audience, so very few mathematical formulas are provided in the text. However, several important formulas are included to facilitate the understanding of important concepts, and to provide further research opportunities for inquisitive traders. The article also includes thirty separate graphs and tables to illustrate how the tools can be used in practice. Perhaps most important, Option Strategy Hedging and Risk Management includes a download link to the accompanying Excel spreadsheet with macros designed to perform all of the position sizing and hedging calculations in the article.

Chapters 1, 3, 4, and 5 all have their own dedicated tabs in the spreadsheet. The data from the article is included in the spreadsheet, which allows the reader to reproduce all of the examples from the article. All of the spreadsheet functions are automated through the use of push-button macros, making spreadsheet operation as simple as possible. Finally, Chapter 6 examines practical considerations and prospective applications of these innovative new tools. Option Strategy Risk / Return Ratios A Revolutionary New Approach to Optimizing, Adjusting, and Trading Any Option Income Strategy Written by Brian Johnson, a professional investment manager with many years of trading and teaching experience, Option Strategy Risk/Return Ratios introduces a revolutionary new framework for evaluating, comparing, adjusting, and optimizing option income strategies. Drawing on his extensive background in option-pricing and on decades of experience in investment management and trading, Brian Johnson developed these tools specifically to manage option income strategies. Unlike crude rules-of-thumb, these revolutionary

new tools can be applied to any option income strategy, on any underlying security, in any market environment. Risk and return are timeless concepts in finance and trading, but this is the first time both concepts have been integrated successfully into a consistent approach for managing option income strategies. Option Strategy Risk/Return Ratios is written in a clear, easy-to-understand fashion and explains how to apply risk/return ratios to condors, butterflies, calendars, double diagonals, and even hybrid income strategies. Created especially for investors who have some familiarity with options, this practical guide begins with an examination of option income strategies and is followed by a review of the option Greeks, the building blocks of option risk management. Next, a critique of common adjustment triggers lays the foundation for a detailed explanation of these exciting new tools: option strategy risk/return ratios. Each option income strategy is explained, evaluated, and ranked using these new tools with complete descriptions and graphical examples. The book includes over sixty separate graphs

and tables to illustrate how risk/return ratios behave using specific strategy examples in actual market conditions. The risk/return ratios are then used to introduce a new hybrid strategy that combines the best characteristics of the other income strategies. Finally, the last chapter examines practical considerations and prospective applications of these innovative new tools. Not only are the formulas provided for every calculation, but each risk/return ratio is explained intuitively and depicted graphically. For traders who are not mathematically inclined, Option Strategy Risk/Return Ratios also includes a link to an Excel spreadsheet with macros designed to calculate all of the risk/return ratios introduced in the book. About the Author: Brian Johnson designed, programmed, and implemented the first return sensitivity based parametric framework actively used to control risk in fixed income portfolios. He further extended the capabilities of this approach by designing and programming an integrated series of option valuation, prepayment, and optimization models. Based on this technology, Mr. Johnson founded Lincoln Capital Management's

fixed income index business, where he ultimately managed over \$13 billion in assets for some of the largest and most sophisticated institutional clients in the U.S. and around the globe. He later served as the President of a financial consulting and software development firm, designing artificial intelligence-based forecasting and risk management systems for institutional investment managers. Mr. Johnson is now a full-time proprietary trader in options, futures, stocks, and ETFs primarily using algorithmic trading strategies. In addition to his professional investment experience, he also designed and taught courses in financial derivatives for both MBA and undergraduate business programs. He has written articles for the Financial Analysts Journal, Active Trader, and Seeking Alpha and he regularly shares his trading insights and research ideas as the editor of [www.TraderEdge.Net](http://www.TraderEdge.Net). Mr. Johnson holds a B.S. degree in finance with high honors from the University of Illinois at Urbana-Champaign and an MBA degree with a specialization in Finance from the University of Chicago Booth School of Business. Exploiting Earnings Volatility An Innovative New Approach to Evaluating,

Optimizing, and Trading Option Strategies to Profit from Earnings Announcements Exploiting Earnings Volatility introduces an innovative new framework for evaluating, optimizing, and trading option strategies to profit from earnings-related pricing anomalies. Leveraging his extensive background in option-pricing and decades of experience in investment management and trading, Brian Johnson developed this inventive approach specifically to design and manage option earnings strategies. In an Active Trader article titled "Modeling Implied Volatility," Mr. Johnson introduced a formula for aggregating discrete volatility measures into a single metric that can be used with conventional option pricing formulas to accurately model implied volatility before and after earnings announcements. The practical application of this formula has profound implications for option trading and strategy development. Exploiting Earnings Volatility is written in a clear, understandable fashion and explains how to use this novel approach to 1) solve for the expected level of earnings volatility implicitly priced in an option matrix, 2) calculate historical levels

of realized and implied earnings volatility, 3) develop strategies to exploit divergences between the two, and 4) calculate expected future levels of implied volatility before and after earnings announcements. Furthermore, Exploiting Earnings Volatility also includes two Excel spreadsheets. The Basic spreadsheet employs minimal input data to estimate current and historical earnings volatility and utilizes those estimates to forecast future levels of implied volatility around earnings announcements. The Integrated spreadsheet includes a comprehensive volatility model that simultaneously integrates and quantifies every component of real-world implied volatility, including earnings volatility. This powerful tool allows the user to identify the precise level of over or undervaluation of every option in the matrix and to accurately forecast future option prices and option strategy profits and losses before and after earnings announcements. The Integrated spreadsheet even includes an optimization tool designed to identify the option strategy with the highest level of return per unit of risk. Written specifically for investors who have familiarity with

options, this practical guide begins with a detailed review of volatility and an explanation of the aggregate implied volatility formula. A separate chapter provides a conceptual and mathematical explanation of "True Greeks," accurate measures of risk and return sensitivity that reflect the real-world behavior of options. New option Greeks that are specific to earnings announcements are also introduced. Four chapters explain how to use the Basic and Integrated spreadsheets and two chapters document trade examples that use actual market data and analytical results from both spreadsheets to design a unique option strategy to exploit earnings-related pricing and volatility anomalies. The final chapter examines practical considerations and prospective applications of these innovative new tools. This book introduces a new analytical framework that may sound complicated at first, but is really quite intuitive. The formulas presented in the book are limited to basic high-school algebra. Mathematical relationships are also explained intuitively and depicted graphically. Most important, you will not need to perform any of these calculations

manually. Exploiting Earnings Volatility includes a link to Excel spreadsheets that perform all of the calculations described in the book. The unique price and volatility behavior of options before and after discrete earnings announcements is an enigma to most option traders, even to many professionals. The aggregate volatility formula is relatively simple, but it has profound implications. When integrated with a real-world volatility model, it offers unique insights into earnings volatility, price behavior, option strategy construction, and prospective value-added opportunities. Trading Option Volatility A Breakthrough in Option Valuation, Yielding Practical Insights Into Strategy Design, Simulation, Optimization, Risk Management, and Profits Trading Option Volatility introduces a practical new analytical framework that generates theoretically correct and internally consistent, current and future option prices, volatility index futures prices, and risk metrics (Greeks) - for all term structures of volatilities and all term structures of interest rates. High Performance Options Trading Option Volatility and Pricing Strategies w/website

Solid Forex strategies for capturing profits in today's volatile markets. How to Make a Living Trading Foreign Exchange puts the world of Forex at your fingertips. Author Courtney Smith begins with an introduction to the Forex market-what it is and how it works. He then delves into six moneymaking techniques for trading Forex, including his unique Rejection Rule that doubles the profit of basic channel breakout systems. In addition to two specific methods for exiting positions at critical levels, Smith also discusses powerful risk management techniques and successful trading psychology strategies that will keep you one step ahead of the game. Reveals the secrets of the Forex market and how to create a lifetime of income trading. It offers advice on maximizing profits during the volatile swings that have increasingly become the norm. Other titles by Smith: Option Strategies, Third Edition, Seasonal Charts For Futures Traders, Commodity Spreads, and Profits Through Seasonal Trading. Make more from today's Forex market with How to Make a Living Trading Foreign Exchange. *The Rookie's Guide to Options* FT Press

Market players put their jobs on the line with every position they take. Any fixed income investor in the circumstance of being granted one wish would probably want to know what interest rates are going to do in the future. Economists and others have constructed models of interest rate behaviour, but no model works in all circumstances. The main aim of this book is to straddle the different worlds of theoretical models and practical market experience, while offering an interdisciplinary framework for fixed income investing and trading. A focused but very practical approach to fixed-income investment, aimed at practitioner market. Contains investment checklists and interviews with market practitioners. Offers an interdisciplinary framework for fixed-income investing and trading, and combines worlds of theoretical models and practical market experience. *Your Guide to Profitable Trading* John Wiley & Sons. "Guy Cohen is the master when it comes to taming the complexities of options. From buying calls and puts to iron butterflies and condors, Guy explains these strategies in a clear and concise

manner that options traders of any level can understand. His chapter on options and taxes is especially welcomed (and needed). The Bible of Options Strategies is a straightforward, easy-to-use reference work that should occupy a space on any options trader's bookshelf." -Bernie Schaeffer, Chairman and CEO, Schaeffer's Investment Research, Inc. "The author delivers clarity, insight and perception making learning about options a joy, and practicing the art of making money that much easier: truly a bible from a guru." - Alpesh B. Patel, Author and Financial Times Columnist. "Guy Cohen truly makes learning about options easy in this fact-filled guide. Bullet points make for a quick and enlightened read, getting to the heart of what you really need to know about each options strategy. This book is a must for any serious trader's library." -Price Headley, Founder, BigTrends.com. Pick the right options strategies...implement them step-by-step...maximize your profits! Introducing today's first and only comprehensive reference to contemporary options trading! OptionEasy creator Guy Cohen identifies today's popular strategies...and tells you exactly how and

when to use each one and what hazards to look out for! It's all here.... Basic Strategies including Buying and shorting shares, calls, and puts. Income Strategies including Covered Call, Naked Put, Bull Put Spread, Bear Call Spread, Long Iron Butterfly, Long Iron Condor, Calendar Call, Diagonal Call... Vertical Spreads including Bull Call Spread, Bull Put Spread, Bear Call Spread, Bear Put Spread, Ladders... Volatility Strategies including Straddle, Strangle, Guts, Short Butterflies, Short Condors... Sideways Strategies including Short Straddle, Short Strangle, Short Guts, Long Butterflies, Long Condors... Leveraged Strategies including Call Ratio Backspread, Put Ratio Backspread, Ratio Spreads... Synthetic Strategies including Collar, Synthetic Call, Synthetic Put, Synthetic Straddles, Synthetic Futures, Combos, Box Spread... ...and many more strategies... Plus essential tax-saving information, and more! No other book presents this much authoritative, current information on options trading strategies Covers all of today's best income, volatility, leveraged, synthetic, and sideways market strategies Discover why each strategy works, when it's

appropriate, and how to use it--step by step Includes a full chapter on tax issues associated with options strategies By Guy Cohen, whose OptionEasy application has helped thousands of traders achieve breakthrough results! The Bible of Options Strategies is the definitive reference to contemporary options trading: the one book you need by your side whenever you trade. Options expert Guy Cohen systematically presents today's most effective strategies for trading options: how and why they work, when they're appropriate, when they're inappropriate, and how to use each one responsibly and with confidence. The only reference of its kind, this book will help you identify and implement the optimal strategy for every opportunity, trading environment, and goal. © Copyright Pearson Education. All rights reserved.

*A Business Framework for Trading Equity and Index Options* John Wiley & Sons

A detailed, one-stop guide for experienced options traders Positional Option Trading is a rigorous, professional-level guide on sophisticated techniques from professional trader and quantitative analyst Euan Sinclair. The author has over two decades

of high-level option trading experience. He has written this book specifically for professional options traders who have outgrown more basic trading techniques and are searching for in-depth information suitable for advanced trading. Custom-tailored to respond to the volatile option trading environment, this expert guide stresses the importance of finding a valid edge in situations where risk is usually overwhelmed by uncertainty and unknowability. Using examples of edges such as the volatility premium, term-structure premia and earnings effects, the author shows how to find valid trading ideas and details the decision process for choosing an option structure that best exploits the advantage. Advanced topics include a quantitative approach for directionally trading options, the robustness of the Black Scholes Merton model, trade sizing for option portfolios, robust risk management and more. This book: Provides advanced trading techniques for experienced professional traders Addresses the need for in-depth, quantitative information that more general, intro-level options trading books do not provide Helps readers to master

their craft and improve their performance. Includes advanced risk management methods in option trading. No matter the market conditions, *Positional Option Trading* is an important resource for any professional or advanced options trader. [Option Strategy Risk / Return Ratios](#) CFA Institute

A detailed guide to successfully trading stock and commodity options. After numerous years as an options market-maker in the trenches of the New York Mercantile Exchange, few analysts know how to make money trading options like author Lee Lowell. Now, in the Second Edition of *Get Rich with Options*, Lowell returns to show you exactly what works and what doesn't. Filled with in-depth insight and expert advice, this reliable resource provides you with the knowledge and strategies needed to achieve optimal results within the options market. It quickly covers the basics before moving on to the four options trading strategies that have helped Lowell profit in this arena time and again: buying deep-in-the-money call options, selling naked put options, selling option credit spreads, and selling covered calls. Breaks down four of the

best options trading strategies currently available. Explains how to set up a home-based business with the best options trading software, tools, and Web sites. Contains detailed discussions of how options can be used as a hedging or speculating instrument. With this book as your guide, you'll quickly see options in a whole new light and learn how to become part of a small group of investors who consistently win.

John Wiley & Sons

*The Monthly Income Machine* is NOT just another book that simply defines option terms, strategies, and when you might use various speculative approaches. It reveals instead a specific, detailed list of exact entry and trade management rules for the conservative investor seeking reliable monthly income... up to 8-10% per MONTH Return on Investment (ROI). The technique it offers is suitable for regular accounts, retirement accounts and any investor wanting to consistently seek profit from the markets with minimum and controllable risk. When the reader finishes this readable step-by-step guide to risk-adverse income investing, he will see why the principle it is built on is the way many

pro's invest.

[Winning with Options](#) Traders Press

In *Volatility Trading*, Sinclair offers you a quantitative model for measuring volatility in order to gain an edge in your everyday option trading endeavors. With an accessible, straightforward approach, he guides traders through the basics of option pricing, volatility measurement, hedging, money management, and trade evaluation. In addition, Sinclair explains the often-overlooked psychological aspects of trading, revealing both how behavioral psychology can create market conditions traders can take advantage of—and how it can lead them astray. Psychological biases, he asserts, are probably the drivers behind most sources of edge available to a volatility trader. Your goal, Sinclair explains, must be clearly defined and easily expressed—if you cannot explain it in one sentence, you probably aren't completely clear about what it is. The same applies to your statistical edge. If you do not know exactly what your edge is, you shouldn't trade. He shows how, in addition to the numerical evaluation of a potential trade, you should be able to identify and evaluate the



reason why implied volatility is priced where it is, that is, why an edge exists. This means it is also necessary to be on top of recent news stories, sector trends, and behavioral psychology. Finally, Sinclair underscores why trades need to be sized correctly, which means that each trade is evaluated according to its projected return and risk in the overall context of your goals. As the author concludes, while we also need to pay attention to seemingly mundane things like having good execution software, a comfortable office, and getting enough sleep, it is knowledge that is the ultimate source of edge. So, all else being equal, the trader with the greater knowledge will be the more successful. This book, and its companion CD-ROM, will provide that knowledge. The CD-ROM includes spreadsheets designed to help you forecast volatility and evaluate trades together with simulation engines.

*How To Make Money Trading Options*  
Createspace Independent Publishing Platform

Get a handle on option spreads to hike

profit and squashed The Complete Book of Option Spreads and Combinations is the definitive educational resource and reference guide for using option spreads and other common sense option strategies. This useful guide shows readers how to select the right strategy for their market outlook and risk/reward comfort level by describing the inner workings of each strategy and how they are affected by underlying market movements, implied volatility, and time decay. Even more importantly, readers will understand where each strategy performs well, and the market conditions where each should be avoided. Once the proper strategy is selected, readers will learn how to identify the best options to use based on "moneyness" and time to expiration. The companion website features tools including an option pricing tool and implied volatility calculator to help all traders implement these concepts effectively. There are many different types of spreads, and while less risky than other option strategies in general, they are more complex, with more variables to monitor.

This guide serves as a handbook for the trader wanting to exploit options to the greatest possible benefit. Generate monthly income by selling covered strangles Use call spreads to recover from a losing stock position Protect an existing stock position using put diagonals Discover the best strategies for directional market plays Option spreads are a great tool for traders who would rather be an option seller but who need to limit their risk. The Complete Book of Option Spreads and Combinations identifies those strategies that benefit from option erosion but that limit risk. If managed properly, spreads can provide both novice and experienced investors with the potential for a large return while limiting risk. Electronic trading platforms and reduced brokerage commissions have increased option spread trading, which should occupy a spot in every savvy investor's toolkit. Comprehensive and authoritative, The Complete Book of Option Spreads and Combinations provides a valuable manual and lasting reference.

Related with Option Income Strategy Trade Filters An In Depth Article Demonstrating The Use Of Trade Filters To Enhance Returns And

Reduce Risk:

- Artificial Selection Definition Science : [click here](#)