My Trade Plan

1. Beat the pants off the market and most money managers.
   1. 50% per year! If Buffet says he could do it, so can I!
   2. How?
      1. Save money in fees by doing your own investing and using options to increase my leverage and make my money work more efficiently.
      2. Learn everything there is to know about options investing.
      3. Learn more about the economy and how money flows through it.
      4. Use dispersion trading to keep a balanced approach and stay diversified.
      5. Try to keep a slightly positive account delta.
         1. Not too positive and not too negative. Market tends to move up.
      6. **Never Stop Learning!**
      7. Strategies
         1. Straddles (Shooting for the Moon!)
            1. Look for straddles on stocks that have a history of making big moves frequently.

Tech, Biotech, Pharma, Retail, etc.

Favor stocks that have been profitable for you in the past.

* + - * 1. Use Hedge Fund Straddle scan to find candidates poised for the big move.
        2. Use Ask / Value Decile 1 Scan to determine which stocks in the hedge fund list have cheap options in the time frame I want.

Time Frame = 1-5 months

* + - * 1. When a stock shows up on both hedge fund and ask/value decile 1, evaluate it to make sure there is not a fundamental reason for cheap options.

Merger, Acquisition, Other weird stuff, Data problems.

* + - * 1. Try to buy straddles that are trading at a 20% to 30% discount to value.
        2. Try to trade stocks that have at least one potential catalyst for a big move, like earnings, before the options expire.
        3. Be diversified. Spread your money out on the market waters like a net. Select different sectors for trades.
        4. Don’t take profits too early!

Figure out how to stay in for the big fish!

Don’t sweat the losses, you are going to lose more often than you win.

* + - 1. Credit Spreads (Just Win, Otra Vez y Otra Vez y Otra Vez)
         1. Use this strategy on highly liquid broad-based index ETFs. (SPY, QQQ, IWM, DIA)
         2. Favor Put Credit Spreads because OTM Puts give bigger credits.

You can use an Iron Condor when call side adds to the trade and is viable as a stand-alone trade.

* + - * 1. Sell option nearest 87.5%.

Seems to be biggest bang for your buck.

Go to higher probability when implied volatility is really high.

* + - * 1. Use a 3-point spread to control risk.
        2. Allocate consistently and grow only when you can continue with the allocation.
        3. Losses can come in twins and triplets so watch out after a loss.
        4. After a loss Buy some SVXY to recover.
      1. Buying straight calls or puts (Shooting for the Moon!)
         1. Allocate evenly across trades.
         2. Stick to the cheap ones for a while.
         3. Figure out how to stay in.
         4. Get used to losing, the wins are worth it!