



Cherry Picks

tastytrade's Quantitative Newsletter for Traders

May 1, 2018

Options involve risk and are not suitable for all investors. Please read [Characteristics and Risks of Standardized Options](#) before deciding to invest.

Earn \$100 a month in Dividends.

Let's say you have a \$52 stock, such as XLU, as you want to make approximately \$100 a month with dividends. How many shares would you need to get \$100/month in dividend income?

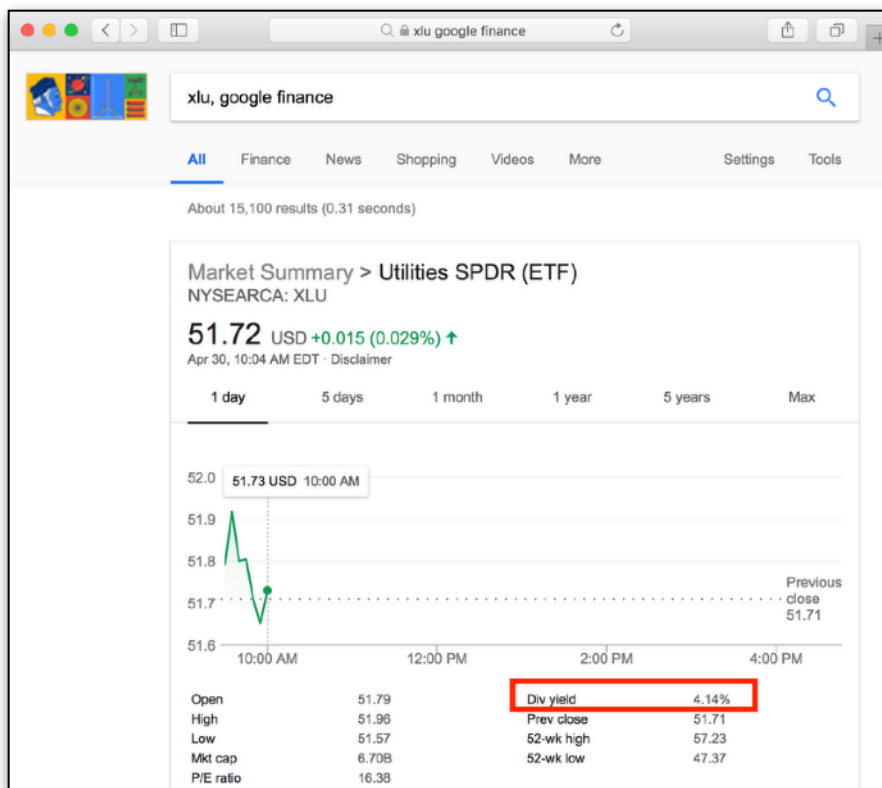
Stock Value: \$52

Desired Dividend Income: \$100/Month

First find the dividend yield. I like to *search Google for this information* (goo.gl/NigKPt).

On the right, you can see that the **dividend yield for XLU is 4.14%**.

Use the formulas to calculate the number of shares that you'll need in order to calculate your desired amount.



$$\begin{aligned} \text{Shares Required} &= (\text{12 Months} \times \text{Desired Month Dividend Received}) / (\text{Share price} \times \text{Yield}) \\ &= (12 \times \$100 \text{ a month}) / (\$52 \text{ stock Price} \times 4.14\%) \\ &= 557 \end{aligned}$$

So **you'll need 557 shares in order to achieve \$100 a month in dividend income.**

Keep in mind that you still have risk – the stock could drop below the dividend amount that you receive. But dividends do offer one way of reducing costs basis.

I also like to increase my theoretical "income" per month by selling calls against the position. In theory you can double or triple the amount that you earn. With 557 shares, you can sell as little as 1 or as many as 5 calls against your shares and be *covered*.

See last week's Cherry Picks (goo.gl/V1aptm) for more information on how to maximize your theoretical return on capital on your covered calls.

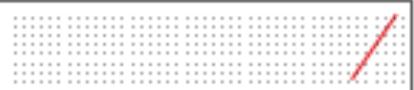
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Market Statistics



Large Moves in Popular ETFs and Stocks

DIA	Dow
EEM	Emerging Index Fund
EFA	MSCI EAFE
EWZ	Brazil
FEZ	Euro Stoxx 50
FXI	China Large Cap
GDXX	Gold Miners
GDXXJ	Junior Gold Miners
GLD	Gold
IWM	Russell 2000 ETF
KRE	Regional Banking
OIH	Oil Services
QQQ	Nasdaq 100
SLV	Silver
SPY	S&P 500
TLT	20+ Year Treasury Bond ETF
XBI	Biotech
XLB	Materials
XLE	Energy Select Sector
XLF	Financial
XLI	Industrial
XLK	Tech
XLP	Consumer Staples
XLU	Utilities
XME	Metals and Mining
XOP	Oil & Gas Exploration & Product
XRT	Retail

1 Month Returns of Popular ETFs

OIH 17.3%	XOP 15.8%	XLE 12.4%	XRT 6.1%	XBI 5.6%	KRE 5.3%	QQQ 4.9%	FEZ 4.9%	IWM 4.7%
XME 4.3%	XLK 3.8%	SPY 3.8%	XLB 3.5%	XLU 3.4%	DIA 3.3%	EFA 3.3%	XLF 2.8%	FXI 2.5%
GDXX 0.7%	GDXXJ 0.5%	XLI 0.2%	EEM -0.1%	XLP -0.8%	SLV -1.5%	GLD -2.1%	TLT -2.2%	EWZ -2.8%






1 Month Returns of Dow Stocks

CVX 13.2%	MRK 12.3%	UNH 10.6%	AXP 9.5%	CSCO 9.2%	NKE 8.6%
INTC 8.6%	HD 8.2%	GE 8.2%	MSFT 8.1%	V 7.8%	VZ 7.6%
XOM 6.6%	PFE 5.6%	MCD 5.2%	BA 4.8%	WMT 4.5%	DWDP 3.6%
JNJ 3.2%	DIS 2.5%	KO 1.7%	JPM 1.6%	CAT 0.3%	AAPL -0.1%
TRV -1.6%	UTX -1.6%	IBM -2.2%	GS -2.8%	PG -6.1%	MMM -7.5%

1 Month Returns of Futures

/ZW 14.5%	/CL 7.9%	/NQ 4.8%	/RTY 4.6%	/ES 3.9%	/ZC 3.9%	/YM 3.5%
/ZS 2.4%	/NG 1.8%	/6C 0.7%	/ZT -0.3%	/ZF -1.0%	/6A -1.4%	/ZN -1.4%
/SI -1.7%	/6E -2.0%	/ZB -2.2%	/6B -2.2%	/GC -2.3%	/UB -2.4%	/6J -3.4%



	Trade	What I'm Thinking	Statistics
 THE GENERAL	Call Ratio Spread in AAPL Buy 1x 172.5 Call in May4 Sell 2x 175 Call in May4 Total credit is \$0.10	Apple earnings are Tuesday after the close (see https://goo.gl/c2HRvm for more upcoming dates).	No downside risk for this earnings trade. \$6 expected movement. For this position the breakeven point is \$12 away from the current stock price.
 BEEF	Short Strangle in TWTR Short 27 Put in June Short 34 Call in June Total credit received is \$1.62	With a high overall implied volatility I'm collecting a nice credit on this trade. I'll look to manage at roughly 50% of the initial credit received.	63% theoretical probability of profit of making at least \$0.01 on this trade by expiration.
 DR. DATA	Short Puts in SLV Short 15.5 Put in June Short 15 Put in August Total credit received is \$0.77	I've had a overall long bias in silver for a few years. When the stock hits 16 I'll sell a call to offset deltas.	Total buying power required is \$580.
 JAMES	Put Calendar in TLT Short Jun 119 Put in June Long JUL 119 Put in July Total debit is \$0.53	IV Rank is relatively low at 12. Making this a theoretically ideal time to place this trade.	Stats are difficult to establish at entry. But generally the success at expiration is 50 to 60%.
 JOSH	Short Strangle in INTC Short 47 Put in June. Short 55 Call in June. Total credit received is \$1.34	IV Rank is high at 63%. And since it has already had earnings, I don't have to worry about that. This trade is slightly delta neutral.	67% theoretical probability of profit of making at least \$0.01 on this trade by expiration.



Part 2 provides the past movement of the stocks around earnings up to the Friday expiration. Wanna know what happened during the last few quarters after the stock released earnings? See this section.

Part 1: Upcoming Earnings

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345</																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																

Part 2: Historical Earnings

Financial Metrics & Asset Coverage													
As of December 31, 2023													
Category	Unit	Revenue				Profit				Assets			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
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Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
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Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
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Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
Assets	\$M	200	210	220	230	50	55	60	65	150	155	160	165
Revenue	\$M	120	130	140	150	30	35	40	45	100	110	120	130
Profit	\$M	40	45	50	55	10	12	14	16	40	45	50	55
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Shows From the Research Team The Past Few Days:

Date	Segment	Title	Link
Mon, Apr 30	Market Measures	Gold & Stocks: Positive or Negative Correlation?	LINK
Mon, Apr 30	The Skinny on Options: Abstract Applications	Convexity Risk: Part 1 - Bonds	LINK
Mon, Apr 30	Best Practices	Step by Step Pairs Trading	LINK
Fri, Apr 27	Market Measures	Profit Margins in Options Trading	LINK
Fri, Apr 27	Options Jive	Option Profitability	LINK
Fri, Apr 27	Closing the Gap - Futures Edition	Energy Equivalents	LINK
Thu, Apr 26	Market Measures	First Quarter Implications	LINK
Thu, Apr 26	Options Jive	How Earnings Affect Stock Indexes	LINK
Thu, Apr 26	Trades From the Research Team LIVE	Trades From the Research Team LIVE	LINK
Wed, Apr 25	Market Measures	Digging Out of a Hole	LINK
Wed, Apr 25	Options Jive	Is There a Trade? Week of April 23rd	LINK
Wed, Apr 25	Options Jive	What is tastytrade Trading?	LINK
Tue, Apr 24	Market Measures	Losses Relative to Buying Power: Varying Deltas	LINK
Tue, Apr 24	Options Jive	A Case for Having No Opinion	LINK
Tue, Apr 24	tasty BITES	Trading Sector ETFs	LINK
Mon, Apr 23	Market Measures	Low IV Strategies in Bonds	LINK
Mon, Apr 23	The Skinny on Options: Abstract Applications	Theta's Non-Linearity	LINK
Mon, Apr 23	Best Practices	Trade-Off	LINK
Fri, Apr 20	Market Measures	Yield Curve Madness	LINK
Fri, Apr 20	Options Jive	What's the NOB?	LINK
Fri, Apr 20	Closing the Gap - Futures Edition	Using the Gold/Silver Ratio to Hedge /ES	LINK
Thu, Apr 19	Market Measures	Straddle Premium, Expected Moves & Actual Moves	LINK
Thu, Apr 19	Options Jive	Earnings Approach	LINK
Thu, Apr 19	Trades From the Research Team LIVE	Trades From the Research Team LIVE	LINK
Wed, Apr 18	Market Measures	Selling Puts: A Thorough Analysis	LINK
Wed, Apr 18	Options Jive	Is There a Trade? Week of April 16th	LINK
Wed, Apr 18	Options Jive	What is tastytrade Trading?	LINK
Tue, Apr 17	Market Measures	Strangle Losses Relative to Buying Power	LINK
Tue, Apr 17	Options Jive	Rolling Rules: Mechanics for Trade Defense	LINK
Tue, Apr 17	tasty BITES	Drawdowns	LINK
Mon, Apr 16	Market Measures	Diversification Options for All Environments	LINK
Mon, Apr 16	The Skinny on Options: Abstract Applications	The Color of Gamma	LINK
Mon, Apr 16	Best Practices	Probability and Number of Occurrences	LINK



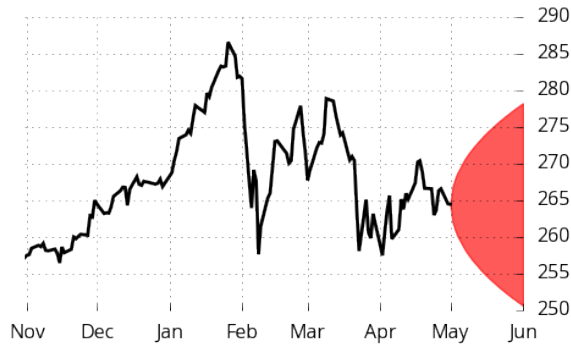
Current Market Outlook



30-Day Expected Range Plots – The colored cone represents a 30-day expected theoretical price range that is calculated from the options' implied volatilities. In theory, we expect that prices will stay, with a 68% probability, within the boundary of the cone.

SPDR S&P 500
IV: 17
IV Rank: 19 (Low)
Estimated Liquidity: Great

SPY



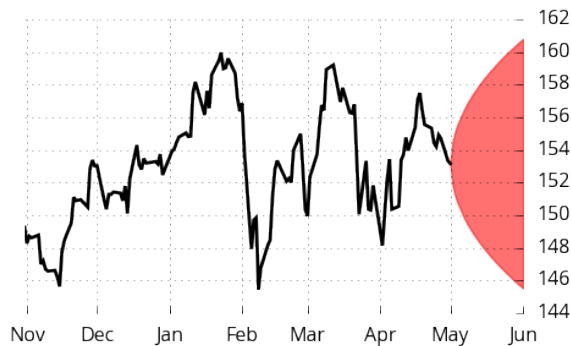
iShares 20+ Year Treasury Bond ETF
IV: 10
IV Rank: 11 (Low)
Estimated Liquidity: Great
Correlation with S&P 500: -0.18

TLT



iShares Russell 2000 ETF
IV: 17
IV Rank: 24 (Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.91

IWM



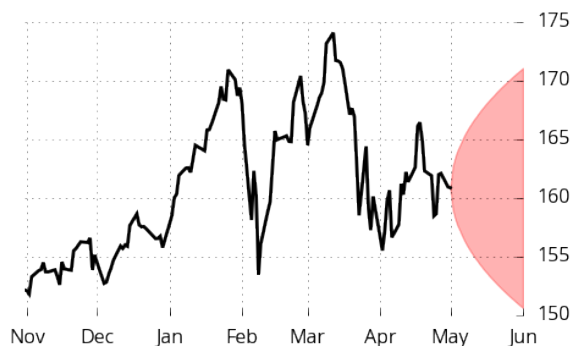
Guggenheim CurrencyShares Euro Currency Trust
IV: 7
IV Rank: 43 (Moderately Low)
Estimated Liquidity: Good
Correlation with S&P 500: 0.2

FXE



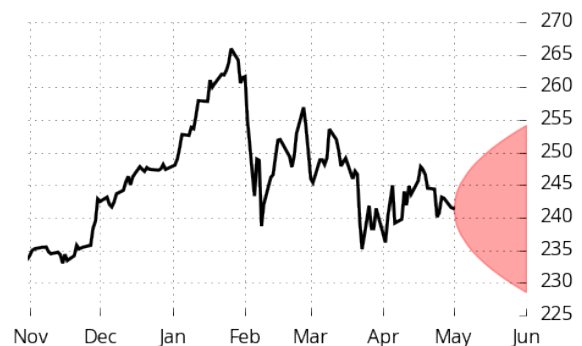
PowerShares QQQ Trust, Series 1
IV: 21
IV Rank: 38 (Moderately Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.96

QQQ



SPDR Dow Jones Industrial Average ETF
IV: 18
IV Rank: 35 (Moderately Low)
Estimated Liquidity: Good
Correlation with S&P 500: 0.96

DIA





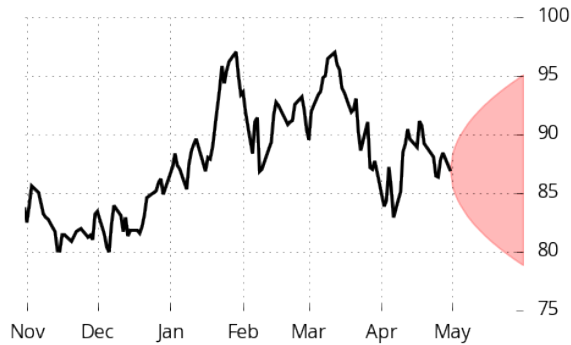
Current ETF Watchlist



30-Day Expected Range Plots – The colored cone represents a 30-day expected theoretical price range that is calculated from the options' implied volatilities. In theory, we expect that prices will stay, with a 68% probability, within the boundary of the cone.

SPDR Series Trust SPDR S&P Biotech ETF
IV: 32
IV Rank: 40 (Moderately Low)
Estimated Liquidity: Good
Correlation with S&P 500: 0.82

XBI



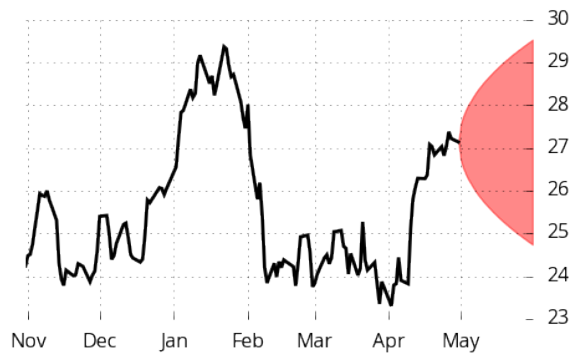
SPDR S&P Metals & Mining ETF
IV: 31
IV Rank: 29 (Moderately Low)
Estimated Liquidity: Good
Correlation with S&P 500: 0.65

XME



VanEck Vectors Oil Services ETF
IV: 30
IV Rank: 29 (Moderately Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.68

OIH



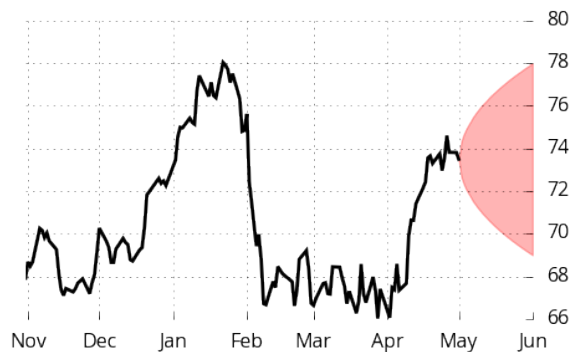
iShares China Large-Cap ETF
IV: 22
IV Rank: 32 (Moderately Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.73

FXI



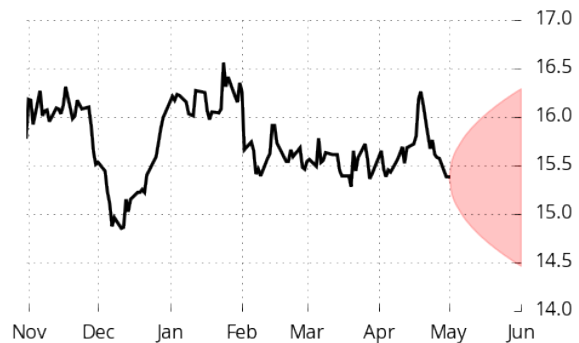
SPDR Select Sector Fund Energy Select Sector
IV: 21
IV Rank: 39 (Moderately Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.75

XLE



iShares Silver Trust
IV: 20
IV Rank: 42 (Moderately Low)
Estimated Liquidity: Great
Correlation with S&P 500: 0.16

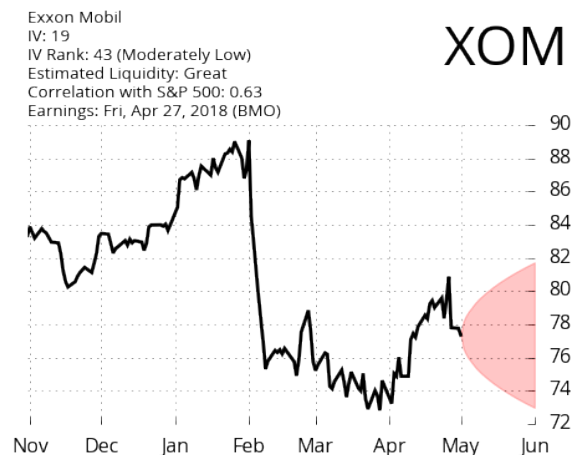
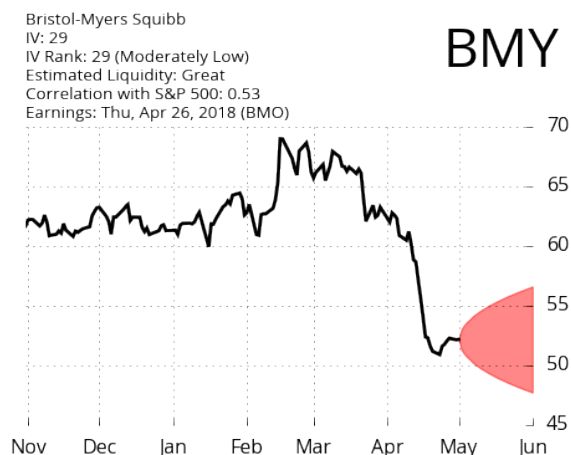
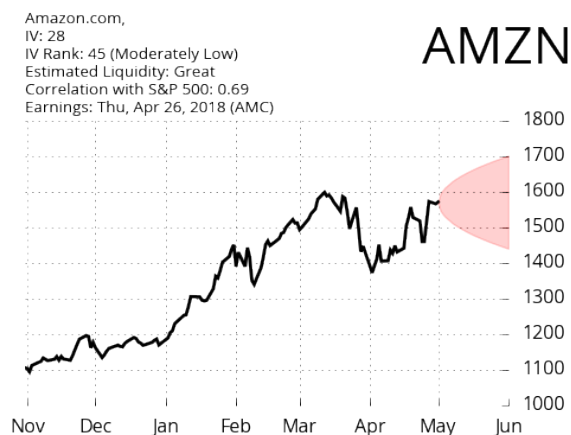
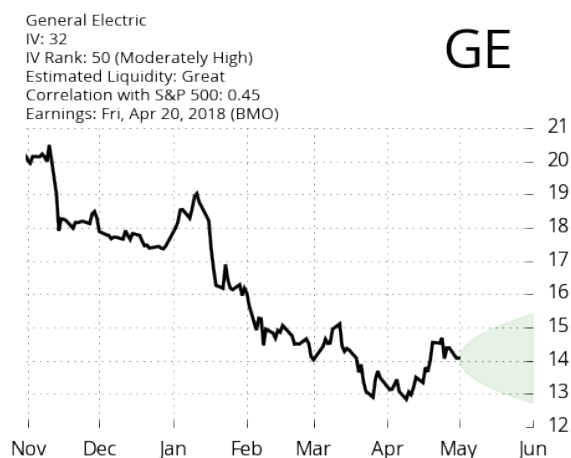
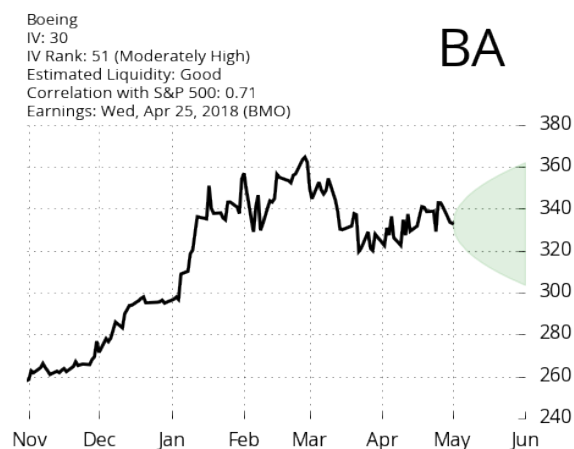
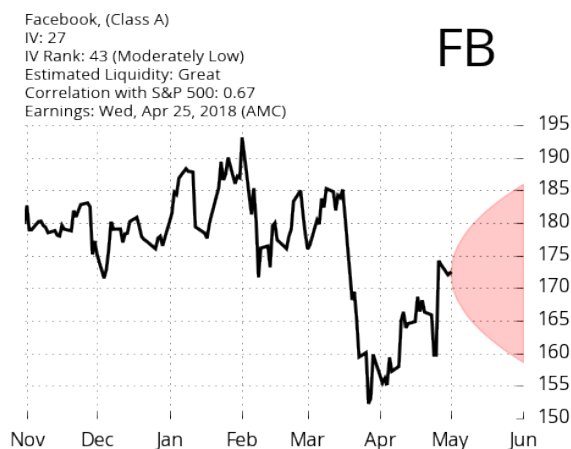
SLV



Current Stock Watchlist



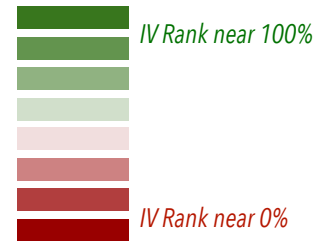
30-Day Expected Range Plots – The colored cone represents a 30-day expected theoretical price range that is calculated from the options' implied volatilities. In theory, we expect that prices will stay, with a 68% probability, within the boundary of the cone.



Reading this Report

Expected Range Cone. The colored cone represents a 30-day expected theoretical price range that is calculated from the options' implied volatilities. If the implied volatility is relatively high, then the market is expecting a larger price change in the underlying stock or ETF. From this we can derive the market's 1 standard deviation theoretical expectation of where prices might be in the future. In other words, the market is expecting, with a 68% theoretical probability, that prices will fall within the boundary of the cone at the end of 30 days.

Cone Color. The color of the cone is significant. The darker the color, the more "extreme" the implied volatility (IV) which is represented by implied volatility rank (IV Rank). This information can help you decide on a trading strategy.



Glossary

IV. Implied Volatility is the estimated volatility of a security's price derived from its option price; the higher the IV, the more expensive the option and therefore the larger the expected price move. IV is an annualized number of volatility, e.g. a IV of 27 means the option's market is pricing in an annualized price range, either plus or minus, of 27%.

IV Rank. IV by itself doesn't tell us if the volatility is high or low - but IV Rank does. An IV Rank of 70 means that the IV is 70% between its low and high IV over the past year. The higher the IV Rank, the higher the security's IV is compared to its past year. We provide six levels to make evaluating easier:

- **Extremely High:** IV Rank between 90 and 100
- **High:** IV Rank between 75 and 90
- **Moderately High:** IV Rank between 50 and 75
- **Moderately Low:** IV Rank between 25 and 50
- **Low:** IV Rank between 10 and 25
- **Extremely Low:** IV Rank between 0 and 10

Option Liquidity. At tastytrade we have our own theoretical measure of option liquidity, Poor, Moderate, Good, or Great. It examines the options' bid/ask spread, open interest, and the number of strikes with non-zero bids.

Correlation with S&P 500. Correlation is a statistical measure of how strong a relationship two securities have with one another. A correlation of -1 means the stocks are perfectly negatively correlated (they move in opposite directions), while a correlation of +1 means the stocks are perfectly positively correlated (they move in the same direction). A correlation of 0 means there exist little relationship.

Earnings. The earnings date of the security. In practice we tend to see stocks have a larger amount of implied volatility (IV) nearer to earnings as the market is pricing in the fear of the upcoming earnings announcement. In parenthesis, is BTO or AMC; "Before the Open" or "After Market Closes", respectively. Upcoming earnings dates do sometimes change.

Disclosures

Options involve risk and are not suitable for all investors. Please read Characteristics and Risks of Standardized Options before deciding to invest in options: <https://www.theocc.com/components/docs/riskstoc.pdf>

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