

My Strategy to Turn Volatility into Consistent Income

Last week the stock of Facebook-parent Meta Platforms (META) surged over 20% higher in a single day after beating earnings expectations and declaring a surprising dividend.

This morning before the market even opened, shares of Walt Disney Corp. (DIS) jumped nearly 10% higher after reporting results. Plus, the mouse house boosted its dividend payout by 50% and revealed a monster \$3 billion stock buyback plan.

This is just a glimpse at the kind of market volatility that surrounds earnings reporting season. It happens four times a year, and keep your seat belt securely fastened, because we're not done yet.

2024 still has three more profit-reporting periods ahead. To top it off, it's an election year, which historically has produced higher-than-usual market volatility anyway.

Volatility and uncertainty can mean high anxiety for some investors. If you were astute enough to buy shares of META or DIS just before earnings, then count yourself fortunate indeed. But if not, turbulent stock moves can be a bit intimidating.

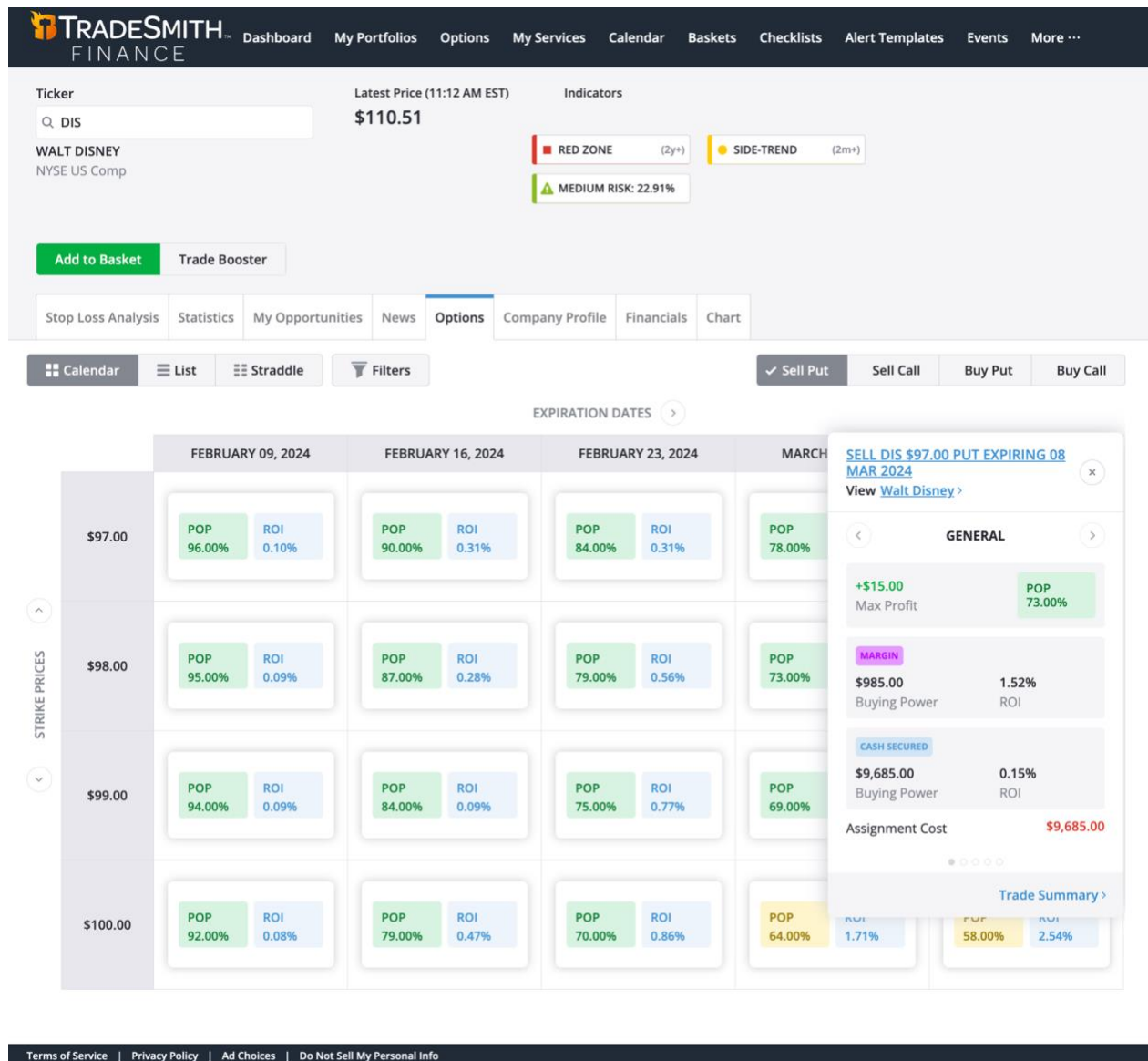
But for the folks who depend on their investments to generate repeat income, volatility can be your best friend. And we offer one simple strategy that can deliver:

- Consistent income
- At low risk
- In any market condition

This is where our *TradeSmith* options tools can pay off in spades for you.

Type "DIS" in the **Search for Ticker** box, for example, and you'll come to Disney's **Stock Analyzer page**. Along the row of white tabs, click **Options** to see a selection of upcoming expiration dates and the different strike prices available.

In less time than it took me to type this, *Options360* will find you high-probability options you can sell for upfront income. I opened the \$97 March 8 Sell Put tile:



You'll just need to click around to find the specific option that helps you combine the right balance of income, risk, and probability of success. (And if you don't see these tools in your *TradeSmith Finance* dashboard — and would like to — call 888-623-0858 to discuss that.)

Luckily, **all this options research is done for you at *Constant Cash Flow*.**

Constant Cash Flow harnesses our proprietary *Options360* algorithms to spotlight the highest quality, highest probability options-selling trades each and every day. I'm literally talking seven days a week and 365 days a year. So, you can pick the trades you want to make. And if you miss one, you know another opportunity will come along the very next day.

As for high quality and high probability trades, I'm talking about options trades with the highest probability of profit (POP) and lowest risk — out of the thousands of options that trade every day.

TradeSmith's A.I.-powered technology does most of the heavy lifting needed to make this happen, but there's an "expert factor" included too. Each trade is carefully vetted by our team of experienced analysts. And I'm proud to lead that team.

Quite simply *Constant Cash Flow* focuses on selling far-out-of-the-money put options to generate up-front income. Options selling is a great strategy when it's done right. Stocks – along with the markets – have a habit of rising in value over time, so the odds are already on your side.

Plus, volatile markets like today mean bigger options-premium income can be earned on every trade. When you're selling put options, you've got the odds in your favor right off the bat. The key is to first find stocks that are strong fundamentally, so if we do get put the shares, we're happy to own the stock.

To make that happen, our team of analysts also perform a quality check on every trade. That includes reviewing each stock's *TradeSmith* Business Quality Score and stock Rating, found in *Ratings by TradeSmith*, before pulling the trigger on any trade. Plus, we do our own fundamental analysis – particularly during earnings season, when stocks get more volatile.

This approach lets us weed out the junk stocks and puts the focus on fundamentally sound companies. The *Constant Cash Flow* system provides plenty of good stocks to trade and at the right time.

The key to consistent income-earning potential and the low-risk nature of these option trades is our *TradeSmith* Probability of Profit (POP) indicator. This powerful indicator tells you with very high confidence which put options are most likely to expire out of the money, or OTM.

POP takes a lot of the guesswork out of it. It takes into account market trends and volatility in real time for both the market in general and for specific, individual stocks.

And in just a few weeks, *Constant Cash Flow* members are about to reach a key milestone: Our 300th winning trade since we launched around 12 months ago.

That adds up to an enviable win-rate of 99.3%. Yes, there have been a few trades that didn't go our way. No strategy I've seen after 35+ years in this business is perfect.

But seeing first-hand how these algorithms were developed – and how they've been tested and proven accurate in real time – gives me all the confidence in the world that *Constant Cash Flow* can keep delivering winning trades in the future.

The great thing about *Constant Cash Flow* is that we don't *need* the market to hit all-time highs to make money. In fact, stocks can go up, down, or sideways, and you can still earn income selling options.

Think about it this way, whenever you buy a stock, there are basically five ways the trade can play out: the stock moves ... up a little, up a lot, down a little, down a lot ... or it can just stay flat.

And with *Constant Cash Flow*, we can make money in four of those five scenarios!

Even if we sold puts on a stock and it goes down a lot, then we can buy a fundamentally high-quality stock at a huge discount. And we can then write covered calls on that stock to generate even more income before.

Plus, *Constant Cash Flow* gives you multiple ways to take advantage of the same options trade. That includes selling puts to generate income, as well as put credit spreads that also put money into your pocket upfront with lower risk and less money invested.

Mike Burnick's Bottom Line: I'm delighted to be part of the *Constant Cash Flow* team, and proud of the 99.3% win-rate we've earned so far. We're also fortunate to have a very engaged group of members who understand and appreciate the consistent income-earning potential.

Good investing,

Mike Burnick
Senior Analyst, *TradeSmith*