A Proven AI System for 80% Odds of Winning What's Usually a Losing Game

"Options is a sucker's game. Your odds of winning at options is nothing more than a crapshoot, a roll of the dice. You have better odds of winning at a Vegas craps table."

This is the typical view that most investors I meet have when it comes to options trading. And you know what, market statistics actually back that up... to an extent.

A common claim I hear all the time is that 90% of options expire worthless. That's false.

The truth, according to the Chicago Board Options Exchange (CBOE), is that only 10% of options contracts get *exercised*. But that doesn't account for how many options trades are closed out prior to expiration.

Again, CBOE data shows that about 55% to 60% of options trades are closed before expiration, either at a profit or loss. And if only 10% of options are exercised, that leaves 30% to 35% that actually expire worthless.

Let's take these stats one step further.

Suppose half of all options that are bought and later closed out before expiration are profitable, and half are losers, a fair assumption.

- ✓ This means 27% to 30% of closed options trades lose money (that's roughly half of the 55% to 60% of options contracts that are closed out before expiring).
- ✓ Plus, you need to add the 30% to 35% of options trades that do expire worthless.
- ✓ That tells us that more than 60% of options trades lose money, on average.

Those odds are indeed even worse than your odds of losing at the craps table, which is 50.7%. Viva Las Vegas!

But options trading doesn't have to be a losing proposition.

Not if you play the role *of the casino* instead of the gambler in the options game.

And the best way to do that is to put A.I.-driven analytics and computing power on your side.

At *TradeSmith* we've spent years and millions of dollars in development costs to stack the odds of winning options trades firmly in your favor.

In fact, if every gambler had odds as good as this at winning craps or blackjack, every Vegas casino would soon be out of business and the desert would reclaim the town. Then the Raiders could move back to Oakland where they belong.

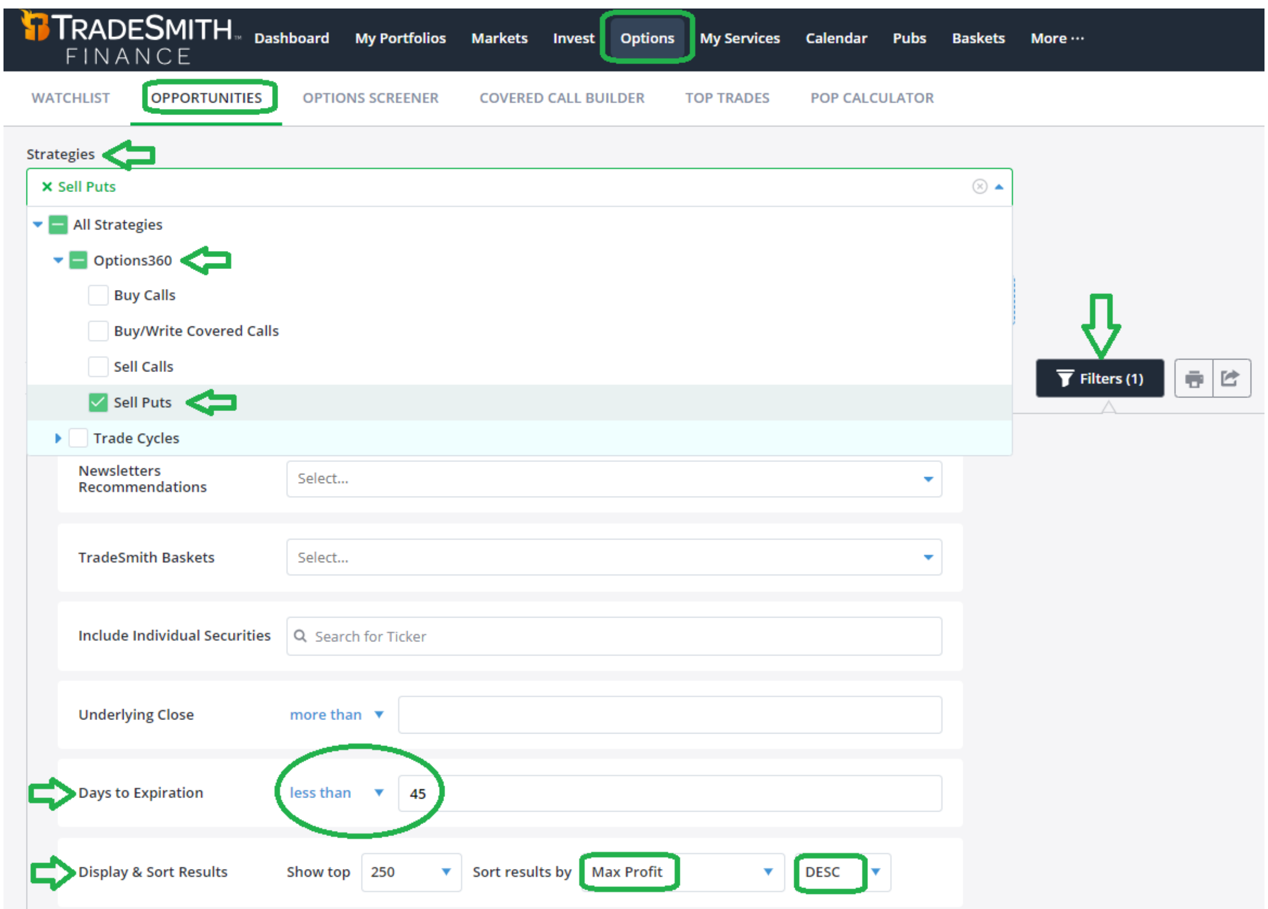
Our proprietary machine-learning algorithm constantly scans the markets, analyzing thousands of stocks and tens of thousands of option contracts. Then our system zeroes in on the few that have the best combination of Probability of Profit (POP), or your odds of success, and Return on Investment (ROI), your potential profit.

Subscribers to our *Options360* service can easily search for these best bets for options, shown below. (Note: these pages may look a little different from yours since I have Platinum-level access.)

Set up your Filters

Be sure you are signed in to ***TradeSmith Finance***. Click on the **Options** menu at the top, then the **Opportunities** tab.

Next open the **Strategies** drop-down menu and click to open **Options360.**



You'll find several options-trading strategies available:

- Buy Calls
- Buy/Write Covered Calls
- Sell Calls, and
- Sell Puts

For my money, the very first step of stacking the odds of winning with options in your favor is by being a seller (or writer) of call and put options. Why a seller of options?

Because that's where the odds of winning are greatest.

Remember our discussion above. We estimated that about 60% of traders who *buy* options lose money. But that means that 40% of traders, the ones who *sell* those very same options, can make money!

So, today we'll focus on only one of the sell strategies, **Sell Puts,** by checking that box in the **Options360 Strategies** menu. Now, for a few additional filters also shown above, click on **Filters** at top right.

- Most options trades are short term, usually expiring within a few months, so under **Days to Expiration** we'll choose **less than 45**.

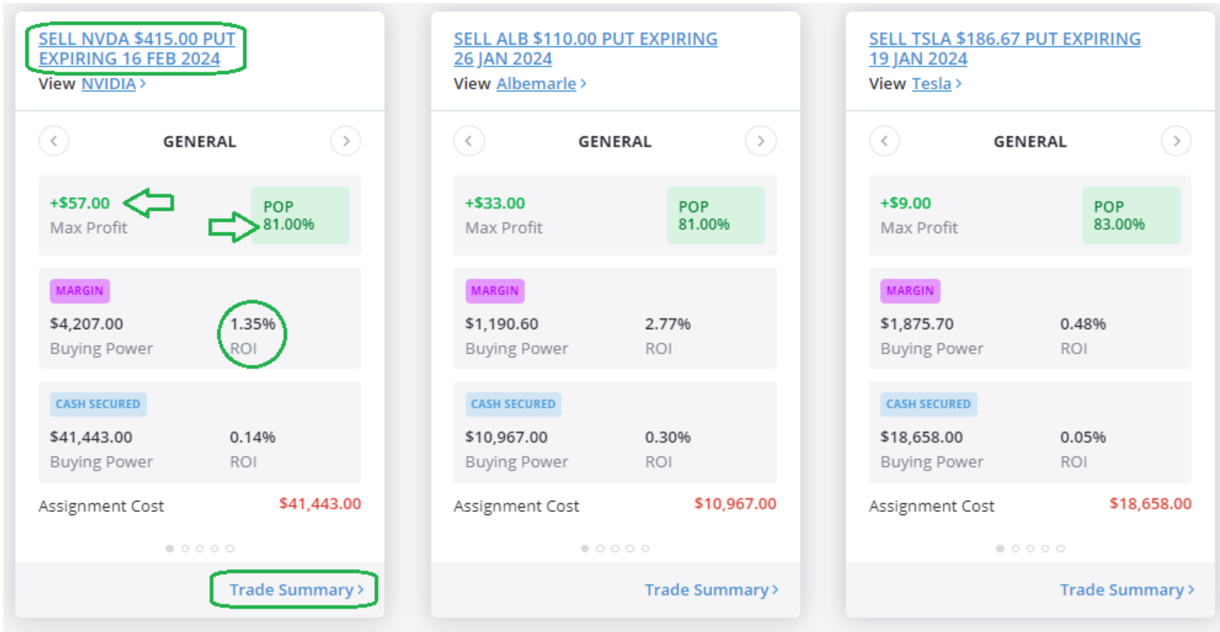
Trading tip: As a seller of options, you're rooting for the options to expire worthless, and we already know that a lot of them do. Options lose value fast within the last 30 days, so a short time until expiration works in your favor.

- Then under **Display & Sort Results** we want to make the most money we can selling put options, so sort by **Max Profit DESC** (descending). That lists the best moneymakers on top.

***TradeSmith* Tip:** Remember, our A.I.-powered algorithms have already searched among *thousands* of options to find those with the highest probability of profit, balanced with the best possible return. Since we have very high odds of success, we want put options with the highest profit potential.

- Next click on **Apply Filters,** and *Options360* will screen for the best put options to sell sorted by Max Profit.

I got seven results when I ran this screen yesterday. Here are the top three.



Now let's take a closer look at the first trade, for **Nvidia (NVDA),** above right.

Reading your Results

Right at the top is the trade to place: **SELL NVDA 415.00 PUT EXPRIING 16 FEB 2024**

Under **GENERAL** you'll find the vital statistics for the trade.

Max Profit: $57. That's how much cash you put in your pocket for each contract you sell.

POP: 81%. Those are great odds that you won't find in Vegas or from any options broker.

ROI: 1.35% using a margin account, which most options traders do.

Now, that may not sound like much, but remember it's only a 21-day trade.

This contract expires Feb. 16 and if NVDA is above $415 (*with 81% odds of it happening*), the option expires worthless, you keep the $57 profit, and move on to the next trade.

So, if you could earn 1.35% ROI every 21 days, that could produce a 23.5% total return on your money over a full year. And you can always tap into our powerful options-trading algorithms any day of the week to find more potential moneymaking trades.

Mike Burnick's Bottom Line: Our powerful algorithms can stack the odds of winning options trades firmly in your favor. While many options traders with no edge may lose money on 50% to 60% of trades, *Options360* users can consistently uncover options trades with 80%-plus odds of making money. That's the *TradeSmith* edge.

Good investing,

Mike Burnick

Senior Analyst, *TradeSmith*