Why "Boring" is Beautiful When It Comes to Options

When it comes to options trading, "boring" is beautiful.

What I mean is, too many folks I talk to are trading options the wrong way... speculating on stocks or ETFs by buying call or put options that, frankly, don't have high odds of winning.

Don't get me wrong: There's a place for buying puts and calls in just about any investor's portfolio. For example, you may use a put option to hedge a stock position.

But, for my money, being a *seller* of options – especially puts – is your best bet. Because that's where you can generate steady, reliable cash income every day of the week and put probability on your side.

Recently I wrote about ***TradeSmith's Options360* tools** that you can use to find consistent options trades on your own. But there's an even easier way to do this.

For nearly a year now, folks have received a straightforward email every day at noon. And so far, 260 out of 262 positions (*and counting)* have been winners, for an impressive 99.2% win rate!

Each email shows you exactly how easy it is to earn an up-front cash yield of about 3% on average.

Granted, that may not sound like much when money market rates are paying only 4% or 5% annually. But that's a 3% return on your money *per trade*. And the average holding period of each of these trades is only 18 days.

Do the math, and that adds up to a nearly 79% potential cash yield over a full year's worth of trades.

That's the power of ***Constant Cash Flow***, the unique daily feature that's one of our robust options services here at *TradeSmith*.

If you subscribe to *Constant Cash Flow, Trade360, TradeSmith Essentials,* or *TradeSmith* Platinum, you already have access and can take advantage of these moneymaking emails.

(And if you don't see *Constant Cash Flow* in your *TradeSmith Finance* dashboard -- and would like to -- call 888-623-0858 to learn more.)

If you're not yet familiar with it, here's exactly what these emails look like in your inbox and how easy it is to use them to earn consistent cash income.

Here is your Constant Cash Flow Trade for January 15, 2024.

Give Feedback

Sell SMCI $280.00 Put Expiring 26 January 2024

SUPER MICRO COMP is currently trading **21.52% above** the strike price of this contract, with the latest price of **$340.25** on **January 15**. According to TradeSmith's Smart Moving Average for **SMCI**, the stock has been trading in a **Side-Trend since August 31, 2023**. The trade's Probability of Profit is currently at **85%**.

BEST SCENARIO

If **SMCI** closes above **$280.00** on **January 26, 2024** you will keep **$80.00**, the premium you received, the contract will disappear, and your buying power will be restored.

WORST SCENARIO

If the stock closes below your strike price on day of expiration your broker most likely will execute the contract. You will keep the premium you received **($80.00)** when you opened the trade and will purchase 100 shares of the stock for **$280.00** a share.

The *Constant Cash Flow* email tells you *everything* you need to know to place the trade quickly. There isn't enough space here to show you the entire email in a single screenshot, so let me walk you through it – section by section – to show you how simple it is.

What's Inside Our *Constant Cash Flow* Alerts Each Day

Right at the top is the most important info: highlighted in blue is the exact trade to place. And it spells out your best-case and worst-case scenarios, so you know exactly what you're getting into up front.

You can see SMCI's current price (on Jan. 15) is well above the option's strike price – 21.5% above, to be exact. That's intentional – and it's how our system stacks your odds of success.

The secret sauce is our proprietary, A.I.-powered Probability of Profit (POP) algorithm. It scans thousands of stocks, and tens of thousands of options, to find the handful of put options that have high odds of success.

This trade has an 85% POP, which is outstanding. In other words, odds are 85% this put option will be out of the money by Jan. 26.

In that best-case scenario, you pocket $80 as long as the stock closes above the $280 strike price. Worst case, you still get to keep the $80 you earned, and you buy SMCI shares at roughly a 22% discount. But as you can see, there's just a 15% chance of that happening.

Scroll a bit further down and there are even more details on these aspects of the trade in the Trade Notes section. Then comes the **Trade Analytics** section of the email, shown below.

Here's where you'll find all the statistics that our *Constant Cash Flow* algorithm considers in suggesting a trade.

Trade Analytics 1

Probability	ROI	Max Profit
85%	**2.78%**	**+$80.00**

Key Statistics

Since **SMCI** started trading, it has **dropped 17.54% 19 times** within **10 trading days**.

The most **SMCI** has dropped in **10 trading days** was **41.9%**

Alternative Credit Spread 2

Sell SMCI $280.00 Put / Buy SMCI $220.00 Put

Probability	ROI	Max Profit	Max Loss
87.49%	**1.07%**	**+$65.00**	**-$5,935.00**

1. You can see the Probability listed – 85%, plus your Return on Investment (ROI) at 2.78%, which is a return on the net margin required for the trade. Plus, there's the Max Profit of $80 you can expect to earn in cash upfront on the trade.

Best of all: These key elements are all in one spot, making them easy to find. So, you can evaluate the trade's potential at a glance and quickly decide: "Is this a trade that I want to do?"

If the answer is "yes," you place it with your broker. And even if the answer is "no" on this trade, you know that another trade will be emailed to you tomorrow at noon… then every day after that, too. So, there'll be plenty of other opportunities to start earning options income.

2. As a bonus, at the bottom of the alert, you'll find an alternative credit spread trade when one is available.

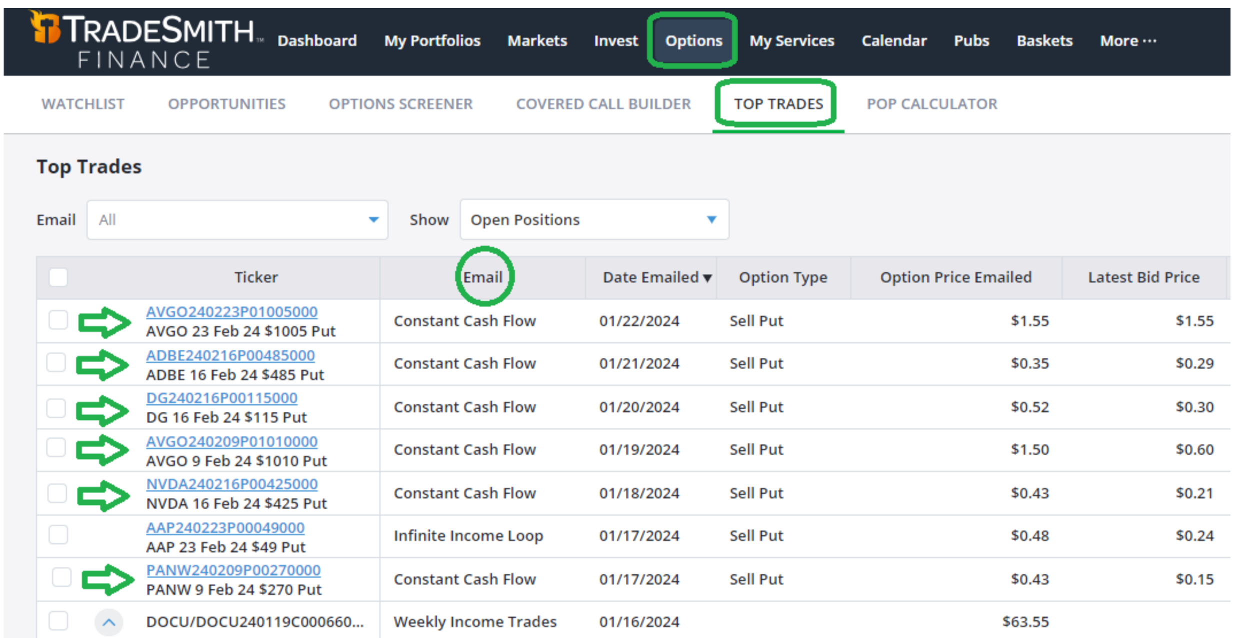
A credit spread is simply an options trade where you sell one put option and simultaneously buy another to limit your downside. The *Constant Cash Flow* analytics have already found one with a high probability of profit.

But if you still feel uncomfortable selling a put outright, or if you're looking for a less-costly alternative trade, a credit spread can be a great choice.

You won't earn as much income (in this case, a Max Profit of $65), but that's still a decent 1.07% ROI. Plus, the POP is even higher at 87.49%. And trading the credit spread won't cost you as much buying power.

How to Find *Constant Cash Flow* in *TradeSmith Finance*

Think of *Constant Cash Flow* as an income-earning, trade-of-the-day program sent to your inbox for your consideration. And if your email account gets full of junk mail, you can access every *Constant Cash Flow* trade on *TradeSmith Finance*, as I'll show you below.



Ticker	Email	Date Emailed ▾	Option Type	Option Price Emailed	Latest Bid Price
AVGO240223P01005000 AVGO 23 Feb 24 $1005 Put	Constant Cash Flow	01/22/2024	Sell Put	$1.55	$1.55
ADBE240216P00485000 ADBE 16 Feb 24 $485 Put	Constant Cash Flow	01/21/2024	Sell Put	$0.35	$0.29
DG240216P00115000 DG 16 Feb 24 $115 Put	Constant Cash Flow	01/20/2024	Sell Put	$0.52	$0.30
AVGO240209P01010000 AVGO 9 Feb 24 $1010 Put	Constant Cash Flow	01/19/2024	Sell Put	$1.50	$0.60
NVDA240216P00425000 NVDA 16 Feb 24 $425 Put	Constant Cash Flow	01/18/2024	Sell Put	$0.43	$0.21
AAP240223P00049000 AAP 23 Feb 24 $49 Put	Infinite Income Loop	01/17/2024	Sell Put	$0.48	$0.24
PANW240209P00270000 PANW 9 Feb 24 $270 Put	Constant Cash Flow	01/17/2024	Sell Put	$0.43	$0.15
DOCU/DOCU240119C000660...	Weekly Income Trades	01/16/2024		$63.55	

First, be sure you're logged in to *TradeSmith Finance*. Click **Options** in the main menu bar at the top, then click **Top Trades**. That brings you to the page above that logs each and every *Constant Cash Flow* trade that's been sent. So if you ever miss an email, you can quickly catch up on all the action here.

The A.I. behind this tool searches for a high probability the option will expire out of the money – as planned – so that you keep 100% of the premium earned. Then you're on to the next trade.

In the SMCI example from earlier, that $80 of income comes from just one daily trade. It may not sound like much, but remember, you're in this trade for less than two weeks.

And if you can earn an extra 80 bucks every two weeks, that adds up to $2,080 over a full year's worth of similar trades.

Mike Burnick's Bottom Line: If you're looking for a reliable, repeatable way to have cash deposited directly to your brokerage account every single day, then put the proven A.I. power of a 99.2% win rate to work for you.

Good investing,

Mike Burnick
Senior Analyst, *TradeSmith*