

Contents

Foreword	xi
Preface	xv
Acknowledgments	xxvii
CHAPTER 1 Market Basics and Market Mechanics: What Is Going On and How Does It All Work?	1
The Markets	1
Sectors and Industries	9
ETFs—A Different Kind of Investment	12
Final Thoughts	16
CHAPTER 2 Data That Moves the Markets: The First Step in Your Analysis	17
Data and Sentiment	18
Economists, Predictions, and Indicators	18
Economic Indicators	21
Key Indicators to Watch	27
Final Thoughts	43
CHAPTER 3 Fundamental and Technical Stock Analysis and Tools: The Second Step in Your Analysis	45
Introduction to Fundamental Analysis	46
Digesting the News	57
	vii

Cheap versus Value	61
Mergers and Acquisitions for the Everyday Options Trader	64
The Wisdom (or Lack Thereof) of Crowds	65
Trading Tactics and Technical Analysis	67
Plans of Attack	93
New Trader Tips	101
Top 10 Things Professionals Do That the Average Retail Trader Doesn't	104
Final Thoughts	106
CHAPTER 4 Options Basics: Techniques and Fundamentals to Master Before Applying Any Options Strategy	107
<hr/>	
The Oracle of Omaha Did It, Why Can't I?	111
The Basics	114
Trading Options—Order Types	122
Options Expiration in Detail	126
Exercise and Assignment	128
When Should You Exercise an Option Early?	132
What Is Triple Witching? (Or Quadruple Witching)	134
Final Thoughts	137
CHAPTER 5 The Greeks: The Forces That Influence Options' Prices	139
<hr/>	
Delta	139
Final Thoughts	156
CHAPTER 6 Strategy: The Basic Options Trades	159
<hr/>	
Basic Single Options Strategies	160
The Long Call	160
Covered Call (Buy-Write)	171
Buy-Write versus Covered Call	175
Long Put	181
Basic Stock and Options Spread	195
Final Thoughts	208

*Contents***ix****CHAPTER 7 Strategy: The Basic Spread Trades 209****Vertical Spreads in Depth 209****The Four Basic Vertical Spreads—Basic Characteristics
and Behavior 214****Credit Spreads versus Debit Spreads 216****Credit Vertical Spreads 219****Debit Vertical Spreads 236****Buying a Put Spread (Bear Put Spread) 237****Buying a Call Spread (Bull Call Spread) 242****Market Direction Neutral Spread Strategies 257****Final Thoughts 271****CHAPTER 8 Strategy: The Advanced
Option Spreads 273****Market Neutral, Volatility, and Earnings
Spread Strategies 273****Butterflies versus Condors 281****Iron Spreads 285****Iron Butterfly versus Iron Condor 286****Final Thoughts 309****CHAPTER 9 Advanced Concepts 311****Put-Call Parity, Interest Rates, Dividends, and Forwards 312****Synthetics and More on Put-Call Parity 316****Final Thoughts 336****CHAPTER 10 A Revolutionary Approach to the
Mind Games of the Markets:
Understand Why You Need
Emotions to Trade Well 337****Trading Is Like Weather Forecasting 338****What Is Psych Cap? 345****Strategies and Tactics for Large Psych Cap Balances 352****About the Contributor 359**

CHAPTER 11 Turning Your Trading into a Business	361
Learning the Dollar	362
Education	362
The Formative Process	363
Tips and Formulas for Budgetary Success	364
Setting Up a Legal Entity	366
Guidelines, Indicators, and Birds of Prey	371
Final Thoughts	381
About the Contributor	381
Notes	383
About the Author	389
Index	391

<http://www.pbookshop.com>