

PRECISION TIMING YOUR OPTIONS TRADES USING **FIBONACCI**

LESSON 1

 LIVE BOOTCAMP

 OCTOBER 10TH, 2023

 2:00 PM ET



SPEAKER: TODD GORDON

FOUNDER AND CEO

www.tradinganalysis.com



**After 3 years, I'm
doing my first
trading Boot Camp**

**10-weeks of
intense training**

Meet Your Presenter

Todd Gordon

- Founder - TradingAnalysis.com
- Founder - Inside Edge Capital Management
- CNBC Contributor Since 2010
- Senior Trader - Gain Capital Asset Management
- Senior Technical Analyst - Forex.com
- Proprietary Trader - 2001-2005
- St Lawrence University, Univ at Albany, Division I alpine ski racer



We're Going To Build YOUR Formula For Success



Execution Without Hesitation



Confidence to Execute Comes From Preparation



Anticipation + Confidence + EQ = Performance

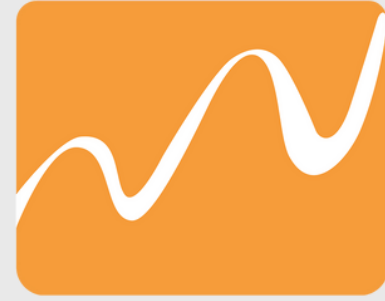


**“Remember this: Anticipation is the ultimate power. Losers react; leaders anticipate.”
- Tony Robbins**

The key to
success is
consistency



**Consistency results from
having a game plan**



TRADING ANALYSIS
PLAN YOUR TRADE, TRADE YOUR PLAN

**PLAN YOUR TRADE
TRADE YOUR PLAN**



**HERE'S THE
GAME PLAN
FOR THE NEXT
10-WEEKS**



Here's What I Have Planned For You

1. I want to get to know you!
 - a. You will have a homework assignments
 - b. What do you want to get out of this bootcamp?
 - c. You will write a trading gameplan
 - d. One-on-one calls for those that qualified
2. Understanding the basics of options
 - a. Greeks
 - b. Option strategies
 - c. Live execution of those option strategies
3. Thinking as a trader
 - a. Learn the mindset that works for me (not everyone)
 - b. Learn when to be aggressive, when to scale back
 - c. How to manage profits and losses with options trading
4. The tools that will help you get the most of out of this class
 - a. Charting software
 - b. Trading platform
 - c. Cloud documents
5. Managing your valuable trading capital as a professional
 - a. Define the "ART" of the trade
 - b. Understand / define what your trading account represents to you and your overall investment account
6. Stock and vehicle selection - what to trade and why?!
 - a. We're going to learn sector rotation, and how to find the best stocks within the leading / lagging sectors to trade
 - b. Build our key stock watch lists within each sector that will be trading candidates
7. The key chart patterns that will dictate the kinds of option strategies we'll deploy
8. Fibonacci price tools that will help us understand zones of support and resistance that will define the starting / stopping areas of the patterns from above
9. M.D.I's - Market Direction Indicators. The indicators I use to gauge where the market is headed next.
10. Starting this Friday we are in earnings season and I'll show you my strategies for earnings plays
11. The variable annuity fighter! There's been billions of \$ flowing into these strategies at high cost. I'll show you how to do it for yourself.



Questionnaire That You'll Receive

1. Did you complete the legacy content?
 - a. All of it
 - b. Most of it
 - c. Some of it
 - d. None of it
2. What is your current skill level in options
 - a. Newbie - teach me!
 - b. Up and running, but still green
 - c. Well on my way, but still a good amount to learn
 - d. I feel fairly confident and I'm looking to round out my gameplan
 - e. I'm very accomplished and looking for a few tips and tricks
 - f. Other - tell me about it.
3. Which trading platform are you using?
 - a. ThinkorSwim
 - b. Interactive Brokers
 - c. Schwab
 - d. TastyWorks
 - e. IB
 - f. Other (what is it)
4. The account that you plan to trade for this class ?
 - a. I'm not trading yet, paper trading
 - b. This is qualified money (in a retirement account like IRA or 401k)
 - c. This is non-qualified money (cash brokerage account)
5. If you are trading in a qualified account, are taxes a concern for you?
 - a. Yes
 - b. No



Here Are The Tools I Use



1. Trading Platforms

- a. Think or Swim for options trading
- b. Charles Schwab for my R.I.A. Wealth Management Company

2. Charting Platforms

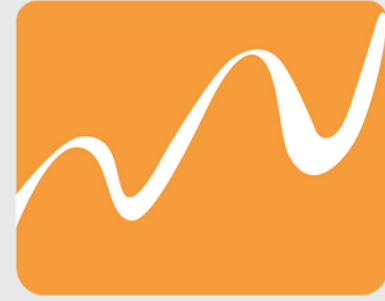
- a. MotiveWave - excellent for Elliott Wave Analysis
- b. ThinkorSwim - excellent 'go to' and all-around charting software
- c. TradingView - an excellent free resource available for free on the internet
- d. Optuma - advanced scanning / quant models we use for sector and industry rotation

3. News Sources

- a. Economic Data <https://www.investing.com/economic-calendar/>
- b. Coming Earnings reports
 - i. ThinkorSwim Earnings Scan
 - ii. <https://www.earningswhispers.com/>
- c. Watching Fed Funds Futures - very important in today's markets
 - i. <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html?redirect=/trading/interest-rates/countdown-to-fomc.html>

4. Journaling

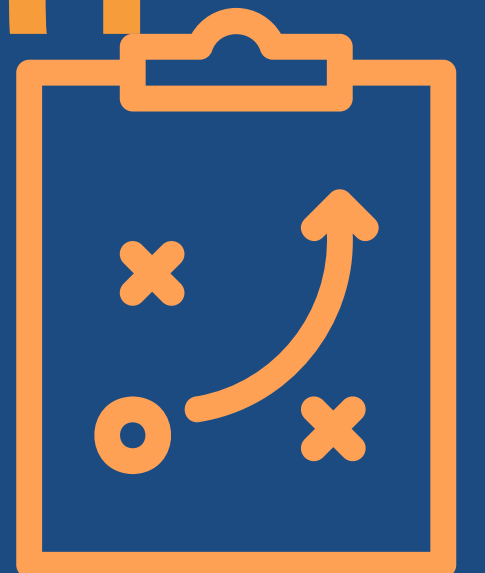
- a. Google Docs and Google Sheets Be sure your trading journals are in the cloud and accessible from multiple devices



TRADING ANALYSIS
PLAN YOUR TRADE, TRADE YOUR PLAN

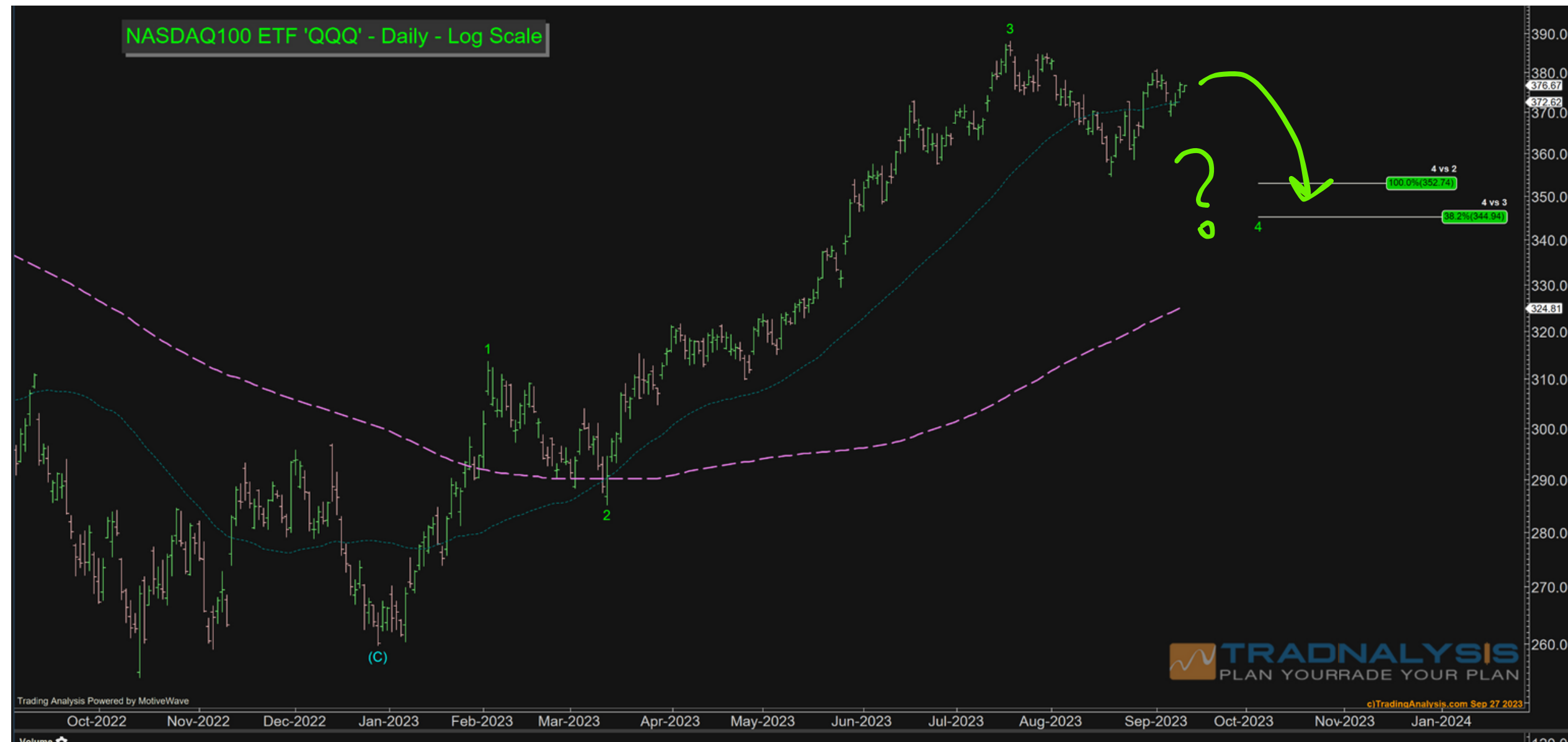
**PLAN YOUR TRADE
TRADE YOUR PLAN**

**LET'S REVIEW THE
MSFT AND NDX
TRADES FROM THE
INTRODUCTORY
CLASS**



NASDAQ ETF 'QQQ' - Daily Sept 12th, 2023

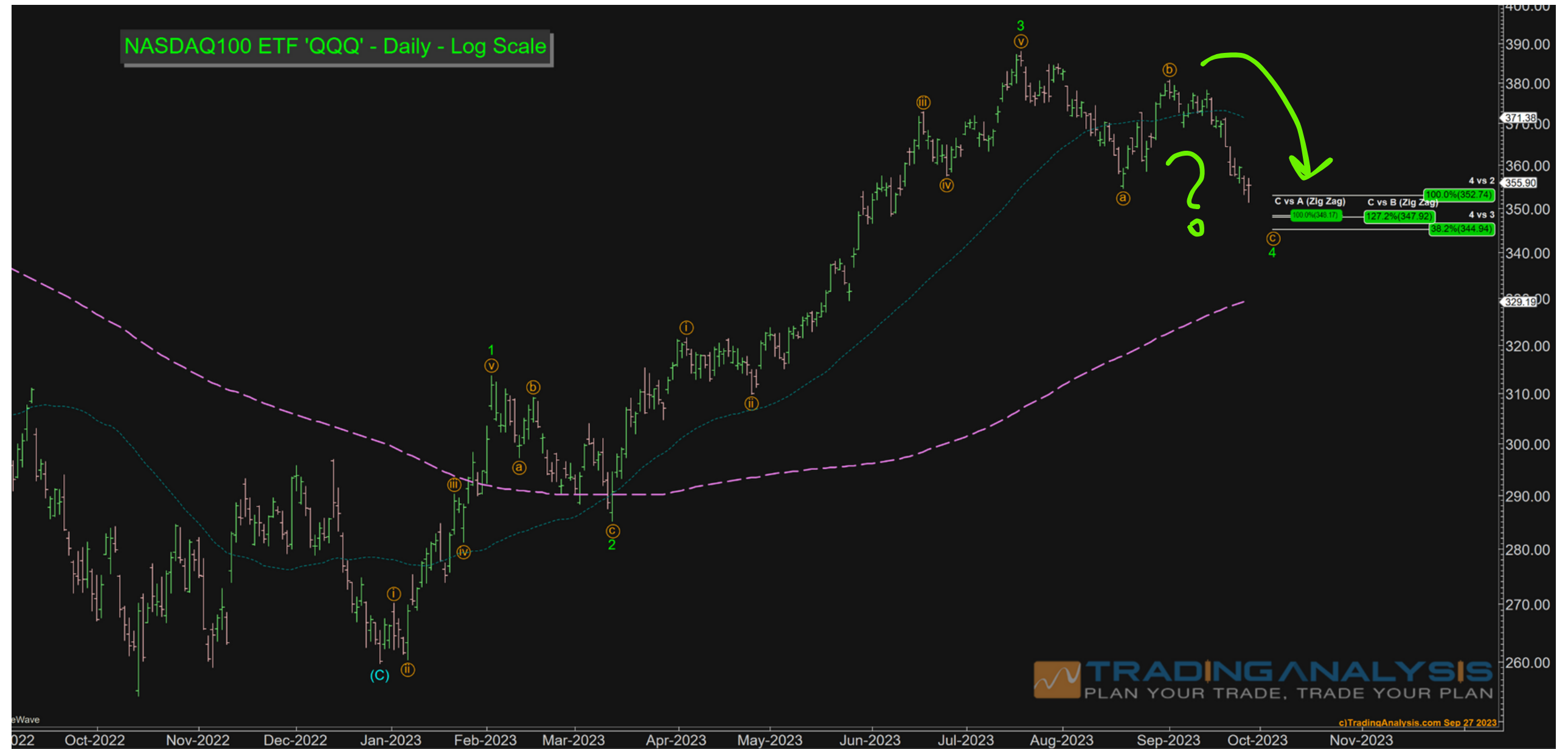
I became concerned that the NASDAQ would struggle breaking back towards the August highs and I put on short positions via put debit spreads in the QQQ and NDX



| | | | | | | | | | | | | |
|------------------|----------|-------------|----------|--------------------|------------|--|----------------|------------|------------------|----------------|-----|----------------|
| 9/12/23 15:16:52 | VERTICAL | BUY SELL | +1 -1 | TO OPEN TO OPEN | NDX NDX | 29 SEP 23 (Weeklys) 29 SEP 23 (Weeklys) | 15150 15000 | PUT PUT | 160.77 118.23 | 42.54 DEBIT | LMT | 42.54 DEBIT |
| 9/12/23 15:07:51 | VERTICAL | BUY SELL | +5 -5 | TO OPEN TO OPEN | QQQ QQQ | 13 OCT 23 (Weeklys) 13 OCT 23 (Weeklys) | 370 360 | PUT PUT | 5.96 3.23 | 2.73 DEBIT | LMT | 2.73 DEBIT |

NASDAQ ETF 'QQQ' - Daily Sept 12th, 2023

I became concerned that the NASDAQ would struggle breaking back towards the August highs and I put on short positions via put debit spreads in the QQQ and NDX



| Instrument | Qty | Days | Mark | Trade Pri... | Delta | Gamma | Theta | Vega | Net Liq | P/L Open | P/L Day | BP Effect |
|-----------------------------------|-----|-------|-----------|--------------|---------|--------|---------|---------|---------------|---------------|---------------|-----------------|
| NDX | | | | | .00 | .00 | 2.16 | .00 | \$15,110.00 | \$10,854.60 | \$715.00 | \$0.00 |
| NASDAQ-100 INDEX INDEX | 0 | 0 | 14444.735 | .00 | .00 | .00 | .00 | .00 | \$0.00 | \$0.00 | \$0.00 | |
| 100 (Weeklys) 29 SEP 23 15000 PUT | -1 | ITM 2 | 547.750 | 118.23 | 100.00 | .00 | -215.56 | .00 | (\$54,775.... | (\$42,952.70) | (\$11,695.00) | |
| 100 (Weeklys) 29 SEP 23 15150 PUT | +1 | ITM 2 | 698.850 | 160.77 | -100.00 | .00 | 217.72 | .00 | \$69,885.00 | \$53,807.30 | \$12,410.00 | |
| Selected Totals | | | | | | | | | | | | |
| QQQ | | | | | -366.88 | -3.13 | 100.14 | -105.96 | \$8,962.50 | \$3,897.00 | \$1,152.50 | N/A (Split P... |
| INVESCO QQQ TRUST UNIT SER 1 ETF | 0 | 0 | 351.730 | .00 | .00 | .00 | .00 | .00 | \$0.00 | \$0.00 | \$0.00 | |
| 100 (Weeklys) 13 OCT 23 350 PUT | -10 | 16 | 5.670 | 4.005 | 435.33 | -23.23 | 193.50 | -290.56 | (\$5,670.00) | (\$1,672.00) | (\$1,055.00) | |
| 100 (Weeklys) 13 OCT 23 360 PUT | +5 | 16 | 10.740 | 7.69 | -343.57 | 12.20 | -71.81 | 130.29 | \$5,370.00 | (\$710.00) | \$902.50 | |
| 100 (Weeklys) 13 OCT 23 370 PUT | +5 | 16 | 18.525 | 5.96 | -458.64 | 7.90 | -21.55 | 54.30 | \$9,262.50 | \$6,279.00 | \$1,305.00 | |
| Selected Totals | | | | | | | | | | | | |
| Subtotals | | | | | | | | | | | | |
| | | | | | -366.88 | -3.13 | 102.30 | -105.96 | \$24,072.50 | \$14,751.60 | \$1,867.50 | N/A (Split P... |

NASDAQ ETF 'QQQ' - Daily Sept 12th, 2023

Yesterday I covered 2/3rds of my position here for a combined total of \$14,751



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C.D.S. Trade Plan

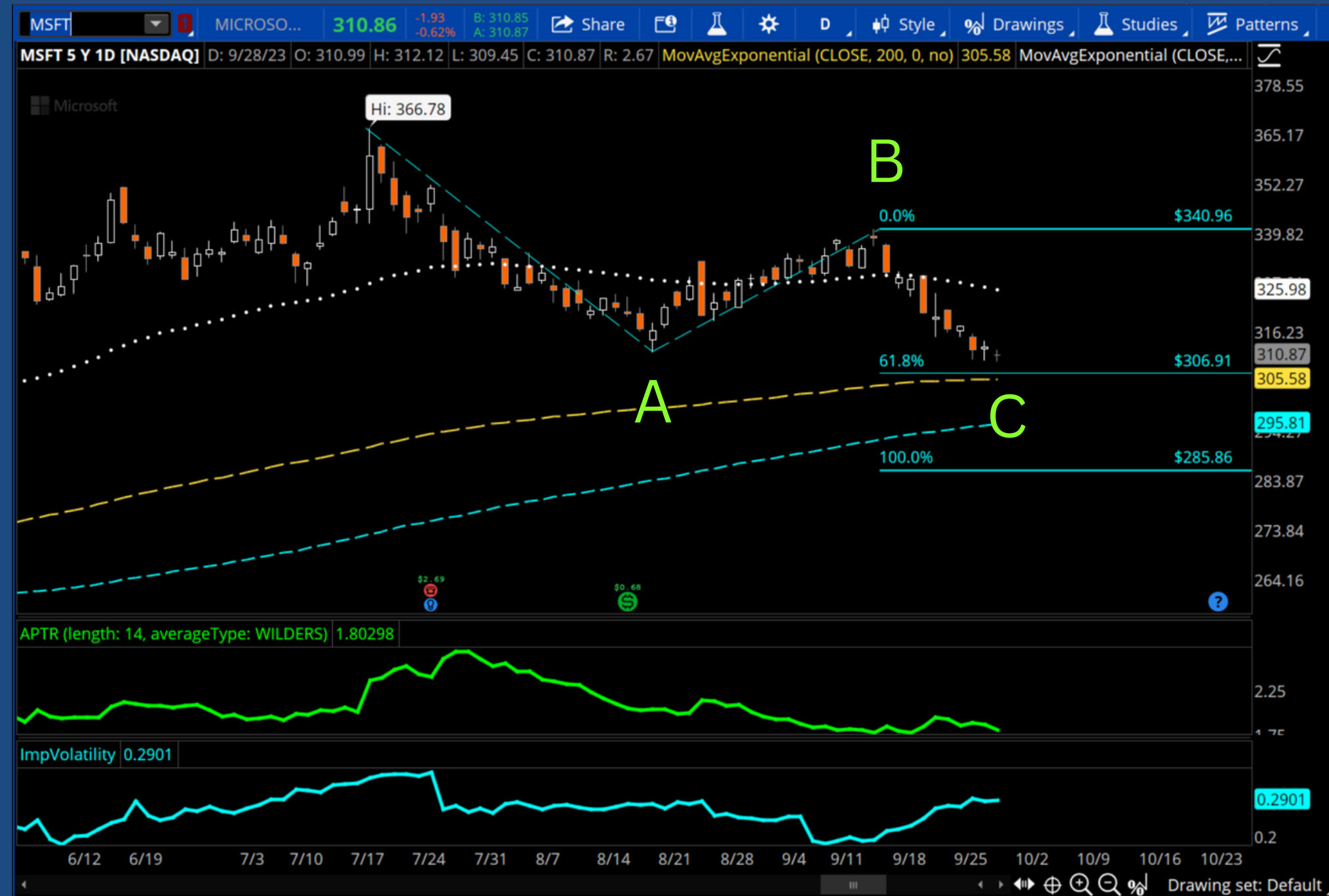
Step 1 - Do a Fib retracement of the entire A-B-C correction. Find 50% and 78.6% retracements

Step 2 - Look for expirations that are 2/3rds the duration of the correction

Step 3 - Structure a call debit spread that buys the option at the 50% retracement, sell the option at the 78.6% retracement

Step 4 - If price turns lower, exit the CDS at a 50% loss of premium paid

Step 5 - Hold until the .786 retracement is tested



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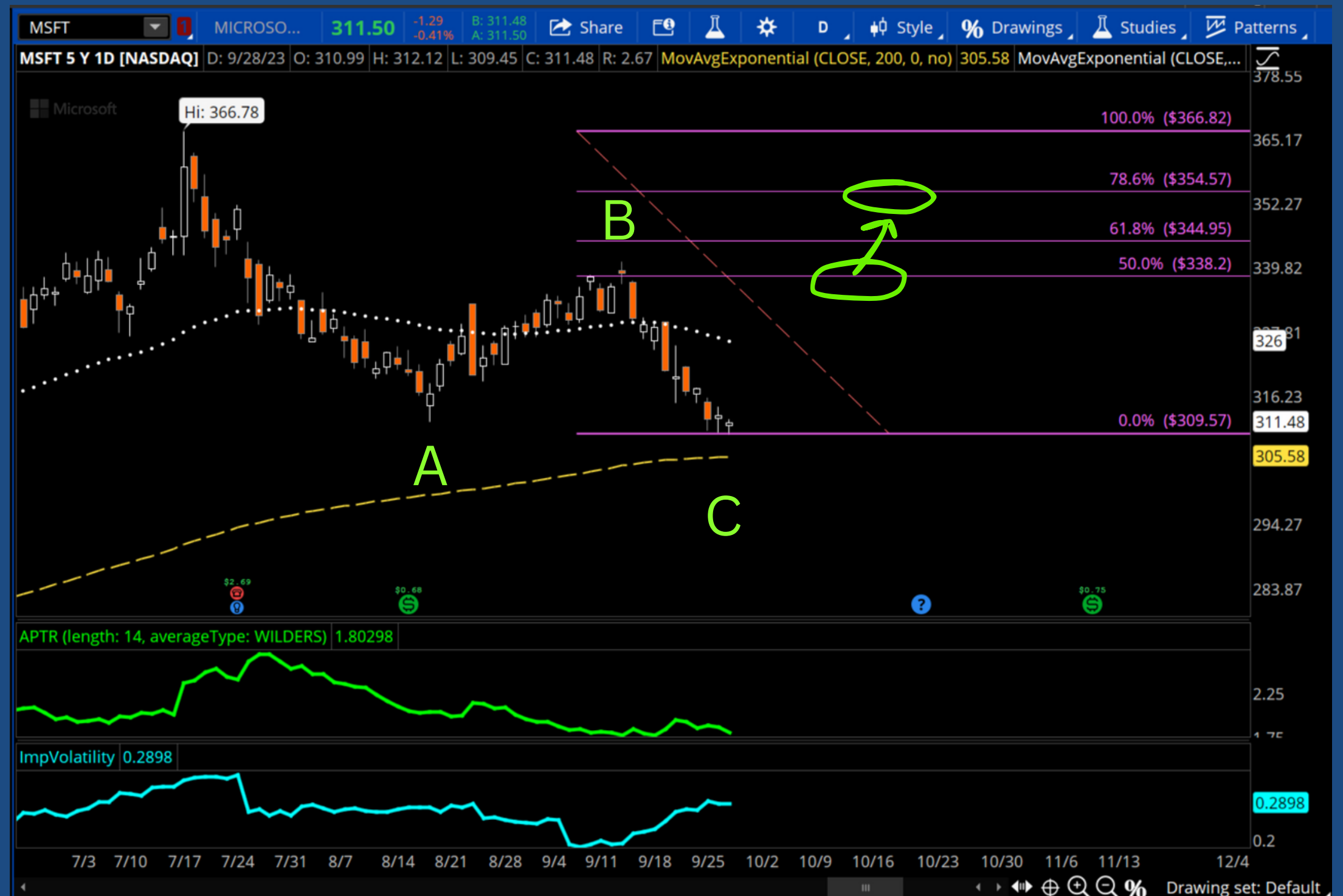
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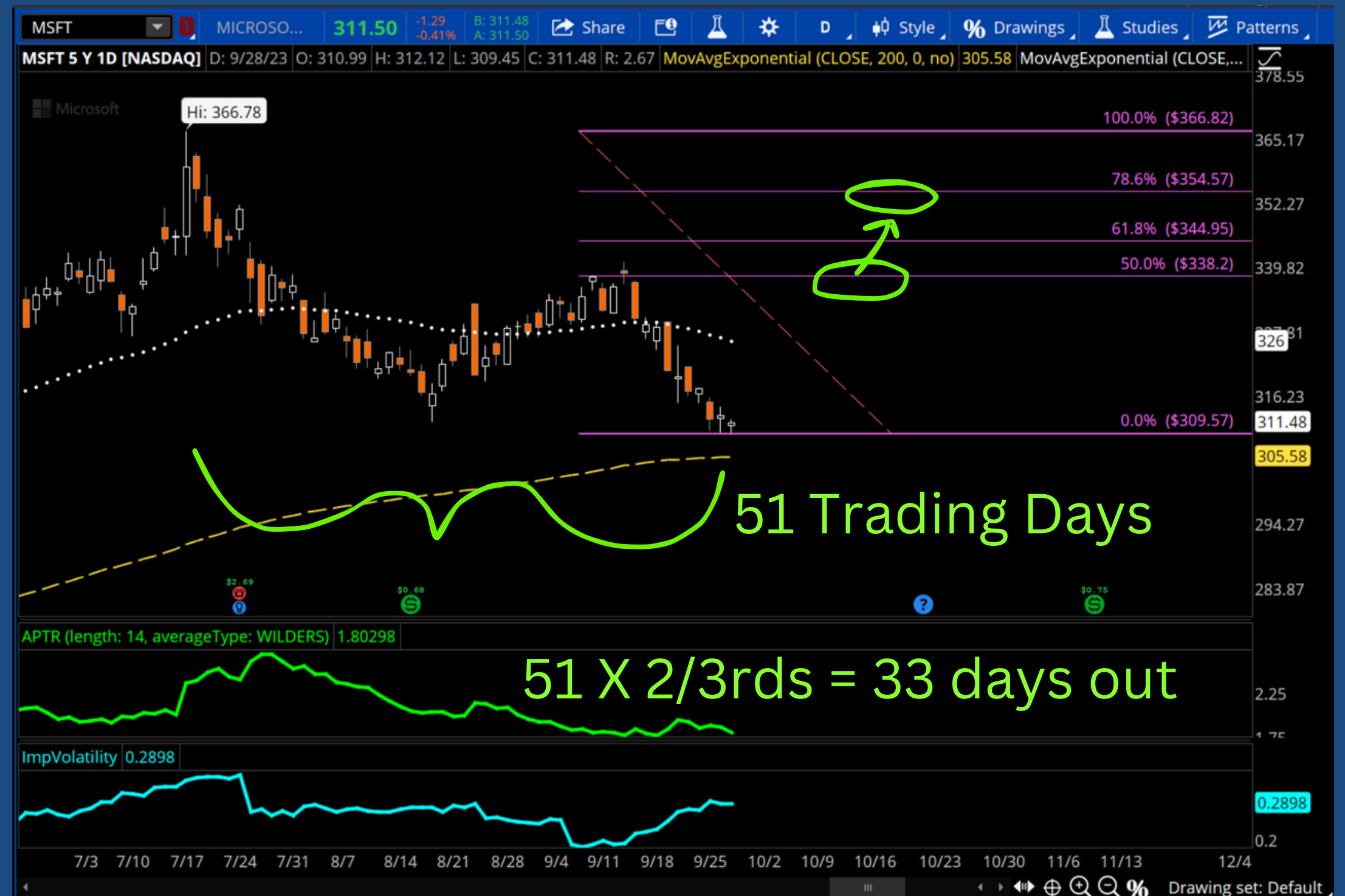
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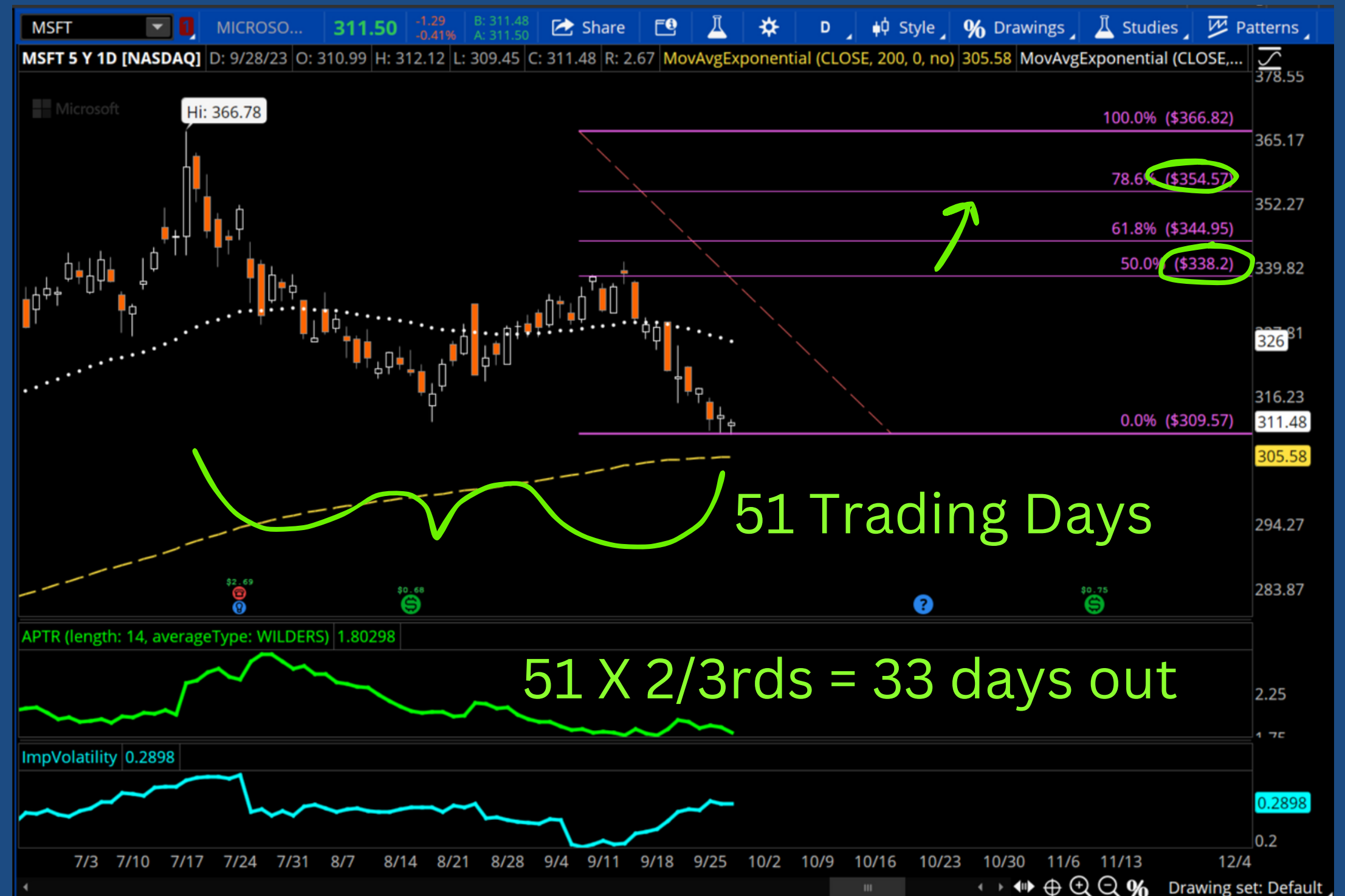
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51 X 2/3rds = 33 days out
 Closest to \$338 and \$354
 Notice the deltas - .25 and .09

| Underlying | | Last X | Net Chng | Bid X | Ask X | Size | Volume | Open | High | Low |
|------------|--|----------|----------|----------|----------|-------|-----------|--------|--------|--------|
| MSFT | | 313.10 D | +0.31 | 313.15 U | 313.20 Q | 1 x 1 | 7,256,591 | 310.99 | 313.35 | 309.45 |

| Option Chain | | | | | | | | | | | | | |
|--------------|---------|-------|---------|---------|---------|----------|--------|---------|---------|-------------|---------|-------|---------|
| CALLS | | | | | | PUTS | | | | | | | |
| Implied Vol | Prob... | Delta | Open... | Bid X | Ask X | Exp | Strike | Bid X | Ask X | Implied Vol | Prob... | Delta | Open... |
| 40.69% | 10.16% | .92 | 11 | 49.95 Z | 51.60 Z | 3 NOV 23 | 265 | 1.00 B | 1.04 N | 36.76% | 92.24% | -.06 | 55 |
| 40.13% | 12.63% | .90 | 7 | 45.35 N | 47.20 Q | 3 NOV 23 | 270 | 1.29 Z | 1.35 T | 35.76% | 90.29% | -.08 | 177 |
| 37.07% | 13.76% | .89 | 3 | 41.15 A | 41.65 M | 3 NOV 23 | 275 | 1.68 Z | 1.74 P | 34.81% | 87.89% | -.10 | 192 |
| 36.29% | 16.87% | .86 | 7 | 36.40 Q | 37.65 Z | 3 NOV 23 | 280 | 2.18 Q | 2.25 Z | 33.92% | 84.95% | -.13 | 117 |
| 33.94% | 19.27% | .83 | 0 | 31.85 Z | 32.95 Z | 3 NOV 23 | 285 | 2.83 N | 2.90 P | 33.08% | 81.41% | -.16 | 275 |
| 32.95% | 23.28% | .80 | 6 | 27.80 Z | 28.65 M | 3 NOV 23 | 290 | 3.65 Z | 3.75 Z | 32.33% | 77.20% | -.20 | 811 |
| 31.62% | 27.67% | .75 | 10 | 23.40 Z | 24.85 M | 3 NOV 23 | 295 | 4.65 Z | 4.80 C | 31.55% | 72.39% | -.24 | 159 |
| 30.24% | 32.71% | .71 | 21 | 19.40 Q | 21.00 B | 3 NOV 23 | 300 | 5.95 Z | 6.05 H | 30.82% | 66.91% | -.30 | 147 |
| 31.22% | 39.65% | .64 | 7 | 17.30 Q | 17.45 B | 3 NOV 23 | 305 | 7.50 E | 7.65 E | 30.18% | 60.83% | -.36 | 106 |
| 30.48% | 45.95% | .58 | 59 | 14.15 N | 14.35 B | 3 NOV 23 | 310 | 9.40 T | 9.55 T | 29.59% | 54.28% | -.42 | 184 |
| 29.84% | 52.57% | .51 | 133 | 11.40 B | 11.55 Q | 3 NOV 23 | 315 | 11.60 Z | 11.75 T | 28.93% | 47.47% | -.49 | 280 |
| 29.18% | 59.30% | .44 | 209 | 8.95 T | 9.10 Q | 3 NOV 23 | 320 | 14.15 Q | 14.35 B | 28.32% | 40.53% | -.57 | 439 |
| 28.62% | 65.91% | .37 | 169 | 6.90 T | 7.00 N | 3 NOV 23 | 325 | 17.10 H | 17.30 B | 27.75% | 33.72% | -.64 | 118 |
| 28.17% | 72.15% | .31 | 222 | 5.20 P | 5.30 T | 3 NOV 23 | 330 | 19.80 N | 20.85 M | 26.62% | 26.87% | -.72 | 446 |
| 27.76% | 77.84% | .25 | 139 | 3.80 N | 3.95 Z | 3 NOV 23 | 335 | 24.00 A | 24.90 M | 27.54% | 22.00% | -.77 | 7 |
| 27.55% | 82.71% | .20 | 267 | 2.79 Z | 2.88 T | 3 NOV 23 | 340 | 27.70 Z | 29.15 Z | 27.07% | 16.91% | -.83 | 90 |
| 27.48% | 86.73% | .15 | 181 | 2.02 Z | 2.10 T | 3 NOV 23 | 345 | 32.30 N | 34.30 N | 29.57% | 14.88% | -.85 | 2 |
| 27.54% | 89.93% | .12 | 148 | 1.46 Z | 1.53 B | 3 NOV 23 | 350 | 36.05 N | 38.70 Q | 27.45% | 10.00% | -.91 | 1 |
| 27.72% | 92.40% | .09 | 82 | 1.06 T | 1.12 N | 3 NOV 23 | 355 | 40.55 Z | 43.65 Z | 27.82% | 7.67% | -.94 | 6 |
| 28.04% | 94.24% | .07 | 158 | .78 T | .83 Z | 3 NOV 23 | 360 | 45.10 N | 47.15 Z | -- | 0.00% | -1.00 | 0 |

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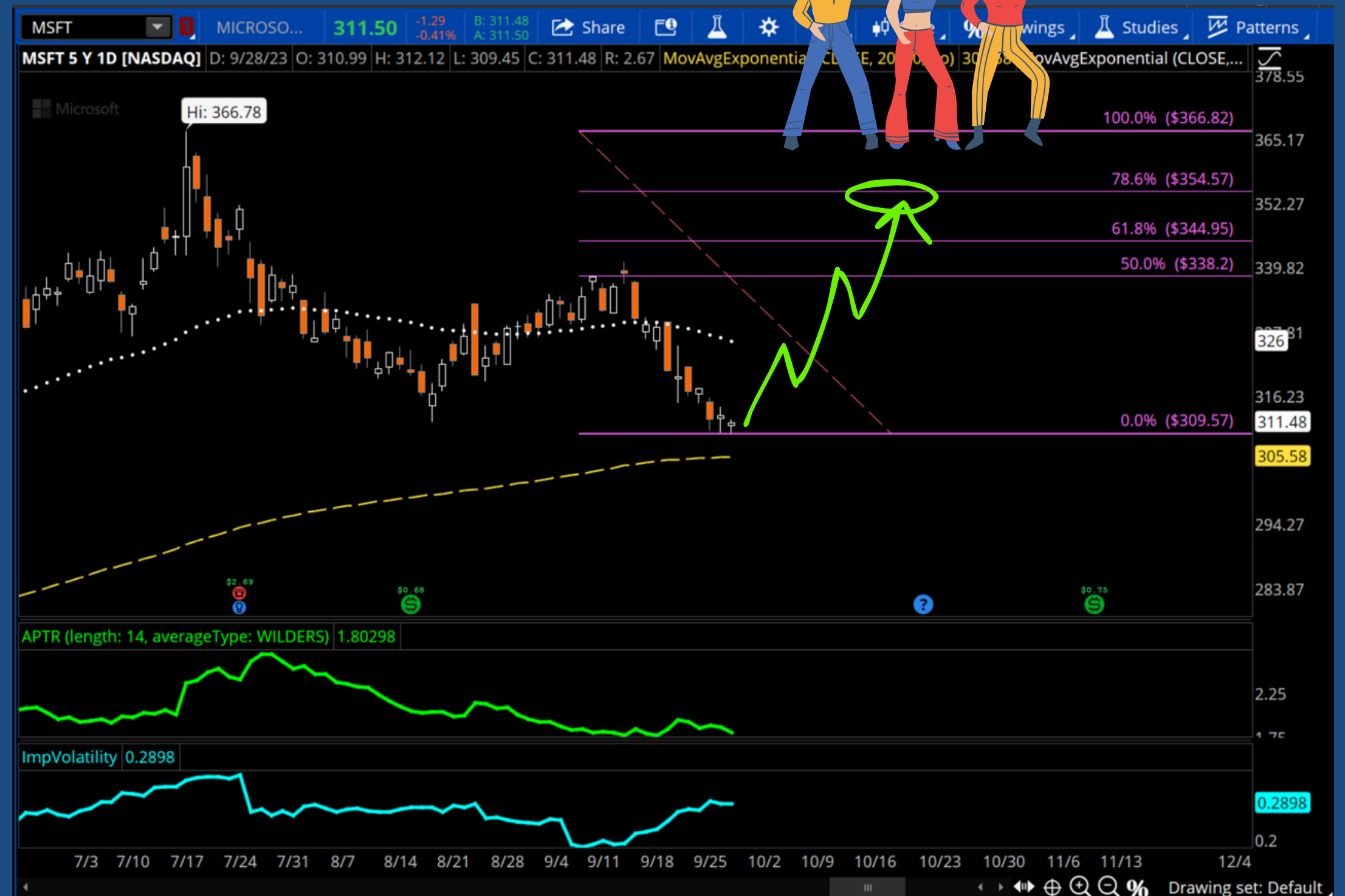
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Live Execution

On Sept 28th
webinar we bought
the 3 NOV 335 / 355
call debit spread
for \$2.85

The screenshot displays a trading platform interface with the following components:

- Account Info:** Connected, Realtime data, Sep, 28 15:03:29, Account: 25*****72 (toddntrish1202)
- Trade Execution Log:**
 - BOT +5 VERTICAL MSFT 100 (Weeklys) 3 NOV 23 335/355 25*****72
 - FILLED BUY +5 VERTICAL MSFT 100 (Weeklys) 3 NOV 23 335/355 CALL @2.85 LMT CBOE [TO OPEN/TO OPEN] 25*****72
- Option Chain:** Filter: Off, Spread: Single, Layout: Impl Vol, Probability of Profit. The selected spread is 3 NOV 23 (36) 100 (Weeklys) with a price of 27.60%.
- Market Depth:** Shows bid and ask prices for AAPL.
- Live News on AAPL:** A list of news items with timestamps and titles.
- Trader TV:** Displays the CNBC logo and a video player for CNBC US.
- Quick Quote:** A table for AAPL with columns for Symbol, Last, Net, Bid, and Ask.

Game Plan - Step 2

It's all about getting market context that dictates trading tactics and option strategy selection

Directional 'breakout' trading that is best to buy options

OR

Correctional 'rangebound' market that requires us to sell options



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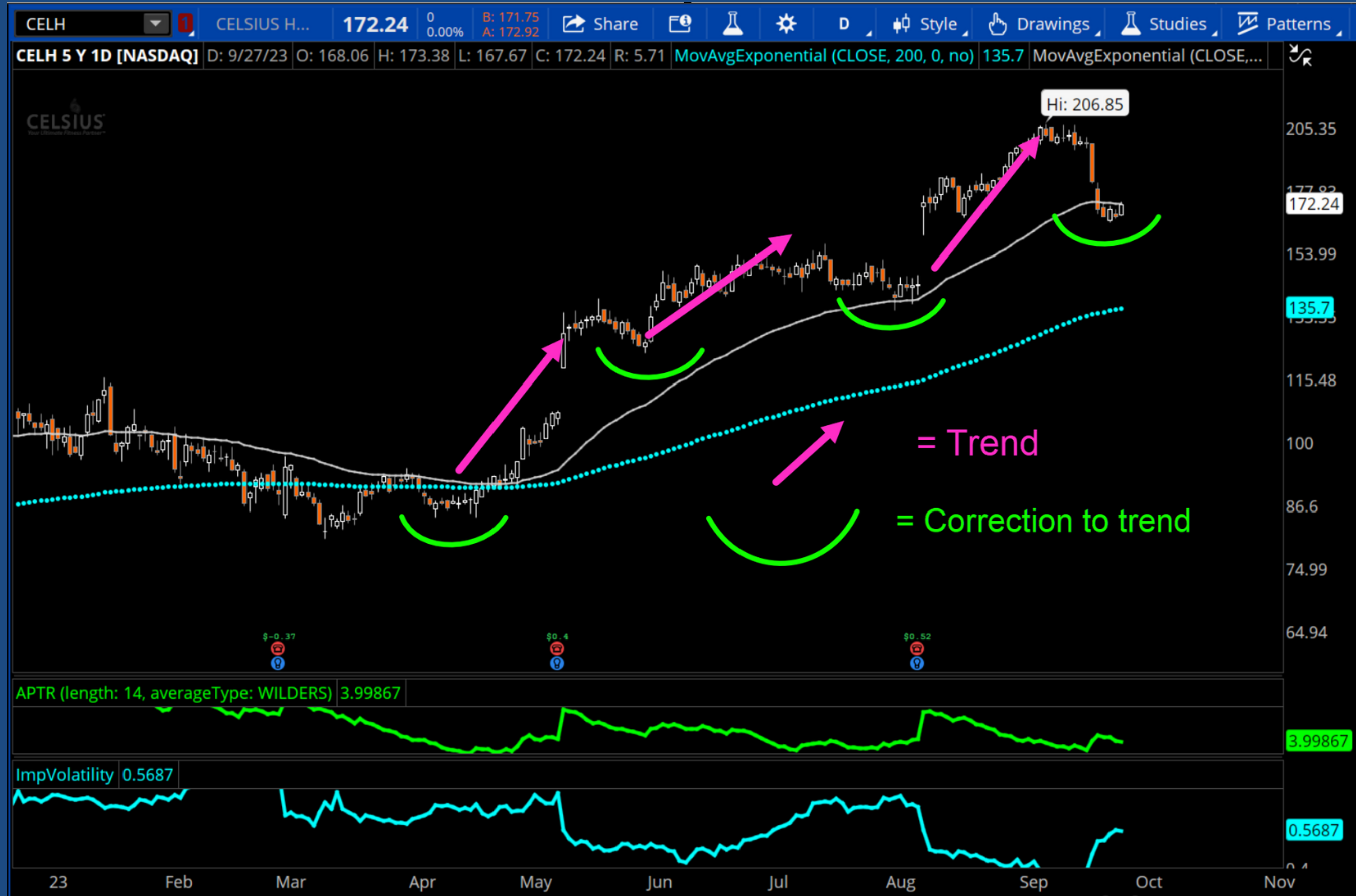
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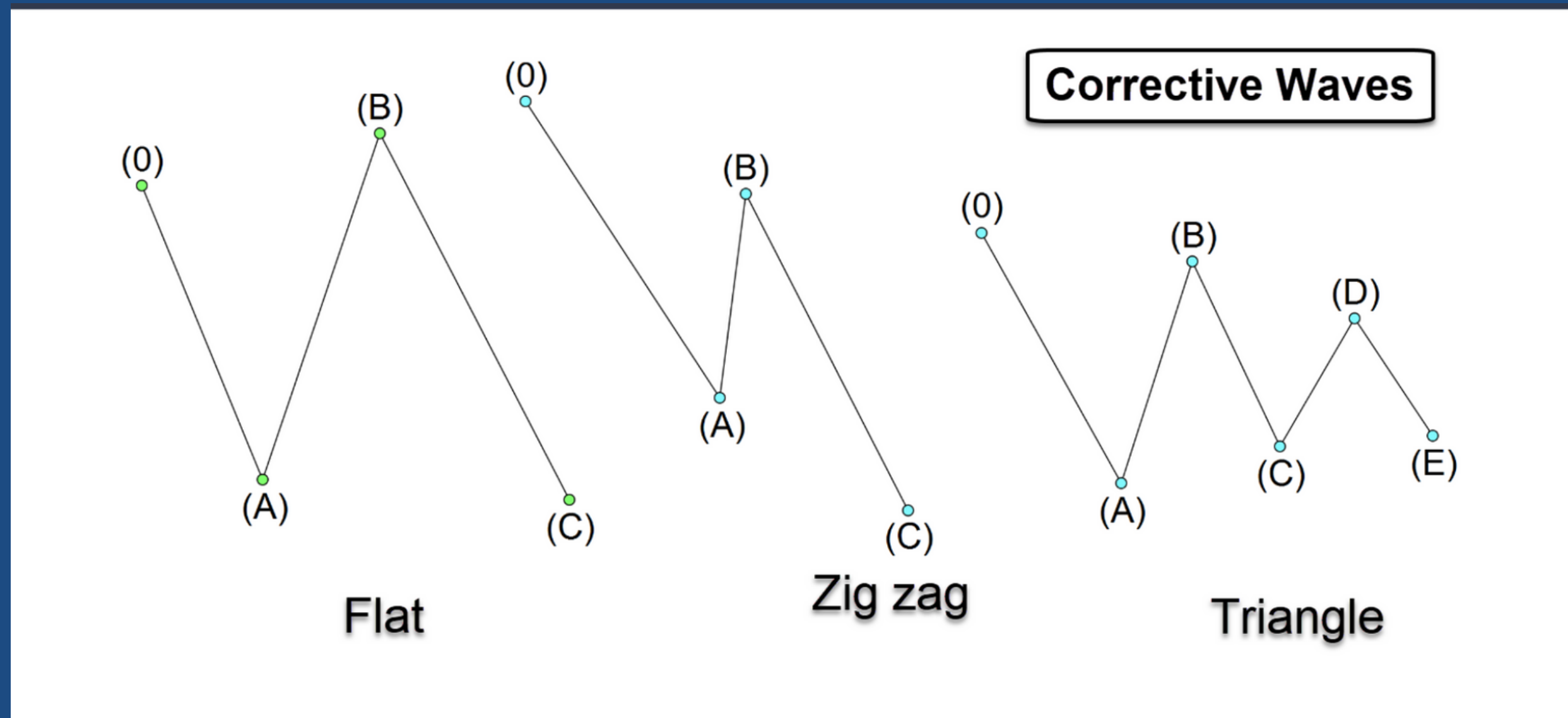


Game Plan - Step 2



The Key To Success Is Understanding The Corrections!

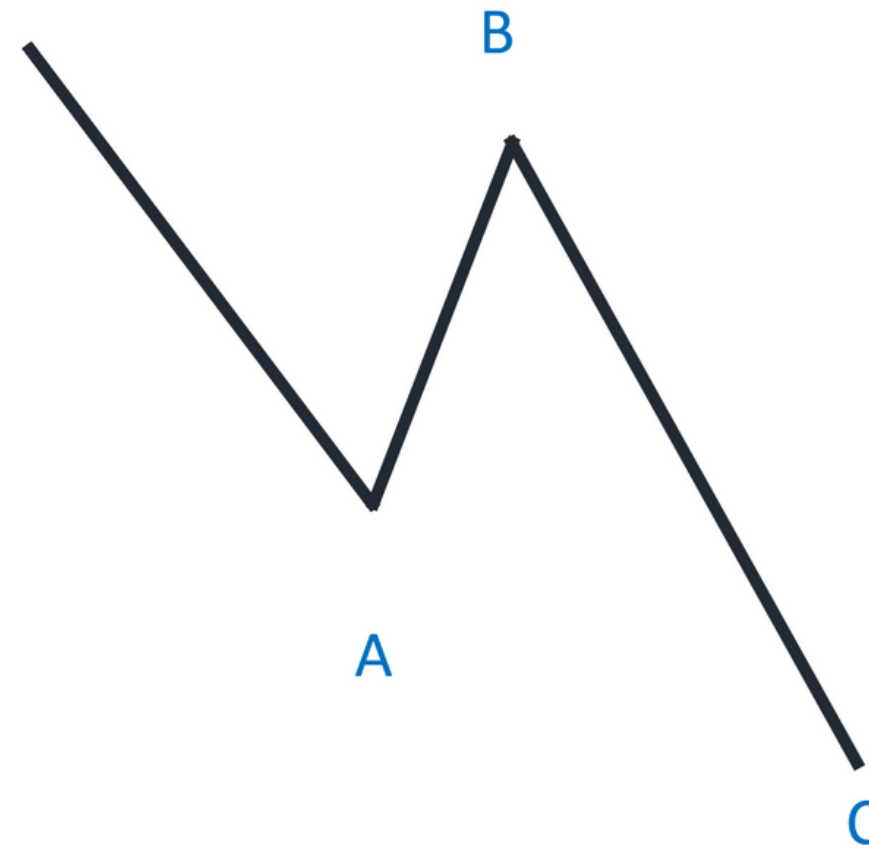
Options trading does not mean you don't have to trade the underlying market. It only magnifies your (mis)-understanding of the market



The MOST Important Pattern You NEED TO KNOW

Zig-Zag Corrections

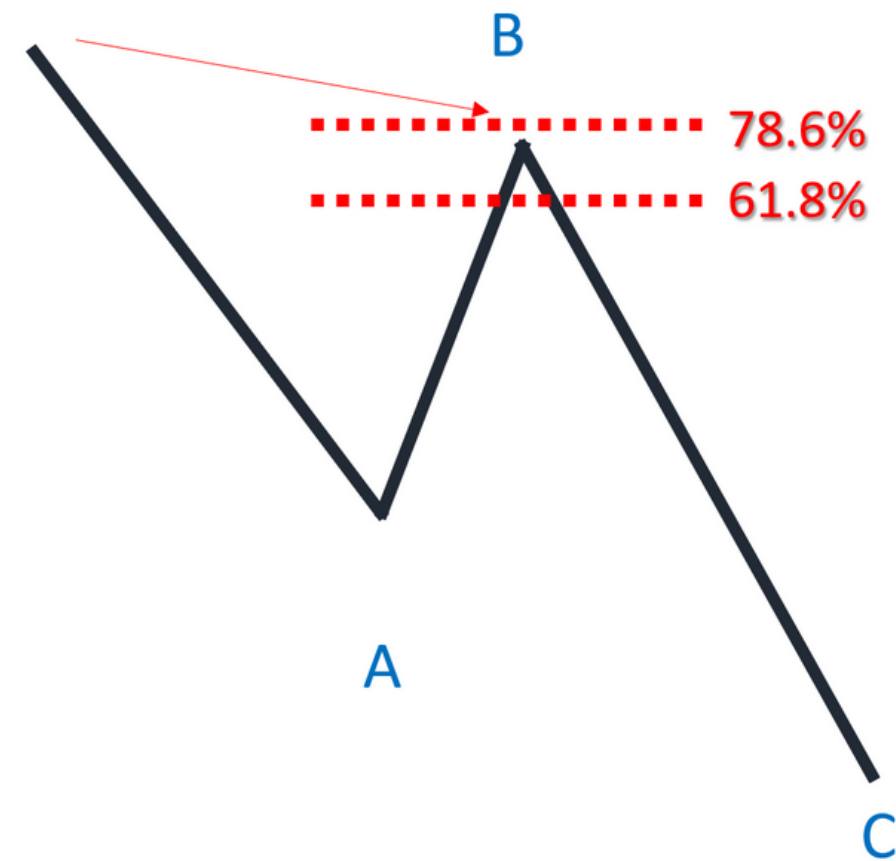
- 3-Wave (ABC) structure



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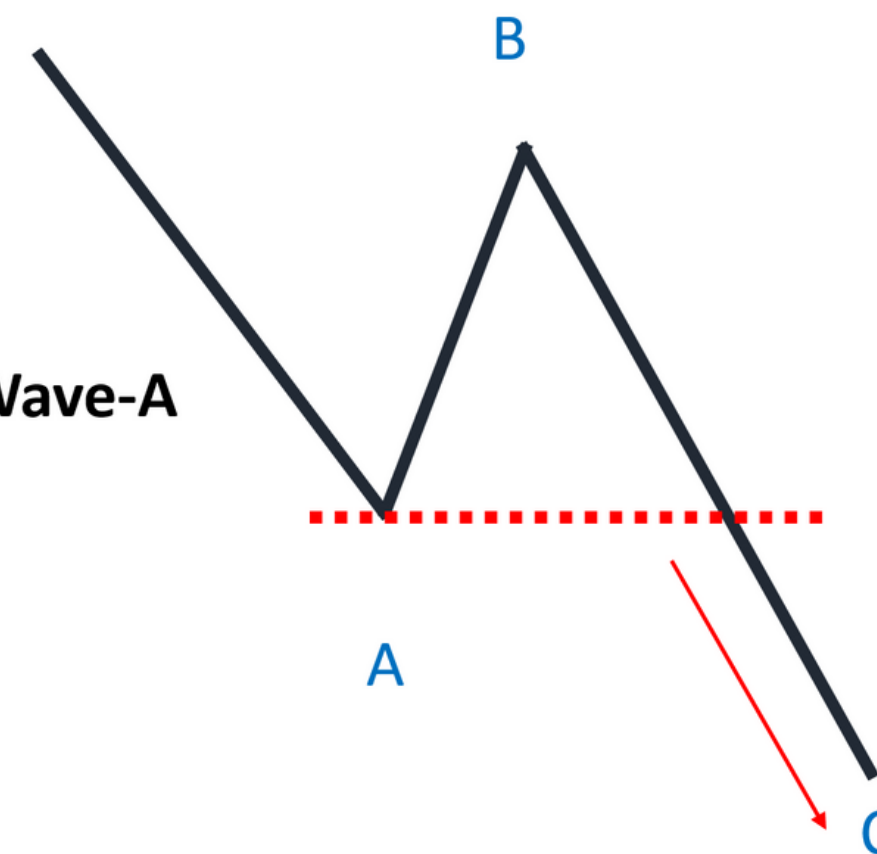
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- B-wave retraces less than 78.6% of A



The MOST Important Pattern You NEED TO KNOW

Zig-Zag Corrections

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- Wave-C stop runs below Wave-A

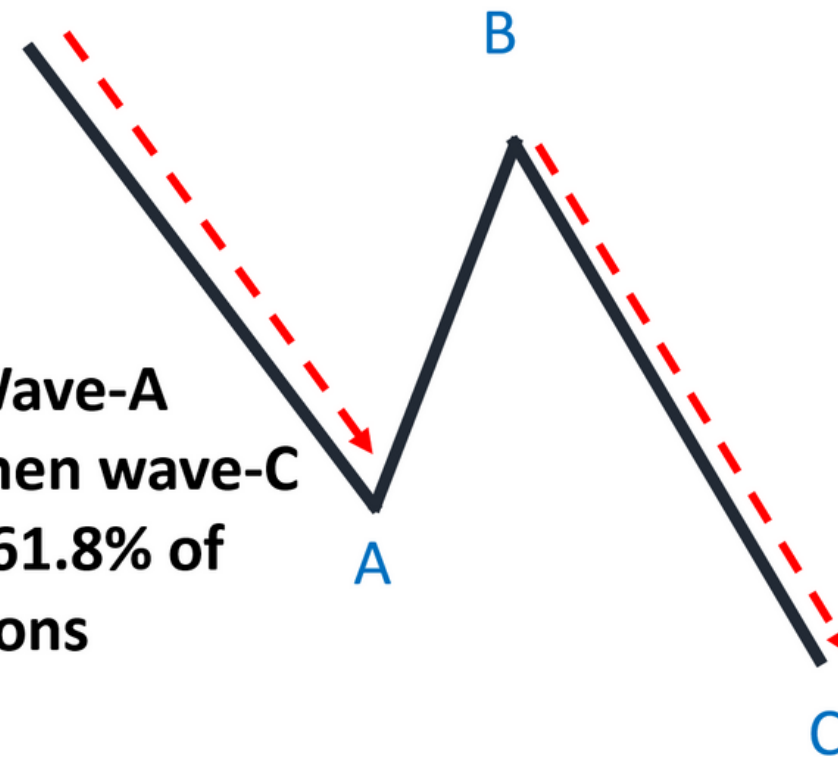


(2) or (B)

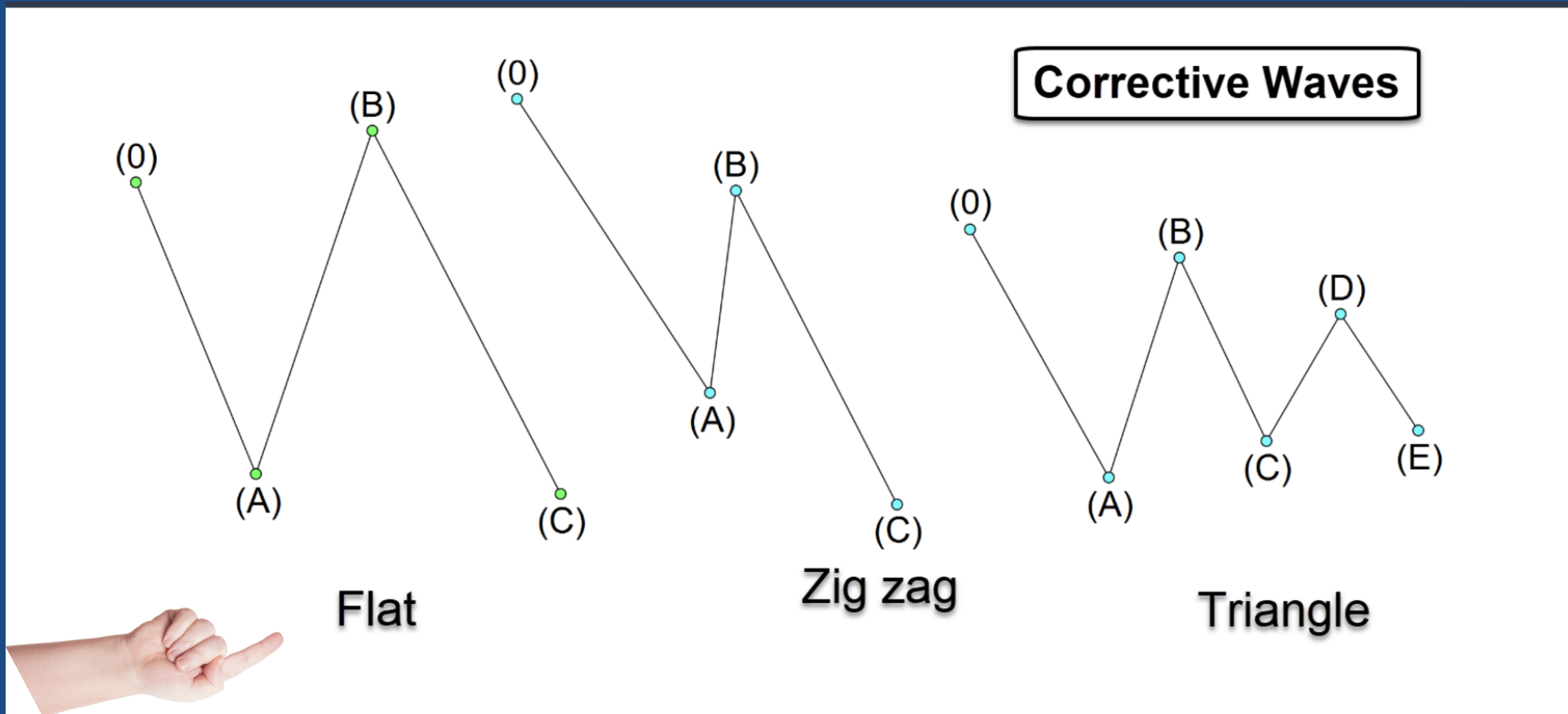
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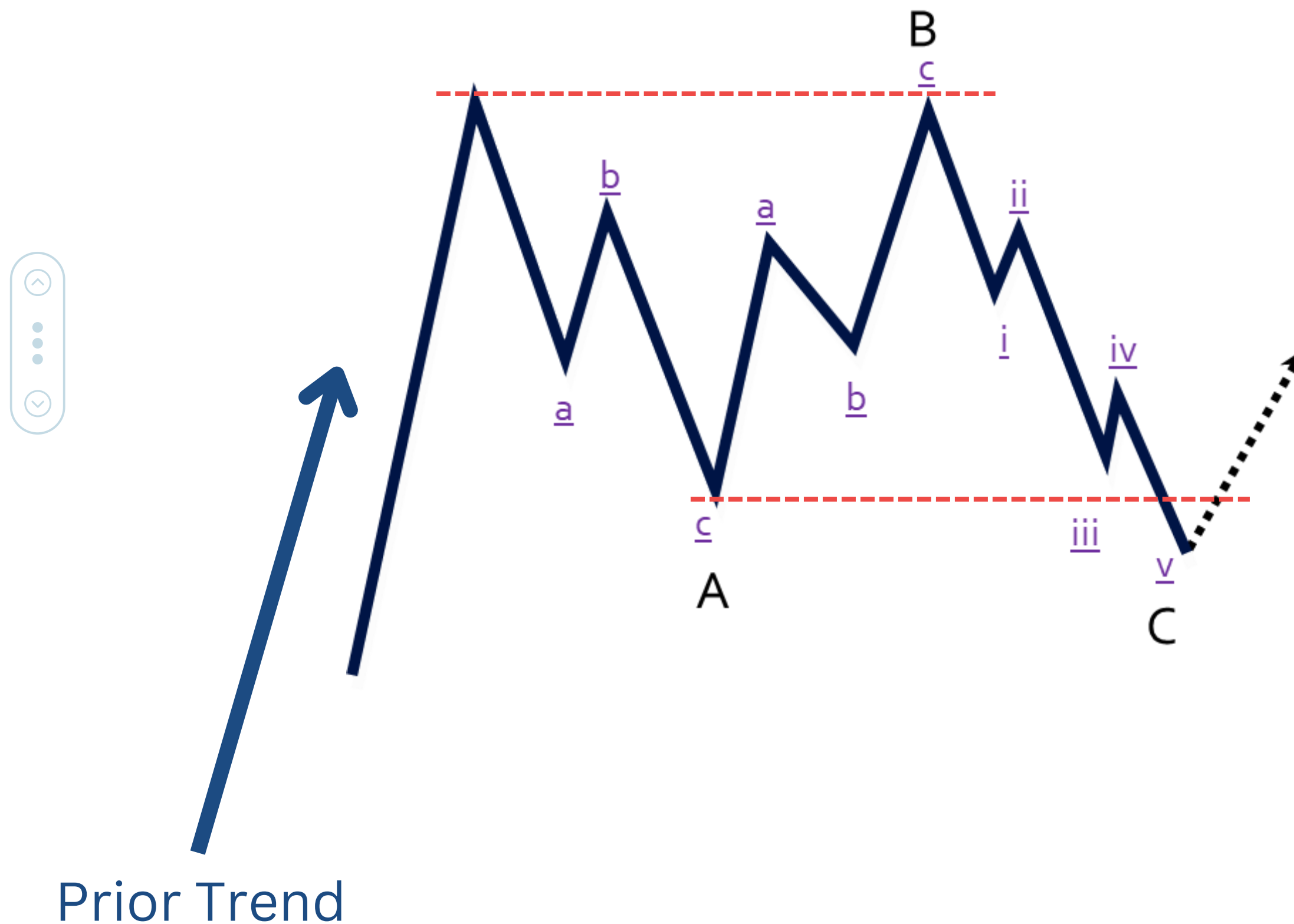
- 3-Wave (ABC) structure
- B-wave retraces less than 78.6% of A
- Wave-C stop runs below Wave-A
- A Zig Zag will often end when wave-C is either 100% of wave-A, or 61.8% of Wave-A → Fibonacci projections



The Flat Correction

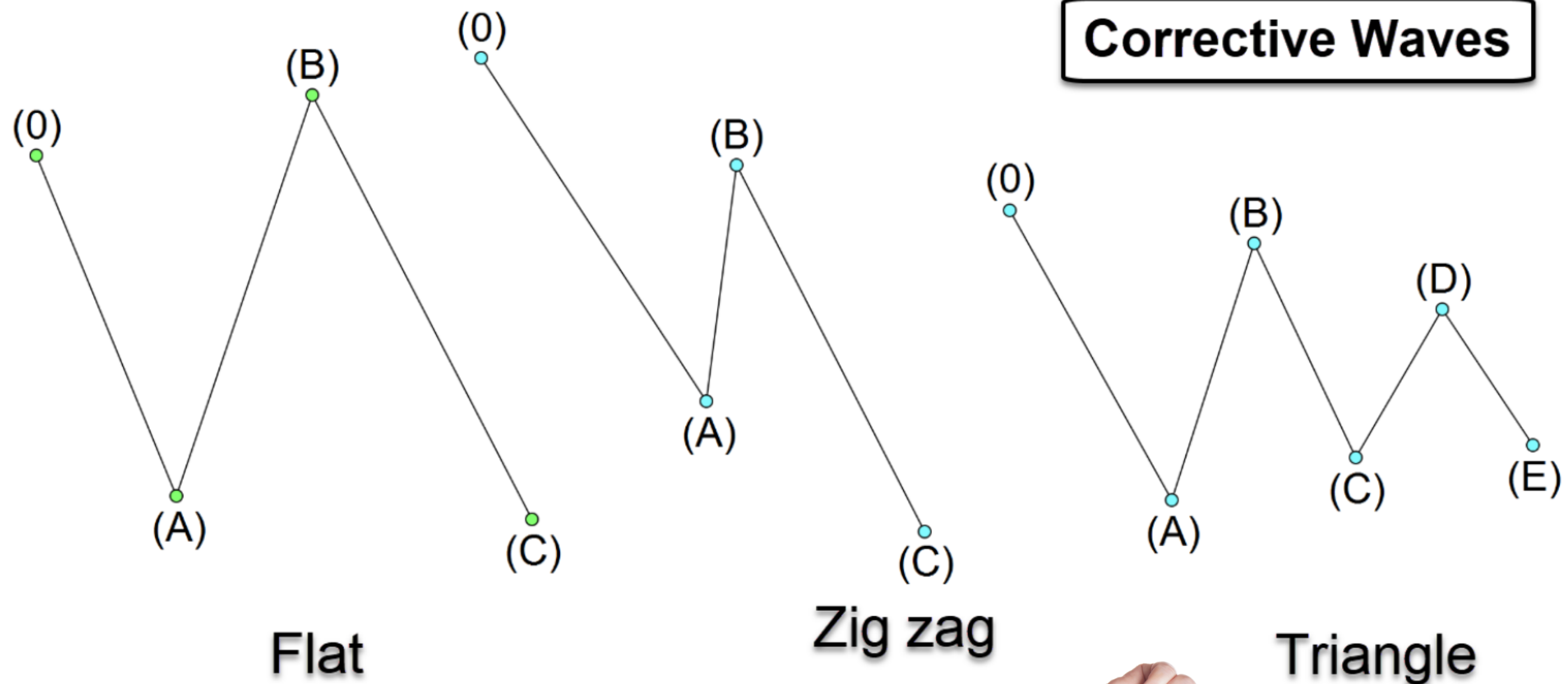


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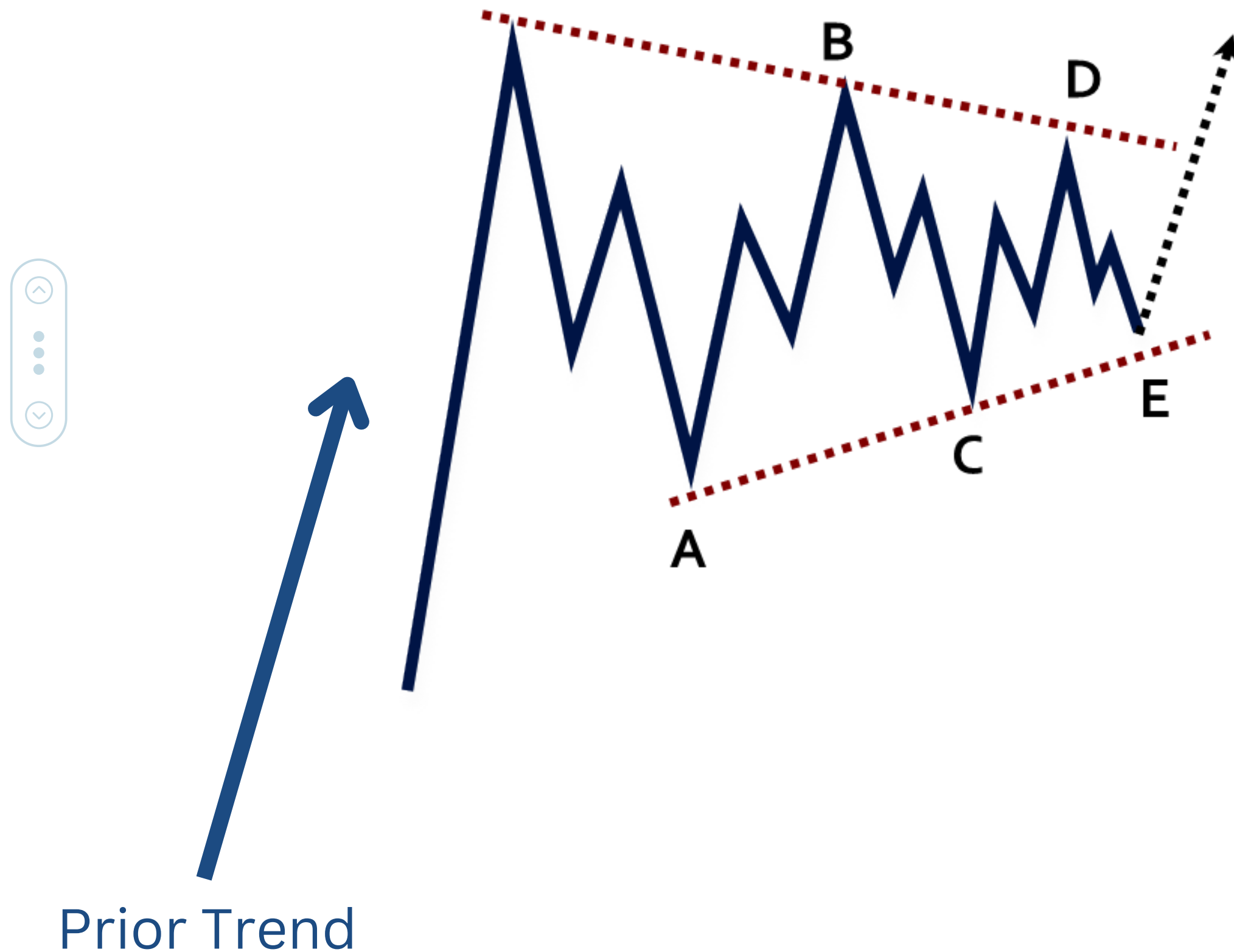


- Occurs after a strongly trending market
- The B-wave retraces usually retraces at least 3/4's of the A-wave
- The B-wave can make a new high above start of A
- The C-wave often does a stop-run below the A-wave low, but can double bottom
- Look at NVDA, KLAC, and ADBE; trade in NVDA

The Triangle Correction



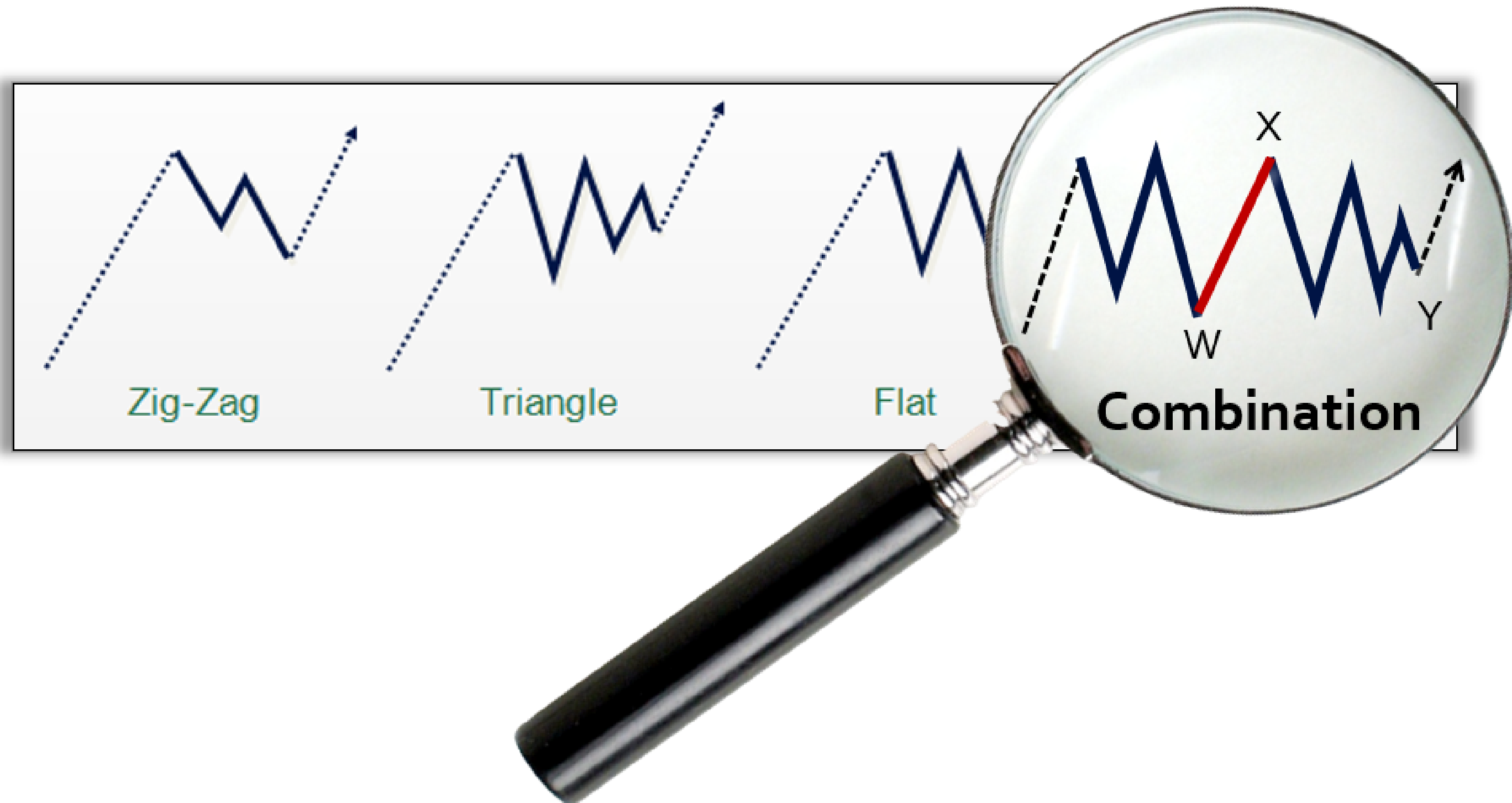
The Triangle Correction



- Reflects balance of forces. Lower-highs and higher-lows connected by a trendline
- Usually can count 5-swings before termination expected
- Occurs prior to a final motive wave in the pattern of one larger degree, terminal move
- Ideal opportunity to sell premium or go long once triangle done.
- Look at UBER and YELP

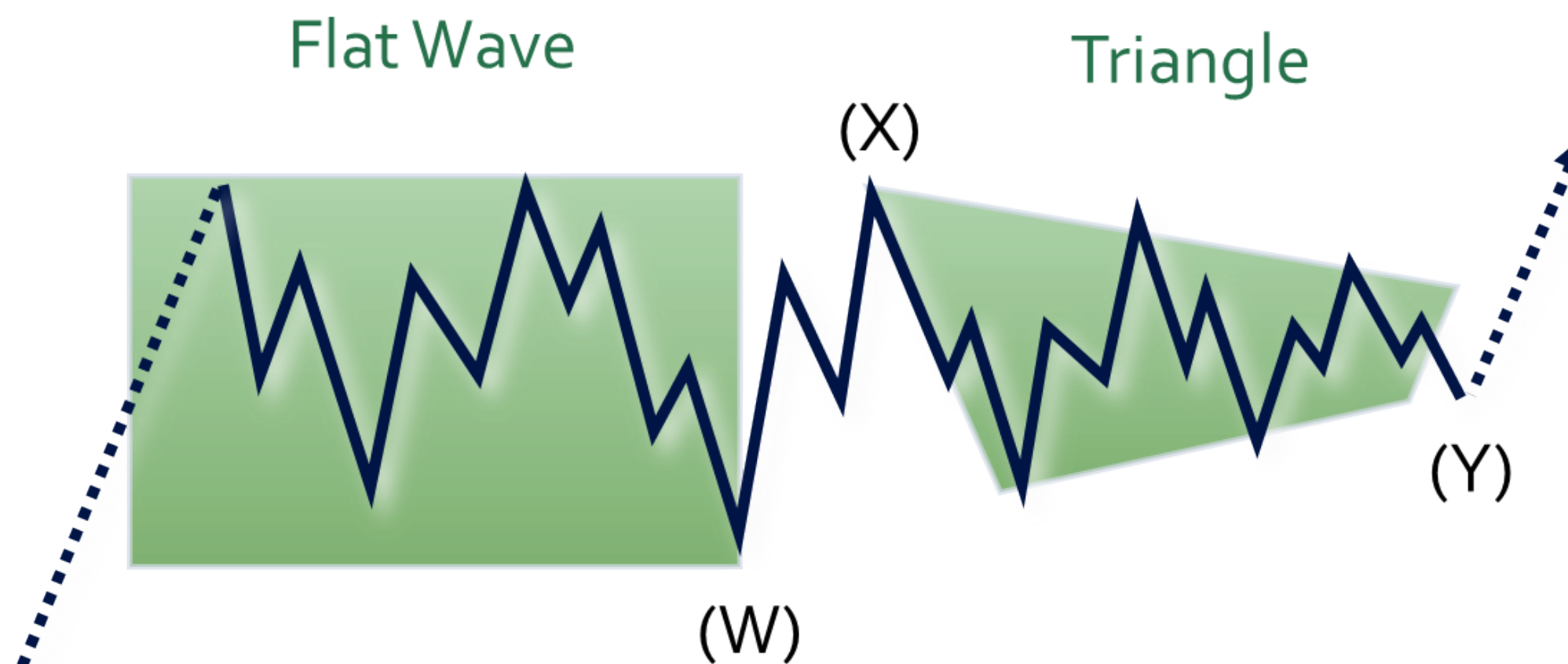
Variations of Corrective Waves

Sometimes corrections will need to extend and become 'complex'. This is when a correction is connected to another correction with an 'X-wave'



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Flat Triangle Combo



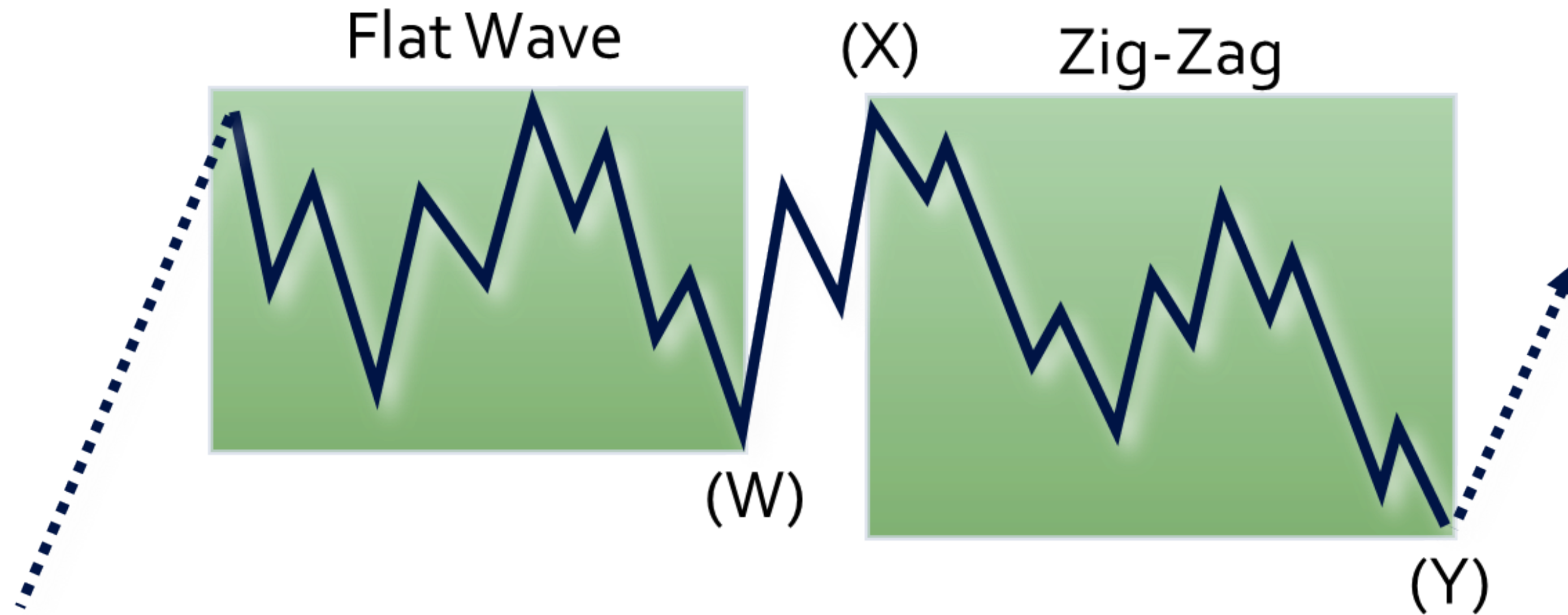
Flat Waves are common in the W wave position

Triangles are common in the Y wave position

This combination looks more sideways than directional

Sometimes corrections will need to extend and become 'complex'. This is when a correction is connected to another correction with an 'X-wave'

Flat Zig-Zag Combo





Your Homework

Step 1 - Complete The Trader Survey

Step 2 - Find 2 Examples of a FLAT correction

Step 3 - Find 2 examples of a TRIANGLE correction

Step 4 - Upload them to the cloud link you'll find n the course home page

Step 5 - File name (last name-symbol-date) GordonAAPL20231010

Step 6 - See you next class, Tuesday the 17th at 2 pm EST!

