



The Art of TradeStation Options Strategies for Big Tech Earnings



Presented by

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Agenda

- Planning for Earnings Season
- Calls and Puts
- Vertical Spreads
- Covered Calls
- Using OptionStation Pro & Web Platform

Planning for Earnings Season

“Next Earnings Date Studies – Next Earnings Date RS”: Can track earnings dates in RadarScreen and Chart Analysis.

RadarScreen: Studies → Add Study ... → Next Earnings Date RS

Chart Analysis: Studies → Add Study ... → Next Earnings Studies – Next Earnings Date



Finding Active Underliers

Stocks averaging about 25,000 contracts per day may have greater liquidity.



- Average Options Volume *
- Volume - All Opts → VolAllAvg

These indicators can be used with RadarScreen or Scanner. Results from Scanner can be copied into RadarScreen.

* - custom indicator

Planning for Earnings Season

RadarScreen can import members of key indexes:

- Data → Add Symbol List

Or stocks by industry:

- Data → Add Symbol List → Other Symbol Lists... → Reuters Symbol List → Industry Groups ...

(These can be used in conjunction with “Next Earnings Date RS” on RadarScreen.)



Understanding Call Options

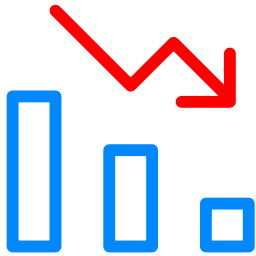


Call options fix the price where a stock can be purchased.

They:

- Can gain value when stock prices rise
- Have positive delta
- Can be sold against stock or other calls

Understanding Put Options

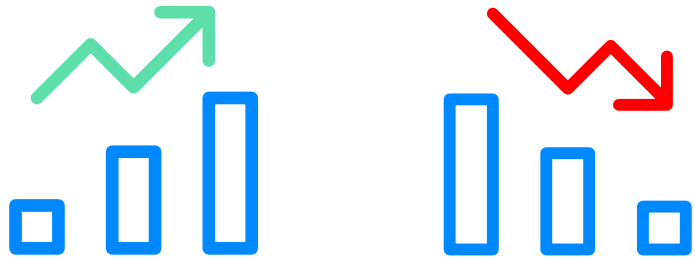


Put options fix the price where a stock can be sold.

They:

- Can gain value when stock prices fall
- Have negative delta
- Can be sold against other puts

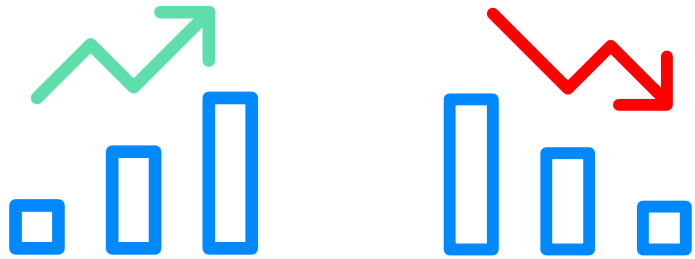
Understanding Vertical Spreads



Traders can buy and sell calls or puts together in vertical spreads. They can capture moves between two prices.

Vertical spreads can generate leverage and help manage risk. They can be useful during earnings season for both positioning and hedging positions.

Understanding Vertical Spreads



Vertical spreads can be suitable for sharp “binary” moves, including those after quarterly reports.

Because of the contracts sold short, vertical spreads may not reach their full value until expiration. Therefore, traders may prefer setups with the potential for both legs expiring in the money.

Earnings and Implied Volatility



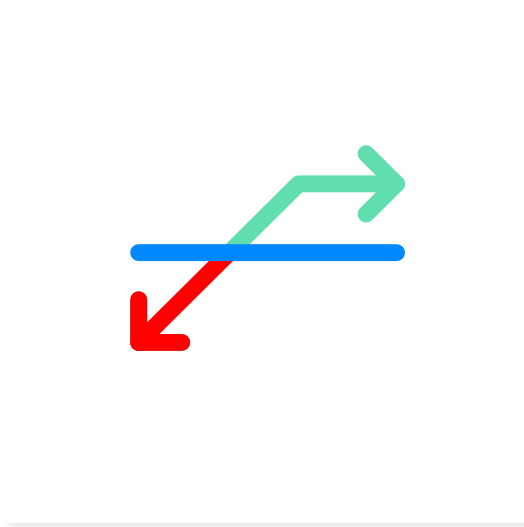
Option pricing includes “implied volatility,” an estimate of how much the market anticipates a stock may move. IV often drops after major events like earnings.

“Impl Volty - Opts” can show IV on charts, RadarScreen and Scanner.

Indicator outputs:

- “IV All”: daily value
- “IV Avg”: average over custom period

Covered Calls

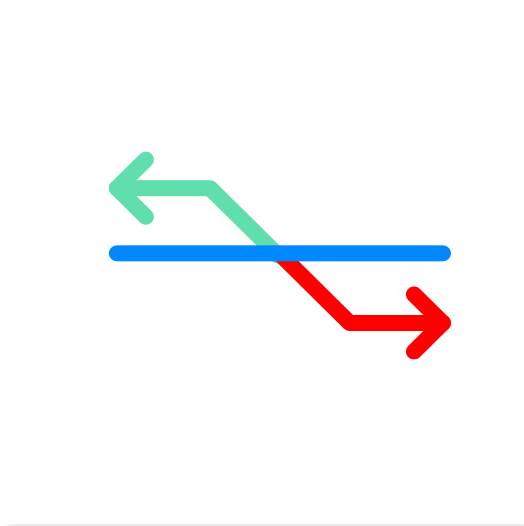


Investors owning stocks can sell covered calls against their positions. Covered calls earn premium and limit upside.

- In the money: Least risk, least upside
- At the money: Most premium
- Out of the money: Most risk, most upside.

Net delta can be a useful metric for covered-call positions.

Protective Put Spreads



Aside from serving as bearish directional strategies, put spreads can also provide hedges on existing long positions. This can make it easier to hold through a risky event like earnings.

Unlike covered calls, put spreads don't reduce upside potential.

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