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The Smart Option Seller

Let's Grab That Cash!



Issue #1102 April 5, 2024 - By Lee Lowell

New Unofficial Trade

Hello Smart Option Sellers,

Housekeeping note:

We have members join (and sometimes leave) our service at various times during the year. We offer both monthly and annual plans, with Paypal as our payment processor.

Renewals of both plans happen automatically, as you are charged based on your monthly or annual date.

Please, please, PLEASE be aware of your recurring payment date, as there are no advance notices that are sent to remind you that a charge is forthcoming.

If you wish to leave our service and want to avoid unnecessary processing fee charges, please let us and/or Paypal know (if you have a Paypal account) ahead of your renewal date. This saves all of us hassles, headaches, and extra charges. If you notify us after the renewal date, fees will be incurred.

These instructions can also be seen on the newsletter sign-up page on our website.

Thank you!

It's Friday!

This morning before the opening bell, the monthly unemployment report for the U.S. was released.

This is typically a very important report and can have a big impact on the market.

The unemployment was less than thought (stronger employment), which would typically send the market lower in the current environment.

Why?

Well, since stronger employment means more people have jobs and more money to spend, that would typically lead to higher prices, keeping inflation up.

And since the U.S. Federal Reserve battles high inflation by raising interest rates, it's a common thought that stocks would sell off in a higher interest rate environment (because people can pull money from stocks and put into fixed-income securities).

But, as a surprise to many, the stock market is moving strongly higher today. Go figure!

Just goes to show you - the market can be quite irrational at times.

I'm a bull in the long run, as history doesn't lie - the market always goes up

over time.

In the meantime, we did have a nice little pull-back in the markets over the last week or so, and it now seems to be finding support near its 20-day moving average.

Q1 2024 earnings season is about to get started next week, and so we'll have tons of companies reporting in the next month or so.

As you know, I don't typically like to hold or initiate new positions that are close to their earnings date, but I have found a trade today that is a little higher risk, and its earnings date is two days before option expiration, so I'm going to offer it up as an unofficial trade.

Cisco Systems, Inc (CSCO)

We've played CSCO many times over the past, but this one currently does not meet all my parameters for an official trade.

So, if you like the company, and are willing to take on a bit more risk than usual, then this trade might be right for you.

Here's the [current chart](#).

With CSCO stock currently near \$48.50, you'll have \$3.50 of downside cushion, which equates to a buffer of 7%.

Two reasons why I'm not making this an official trade:

- 1) The option expiration date is after the earnings date
- 2) The strike price isn't 20% below the current stock price (not enough downside cushion).

But, a strong reason why I think the trade could work is because CSCO has

good support near \$46, which is above the targeted strike price.

So, if you like CSCO and think it could bounce from here and/or see the put option decline in value over the next five to six weeks, then this trade might be right for you.

Here's what you can choose to do (unofficial):

Sell (sell-to-open) the CSCO May 17, 2024 \$45 strike put option contracts for a limit credit sell price of \$.40 per contract or higher, GTC, as an opening transaction (sell-to-open).

Currently, the market for this put option is \$.43 bid/\$.46 offer, so you should have no problem selling for better than \$.40 per.

CSCO announces their next earnings on May 15, so look to get out of the trade before then.

Remember - this trade is optional and unofficial, and I won't be tracking it, so you're on your own to manage.

Please stay within your comfort zone!

Ok, that's all for now. Get those new sell orders in there if you choose to do so.

Continue to hold all other positions as-is.

Contact us [here](#) with fills, comments, questions or concerns.

Best,

Lee

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Current Portfolio

Continue to work all other trades as instructed and continue to hold all other open positions as-is.

See the Current Portfolio below for current prices & instructions.

Note on the Current Portfolio - if you are a new subscriber and don't have a position yet on any of our trades, make sure you enter your order at the original recommended prices. The Current Instructions column gives the most recent updates. If you are unsure or have any questions, please ask us!

<u>Smart Option Seller Portfolio</u>				
<u>Put-Sell Option Positions</u>	<u>Entry Date</u>	<u>Entry Sell Price</u>	<u>Current Price</u>	<u>Current Instructions</u>
BMJ Apr 19, '24 \$46 P	2/23/2024	\$.30/contract	\$0.05	Closed. BTC for \$.05 per contract See instructions from 2/28/24 Alert
HACK Jun 21, '24 \$53 P	3/1/2024	\$.25/contract	\$0.20	STO for \$.25 per contract or higher See instructions from 3/1/24 Alert
PLTR May 17, '24 \$18 P	3/21/2024	\$.30/contract	\$0.35	STO for \$.25 per contract or higher See instructions from 3/21/24 Alert
<u>Unofficial Position</u>				
SCHW Apr 19, '24 \$65 P	1/24/2024	Various	\$0.29	See instructions from 1/24/24 Alert
VZ Apr 19, '24 \$40 P	2/9/2024	Various	\$0.15	See instructions from 2/9/24 Alert
BMJ Apr 19, '24 \$50 P	2/23/2024	Various	\$0.38	See instructions from 2/23/24 Alert
BMJ Apr 19, '24 \$52.50 P	2/23/2024	Various	\$1.54	See instructions from 2/23/24 Alert
HACK Jun 21, '24 \$65 P	3/1/2024	Various	\$2.90	See instructions from 3/1/24 Alert
PLTR May 17, '24 \$25 P	3/21/2024	Various	\$3.20	See instructions from 3/21/24 Alert
<u>Legend</u>				
STO = Sell-To-Open/Sold-To-Open				
BTC = Buy-To-Close/Bought-To-Close				
BTO = Buy-To-Open/Bought-To-Open				

