

[Add us to your address book](#)

The Smart Option Seller

Let's Grab That Cash!



Issue #1089 February 23, 2024 - By Lee Lowell

New Trade!

Hello Smart Option Sellers,

It's Friday!

Been a heck of a week for the markets. More all-time new highs, again. This time courtesy of Nvidia (NVDA).

They released earnings after the bell on Wednesday, and they didn't disappoint. Until then, it didn't make sense to stick your neck out on a trade because the general direction of the whole market was going to be dependent on NVDA's earnings.

Everything took off like a rocket afterwards.

The market is definitely getting a touch overheated in certain areas, so we need to be careful. Mostly in the big tech names.

I like to use the "Fear & Greed Index" to give us a clue as to what the market might do next. It's a contrarian indicator, so we use it for potential turning points.

When the index is showing "extreme greed" like it is now, we need to be on guard for moves lower, and vice versa.

Here's the [current chart](#)

But there's also many stocks that haven't participated in the dramatic run higher, but could be getting ready to.

And I've found a play today that might strike your fancy. In fact, it's on a stock that we've just recently played.

Let's hop-to!

Bristol Myers Squibb (BMY)

We just closed out a profitable trade on BMY at the beginning of February, and now it's setting up again.

If you want to read my write-up for it from last time, check the archives for the December 22, 2023 issue.

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

In the last trade, I had mentioned how BMY was sitting on major support on it's 200-month moving average.

Well, looks like it held nicely and ready for a new move higher, so let's take advantage.

With BMY stock near \$51.70, we'll be using a strike price with \$5.70 of downside cushion, which equates to a buffer of roughly 11%.

This is much smaller than than the 20% buffer we typically look for, but due to the

bounce off major support, along with the expiration being only 56 days out, I feel comfortable with the smaller cushion.

Up to you to decide if you want to tag along.

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

Sell (sell-to-open) the BMY April 19, 2024 \$46 strike put option contracts for a limit credit sell price of \$.25 per contract or higher, GTC, as an opening transaction (sell-to-open).

Currently, this put option has a market of \$.29 bid/\$.32 offer, so we should have no problem selling it for \$.25 or higher per contract.

If for some reason you don't get filled today, just keep your sell order working "GTC".

Do not sell for anything less than \$.25 per contract.

Here's the unofficial trade. There is more information about these trades in the "Announcements" section at the bottom of the newsletter.

Remember - these are optional and unofficial, and I won't be tracking them, so you're on your own to manage.

Please stay within your comfort zone!

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

Sell (sell-to-open) the BMY April 19, 2024 \$50.00 or \$52.50 strike put option contracts (you choose) for a limit credit

sell price between the current bid/ask prices at time of your entry, as an opening transaction (sell-to-open).

Currently, these put options are trading near \$1.16 & \$2.32 per contract, respectively.

Since these are at-the-money (ATM) strikes, they will move much faster, both higher and lower, so fill prices will be different depending on when you enter (if you enter).

If you are going to trade multiple contracts, my advice would be to look for 50% decay when taking initial profits, or set a profit/loss threshold that works for you.

If you take this unofficial trade, you **MUST** be very bullish on BMY from this point. If the stock drops, the put option prices will bounce.

Have a stop-loss plan in place if necessary.

All good?

Remember, this trade is optional and unofficial, and I won't be offering updated guidance.

Stay in your comfort zone!

Ok, that's all for now.

Continue to hold all other positions as-is.

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

Best,

Lee

Let's Grab That Cash!

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!

Smart Option Seller Portfolio

<u>Put-Sell Option Positions</u>	<u>Entry Date</u>	<u>Entry Sell Price</u>	<u>Current Price</u>	<u>Current Instructions</u>
CVS Feb 16, '24 \$60 P	12/11/2023	\$.25/contract	N/A	Closed. BTC for \$.06 per contract See instructions from 1/12/24 Alert
BMY Mar 15, '24 \$42 P	12/22/2023	\$.26/contract	N/A	Closed. BTC for \$.12 per contract See instructions from 2/5/24 Alert
MU Mar 15, '24 \$62.50 P	1/3/2024	\$.26/contract	N/A	Closed. BTC for \$.07 per contract See instructions from 1/30/24 Alert
SCHW Apr 19, '24 \$50 P	1/24/2024	\$.29/contract	\$0.18	STO for \$.25 per contract or higher See instructions from 1/24/24 Alert
VZ Apr 19, '24 \$36 P	2/9/2024	\$.31/contract	\$0.14	STO for \$.25 per contract or higher See instructions from 2/9/24 Alert
<u>Unofficial Position</u>				
BMY Mar 15, '24 \$52.50 P	12/22/2023	Various	\$1.56	See instructions from 12/22/23 Alert
MU Mar 15, '24 \$80 P	1/3/2024	Various	\$0.87	See instructions from 1/3/24 Alert
SCHW Apr 19, '24 \$65 P	1/24/2024	Various	\$2.93	See instructions from 1/24/24 Alert
VZ Apr 19, '24 \$40 P	2/9/2024	Various	\$0.90	See instructions from 2/9/24 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				