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VERTICAL SPREAD TRADER

Leveraging The Power Of Options



Issue #706, January 31, 2024 - By Lee Lowell

Market Update

Hello Vertical Spread Traders,

Quick housekeeping note:

I've been getting messages from my email server that my responses to some of your email questions are being returned to me undeliverable. I'm trying to find out if it's on my end or your end.

In the meantime, if you've sent me an email and haven't heard back from me, please check your spam folder.

Also, I'm trying to send replies to your questions from a back-up Gmail account of mine, so if you receive something from me from a Gmail address, don't worry, it's legit.

Last day of January. Flying by.

The markets have continued to make all-time new highs of late, until today.

We're starting to get into the meat of Q4 2023 earnings results, and by the end of this week, we will have seen some of the biggies report their numbers - AAPL, MSFT, GOOGL, META, AMD, AMZN.

Those stocks are part of the group that have some of the biggest influence on the market as a whole. And when they move, everything goes along with it.

And today, we're seeing a bit of selling come in.

That's not unexpected though, considering how strong the market's been over the last few weeks. It's healthy and constructive to take some of the froth out of things, so we can get started on the next wave higher.

Currently the SPY is at \$487 after hitting all-time highs above \$491 on Monday. The 20-day moving average lies below as the first line of support near \$479.

Will we drop that far. It's possible. If it does, that could be a spot for potential nibbles on new trades. We'll see...

In the meantime, the U.S. Federal Reserve will be releasing its latest interest rate policy decision at 2pm EDT today, and chairman Powell will have his news conference at 2:30pm EDT.

I don't expect too much craziness in the market after the decision is released, but to err on the side of caution, we will hold off on any new plays today.

And with AAPL, META & AMZN reporting after the bell tomorrow, I can see Friday as our day for potential new trades. So hang tight.

As of now, we have two open positions - QQQ & NKE.

QQQ is working nicely and NKE is coming back to earth for us. Continue to hold.

Ok, that's all for now.

Continue to hold all other open positions as-is.

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

Best,
Lee

Current Portfolio

Continue to work all 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. If you are unsure or have any questions, please ask us!

Vertical Spread Trader Portfolio

<u>Position</u>	<u>Entry Date</u>	<u>Entry Sell Price</u>	<u>Current Price</u>	<u>Current Instructions</u>
NVDA Feb 16, '24 \$360/\$355 put sp	11/22/2023	\$0.27	N/A	Closed. BTC for \$.05 per spread See instructions from 1/7/24 alert
META Feb 16, '24 \$255/\$250 put sp	12/8/2023	\$0.26	N/A	Closed. BTC for \$.04 per spread See instructions from 1/12/24 alert
ADBE Feb 16, '24 \$485/\$480 put sp	12/14/2023	\$0.28	N/A	Closed. BTC for \$.05 per spread See instructions from 1/22/24 alert
NKE Mar 15, '24 \$95/\$90 put sp	12/22/2023	\$0.34	\$0.53	STO for \$.25 per spread or better See instructions from 12/22/23 alert
QQQ Mar 15, '24 \$365/\$360 put sp	1/18/2024	\$0.25	\$0.11	STO for \$.25 per spread or better See instructions from 1/18/24 alert
<u>Unofficial Positions</u>				
NVDA Feb 16, '24 \$485/\$480 put sp	11/22/2023	\$2.40	\$0.02	See instructions from 11/22/23 alert
META Feb 16, '24 \$330/\$325 put sp	12/8/2023	\$2.25	\$0.19	See instructions from 12/8/23 alert
ADBE Feb 16, '24 \$590/\$585 put sp	12/14/2023	\$2.35	\$0.85	See instructions from 12/15/23 alert
QQQ Mar 15, '24 \$410/\$408 put sp	1/18/2024	\$0.71	\$0.49	See instructions from 1/18/24 alert
STO = Sell-To-Open/Sold-To-Open				
BTC = Buy-To-Close Bought-To-Close				