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VERTICAL SPREAD TRADER

Leveraging The Power Of Options



Issue #730 April 17, 2024 - By Lee Lowell

Trade Results - Advanced Micro Devices (AMD)

Hello Vertical Spread Traders,

Housekeeping note:

We have members who join (and sometimes leave) our service at various times during the year. We offer both monthly and annual plans.

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 know 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!

We had good opportunities yesterday to close out the AMD spread for better prices than the upper limit I set in the instructions.

Most of the fills centered around \$.48 per spread, so that'll be the official mark.

It traded as low as \$.30 per, so I'm sure some of you did better than the official fill.

Why did we close out the trade when we're so close to expiration, and that it might expire worthless?

Mostly because I didn't like the way the market has been acting, and I was tired of waiting for AMD to get its rally legs going.

AMD is back near \$161 this morning, and who's to say it won't drop to \$155 (the short strike) by Friday?

Anyway, the spread is now trading near \$.50 as I type, so I liked our timing yesterday,.

Sure, it could expire worthless on Friday if AMD stays above \$155, but I was tired of waiting.

I feel fine with the small \$.18 per spread loss we'll be taking. Very manageable.

Not all trades will be winners here, and if we can keep the losers small, it'll help the equity curve to move higher in the long run.

Here's what we did (official):

Bought back (bought-to-close) all of the AMD April 19, 2024 \$155/\$150 (\$5-wide) put option credit spreads for an official debit buy price of \$.48 per spread as a closing transaction (bought-to-close).

As mentioned above, the spread is now near \$.50 per, so if you didn't place your order yet (and still wish to do so), you can certainly get filled under the limit price of \$.60 I set yesterday in the instructions. Up to you.

With the fill at \$.48 yesterday, it locks in a loss of \$.18 per spread (\$18 actual dollars) as we initially opened the spread for a \$.30 credit.

On a return basis, it locked in a loss of 3.8% return-on-margin (ROM).

Our margin was \$470 and the loss was \$18, so the ROM = 3.8% ($\$18/\470).

I continue to watch for new opportunities, but we need to see this current sell-off work itself out. No sense in getting into bullish trades when the market is working against us. Right?

For now, we S.O.H. (sit-on-hands).

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>
QQQ Apr 19, '24 \$380/\$375 put sp	2/13/2024	\$0.29	N/A	Closed. BTC for \$.06 per spread See instructions from 3/20/24 alert
QQQ May 17, '24 \$385/\$380 put sp	3/6/2024	\$0.26	\$0.22	STO for \$.25 per spread or better See instructions from 3/6/24 alert
AMD Apr 19, '24 \$155/\$150 put sp	3/13/2024	\$0.30	\$0.50	Closed. BTC for \$.48 per spread See instructions from 4/16/24 alert
QQQ May 17, '24 \$405/\$400 put sp	3/21/2024	\$0.30	\$0.63	STO for \$.25 per spread or better See instructions from 3/21/24 alert
NVDA May 17, '24 \$710/\$705 put sp	4/3/2024	\$0.27	\$0.27	STO for \$.25 per spread or better See instructions from 4/3/24 alert
MU Jun 21, '24 \$95/\$90 put sp	4/11/2024	\$0.25	\$0.34	STO for \$.25 per spread or better See instructions from 4/11/24 alert
<u>Unofficial Positions</u>				
AMD Apr 19, '24 \$170/\$165 put sp	2/1/2024	\$1.80	\$4.25	See instructions from 2/1/24 alert
QQQ Apr 19, '24 \$432/\$430 put sp	2/13/2024	\$0.90	\$1.14	See instructions from 2/13/24 alert
QQQ May 17, '24 \$440/\$435 put sp	3/6/2024	\$2.02	\$2.85	See instructions from 3/6/24 alert
AMD Apr 19, '24 \$195/\$190 put sp	3/13/2024	\$2.50	\$4.95	See instructions from 3/13/24 alert
QQQ May 17, '24 \$450/\$445 put sp	3/21/2024	\$2.22	\$3.80	See instructions from 3/21/24 alert
NVDA May 17, '24 \$905/\$900 put sp	4/3/2024	\$2.70	\$3.50	See instructions from 4/3/24 alert
MU Jun 21, '24 \$125/\$120 put sp	4/11/2024	\$2.40	\$2.80	See instructions from 4/11/24 alert
STO = Sell-To-Open/Sold-To-Open				
BTC = Buy-To-Close/Bought-To-Close				