

[Add us to your address book](#)

The Smart Option Seller

Let's Grab That Cash!



Issue #1091 March 1, 2024 - By Lee Lowell

New Trade!

Hello Smart Option Sellers,

It's Friday! And a new month - March 1.

The market indexes keep going higher, with all-time new highs becoming the norm each week.

I get emails weekly from readers (and strangers) who tell me that the market can't (and shouldn't) go any higher, that the top is here, and that a bear market should be coming.

Why?

Why can't the market go higher? And why shouldn't it?

Recession, interest rates, global turmoil, political fighting, blah, blah, blah.

Are those the reasons that hold companies back from producing their products that people keep buying that yield profitable revenues quarter after quarter?

If so, then it's not working.

Companies (in the indexes) continually find ways to keep producing products and keep producing higher revenues. They adapt. Just look at a long-term chart and you'll see the market always goes up over time, regardless of outside noise & influence. Why would it be any different today?

Just because a stock or index has made new highs doesn't mean that it can't make more new highs. Trying to pick tops can be a very dangerous endeavor. Caveat emptor!

Anyway, I'm bullish long-term and intend to stay that way.

Now, let's get to our new trade!

Amplify Cyber Security ETF (HACK)

Yes, an old friend, as we have played HACK numerous times over the past few years.

It's been frustrating at times though getting filled on both the entry & exit, so we've learned that we need to have patience with this one.

Still, cyber security is a HUGE deal in the world today as it seems more and more security breaches are happening to all companies big & small.

I'm bullish on the sector, so I want exposure.

For those that don't know, HACK holds cyber security stocks such as Cyberark (CYBR), Checkpoint (CHKP), Palo Alto Networks (PANW), and Fortinet (FTNT), to name a few.

Here's the [current chart](#)

With it sitting near \$65 currently, we'll have \$12 of downside cushion, which equates to a buffer of roughly 18.5%. For ETFs such as HACK, that's extremely nice to get a buffer that large. Typically we'll look for 10% for ETFs.

Plus, the stock is sitting above support of all three upsloping moving averages I track (20, 50, 200-day), which can help keep the upward momentum.

If you agree with having some exposure to the cyber security space, then this trade could be right for you.

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

Sell (sell-to-open) the HACK June 21, 2024 \$53 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, the market for this put option is a little wide at the moment at \$.15 bid/\$.40 offer, so let's see if we can sell them at \$.25 per.

Since these option prices can be fickle with HACK, I would suggest entering your order at an offer price of \$.35 or \$.30 per contract to start, to see if anyone bites. If not, you can adjust your sale price down to \$.25 if necessary.

Don't jam your trade right at \$.25 to start. That scares off the market-makers. Be cool about it.

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

Here are the instructions for the unofficial trade.

For more information on the unofficial trades, scroll down to the "Announcements"

section of the newsletter below.

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 HACK June 21, 2024 \$65 strike put option contracts for a credit sell price between the current bid/ask levels, as an opening transaction (sell-to-open).

Since this is a near-the-money strike, it will move much faster, both higher and lower. This trade is meant to be taken only if you are very bullish from this point.

You could also choose any strike you want below the \$65 level, as they are listed at \$1-dollar increments.

The option bid/ask prices are a little wider than we'd like to see, so take your time trying to get the best fill. Shoot for something in the middle of the bid/ask spread. Right now it has a market of \$2.25 bid/\$2.65 ask.

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.

Any drop in the price of HACK stock will put these positions underwater. Stay within your comfort zone!

Ok, that's all for now. Get those new sell orders in there and let us know how you do.

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	\$0.12	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	\$0.17	STO for \$.25 per contract or higher See instructions from 2/9/24 Alert
BMY Apr 19, '24 \$46 P	2/23/2024	\$.30/contract	\$0.36	STO for \$.25 per contract or higher See instructions from 2/23/24 Alert
<u>Unofficial Position</u>				
BMY Mar 15, '24 \$52.50 P	12/22/2023	Various	\$2.08	See instructions from 12/22/23 Alert
MU Mar 15, '24 \$80 P	1/3/2024	Various	\$0.08	See instructions from 1/3/24 Alert
SCHW Apr 19, '24 \$65 P	1/24/2024	Various	\$2.13	See instructions from 1/24/24 Alert
VZ Apr 19, '24 \$40 P	2/9/2024	Various	\$1.34	See instructions from 2/9/24 Alert
BMY Apr 19, '24 \$50 P	2/23/2024	Various	\$1.50	See instructions from 2/23/24 Alert
BMY Apr 19, '24 \$52.50 P	2/23/2024	Various	\$2.90	See instructions from 2/23/24 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				