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VERTICAL SPREAD TRADER

Leveraging The Power Of Options



Issue #708 February 2, 2024 - By Lee Lowell

Trade Update - Advanced Micro Devices (AMD)

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.

We caught that one pretty good in AMD yesterday.

As the trade alert went out yesterday, AMD was trading near \$167 per share. It's now near \$176.

If you had your order in within an hour or two of the alert, you had no problem getting filled. During that time, most of the fills converged around \$.28 per spread, so that'll be the official mark.

With AMD's \$9 run higher since then, the spread has fallen to \$.19 per, so we're quickly in-the-money.

Here's what we did (official):

Sold (sold-to-open) the AMD April 19, 2024 \$125/\$120 put option credit spread (\$5-wide) for an official credit sale price of \$.28 per spread as an opening transaction (sold-to-open).

As mentioned above, the spread is now worth near \$.19 per, so if you don't get filled or didn't place your trade yet, just keep your sell order working "GTC" (good-till-cancelled).

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

As for the unofficial trade...

If you took this suggested spread, fills centered right around \$2.50, which was in the range I mentioned in the write-up from yesterday. We'll mark it at that price.

Here's what we did (unofficial):

Sold (sold-to-open) the AMD April 19, 2024 \$170/\$165 put option credit spread (\$5-wide) for a credit sale price of \$2.50 per spread as an opening transaction (sold-to-open).

Currently, the spread is now worth roughly \$2.00 per, so if you took the trade, you're definitely in-the-money.

Up to you to decide if you want to get in at current prices or wait until prices pop back up. No guarantee it will happen.

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

Stay within your comfort zone!

In other market news...

Apple, META & Amazon's earnings came out yesterday after the bell, which has now skyrocketed Meta & Amazon (not so much Apple).

In addition, we had the U.S. monthly unemployment report before the bell today.

U.S. jobs numbers were much more robust than expected, which really takes away any hope of near-term interest rate cuts. This set the market on a little tailspin early on, but has since rebounded nicely to more all-time new highs.

The bull train is intact.

But once again, it really is only a handful of stocks powering everything higher. Have you seen NVDA, ADBE, META, MSFT, COST, etc. Wow!

And then many other stocks are going nowhere, which is kind of a bummer. So if some of your holdings look like laggards, don't feel bad. Many of us are in the same boat.

In the mean time, I'm searching for other new plays, and if some of those power stocks I've mentioned above would sit still for a hot second, we could jump in. Not much opportunity as they move so fast.

So, sit tight and keep the powder dry in those fat 5% interest bearing accounts (money market funds, CDs, T-Bills).

Ok, that's all for now. Have a great weekend!

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	\$0.72	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	\$0.07	STO for \$.25 per spread or better See instructions from 1/18/24 alert
AMD Apr 19, '24 \$125/\$120 put sp	2/1/2024	\$0.28	\$0.19	STO for \$.25 per spread or better See instructions from 2/1/24 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	\$0.02	See instructions from 12/8/23 alert
ADBE Feb 16, '24 \$590/\$585 put sp	12/14/2023	\$2.35	\$0.37	See instructions from 12/15/23 alert
QQQ Mar 15, '24 \$410/\$408 put sp	1/18/2024	\$0.71	\$0.32	See instructions from 1/18/24 alert
AMD Apr 19, '24 \$170/\$165 put sp	2/1/2024	\$2.50	\$2.00	STO for \$.25 per spread or better
STO = Sell-To-Open/Sold-To-Open				
BTC = Buy-To-Close Bought-To-Close				